



KIAN JOO GROUP

KIAN JOO CAN FACTORY BERHAD (3186-P)
(Incorporated In Malaysia)



C O N T E N T S

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CORPORATE INFORMATION

DIRECTORS

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (*Chairman/Non-Executive Director*)
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar (*Non-Executive Director*)
Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah (*Independent Non-Executive Director*)
Dato' See Teow Chuan (*Managing Director*)
Dato' Anthony See Teow Guan (*Executive Director*)
See Teow Koon (*Executive Director*)
See Tiau Kee (*Executive Director*)
See Ean Seng (*Independent Non-Executive Director*)
Dato' Ismail Bin Lebai Kamat (*Independent Non-Executive Director*)

AUDIT COMMITTEE

Y. Bhg Dato' Ismail Bin Lebai Kamat (*Chairman*)
Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah
See Ean Seng

SECRETARY

Chia Kwok Why
(MAICSA 7005833)

AUDITORS

Ernst & Young
Chartered Accountants

REGISTERED OFFICE

Lot 10, Jalan Perusahaan 1
68100 Batu Caves
Selangor Darul Ehsan
Tel : 03-6189 6322
Fax : 03-6189 8185

SOLICITORS

Shearn Delamore & Co.
16th Floor, Wisma Hamzah Kwong Hing
1, Leboh Ampang
50100 Kuala Lumpur

Shook Lin & Bok
20th Floor, Arab Malaysian Building
55, Jalan Raja Chulan
50200 Kuala Lumpur

Wan Nadhri Tan & Goh
18-1, 1st Floor
Jalan Kampung Attap
50460 Kuala Lumpur

SOLICITORS

Koh & Associates
Suite 15.07, 15th Floor
Wisma Zelan
1, Jalan Tasik Permaisuri 2
Bandar Tun Razak
56000 Kuala Lumpur

BANKERS / FINANCIAL COMPANIES / FINANCIAL INSTITUTIONS

Alliance Bank Malaysia Berhad
Bumiputra-Commerce Bank Berhad
Citibank Berhad
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank Berhad

REGISTRARS

Signet Share Registration Services Sdn. Bhd.
10th & 11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2145 4337
Fax : 03-2142 1353



*Investments in automation
are a key strategy in
keeping Kian Joo the
leader in the industry.*

*Computerised high tech
colour separation*





Stand from left to right

- Dato' Ismail Bin Lebai Kamat
- See Teow Koon
- Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah
- Dato' Anthony See Teow Guan
- See Tiau Kee
- See Ean Seng

Sit from left to right

- Dato' See Teow Chuan
- Y.A.M. Tunku Naqiyuddin Ibni Tuanku Ja'afar
- Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar

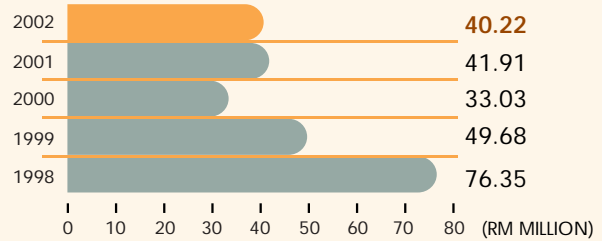
	2002 RM'000	2001 RM'000	2000 RM'000	1999 RM'000	1998 RM'000
Turnover	479,091	494,028	493,378	425,517	425,012
Profit Before Taxation	40,215	41,907	33,034	49,684	76,345
Profit After Taxation And Minority Interest	28,225	30,183	23,969	52,920	52,060
Dividend Rate	20%	20%	20%	40%	40%
Dividend Net	11,574	11,572	11,572	23,144	23,144
Paid-up Capital	86,831	57,860	57,860	57,860	57,860
Shareholders' Equity	510,542	493,639	462,776	459,706	429,930
Total Tangible Assets	736,701	723,154	723,587	664,958	704,282
Total Borrowings	150,345	142,468	156,462	94,131	153,627
Earnings Per Share (Sen)	16.26	17.39 *	13.80 *	30.47 *	29.98 *
Net Assets Backing Per Share	2.94	2.81 *	2.66 *	2.66 *	2.48 *
Borrowings/Shareholders' Equity (%)	29	29	34	20	36

* based on enlarged capital after 1:2 bonus issue in 2002.

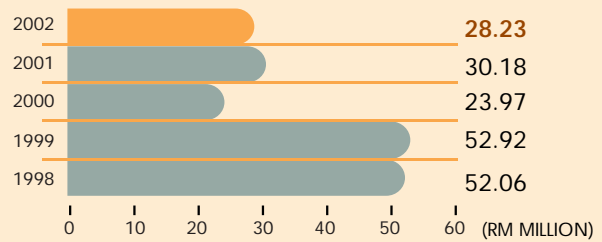


*High speed printing machine
for 2-piece aluminium cans
in operation.*

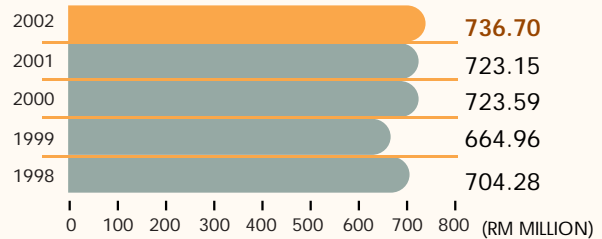
Profit Before Taxation



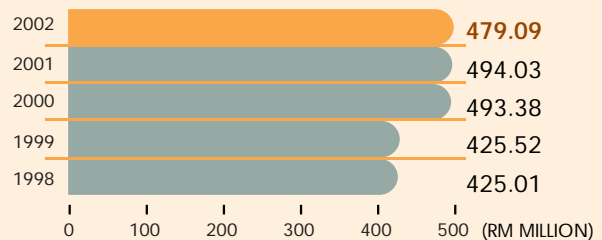
Profit After Taxation and Minority Interest



Total Tangible Assets



Turnover



Kian Joo's headquarters in Batu Caves, Selangor, is the hub of the Company's operations.



**Y.A.M. TUNKU
NAQUIYUDDIN IBNI
TUANKU JA'AFAR**

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, aged 56, a Malaysian, is the Chairman of the Company. He was appointed to the Board on 30 November 1999.

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar read International Politics at the University College of Wales in Aberystwyth and graduated with a Bachelor of Science degree with Honours in Economics from the same college. Tunku served in the Ministry of Foreign Affairs and was posted as the 2nd Secretary with the Malaysian Embassy in Paris. Tunku later headed Antah Holdings Berhad as its Chairman, a position held till today, which was vacated for a 5-year period during his tenure as the Regent of Negeri Sembilan from 1994 – 1999. Tunku was also a Council Member of the Business Council for Sustainable Development, a Geneva-based organization, Founder and Head of the Federation of Public Listed Companies, Council Member of the Canada-ASEAN Centre and Committee Member of the Kuala Lumpur Stock Exchange.

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar presently sits on the Boards of Antah Holdings Berhad, Carlsberg Brewery Malaysia Berhad and Malayawata Steel Berhad.

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar is the brother of Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar.

**Y.A.M. TUNKU DATO'
SERI NADZARUDDIN
IBNI TUANKU JA'AFAR**

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, aged 44, a Malaysian, is the Non-Executive Director of the Company. He was appointed to the Board on 1 June 1994. He holds a Bachelor of Science (Honours) degree in Mathematics.

From 1982 to 1983, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar worked with British Telecommunications in London. In 1985, he joined ESSO Production Malaysia Inc. (EPMI) as System Analyst and he was there until March 1988.

He then left EPMI to become the General Manager of Asia-Pacific Videolab Sdn Bhd until April 1990. In May 1990, he joined Antah Holdings Berhad as Executive Assistant to the Managing Director and in September 1996, was appointed as Director of Antah Holdings Berhad until 22 May 2000. In December 1992, he was appointed as an Executive Director of Hwang-DBS (Malaysia) Berhad. In 1 June 1994, he was appointed as Chairman of Box-Pak (Malaysia) Berhad, a subsidiary company of Kian Joo Can Factory Berhad.

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar is the Patron and Past President of Persatuan Broker Niaga Hadapan Malaysia (Malaysia Futures Brokers Association). He is a director on the board of MDEX (Malaysia Derivatives Exchange Berhad). He is also the Vice President of the Financial Planning Association of Malaysia (FPAM) on their Board of Governors and their Board of Certification and Standards.

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar is the brother of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar.



PROFILE OF DIRECTORS (cont'd)

Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah, aged 45, a Malaysian, is the Non-Executive Director. He was appointed to the Board on 24 April 1986. He is also a member of Audit Committee of the Company.

Y.A.M. Raja Dato' Seri Ashman Shah graduated from the University of Nottingham, United Kingdom, with a B.A. in Economics in 1981. In 1983 he qualified as a Barrister-Law from Lincoln's Inn, London. Thereafter he obtained his L.L.M. Masters Degree in Law from the University of Cambridge, United Kingdom.

Y.A.M. Raja Dato' Seri Ashman Shah is also a Non-Executive Director of KKB Engineering Berhad. He was an Executive Director of Kanzen Berhad (formerly known as Dreamland Berhad) from 1986 to 1992.

He does not have any family relationship with any director and/or major shareholder of Kian Joo Can Factory Berhad.

**Y.A.M. RAJA DATO' SERI
ASHMAN SHAH IBNI
SULTAN AZLAN SHAH**

Dato' See Teow Chuan, aged 62, a Malaysian, is the Managing Director of the Company. He was appointed to the Board on 30 October 1966. He has been with Kian Joo Can Factory Berhad for more than 40 years and has acquired extensive experience and knowledge in can manufacturing and carton manufacturing business. He assumes an active role in the formulation and implementation of the corporate strategy of the Company.

Since 1975, he is the Executive Director of Box-Pak (Malaysia) Berhad, a subsidiary company of Kian Joo Can Factory Berhad. He also sits on the Board of other private limited companies.

Dato' See Teow Chuan, Dato' Anthony See Teow Guan, Mr See Teow Koon and Mr See Tiau Kee are brothers.

DATO' SEE TEOW CHUAN

Dato' Anthony See Teow Guan, aged 57, a Singaporean, is the Executive Director of the Company. He was appointed to the Board on 1 January 1972. He completed his Senior Cambridge education in Singapore and moved immediately to Malaysia to work with the Company.

He has over 35 years of experience in the packaging industry. In 1974, he initiated the set up of Box-Pak (Malaysia) Berhad, a subsidiary company of Kian Joo Can Factory Berhad, and serves as the Managing Director. It was listed in the Kuala Lumpur Stock Exchange main board in 1996.

In 1993, he was awarded the "Manager of the Year 1992" by Harvard Business School Alumni Club of Malaysia.

Currently, he is the President of the Malaysian Tin Can Manufacturers Association (MTCMA). He also sits on the Board of several private limited companies.

Dato' Anthony See Teow Guan, Dato' See Teow Chuan, Mr See Teow Koon and Mr See Tiau Kee are brothers.

**DATO' ANTHONY
SEE TEOW GUAN**



SEE TEOW KOON

Mr See Teow Koon, age 54, a Malaysian, is the Executive Director of the Company. He was appointed to the Board on 8 October 1974.

He completed his technical studies in Singapore Institute of Technology and in 1967, he furthered his studies in Japan specializing in metal printing and can manufacturing. Subsequently in 1970 he was appointed as Factory Manager of the Company.

He has over 35 years of experience in the packaging industry in particular metal printing and can manufacturing. He is also the Executive Director of Box-Pak (Malaysia) Berhad, a subsidiary company of Kian Joo Can Factory Berhad, since 1983. He also sits on the Board of several private limited companies.

Mr See Teow Koon, Dato' See Teow Chuan, Dato' Anthony See Teow Guan and Mr See Tiau Kee are brothers.

SEE TIAU KEE

Mr See Tiau Kee, aged 49, a Malaysian, is the Executive Director of the Company. He was appointed to the Board on 15 September 1982.

He started his career as a Quality Executive in Metal-Pak (Malaysia) Sdn. Bhd., a wholly owned subsidiary of the Company. Subsequently he was promoted to Production Manager in some of the subsidiary companies of Kian Joo Can Factory Berhad. He has vast experience in can manufacturing operations and has served the Company for 25 years.

He is also the Executive Director of Box-Pak (Malaysia) Berhad, a subsidiary company of Kian Joo Can Factory Berhad since 1983.

Mr See Tiau Kee, Dato' See Teow Chuan, Dato' Anthony See Teow Guan and Mr See Teow Koon are brothers.

SEE EAN SENG

Mr See Ean Seng, aged 66, a Malaysian, is the Non-Executive Director of the Company. He was appointed to the Board on 22 February 1984 and he is also a member of the Audit Committee of the Company.

He has extensive experience in can manufacturing business and also sits on the Board of directors of several private limited companies.

**DATO' ISMAIL
BIN LEBAI KAMAT**

Dato' Ismail bin Labai Kamat, aged 63, a Malaysian, is the Non-Executive Director of the Company. He is a member and Chairman of the Audit Committee. He was appointed to the Board on 9 January 2001.

He started his career as an Audit Manager with a Chartered Accountant firm, Anderson Shackle & Co, in Melbourne, Australia until 1972. Upon his return to Malaysia, he joined Bank Rakyat (Malaysia) Bhd as Manager of Corporate Affairs.

He was the Chairman of Roxy Electronic Industries (M) Bhd. (now known as Technology Resources Bhd) and Air Hitam Tin Dredging (M) Bhd and also a director of FSBM Holdings Berhad. He was also the Executive Director of S & P Foods (M) Bhd. and Chief Executive Director of HA Securities Sdn Bhd (now known as Jupiter Securities Sdn Bhd).

He was a Senior Partner in a Public Accountant firm, Moore Stephens, Ismail Chong & Associate (Public Accountants). He was a partner of the firm since 1990. He is a member of the Institute Of Chartered Accountants in Australia, Malaysian Association of Certified Public Accountants and Malaysian Institute of Accountants.

He does not have any family relationship with any director.

With a large volume of cans passing through our production lines, Kian Joo's emphasis on automation ensures that the delivery deadlines of our fast moving consumer clients are always met.



(Save as disclosed, none of the Directors has any conviction of offences within the past 10 years nor has any personal interest in any business arrangement involving the Company).



Quality control procedures help maintain our leadership.

The Board of Directors is committed in ensuring that the Group practices good Corporate Governance in line with the Malaysian Code on Corporate Governance introduced in March 2000.

A) DIRECTORS

I The Board

Decisions are made on issues relating to strategy, performance, resources and financial matters at Board's meetings. The executive directors have vast experience in the packaging industries and are able to lead and guide the Group. A brief profile of each director is presented on pages 7 to 10.

During the year ended 31 December 2002, 4 Board Meetings were held. The following is the record of attendance of the Board Members:

Directors	No. of Meetings attended
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar - Chairman (Independent Non-Executive Director)	3/4
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar (Independent Non-Executive Director)	4/4
Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah (Independent Non-Executive Director)	3/4
Dato' See Teow Chuan (Managing Director)	4/4
Dato' Anthony See Teow Guan (Executive Director)	4/4
See Teow Koon (Executive Director)	4/4
See Tiau Kee (Executive Director)	4/4
See Ean Seng (Independent Non-Executive Director)	4/4
Dato' Ismail Bin Lebai Kamat (Independent Non-Executive Director)	3/4

In the intervals between Board meetings, decisions are made in the monthly management meetings held together with the operating heads and the executive directors.

A) DIRECTORS (cont'd)

The Board is assisted by the following Board Committees

1. Audit Committee

The Audit Committee was established on 30 June 1994. Please refer to the Audit Committee Report on page 18 to 20.

2. Remuneration Committee

The Remuneration Committee was established on 19 November 2001 whose members are all non-executive directors. There were two (2) meetings held during the year which were attended by all the members.

Members

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (*Chairman*)

Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah
(*Independent Non-Executive Director*)

Dato' Ismail Bin Lebai Kamat

(*Independent Non-Executive Director/Audit Committee Chairman*)

The Remuneration Committee shall recommends for the Board's approval, the Executive Director's remuneration package and to evaluate the effectiveness of the contributions made by each member of the Board.

Directors' fees are determined by the Board and are based on standard fixed fee and are subject to the approval of shareholders at the Annual General Meeting.

Details of the number of Executive and Non-Executive Directors in remuneration bands of RM50,000 for the year ended 31 December 2002 are disclosed in the Statutory Accounts as Note 25 of the Notes to the Financial Statements.

3. Option Committee

The Board has set up an Option Committee on 27 February 2002 to administer the ESOS which was approved by the shareholders at an Extra Ordinary General Meeting held on 31 January 2002.

Members

Dato' Anthony See Teow Guan (*Executive Director*)

Alice See Siew Choo (*Group Financial Controller*)

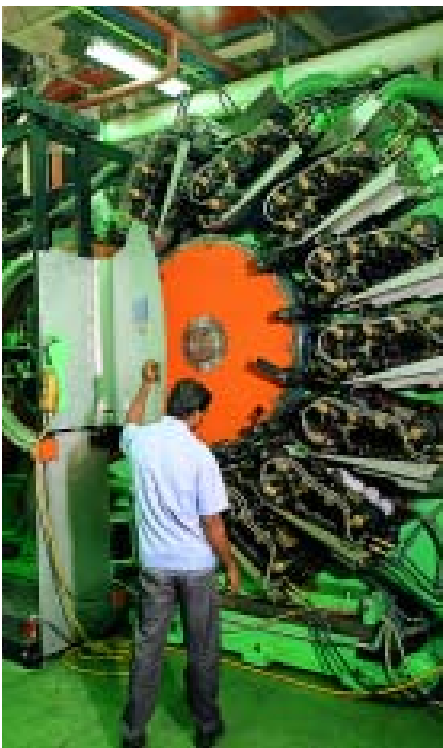
Mok Chong Gan (*Group Human Resource Manager*)

Key Responsibilities

The Option Committee is to administer the Employees' Share Option Scheme (ESOS) in accordance with the objectives and regulations as stated in the Bye-Laws.

The manufacturing process is fully automated and requires only minimal human supervision.





This 8-column, 2-piece aluminium printing machine at KJM, Nilai, adds value to customers' packaging.

II Board Balance

The Board currently has 9 members, comprising 5 Non-Executive Directors and 4 Executive Directors. Out of the 9 Directors, 3 are Independent Directors, which meets the requirement of one-third. The Chairman holds a Non Executive position and is primarily responsible for matters pertaining to the Board and overall conduct of the Group.

The Executive Committee (Exco) comprising of Executive Directors and the Group Financial Controller oversees the running of the Group and the implementation of the Board's decisions and policies.

III Appointments to the Board

The Nomination Committee was set up on 26 February 2003 to formalize procedures for appointments to the Board.

Members

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (*Chairman*)

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar
(*Independent Non-Executive Director*)

Dato' Ismail Bin Lebai Kamat (*Independent Non-Executive Director*)

IV Re-election

The Articles provide that at least one third of the remaining Directors, save for the Managing Director, be subject to re-election by rotation at each Annual General Meeting. In compliance with the Kuala Lumpur Stock Exchange Listing Requirements, which came into force in 2001, the Managing Director will now also be required to submit himself for re-election by rotation. The amended Articles of Association which was approved by the shareholders at an Extra Ordinary General Meeting held on 31 January 2002 provides for all Directors to submit themselves for re-election at least once every 3 years.

B) INVESTORS RELATIONS AND SHAREHOLDER COMMUNICATION

To ensure that the shareholders and investors are well informed of the Group, information is available to shareholders and investors through various disclosures and announcements made to the Kuala Lumpur Stock Exchange which includes the quarterly financial results, Annual Reports and where appropriate, Circulars and press releases. The quarterly results are published in the media and can also be assessed through the KLSE website at <http://announcements.klse.com.my>.

Key management personnel also hold discussion with analysts to provide information on the Group's strategy, performance and major developments. A press briefing, attended by the Chairman, is also held after each Annual General Meeting.

Shareholders and the public can also access information on the Group's background, products and financial performance through the website at www.kianjoocan.com.my.

C) ACCOUNTABILITY AND AUDIT**I. Financial Reporting**

The Board takes responsibility for presenting a balanced and understandable assessment of the Group's operations and prospects each time it releases its quarterly and annual financial statements to shareholders. The Audit Committee reviews the information to be disclosed to ensure its accuracy and adequacy.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 15 of this Report.

II. Internal Controls

The Directors recognize their responsibility for the Group's system of internal controls and the need to review its effectiveness regularly in order to safeguard the Group's assets and therefore shareholders' investments in the Group. Since certain risks and threats are externally driven, unforeseen and beyond the Group's control, the system can only provide reasonable assurance against misstatement or loss.

III. Relationship with Auditors

The role of the Audit Committee in relation to the external auditors is described on page 19.

D) COMPLIANCE WITH THE CODE

The Group has substantially complied with the Principles and Best Practices of the Code except as disclosed below:

a) *Nomination of a Senior Independent Non- Executive Director*

The Board does not consider it necessary to nominate a recognized Senior Independent Non-Executive Director given the separation of the roles of Chairman who is a Non Executive Director and the Managing Director.

b) *Details of each director's remuneration*

The Board is of the view that the transparency and accountability aspects applicable to Directors' Remuneration are appropriately served by the 'band disclosure of RM 50,000' as set out under Note 25 of the Notes to the Financial Statements, which complies with the disclosure requirements under the Kuala Lumpur Stock Exchange's Listing Requirements.



DIRECTORS' RESPONSIBILITY STATEMENT

Directors are legally responsible to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company for the financial year then ended.

In preparing those financial statements, the directors have:

- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept and which disclose with reasonable accuracy the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, to prevent and detect fraud and other irregularities.



Quality control is ensured by handling all stages of the can making process, from cutting the rolls of aluminium to the finished cans.

On behalf of the Board of Directors of **KIAN JOO CAN FACTORY BERHAD**, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the year ended **31 December 2002**.

FINANCIAL REVIEWS

For the financial year ended 31 December 2002, the Group recorded a marginal decline of 3% in revenue from RM494 million to RM479 million while the Group's profit before taxation was lower by 4% to RM40.2 million from RM41.9 million recorded in the previous year. The decline in profit was mainly attributable to lower revenue from the general cans and corrugated cartons divisions.

Earnings per share was 16.26 sen compared to 17.39 sen in the previous year.

OPERATIONS REVIEW

For the financial year 2002, the Group continues to focus on its four main divisions, which are general cans, aluminium cans, corrugated cartons and PET products.

GENERAL CANS DIVISION

Revenue from the general cans division declined marginally from RM228.963 million in the year 2001 to RM223.828 million for the current year mainly due to weaker demand. The lower revenue, higher depreciation charge coupled with fixed operating cost resulted in the profit before tax to drop from RM9.316 million in the previous year to RM5.861 million for the financial year under review. The manufacturing operation in Vietnam commenced operation at the end of 2002 and incurred a loss of RM0.713 million. During the financial year, two new products were developed, the 214 Full Aperture Opening Ends and Peel-Off Ends for the food, condensed milk and milk powder industry.

An investment of RM28 million was announced in October 2002 to purchase a high-speed 8 colours LTG Sprint Metal Printing line, a quantum leap from our present 2 colours printing technology. With the installation of the 8 colours printing line in year 2003, printing quality of general cans would be significantly enhanced.

ALUMINIUM CANS DIVISION

Revenue from this division was marginally lower at RM188.956 million from RM190.348 million in the previous year mainly due to lower selling price. Pre-tax profit improved 36% to RM20.655 million for the current financial year compared to RM15.196 million in the previous year. The better profit was mainly attributable to the turn around of KJM Aluminium Can Sdn Bhd from incurring a loss of RM8.834 million in year 2001 to a marginal loss of RM0.04 million in year 2002. Higher export sales also contributed to the better result.

CORRUGATED CARTONS DIVISION

Revenue from the corrugated cartons division was down 13% from RM51.380 million in year 2001 to RM44.881 million for the current financial year. Profit before tax declined 21% from RM11.505 million in the previous year to RM9.037 million for the current year. The lower revenue and pre-tax profit were mainly due to excess capacity in the carton industry, which resulted in fierce competition and margin erosion from lower selling price and higher raw material cost.



Manufacturing facility in Vietnam



PET DIVISION

The PET division generated a revenue of RM21.290 in year 2002 compared to RM23.207 in year 2001, a decline of 8% and incurred a loss of RM0.491 million compared to profit before tax of RM1.118 million in the previous year. The poor performance of this division was mainly due to the relocation of its manufacturing operation from Batu Caves to Shah Alam during the financial year under review. This resulted in the disruption of production and additional costs incurred for the relocation.

CORPORATE DEVELOPMENT

During the year under review, the Company increased its issued and paid-up share capital by way of a bonus issue on the basis of one new ordinary share for every two existing ordinary shares held. The bonus issue exercise was completed on 8 October 2002 and 57,887,544 new ordinary shares of RM0.50 each were issued to eligible shareholders.

The Employee Share Option Scheme was successfully implemented on 8 April 2002 with 9,159,000 share options granted at an exercise price of RM3.22 per ordinary share of RM0.50 each. As a consequence of the bonus issue during the financial year under review, an additional 4,098,000 shares were granted and the option price was adjusted from RM3.22 per share to RM2.15 per share. As at 31 December 2002, 55,000 new ordinary shares of RM0.50 each were issued to eligible employees of the Group.

The warrants that were issued in 1994 expired on 22 May 2002 and were removed from the Official List of the Kuala Lumpur Stock Exchange with effect from 23 May 2002. As at 22 May 2002, 15,379,029 warrants remained unexercised and had therefore lapsed.

DIVIDENDS

The Board has recommended a final tax exempt dividend of 10% (5 sen per share) for approval of shareholders at the Annual General Meeting to be held on 18 June 2003. Together with the interim tax exempt dividend of 10% paid on 27 September 2002, the total dividend declared for the financial year ended 31 December 2002 would be 20% (10 sen per share).

PROSPECTS

The Group continues to improve operational efficiency and products quality through upgrading of machinery and technology. However, market condition is expected to remain competitive with major raw material prices rising during 2003. Fierce competition is likely to continue in the corrugated cartons division and hence putting pressure on margins and sales volume. Revenue from the aluminium cans division is expected to improve with increase export orders.

Barring unforeseen circumstances, the Board expects the performance for the Group to be satisfactory in the current financial year.

APPRECIATION

On behalf of the Board, I wish to extend our gratitude and appreciation to members of the management team and staff for their hard work, commitment and loyalty.

I would also like to thank all our valued customers, suppliers, business associates, bankers and most importantly, our shareholders for their continued support and confidence in the Company.



New manufacturing plant in Vietnam



**Y.A.M. TUNKU NAQUIYUDDIN
IBNI TUANKU JA'AFAR**

CHAIRMAN

Date: 25 March 2003

MEMBERSHIPS AND MEETINGS

The Audit Committee had 4 meetings during the year ended 31 December 2002. The members of the Audit Committee and the record of their attendance are as follows:

Membership	No. of meetings attended
Dato' Ismail Bin Lebai Kamat - Chairman (Independent Non-Executive Director)	4/4
Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah (Independent Non-Executive Director)	2/4
Mr See Ean Seng (Independent Non-Executive Director)	4/4

TERMS OF REFERENCE

Composition Of Audit Committee

The Committee shall be appointed by the Board from its members and shall consist of not less than 3 members of whom a majority shall not:-

- be executive directors of the company or any related company;
- comprise a spouse, parent, brother, sister, son or adopted son, daughter or adopted daughter or an executive director of the company or of any related corporation; or
- comprise persons having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the functions of the Committee.

The Committee shall elect a chairperson from among its members who is not an executive director or employee of the company or any related company.

In the event that a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

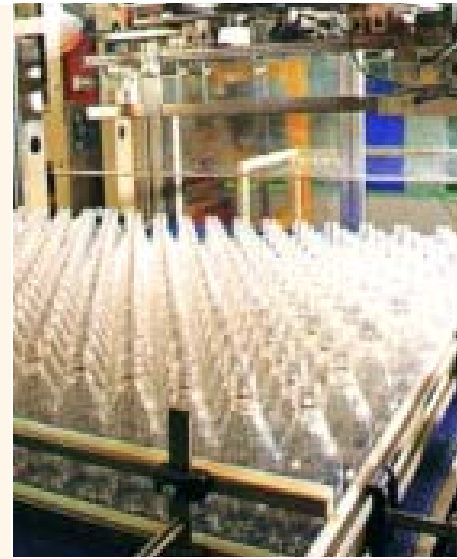
Terms of Membership.

Members of the Committee shall be appointed for an initial term of 3 years after which they will be eligible for reappointment.

Meetings

The Committee shall meet at least three times a year. In addition, the chairperson shall convene a meeting of the Committee if requested to do so by any members, the management or the internal or external auditors to consider any matters within the scope and responsibilities of the Committee.

The minutes of the meetings of the Audit Committee shall be tabled at Board Meetings to inform the Board of the activities of the Audit Committee.



PET containers (Polyethylene Terephthalate) are ideal for bottling soft drinks, juices and other food products.

PET bottles stacked and ready for delivery.



TERMS OF REFERENCE (cont'd)**Attendance At Meetings**

The group financial controller, the head of internal audit, and a representative of the external auditors shall normally attend meetings. However, the Committee may invite any person to be in attendance to assist in its deliberations.

Secretary To Audit Committee

Any one of the company secretaries shall be the secretary of the Committee and shall be responsible for drawing up the agenda in consultation with the chairperson. The agenda together with relevant explanatory papers and documents shall be circulated to committee members prior to each meeting. The secretary shall be responsible for keeping the minutes of the meeting of the Committee, circulating them to committee members and for ensuring compliance with KLSE requirements.

Quorum

A quorum shall consist of a majority of committee members who are non-executive directors.

Authority

The committee is authorized by the Board to investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities. The audit committee is also authorized to obtain outside legal or other independent professional advice as it considers necessary.

Duties and Responsibilities

The duties and responsibilities of the committee shall be:

- a) to review the company's quarterly and annual financial statements before submission to the Board. The review shall focus on:
 - any changes in accounting policies and practices
 - major judgmental areas
 - significant audit adjustments from the external auditors
 - the going concern assumption
 - compliance with accounting standards
 - compliance with stock exchange and legal requirements.
- b) to review with the external auditors their plan, scope and nature of audit for the company.
- c) to assess the adequacy and effectiveness of the systems of internal control and accounting control procedures of the company by reviewing the external auditors' management letters and management response.
- d) to hear from the external auditors problems and reservations arising from their interim and final audits.
- e) to review the internal audit plan, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings.
- f) to review any related party transactions that may arise within the company.
- g) to consider the appointment of the external auditors, the terms of reference of their appointment, and any question of resignation or dismissal.
- h) to undertake such other responsibilities as may be agreed to by the Committee and the Board.
- i) to report to the Board its activities, significant results and findings.



*Plastic production and
"ASRS" automatic warehouse
in Vietnam*



SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE AUDIT COMMITTEE DURING THE YEAR ENDED 31 DECEMBER 2002

Internal Audit Function

The Group has an internal audit department with the principal responsibility to undertake regular and systematic reviews of the systems of internal controls to provide reasonable assurance that such systems continue to operate effectively and efficiently.

In attaining such objectives, the following activities were carried out by Internal Audit Department in 2002:

- Conducted periodic checks to determine the extent of compliance with established policies, procedures and statutory requirements.
- Carried out ad-hoc investigations and special reviews requested by management.
- Recommended improvements to the existing systems of controls by way of issuing audit reports to the appropriate level of management for corrective action improvements to be taken.
- Taking corrective actions to continuously improve on the controls, processes and operations of the Group based on feedback from management and recommendations from external auditor.
- Coordinating and conducting cross-auditing among the subsidiaries and being part of the Internal Quality Audit Team.

Summary of Activities of the Audit Committee

During the year ended 31 December 2002, the Audit Committee performed its duties as set out in its terms of reference.

The main activities undertaken by the Audit Committee as follows:-

- Reviewed with the external auditors their scope of work and audit plan for the year.
- Reviewed the results of the external audit, the audit report and the management letter, including management's response.
- Reviewed the internal audit department's resources requirements, program and plan for the year under review.
- Reviewed the internal audit reports and actions taken by the management to improve on the internal controls system based on internal audit findings.
- Reviewed the annual report and audited financial statement of the Group before submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by MASB.
- Reviewed the quarterly audited financial result announcements before recommending them for Board's approval. The review and discussions were conducted with the Group Financial Controller.
- Reviewed the Group's compliance with the Listing Requirements of the KLSE, MASB and other relevant legal and regulatory requirements.
- Discussed on significant related party transactions entered into by the Group.
- Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of the Corporate Governance Statements pursuant to the KLSE Listing Requirements. Recommended to the Board the prescribed corporate governance principles and best practices under the Code.



Our products carry some the most famous global brands as well as regional and Malaysian brands.

STATEMENT OF INTERNAL CONTROL

21

Pursuant to paragraph 15.27(b) of the Kuala Lumpur Stock Exchange (“KLSE”) Listing Requirements, the Board of Directors (“the Board”) of Kian Joo Can Factory Bhd (“the Company”) is pleased to provide the following statement on the state of internal control of the Group which has been prepared in accordance with the “Statement of Internal Control: Guidance for Directors of Public Listed Companies issued by the Institute of Internal Auditors Malaysia and as adopted by the KLSE.

Responsibilities for Internal Control

The Board acknowledges its responsibility for maintaining an effective and sound system of internal control throughout the Group, and for reviewing its adequacy and integrity in order to safeguard the Group’s assets and shareholders’ investments. The review of the effectiveness of the system of internal control is a continuous process designed to monitor and mitigate the effects rather than to eliminate risks of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement, fraud or losses. It should also be recognized that the cost of control procedures should not outweigh or exceed the benefits to be expected to arise from such control procedures.

Key Elements of Internal Control

Key elements of internal control that the Board has established in reviewing the adequacy and integrity of the system of internal control are as follows:

Organization structure and responsibility levels

The Group has placed competent and responsible personnel to oversee the Group’s operating functions. The Group has defined clear lines of accountability and delegation of authority that sets out decisions that need to be taken including matters that require Board approval. Key personnel including executive directors are actively involved in the daily operations.

Audit Committee and Internal Audit

The Audit Committee was established with a view to assist and to provide the Board with added focus in discharging the Board’s duties. The key processes undertaken by the Audit Committee in carrying out its review include operations reviews, review external and internal audit reports and regular review of internal control.

The Audit Committee also ensures there are continuous efforts by management to address and resolve areas with control weaknesses. Reports on findings of the internal audit visits are presented to the Audit Committee. These, together with the External Auditors’ reports provide reasonable assurance that control procedures are in place, and being followed.

Regular internal audits are carried out to review the adequacy and integrity of the internal control system based on audit plan reviewed and approved by the Audit Committee. The internal audit department advises on areas for improvement and conduct follow-up reviews to determine the extent to which its recommendation has been implemented.

Risk Management

The Group's operations involve management of a wide range of risks. The Board is responsible for identifying business risks and in ensuring the implementation of appropriate systems to manage these risks. In doing so, the Board, through the Audit Committee and the internal audit function, reviews the adequacy and integrity of the Group's internal control system including compliance with applicable laws, regulations, rules, directives and guidelines.

Reporting and Review

There is a monthly management reporting mechanism to monitor and review the financial results for the Group. The executive directors meet with the senior management monthly to discuss and resolve operational and key management issues. Meetings are conducted in the presence of an executive director/senior management to address on issues identified during SIRIM and LLOYD'S surveillance audit and the internal quality audits.

Management Review Meetings are conducted at least once every year to review action plans to ensure its continual suitability, adequacy and effectiveness including opportunities for improvement and changes, if any, to be made to its Quality Management System including Quality Policy and Objectives.

Other Activities


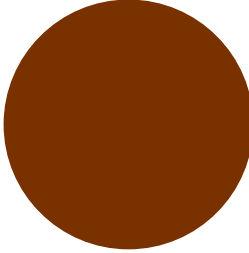

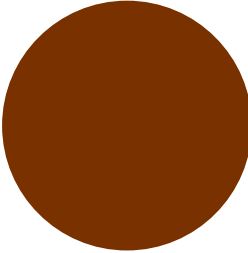
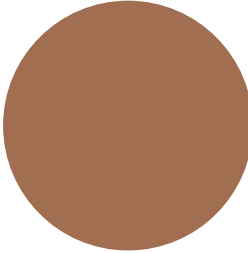

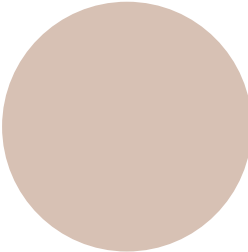




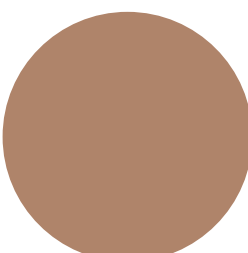


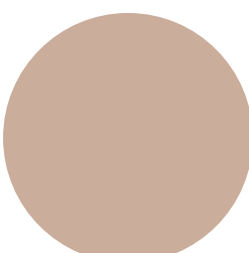

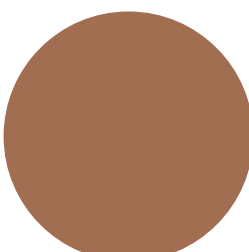

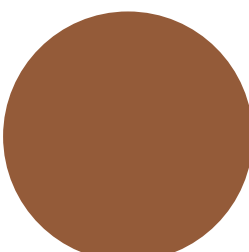
The Company together with its three (3) subsidiaries and one (1) associated company were accredited by SIRIM of Malaysia with another subsidiary accredited by LLOYD'S of United Kingdom for having implemented a Quality Management System conforming to ISO 9001: 2000. One (1) subsidiary is in the process of upgrading its Quality Management System from ISO 9002: 1994 to ISO 9001: 2000 while the remaining subsidiaries save for one are in the process of obtaining certification from SIRIM. The Quality Management System lays down procedures in performing key processes with the aim of achieving and maintaining consistently high quality products. Internal Quality Audits are conducted regularly on the Quality Management System and surveillance audits are carried out by SIRIM and LLOYD'S once a year to ensure that the procedures laid down in the Quality Management System have been complied. Issues identified during the audits are documented and corrective actions taken accordingly.

Conclusion

The Board is satisfied that, during the year under review, there is a continuous process in identifying, evaluating and managing significant risks faced by the Group. The Board is of the opinion that the existing system of internal control is adequate to achieve the above objectives.

The Board recognizes the importance of operating a system of internal control that supports the business objectives of the Group. As the Group operates in a dynamic business environment, and continues to grow and evolve, the Board will continuously assess the adequacy of the Group's system of internal control and will take steps to enhance the system, as and when necessary.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The principal activities of the Company are manufacture and distribution of tin cans and investment holding.

The principal activities of the Group include the manufacture and distribution of tin cans, 2-piece aluminium beverage cans, polyethelene terephalate products and corrugated fibreboard cartons, provision of engineering services, letting of property and provision of share registration and management services.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	31,349	40,718
Minority interest	(3,124)	-
Profit for the year	28,225	40,718
Retained profit brought forward		
- As previously reported	410,937	138,965
- Prior year adjustment	5,786	5,786
- As restated	416,723	144,751
Profit available for appropriation	444,948	185,469
Bonus issue	(28,944)	(28,944)
Dividend	(11,574)	(11,574)
Retained profit carried forward	404,430	144,951

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than:

- (a) the effect arising from the change in accounting policy as disclosed in Note 33 to the financial statements; and
- (b) the effect arising from the commencement of operation of Kian Joo Can (Vietnam) Co. Ltd. as disclosed in Note 4 to the financial statements.

DIVIDENDS

The dividends paid by the Company since the date of the last report were as follows:

RM'000

In respect of the financial year ended 31 December 2001
as shown in the Directors' Report of that financial year:

Final dividend of 10%, tax exempt	5,786
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In respect of the financial year ended 31 December 2002:

Interim dividend of 10%, tax exempt	5,788
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At the forthcoming Annual General Meeting, a final tax exempt dividend in respect of the current financial year ended 31 December 2002, amounting to RM8,683,100 (5 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2003.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up share capital from RM57,860,059 to RM86,831,331 by way of:

- (a) Issuance of 55,000 new ordinary shares of RM0.50 each to eligible employees of the Group under the Employees' Share Option Scheme at RM3.22 per share for cash; and
- (b) Bonus issue of 57,887,544 new ordinary shares of RM0.50 each on the basis of one new ordinary share for every two existing ordinary shares held after (a) above by capitalising RM28,943,772 from the retained profit of the Company.

All the new ordinary shares issued shall rank pari passu in all respects with existing ordinary shares of the Company.

WARRANT OF THE COMPANY

On 16 November 1994, the Company issued RM80,000,000 nominal value of 3% Redeemable Non-Convertible Bonds 1994/2002 ("Bonds") together with 15,423,429 Detachable Warrants at 100% of the nominal value of the Bonds at a subscription price of RM6.50 per share.

Each warrant entitled its registered holder the right to subscribe for one new ordinary share not later than 5.00pm on 22 May 2002.

As at 22 May 2002, 15,379,029 warrants remained unexercised and had therefore lapsed.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("Scheme") was approved by the shareholders at an Extraordinary General Meeting convened on 31 January 2002.

The main features of the Scheme are:

- (a) Eligible persons are employees of the Company and its non-listed Malaysian incorporated subsidiary companies which are not dormant (including full-time Executive Directors) in the employment of the Group with at least two years of service as at the offer date. Foreign employees of the Group (save for the Executive Directors) are not entitled to the scheme. No employee and Executive Director shall participate at anytime in more than one (1) Employee Share Option Scheme implemented by any company within the Group.
- (b) The total number of shares to be offered shall not exceed 10% of the enlarged issued and paid-up ordinary share capital of the Company at any point of time during the existence of the Scheme.
- (c) No option shall be granted for less than 1,000 ordinary shares and not more than 400,000 ordinary shares before bonus issue of new ordinary shares, to any individual eligible employee.
- (d) The option price shall be at a discount of not more than 10% from weighted average market price of the shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the offer date, or at par value of the shares of the Company, whichever is higher.
- (e) The Scheme shall be in force at the discretion of the Committee appointed by the Board of Directors subject to the maximum period of five years from the date of its approval by the Company in a general meeting or the date of the last approval by relevant authorities, whichever shall be the latest date subject to any extension as may be approved by the aforesaid authorities.
- (f) The maximum allowable allotment for each eligible employee is based on a predetermined scale of maximum entitlement for each category and grade of employee. The criteria for the basis of allotment would be based on seniority, performance and length of service.
- (g) A grantee will be allowed to exercise not more than 20% of the options granted to him per year
- (h) In the event of any alteration in the capital structure of the Company during the option period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:
 - (i) the number of shares which a grantee shall be entitled to subscribe for upon the exercise of each option; and/or
 - (ii) the subscription price

as shall be necessary to give a grantee the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment.

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

As at 31 December 2002, the total number of options granted and the movements in the options to take up the unissued ordinary shares of RM0.50 each of the Company are as follows:

<u>Option granted on</u>	<u>Option price</u> RM	<u>At 1.1.02</u>	<u>No. of options over ordinary shares of RM0.50 each</u>				<u>At 31.12.02</u>
			<u>Granted</u>	<u>Adjustment for bonus issue</u>	<u>Exercised</u>	<u>Lapsed due to resignation</u>	
8.4.2002	2.15	-	9,159,000	4,098,000	(55,000)	(194,000)	13,008,000

Of the above total, Executive Directors of the Company and subsidiary companies had been granted options to subscribe for 2,400,000 and 986,000 ordinary shares of RM0.50 each respectively.

As a consequence of the bonus issue during the financial year, the option price for the options granted on 8 April 2002 was adjusted from RM3.22 per share to RM2.15 per share.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings. The interests of Directors in office at the end of the financial year in options under the Scheme are disclosed in "Directors Interest In Shares".

Options exercisable in a particular year but not exercised can be carried forward to subsequent years provided that no options shall be exercised beyond the date of the expiry of the Scheme.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar
 Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar
 Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah
 Dato' See Teow Chuan
 Dato' Anthony See Teow Guan
 See Teow Koon
 See Tiau Kee
 See Ean Seng
 Y. Bhg Dato' Ismail Bin Lebai Kamat

In accordance with Article 107 of the Company's Articles of Association, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah and See Ean Seng retire by rotation, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the share options to be granted pursuant to the ESOS.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 20 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965.

DIRECTORS' INTEREST IN SHARES

According to the register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	<u>Number of ordinary shares of RM0.50 each</u>				<u>At</u> <u>31.12.02</u>
	<u>At</u> <u>1.1.02</u>	<u>Acquired</u>	<u>Bonus</u> <u>issue</u>	<u>Sold</u>	
<u>The Company</u>					
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	89,750 * 1,020,000	- 89,750	- 554,875	89,750 -	- * 1,664,625
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	-	100,000	50,000	-	150,000
Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah	498,755	-	249,377	-	748,132
Dato' See Teow Chuan	274,309 * 43,076,746	252,000 47,000	246,154 21,561,873	- -	772,463 * 64,685,619
Dato' Anthony See Teow Guan	250,470 * 42,900,040	25,000 7,000	137,735 21,453,520	- -	413,205 * 64,360,560
Mr. See Teow Koon	15,744 * 42,856,746	- -	7,872 21,428,373	- -	23,616 * 64,285,119
Mr. See Ean Seng	69,605 * 1,453	25,000 -	47,302 726	- -	141,907 * 2,179
Mr. See Tiau Kee	* 42,761,276	12,000	21,386,638	-	* 64,159,914

DIRECTORS' INTEREST IN SHARES (cont'd)

<u>Subsidiary</u>	<u>Number of ordinary shares of RM1.00 each</u>				<u>At</u> <u>31.12.02</u>
	<u>At</u> <u>1.1.02</u>	<u>Acquired</u>	<u>Bonus</u> <u>issue</u>	<u>Sold</u>	
<u>Box-Pak (Malaysia) Berhad</u>					
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	1,746,000	30,000	873,000	-	2,649,000
	* 21,940,000	-	10,970,000	-	* 32,910,000
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	1,573,000	-	786,500	30,000	2,329,500
	* -	32,910,000	-	-	* 32,910,000
Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah	10,000	-	5,000	-	15,000
	* 21,940,000	-	10,970,000	-	* 32,910,000
Dato' See Teow Chuan	53,000	72,000	53,500	-	178,500
	* 21,944,000	6,000	10,975,000	-	* 32,925,000
Dato' Anthony See Teow Guan	7,000	30,000	18,500	-	55,000
	* 21,990,000	-	10,995,000	-	* 32,985,000
Mr. See Ean Seng	29,000	16,000	22,500	-	67,500
	* 21,940,000	-	10,970,000	-	* 32,910,000
Mr. See Teow Koo	* 21,940,000	-	10,970,000	-	* 32,910,000
Mr. See Tiau Kee	* 21,940,000	-	10,970,000	-	* 32,910,000

DIRECTORS' INTEREST IN SHARES (cont'd)

<u>Option granted on</u>	<u>Option price RM</u>	<u>At 8.4.02</u>	<u>No. of options over ordinary shares of RM0.50 each</u>				<u>At 31.12.02</u>
			<u>Granted</u>	<u>Adjustment for bonus issue</u>	<u>Exercised</u>	<u>Lapsed due to resignation</u>	
Dato' See Teow Chuan	2.15	-	400,000	200,000	-	-	600,000
Dato' Anthony See Teow Guan	2.15	-	400,000	200,000	-	-	600,000
See Teow Koon	2.15	-	400,000	200,000	-	-	600,000
See Tiau Kee	2.15	-	400,000	200,000	-	-	600,000
			1,600,000	800,000	-	-	2,400,000

DIRECTORS' INTEREST IN SHARES (cont'd)

<u>The Company</u>	<u>At</u> <u>1.1.02</u>	<u>Number of warrants</u>		<u>At</u> <u>31.12.02</u>
		<u>Bought</u>	<u>Sold</u>	
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	300 * 139,200	- -	- -	# #
Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah	66,500	-	-	#
Dato' See Teow Chuan	37,000 * 5,195,835	- -	- -	# #
Dato' Anthony See Teow Guan	25,353 * 5,195,835	- -	- -	# #
Mr. See Teow Koon	15,353 * 5,195,835	- -	- -	# #
Mr. See Ean Seng	97,500 * 200	- -	- -	# #
Mr. See Tiau Kee	* 5,195,835	-	-	#

* Denotes deemed interest which includes interest in shares held by close family members.

Denotes warrants expired on 22 May 2002.

Directors of the Company are deemed to have interest in the shares of the subsidiary companies to the extent has an interest by virtue of their interests in the Company as disclosed above.

Except for the above, none of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION

	Note	<u>Group</u>		<u>Company</u>	
		<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Directors of the Company					
Executive:					
Salaries and other emoluments		2,981	2,851	1,091	1,063
Fees		132	132	80	80
Bonus		303	291	113	108
Retirement benefit		-	2,374	-	1,411
		3,416	5,648	1,284	2,662
Non-Executive:					
Fees		135	135	125	125
Total		3,551	5,783	1,409	2,787
Other Directors					
Executive:					
Salaries and other emoluments		737	668	-	-
Fees		15	15	-	-
Bonus		83	73	-	-
Retirement benefit		-	-	-	-
		835	756	-	-
Non-Executive:					
Fees		55	40	-	-
Total		890	796	-	-
Analysis:					
Total executive directors' remuneration		4,251	6,404	1,284	2,662
Total non-executive directors' remuneration		190	175	125	125
Total directors' remuneration		4,441	6,579	1,409	2,787

DIRECTORS' REMUNERATION (cont'd)

The number of Directors of the Group whose total remuneration falls within the respective bands are analysed as follows:

	<u>Number of Directors</u>	
	<u>2002</u>	<u>2001</u>
Executive Directors:		
RM100,001 - RM150,000	1	1
RM150,001 - RM200,000	1	1
RM400,001 - RM450,000	-	1
RM500,001 - RM550,000	1	-
RM650,001 - RM700,000	-	2
RM700,001 - RM750,000	1	-
RM750,001 - RM800,000	1	-
RM900,001 - RM950,000	1	-
RM950,001 - RM1,000,000	-	1
RM1,000,001 - RM1,050,000	1	-
RM3,250,001 - RM3,300,000	-	1*
Non Executive Directors:		
Below RM50,000	8	8

* inclusive of retirement benefit amounted to RM2,374,000.

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render:
- the amount written off for bad debts or the amount of the provision for doubtful debts of the Group and of the Company inadequate to any substantial extent; and
 - the values attributed to current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (cont'd)

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution
of the Directors

Y.A.M. TUNKU NAQUIYUDDIN
IBNI TUANKU JA'AFAR

DATO' SEE TEOW CHUAN

Selangor Darul Ehsan, Malaysia
25 March 2003

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR** and **DATO' SEE TEOW CHUAN**, being two of the Directors of **KIAN JOO CAN FACTORY BERHAD**, do hereby state that in the opinion of the Directors, the accompanying financial statements set out on pages 37 to 85 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2002 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board
in accordance with a resolution
of the Directors

**Y.A.M. TUNKU NAQUIYUDDIN
IBNI TUANKU JA'AFAR**

DATO' SEE TEOW CHUAN

Selangor Darul Ehsan, Malaysia
25 March 2003

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **SEE SIEW CHOO**, being the officer primarily responsible for the financial management of **KIAN JOO CAN FACTORY BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 37 to 85 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **SEE SIEW CHOO**
at Kuala Lumpur in the Federal
Territory on 25 March 2003

SEE SIEW CHOO

Before me,

TAN BOON CHUA
(No. W325)
Commissioner for Oaths
Kuala Lumpur

REPORT OF THE AUDITORS TO THE MEMBERS OF KIAN JOO CAN FACTORY BERHAD (3186-P) (INCORPORATED IN MALAYSIA)

We have audited the accompanying financial statements set out on pages 37 to 85. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2002 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiary companies, as indicated in Note 26 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purpose of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The Auditors' Reports on the financial statements of the subsidiary companies were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

ERNST & YOUNG

AF: 0039

Chartered Accountants

Yap Seng Chong

2190/12/03(J)

Partner

Kuala Lumpur, Malaysia

25 March 2003

BALANCE SHEETS

AS AT 31 DECEMBER 2002

	Note	<u>Group</u>		<u>Company</u>	
		<u>2002</u> RM'000	<u>2001</u> RM'000 (Restated)	<u>2002</u> RM'000	<u>2001</u> RM'000 (Restated)
PROPERTY, PLANT AND EQUIPMENT	3	361,486	372,499	58,947	62,083
INVESTMENTS IN					
- SUBSIDIARY COMPANIES	4	-	-	92,289	84,843
- ASSOCIATED COMPANY	5	16,043	20,167	10,000	10,000
INVESTMENT	6	300	450	300	450
AMOUNTS DUE FROM					
SUBSIDIARY COMPANIES	4	-	-	197,382	-
 CURRENT ASSETS					
Inventories	7	109,771	110,128	22,573	19,912
Trade receivables	8	128,530	130,045	18,918	20,243
Other receivables, deposits and prepayments	9	31,928	26,758	16,715	36,697
Amount due from associated company	5	1,314	3,051	1,228	2,946
Amounts due from subsidiary companies	4	-	-	9,039	211,319
Short term deposits	10	77,166	49,113	45,406	17,986
Cash and bank balances		10,163	10,943	1,449	319
		358,872	330,038	115,328	309,422
 CURRENT LIABILITIES					
Trade payables	11	16,188	19,568	5,217	6,121
Other payables and accruals	12	20,044	28,015	6,171	6,233
Hire purchase creditor	13	9	9	-	-
Amounts due to subsidiary companies	4	-	-	112	126,546
Bank borrowings (unsecured)	14	76,451	22,433	51,058	940
Taxation		1,023	2,303	-	-
		113,715	72,328	62,558	139,840
 NET CURRENT ASSETS		 245,157	 257,710	 52,770	 169,582
		622,986	650,826	411,688	326,958

BALANCE SHEETS

AS AT 31 DECEMBER 2002 (cont'd)

	Note	Group		Company	
		2002 RM'000	2001 RM'000 (Restated)	2002 RM'000	2001 RM'000 (Restated)
FINANCED BY:					
SHARE CAPITAL	15	86,831	57,860	86,831	57,860
RESERVES	16	423,711	435,779	147,643	147,293
		510,542	493,639	234,474	205,153
MINORITY INTEREST		31,936	29,433	-	-
HIRE PURCHASE CREDITOR	13	17	26	-	-
TERM LOANS (UNSECURED)	17	73,868	120,000	70,000	120,000
AMOUNTS DUE TO SUBSIDIARY COMPANIES	4	-	-	106,453	-
DEFERRED TAXATION	18	6,623	7,728	761	1,805
		622,986	650,826	411,688	326,958

The accompanying notes form an integral part of these financial statements.

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	<u>Group</u>		<u>Company</u>	
		<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
REVENUE	19	479,091	494,028	144,171	132,998
Other operating income		11,632	10,281	8,246	4,736
Changes in inventories of finished goods and work-in-progress		(1,698)	(5,415)	109	(1,609)
Raw materials and consumables used		(275,081)	(285,683)	(60,293)	(68,731)
Staff costs		(62,357)	(59,732)	(19,433)	(19,267)
Depreciation of property, plant and equipment	3	(41,070)	(39,926)	(6,270)	(6,569)
Other operating expenses		(67,200)	(66,013)	(16,239)	(14,640)
PROFIT FROM OPERATIONS	20	43,317	47,540	50,291	26,918
Finance costs	21	(8,158)	(10,321)	(6,851)	(3,430)
Share of profits from associated company		5,056	4,688	-	-
PROFIT BEFORE TAXATION		40,215	41,907	43,440	23,488
TAXATION	22	(8,866)	(10,352)	(2,722)	(559)
PROFIT AFTER TAXATION		31,349	31,555	40,718	22,929
MINORITY INTEREST		(3,124)	(1,372)	-	-
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		28,225	30,183	40,718	22,929
EARNINGS PER SHARE					
- Basic (sen)	23	16.26	17.39		
- Diluted (sen)	23	15.89	-		
DIVIDENDS PER SHARE (sen)	24	10.00	10.00		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000
At 1 January 2001				
- As previously stated		57,860	266	7,844
- Prior year adjustment	33	-	-	-
At 31 December 2001				
At 1 January 2002				
- As previously stated		57,860	266	7,844
- Prior year adjustment	33	-	-	-
- As restated		57,860	266	7,844
Profit for the year		-	-	-
Currency translation difference		-	-	-
Dividends	24	-	-	-
Issuance pursuant to:				
- Bonus Issue		28,944	-	-
- Employees' Share Option Scheme		27	150	-
At 31 December 2002				
		86,831	416	7,844

* This represents gains not recognised in the income statement.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2002 (cont'd)

<u>NON-DISTRIBUTABLE</u>		<u>DISTRIBUTABLE</u>		
<u>Capital reserve</u> RM'000	<u>Reserve on consolidation</u> RM'000	<u>Exchange reserve</u> RM'000	<u>Retained profit</u> RM'000	<u>Total</u> RM'000
4,480	-	-	392,326	462,776
-	-	-	5,786	5,786
4,480	-	-	398,112	468,562
-	6,466 *	-	-	6,466
-	-	-	30,183	30,183
-	-	-	(11,572)	(11,572)
4,480	6,466	-	416,723	493,639
4,480	6,466	-	410,937	487,853
-	-	-	5,786	5,786
4,480	6,466	-	416,723	493,639
-	-	-	28,225	28,225
-	-	75 *	-	75
-	-	-	(11,574)	(11,574)
-	-	-	(28,944)	-
-	-	-	-	177
4,480	6,466	75	404,430	510,542

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2002

		<u>Share capital</u>	<u>NON-DISTRIBUTABLE</u>		<u>DISTRIBUTABLE</u>	
	Note	RM'000	<u>Share premium</u>	Revaluation <u>reserve</u>	Retained <u>profit</u>	<u>Total</u>
			RM'000	RM'000	RM'000	RM'000
At 1 January 2001						
- As previously stated		57,860	266	2,276	127,608	188,010
- Prior year adjustment	33	-	-	-	5,786	5,786
<hr/>						
- As restated		57,860	266	2,276	133,394	193,796
Profit for the year		-	-	-	22,929	22,929
Dividends	24	-	-	-	(11,572)	(11,572)
<hr/>						
At 31 December 2001		57,860	266	2,276	144,751	205,153
<hr/>						
At 1 January 2002						
- As previously stated		57,860	266	2,276	138,965	199,367
- Prior year adjustment	33	-	-	-	5,786	5,786
<hr/>						
- As restated		57,860	266	2,276	144,751	205,153
Profit for the year		-	-	-	40,718	40,718
Dividends	24	-	-	-	(11,574)	(11,574)
<hr/>						
Issuance pursuant to:						
- Bonus Issue		28,944	-	-	(28,944)	-
- Employees' Share Option Scheme		27	150	-	-	177
<hr/>						
At 31 December 2002		86,831	416	2,276	144,951	234,474

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	<u>2002</u> RM'000	<u>2001</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		480,366	503,545
Payments to suppliers		(281,063)	(275,568)
Payments for operating expenses		(130,842)	(131,817)
Other receipts		675	6,276
Cash generated from operations		69,136	102,436
Interest paid		(8,158)	(10,321)
Income tax refund		5	-
Income tax paid		(11,780)	(15,780)
Net cash generated from operating activities		49,203	76,335
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of additional interest of a subsidiary company		-	(3,600)
Dividend received from an associated company		9,900	-
Acquisition of property, plant and equipment	(a)	(30,274)	(22,343)
Proceeds from disposal of property, plant and equipment		385	951
Proceeds from disposal of investment		150	150
Proceeds from disposal of an associated company		-	728
Interest received		3,067	2,366
Net cash used in investing activities		(16,772)	(21,748)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002 (cont'd)

	Note	<u>2002</u> RM'000	<u>2001</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank borrowings		-	(84,452)
Payment to hire purchase creditor		(9)	(9)
Proceeds from draw down of term loan and bankers' acceptances		5,158	70,000
Proceeds from issuance of shares of the Company under the Employees' Share Option Scheme		177	-
Dividends paid		(11,574)	(11,572)
Dividends paid to minority shareholders of a subsidiary company		(3,359)	(3,359)
Receipt from/(advance to) associated company		1,646	(1,388)
Net cash used in financing activities		(7,961)	(30,780)
NET INCREASE IN CASH AND CASH EQUIVALENTS		24,470	23,807
EFFECT OF EXCHANGE RATE CHANGES		75	-
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		53,652	29,845
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(b)	78,197	53,652

NOTE:

(a) Acquisition of property, plant and equipment during the year was fully paid for in cash.

(b) Cash and cash equivalents comprise the following:

	<u>2002</u> RM'000	<u>2001</u> RM'000
Cash and bank balances	10,163	10,943
Short term deposits	77,166	49,113
Bank overdrafts (Note 14)	(9,132)	(6,404)
	78,197	53,652

The accompanying notes form an integral part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	<u>2002</u> RM'000	<u>2001</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		98,059	107,849
Payments to suppliers		(63,750)	(62,390)
Payments for operating expenses		(35,594)	(34,679)
Other (payments)/receipts		(4,249)	3,567
<hr/>			
Cash (used in)/generated from operations		(5,534)	14,347
Interest paid		(6,851)	(3,430)
Income tax paid		-	(3,379)
<hr/>			
Net cash (used in)/generated from operating activities		(12,385)	7,538
<hr/>			
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from subsidiary companies		60,452	24,906
Dividend received from an associated company		9,900	-
Acquisition of property, plant and equipment	(a)	(3,431)	(2,303)
Proceeds from disposal of property, plant and equipment		178	57
Proceeds from disposal of investment		150	150
Proceeds from disposal of an associated company		-	728
Investment in subsidiary company		(7,446)	(3,600)
Interest received		5,478	1,306
<hr/>			
Net cash generated from investing activities		65,281	21,244
<hr/>			

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002 (cont'd)

	Note	<u>2002</u> RM'000	<u>2001</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares of the Company under the Employees' Share Option Scheme		177	-
Proceeds from term loan		-	70,000
Dividends paid		(11,574)	(11,572)
Receipt from/(advance to) associated company		1,718	(1,326)
Inter-company receipts		45,530	17,402
Inter-company advances		(60,315)	(86,598)
Net cash used in financing activities		(24,464)	(12,094)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		28,432	16,688
CASH AND CASH EQUIVALENTS BROUGHT FORWARD			
		17,365	677
CASH AND CASH EQUIVALENTS CARRIED FORWARD			
	(b)	45,797	17,365

NOTE:

- (a) Acquisition of property, plant and equipment during the year was fully paid for in cash.
- (b) Cash and cash equivalents comprise the following:

	<u>2002</u> RM'000	<u>2001</u> RM'000
Cash and bank balances	1,449	319
Short term deposits	45,406	17,986
Bank overdrafts (Note 14)	(1,058)	(940)
	45,797	17,365

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

1. GENERAL

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The registered office and principal place of business is located at Lot 10, Jalan Perusahaan 1, 68100 Batu Caves, Selangor Darul Ehsan.

The principal activities of the Company are the manufacture and distribution of tin cans and investment holding.

The principal activities of the Group are the manufacture and distribution of tin cans, 2-piece aluminium beverage cans, polyethylene terephthalate products and corrugated fibreboard cartons, provisions of engineering services, letting of property and provision of share registration and management services.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 March 2003.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified to include the revaluation of certain assets and comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards issued by the Malaysian Accounting Standards Board ("MASB"). Certain properties of the Group and of the Company were revalued by the Directors in periods prior to 1998. As permitted by MASB Standard No. 15, Property, Plant and Equipment, these assets are stated at their previous revalued amount (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount) on the basis that the revaluation carried out then, was a one off isolated event and not intended to be an adoption of a revaluation policy in place of historical cost.

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies. Subsidiary companies are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

All the subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary company at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of Consolidation (cont'd)

(i) Subsidiaries (cont'd)

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

(ii) Associated Company

Associated company is the company in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investment in associated company is accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associated company. The Group's share of results and reserves of associated company acquired or disposed is included in the consolidated financial statements from the date of acquisition and up to the date of disposal.

Under the equity method of accounting, the Group's share of profits less losses of associated company during the year is included in the consolidated income statement. The Group's interest in associated company is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition.

Unrealised gain on transactions between the Group and the associate company are eliminated to the extent of the Group's interest in the associate company. Unrealised losses are eliminated unless cost cannot be recovered.

(c) Depreciation of Property, Plant and Equipment

All property, plant and equipment are stated at cost/deemed cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (m).

Freehold land and capital work-in-progress are not depreciated. Leasehold land is amortised to write off the value of leasehold land over the unexpired lease terms ranging from 19 to 88 years. All other property, plant and equipment are depreciated on a straight-line basis calculated to write off the assets over their estimated useful lives at the following annual rates:

	%
Buildings	2
Plant, machinery and equipment	6 2/3 - 20
Furniture, fittings and equipment	10 - 50
Motor vehicles	20

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Investment

Investment in subsidiary companies, associated company and other long term investment are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (m).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is charged or credited to the income statement.

(e) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary company, associated company or jointly controlled entity at the date of acquisition.

Goodwill on consolidation has been written off against reserve in prior years.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value.

Raw materials comprise the purchase price including duties and other attributable expenses and are determined using the first-in first-out method. Work-in-progress and finished goods include direct materials, direct labour, other direct costs and appropriate production overheads and are based on standard cost, which approximates actual cost.

Net realisable value represents the estimated selling price less estimated costs to completion and costs to be incurred in marketing, selling and distribution. In arriving at net realisable value, due allowance is made for all obsolete and slow moving items.

(g) Financial Instruments

Financial Instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Other Non-Current Investment

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties are stated at cost less provision for any permanent diminution in value. Such provision is made when there is a decline other than temporary in the value of investments and is recognised as an expense in the period in which the decline occurred.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(g) Financial Instruments (cont'd)****(ii) Trade and Other Receivables**

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade and Other Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-Bearing Borrowings

Interest-bearing bank borrowings and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(h) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(i) Retirement Benefits

The Group has a defined retirement scheme and provision is made at contracted rates for benefits that would become payable on the retirement of eligible employees.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to the ownership. All other leases are classified as operating leases.

(i) Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2 (c).

(ii) Operating Leases

Operating lease income/payments are recognised in the income statement on a straight-line basis over the term of the relevant lease.

(k) Deferred Taxation

The tax expense for the year is based on the profit for the year, as adjusted for tax purposes, together with a charge or credit for deferred taxation.

Deferred taxation is provided for by the liability method for all timing differences except when there is reasonable evidence that these timing differences will not reverse in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Foreign Currencies

(i) Transactions in foreign currencies

Transactions in foreign currencies are initially converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange differences are recognised in the income statement.

(ii) Foreign entities

Financial statements of foreign consolidated subsidiaries are translated at year end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are included in the foreign exchange reserve in shareholders' equity.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:

	<u>2002</u>	<u>2001</u>
	RM	RM
One (1) United States Dollar	3.8000	3.8000
One (1) Singapore Dollar	2.1915	2.0535
One (1) Hong Kong Dollar	0.4873	0.4874
One (1) Sterling Pound	6.0930	5.5100
One (1) Swiss Franc	2.7385	2.2690
One (1) Japanese Yen	0.0321	0.0289
One (1) Euro	3.9805	3.3662

(m) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets, other than inventories, assets arising from construction contracts, deferred tax assets, assets arising from employee benefits and financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Impairment of Assets (cont'd)

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(n) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from sale of goods is recognised when the goods are delivered and accepted by customer.

Rental income is recognised on an accrual basis unless collectibility is in doubt, in which case it is recognised on a receipt basis.

Revenue from registration and management services are recognised when the services are rendered.

Dividend income from subsidiary and associated companies are recognised as and when the right to receive payment is established while dividends from other investments are recognised when received.

(o) Cash and Cash Equivalents

Cash comprises cash and bank balances and deposits with licensed banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

<u>GROUP</u>	<u>Freehold land and buildings</u>	<u>Leasehold land and buildings</u>		<u>Plant machinery and equipment</u>
		<u>Long term</u>	<u>Short term</u>	
<u>COST</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January	94,049	86,624	3,545	467,559
Additions	41	3,223	-	15,145
Disposal	-	-	-	(1,076)
Reclassification	-	1,209	-	10,894
At 31 December	94,090	91,056	3,545	492,522
<u>ACCUMULATED DEPRECIATION</u>				
At 1 January	3,083	16,125	725	276,653
Charge for the year	915	1,570	88	35,433
Disposals	-	-	-	(913)
Reclassification	-	-	-	(83)
At 31 December	3,998	17,695	813	311,090
<u>NET BOOK VALUE</u>				
At 31 December 2002	90,092	73,361	2,732	181,432
At 31 December 2001	90,966	70,499	2,820	190,906
<u>ANALYSIS OF COST</u>				
At deemed cost (or valuation) in				
- 1990	740	40,930	1,100	-
- 1996	-	23,705	-	-
At cost	93,350	26,421	2,445	492,522
	94,090	91,056	3,545	492,522

The net book value of freehold land and buildings and leasehold land and buildings stated at deemed cost, had the properties been disclosed at historical cost less depreciation, would have been:

	<u>Freehold land and buildings</u>	<u>Leasehold land and buildings</u>	
		<u>Long term</u>	<u>Short term</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 31 December 2002			
Cost	323	40,726	729
Accumulated depreciation	-	(9,584)	(286)
Net book value	323	31,142	443

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

<u>Furniture, fittings and equipment</u>	<u>Motor vehicles</u>	<u>Capital work-in- progress</u>	<u>2002</u>	<u>Total</u>	<u>2001</u>
RM'000	RM'000	RM'000	RM'000		RM'000
23,515	7,311	8,318	690,921		681,764
2,035	1,948	7,882	30,274		22,343
(167)	(734)	-	(1,977)		(13,186)
200	138	(12,441)	-		-
25,583	8,663	3,759	719,218		690,921
16,082	5,754	-	318,422		291,571
2,118	946	-	41,070		39,926
(168)	(679)	-	(1,760)		(13,075)
-	83	-	-		-
18,032	6,104	-	357,732		318,422
7,551	2,559	3,759	361,486		-
7,433	1,557	8,318	-		372,499
-	-	-	42,770		42,770
-	-	-	23,705		23,705
25,583	8,663	3,759	652,743		624,446
25,583	8,663	3,759	719,218		690,921

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

<u>COMPANY</u>	<u>Freehold land and buildings</u>	<u>Leasehold land and buildings</u>		<u>Plant machinery and equipment</u>
		<u>Long term</u>	<u>Short term</u>	
<u>COST</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January	23,437	20,289	2,445	65,840
Additions	-	-	-	1,664
Transfer (to)/from subsidiary company	-	-	-	(297)
Disposal	-	-	-	-
Reclassification	-	-	-	-
At 31 December	23,437	20,289	2,445	67,207
<u>ACCUMULATED DEPRECIATION</u>				
At 1 January	908	3,401	462	49,071
Charge for the year	134	310	64	4,515
Disposals	-	-	-	-
At 31 December	1,042	3,711	526	53,586
<u>NET BOOK VALUE</u>				
At 31 December 2002	22,395	16,578	1,919	13,621
At 31 December 2001	22,529	16,888	1,983	16,769
<u>ANALYSIS OF COST</u>				
At deemed cost (or valuation) in 1990	740	20,060	-	-
At cost	22,697	229	2,445	67,207
	23,437	20,289	2,445	67,207

The net book value of freehold land and buildings and long term leasehold land and buildings stated at deemed cost, had the properties been disclosed at historical cost less depreciation, would have been:

	<u>Freehold land and buildings</u>	<u>Leasehold land and buildings</u>
		<u>Long term</u>
	<u>RM'000</u>	<u>RM'000</u>
At 31 December 2002		
Cost	323	12,566
Accumulated depreciation	-	(3,596)
Net book value	323	8,970

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

<u>Furniture, fittings and equipment</u> RM'000	<u>Motor vehicles</u> RM'000	<u>Capital work-in- progress</u> RM'000	<u>2002</u> RM'000	<u>Total</u> <u>2001</u> RM'000
9,077	3,633	257	124,978	115,497
602	1,144	21	3,431	2,303
-	-	-	(297)	7,534
-	(440)	-	(440)	(356)
146	-	(146)	-	-
9,825	4,337	132	127,672	124,978
6,080	2,973	-	62,895	56,682
809	438	-	6,270	6,569
-	(440)	-	(440)	(356)
6,889	2,971	-	68,725	62,895
2,936	1,366	132	58,947	-
2,997	660	257	-	62,083
-	-	-	20,800	20,800
9,825	4,337	132	106,872	104,178
9,825	4,337	132	127,672	124,978

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The leasehold land and buildings of the Group and of the Company revalued in 1990 and 1996 on an open market value basis are now carried at deemed cost as permitted by MASB Standard No. 15, Property, Plant and Equipment.

The tax effect in connection with the surplus arising from the revaluation of freehold land and buildings and leasehold land and buildings is not disclosed as it is not the intention of the Directors to dispose of these properties in the foreseeable future.

Net book value of motor vehicles of the Group acquired under hire purchase and finance lease arrangement is RM41,542 (2001: RM46,845).

4. INVESTMENTS IN SUBSIDIARY COMPANIES

	<u>Company</u>	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
Quoted shares, at cost	19,155	19,155
Unquoted shares, at cost	73,134	65,688
	92,289	84,843
Market value of quoted shares	52,327	57,044

The amounts due from/ (to) subsidiary companies are unsecured, non-interest bearing and have no fixed term of repayment, except for an amount of RM70,000,000 (2001: RM70,000,000), which bears interest at 5% to 5.5% (2001: 5% to 5.5%) per annum, due from a subsidiary company.

The details of the subsidiary companies are disclosed in Note 26 to the financial statements.

Kian Joo Can (Vietnam) Co., Ltd. was incorporated on 29 August 2001 in Vietnam and has commenced operations on 1 August 2002. The effects of the incorporation and commencement of the subsidiary company's operations on the Group's results for the financial year ended 31 December 2002 and the financial position as at that date are summarised as follows:

- (a) The effect of the investment in the subsidiary company on the Group's results for the financial year ended 31 December 2002 is as follows:

	RM'000
Revenue	521
Loss after taxation and minority interests	(713)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

4. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

(b) The effect of the investment in the subsidiary company on the Group's financial position as at 31 December 2002 is as follows:

	RM'000
Net assets	6,733
Effect of exchange rate changes	75
	6,808

5. INVESTMENT IN ASSOCIATED COMPANY

	<u>Group</u>		<u>Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	10,000	10,000	10,000	10,000
Share of post acquisition reserves (a)	6,043	10,167	-	-
	(b) 16,043	20,167	10,000	10,000

(a) Share of post-acquisition reserves

	<u>Group</u>	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
As at 1 January	10,167	6,772
Share of profit after tax	3,876	3,395
	14,043	10,167
Less: Dividend	(8,000)	-
	6,043	10,167
(b) Group's interest in associated company:		
Group's share of net tangible assets (NTA)	16,043	20,167

5. INVESTMENT IN ASSOCIATED COMPANY (cont'd)

- (b) The amount due from associated company is trade related, unsecured, non-interest bearing and has no fixed term of repayment.

The details of the associated company are set out in Note 26 to the financial statements.

6. INVESTMENT

	<u>Group/Company</u>	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
Debentures at cost (unquoted)	300	450

7. INVENTORIES

	<u>Group</u>		<u>Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
At Cost:				
Raw materials	69,478	67,447	11,444	8,892
Work-in-progress	12,607	7,562	4,897	5,053
Finished goods	18,746	22,282	6,232	5,893
Spare parts and consumables	5,957	6,513	-	-
Goods in transit	300	3,519	-	-
At Net Realisable Value:				
Raw materials	24	86	-	-
Work-in-progress	-	1,592	-	74
Finished goods	2,659	1,127	-	-
	109,771	110,128	22,573	19,912

8. TRADE RECEIVABLES

Trade receivables	128,819	130,260	19,138	20,346
Provision for doubtful debts	(289)	(215)	(220)	(103)
	128,530	130,045	18,918	20,243

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

8. TRADE RECEIVABLES (cont'd)

The Group's normal trade credit term ranges from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Other debtors	24,476	22,823	9,647	10,212
Provision for doubtful debts	-	(136)	-	-
	24,476	22,687	9,647	10,212
Deposits and prepayments	7,452	2,171	7,068	469
Dividends receivable	-	1,900	-	26,016
	31,928	26,758	16,715	36,697

Included in other debtors is an amount recoverable from Inland Revenue Board for the Group of RM20,869,000 (2001: RM19,153,000) and for the Company of RM8,723,000 (2001: RM9,528,000).

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

10. SHORT TERM DEPOSITS

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Deposits placed with:				
- licensed banks	46,003	43,547	23,216	15,465
- licensed finance companies	8,135	5,566	6,103	2,521
- other financial institutions	23,028	-	16,087	-
	77,166	49,113	45,406	17,986

10. SHORT TERM DEPOSITS (cont'd)

The interest rates during the financial year and the maturities of deposits as at 31 December 2002 are in the following ranges:

	<u>Interest rate</u> %	<u>Maturities periods</u> Days
Licensed banks	3.20 to 4.05	2 to 179
Licensed finance companies	3.20 to 4.05	3 to 181
Other financial institutions	3.35 to 4.40	2 to 279

11. TRADE PAYABLES

The normal trade credit term granted to the Group ranges from 60 to 90 days.

12. OTHER PAYABLES AND ACCRUALS

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Other payables	6,457	9,359	1,346	1,567
Accrued expenses	9,899	13,296	3,590	1,503
Provisions (Note (a))	3,688	5,360	1,235	3,163
	20,044	28,015	6,171	6,233

Note

(a) Group

	<u>Retirement benefit</u> RM'000	<u>Solid waste disposal</u> RM'000	<u>Total</u> RM'000
At 1 January 2002	4,679	681	5,360
Utilised during the year	(2,248)	(600)	(2,848)
Current year's provision	681	572	1,253
Over provision in prior year	(37)	(40)	(77)
At 31 December 2002	3,075	613	3,688

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

12. OTHER PAYABLES AND ACCRUALS (cont'd)

<u>Company</u>	<u>Retirement benefit</u> RM'000
At 1 January 2002	3,163
Utilised during the year	(1,637)
Current year's provision	387
Overprovision in previous year	(678)
At 31 December 2002	1,235

Note

(i) Retirement Benefit

The Group has a defined retirement scheme and provision is made at contracted rates for benefits that would become payable on retirement of eligible employees.

Included in provision for retirement benefits are amounts payable to Directors of RM2,508,000 (2001: RM4,368,000) for the Group and RM872,000 (2001: RM3,071,000) for the Company.

(ii) Solid Waste Disposal

The Group has to dispose of solid waste in accordance with environmental requirements. A provision has been made for estimated solid waste based on service provider's price quotation.

13. HIRE PURCHASE CREDITOR

Details of the hire purchase balances are as follows:

	<u>Group</u> <u>2002</u>		<u>Group</u> <u>2001</u>	
	<u>Minimum payments</u> RM'000	<u>Present value of payments</u> RM'000	<u>Minimum payments</u> RM'000	<u>Present value of payments</u> RM'000
Amount repayable within:				
1 year after balance sheet date	12	9	12	9
More than 1 year but not later than 5 years	21	17	-	-
	-	-	33	26
	33	26	45	35
Less: Unexpired interest	(7)	-	(10)	-
	26	26	35	35
Less: Portion in current liabilities	(9)	(9)	(9)	(9)
	17	17	26	26

The hire purchase liabilities bear interest at 5.9% (2001: 5.9%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

14. BANK BORROWINGS (UNSECURED)

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Bank borrowings:				
- bankers' acceptances	16,038	16,029	-	-
- bank overdrafts	9,132	6,404	1,058	940
- term loans				
- current portion (Note 17)	51,281	-	50,000	-
	76,451	22,433	51,058	940

Certain bank overdrafts of the Group are secured by a corporate guarantee from the Company and a negative pledge on the assets of certain subsidiary companies.

The bank overdrafts bear interests at 6.90% (2001: 6.90% to 7.30%) per annum. Bankers' acceptances bear interests at rates between 2.74% to 3.20% (2001: 2.90% to 3.00%) per annum.

15. SHARE CAPITAL

	Number of ordinary shares of RM0.50 each		<u>Group/Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u> RM'000	<u>2001</u> RM'000
Authorised:				
Ordinary shares of RM0.50 each	200,000,000	200,000,000	100,000	100,000
Issued and fully paid:				
Ordinary shares of RM0.50 each				
At 1 January	115,720,117	115,720,117	57,860	57,860
Issued in respect of				
- Employees' Share				
Option Scheme [a(i)]	55,000	-	27	-
- Bonus Issue [a(ii)]	57,887,544	-	28,944	-
At 31 December	173,662,661	115,720,117	86,831	57,860

15. SHARE CAPITAL (cont'd)

- (a) During the financial year, the Company increased its issued and paid-up share capital from RM57,860,059 to RM86,831,331 by way of:
- (i) Issuance of 55,000 new ordinary shares of RM0.50 each to eligible employees of the Group under the Employees' Share Option Scheme at RM3.22 per share for cash; and
 - (ii) Bonus issue of 57,887,544 new ordinary shares of RM0.50 each on the basis of one new ordinary share for every two existing ordinary shares held after (i) above by capitalising RM28,943,772 from the retained profit of the Company.

All the new ordinary shares issued shall rank pari passu in all respects with existing ordinary shares of the Company.

- (b) The Employees' Share Option Scheme ("Scheme") was approved by the shareholders at an Extraordinary General Meeting convened on 31 January 2002.

The main features of the Scheme are:

- (i) Eligible persons are employees of the Company and its non-listed Malaysian incorporated subsidiary companies which are not dormant (including full-time Executive Directors) in the employment of the Group with at least two years of service as at the offer date. Foreign employees of the Group (save for the Executive Directors) are not entitled to the scheme. No employee and Executive Director shall participate at anytime in more than one (1) Employee Share Option Scheme implemented by any company within the Group.
- (ii) The total number of shares to be offered shall not exceed 10% of the enlarged issued and paid-up ordinary share capital of the Company at any point of time during the existence of the Scheme.
- (iii) No option shall be granted for less than 1,000 ordinary shares and not more than 400,000 ordinary shares before bonus issue of new ordinary shares, to any individual eligible employee.
- (iv) The option price shall be at a discount of not more than 10% from weighted average market price of the shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the offer date, or at par value of the shares of the Company, whichever is higher.
- (v) The Scheme shall be in force at the discretion of the Committee appointed by the Board of Directors subject to the maximum period of five years from the date of its approval by the Company in a general meeting or the date of the last approval by relevant authorities, whichever shall be the latest date subject to any extension as may be approved by the aforesaid authorities.
- (vi) The maximum allowable allotment for each eligible employee is based on a predetermined scale of maximum entitlement for each category and grade of employee. The criteria for the basis of allotment would be based on seniority, performance and length of service.
- (vii) A grantee will be allowed to exercise not more than 20% of the options granted to him per year.

15. SHARE CAPITAL (cont'd)

(viii) In the event of any alteration in the capital structure of the Company during the option period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:

- (i) the number of shares which a grantee shall be entitled to subscribe for upon the exercise of each option; and/or
- (ii) the subscription price

as shall be necessary to give a grantee the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment.

As at 31 December 2002, the total number of options granted and the movements in the options to take up the unissued ordinary shares of RM0.50 each of the Company are as follows:

<u>Option granted on</u>	<u>Option price</u> RM	<u>At 1.1.02</u>	<u>Granted</u>	<u>No. of options over ordinary shares of RM0.50 each</u>			<u>At 31.12.02</u>
				<u>Adjustment for bonus issue</u>	<u>Excised</u>	<u>Lapsed due to resignation</u>	
8.4.2002	2	-	9,159,000	4,098,000	(55,000)	(194,000)	13,008,000

Of the above total, Executive Directors of the Company and subsidiary companies had been granted options to subscribe for 2,400,000 and 986,000 ordinary shares of RM0.50 each respectively.

As a consequence of the bonus issue during the financial year, the option price for the options granted on 8 April 2002 was adjusted from RM3.22 per share to RM2.15 per share.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings. The interests of Directors in office at the end of the financial year in options under the Scheme are disclosed in "Directors' Interest In Shares" of the Directors' Report.

Options exercisable in a particular year but not exercised can be carried forward to subsequent years provided that no options shall be exercised beyond the date of the expiry of the Scheme.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

16. RESERVES

	Note	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Non-distributable:					
Share premium	a	416	266	416	266
Revaluation reserve	b	7,844	7,844	2,276	2,276
Capital reserve	c	4,480	4,480	-	-
Exchange reserve	d	75	-	-	-
Reserve on consolidation		6,466	6,466	-	-
		19,281	19,056	2,692	2,542
Distributable:					
Retained profit	e	404,430	416,723	144,951	144,751
At 31 December		423,711	435,779	147,643	147,293

Note

- (a) The increase in the share premium arose from the 55,000 ordinary shares of RM0.50 each issued at RM3.22 each pursuant to the Employees' Share Option Scheme as disclosed in Note 15 to the financial statements.
- (b) The revaluation reserves arose as a result of revaluation of land and buildings of the Company and certain subsidiary companies.

The tax effect in connection with the surplus arising from the revaluation of leasehold land and buildings is not disclosed as there is no intention to dispose of these properties in the foreseeable future.

- (c) The capital reserve arose as a result of capitalisation of retained profit and revaluation reserve for bonus issue by a subsidiary company, Box-Pak (Malaysia) Berhad, in 1996.
- (d) The exchange reserve arose as a result of translation of a foreign subsidiary company's financial statements.
- (e) Subject to the agreement of the Inland Revenue Board, the Company has approximately RM95,236,000 (2001: RM46,799,000) tax exempt income available for distribution as tax exempt dividend and based on estimated tax credits available, the entire retained profit of the Company is available for distribution by way of cash dividends without incurring additional tax liability.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

17. TERM LOANS (UNSECURED)

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Term loan (unsecured)				
- Type 1	50,000	50,000	50,000	50,000
- Type 2	40,000	40,000	40,000	40,000
- Type 3	30,000	30,000	30,000	30,000
- Type 4	5,149	-	-	-
	125,149	120,000	120,000	120,000
Amount repayable within 12 months (Note 14)	(51,281)	-	(50,000)	-
Amount repayable after 12 months	73,868	120,000	70,000	120,000

Details of term loan balances are analysed as follows:

Amount payable within:

1 year after balance sheet date	51,281	-	50,000	-
More than 1 year but not later than 2 years	42,032	50,000	40,000	50,000
More than 2 years but not later than 5 years	31,836	70,000	30,000	70,000
	125,149	120,000	120,000	120,000

Details of the term of repayment are as follows:

<u>Loan</u>	<u>Interest rate</u> %	<u>Commencing date</u>	<u>Repayment term</u>
Type 1	6.30	Sep-00	bullet repayment on 20 September 2003
Type 2	5.00	Dec-01	bullet repayment on 12 December 2004
Type 3	5.50	Dec-01	bullet repayment on 12 December 2005
Type 4	2.32 to 2.84	Jun to Dec-02	36 equal instalments commencing from the dates of commencement

The above term loans are secured by a corporate guarantee from the Company and a negative pledge on the assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)



18. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
At 1 January	7,728	4,897	1,805	913
Transfer (to)/from income statement (Note 22)	(1,105)	2,831	(1,044)	892
At 31 December	6,623	7,728	761	1,805

19. REVENUE

Revenue of the Group and of the Company consists of the following:

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Sales of goods	478,955	493,898	96,874	106,464
Rendering of industrial and mechanical engineering services	16	10	-	-
Dividend income	-	-	47,297	26,534
Others	120	120	-	-
	479,091	494,028	144,171	132,998

20. PROFIT FROM OPERATIONS

This is arrived at after charging/(crediting):

Directors' emolument payable to directors of				
- the Company	3,284	5,516	1,204	2,582
- subsidiary companies who are not the directors of the Company	820	741	-	-
Directors' fees payable to directors of				
- the Company	267	267	205	205
- subsidiary companies who are not directors of the Company	70	55	-	-

20. PROFIT FROM OPERATIONS (cont'd)

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
This is arrived at after charging/(crediting): (cont'd)				
Auditors' remuneration				
- audit fee	167	153	38	38
- non audit fee	3	2	3	-
- underprovision in prior year's audit fee	2	4	-	-
Rental on				
- buildings	161	448	139	34
- machinery	463	734	59	273
Provision for doubtful debts	140	103	140	103
Provision for retirement benefits				
- current year provision	681	231	387	36
- (over)/under provision in prior year	(37)	30	(678)	92
Inventories written down	-	988	-	513
Bad debts written off	228	318	-	90
Provision for sludge disposal				
- current year provision	572	518	-	-
- (over)/under provision in prior year	(40)	183	-	-
Property, plant and equipment written off	22	55	-	-
Foreign exchange loss/(gain)				
- realised	(64)	(32)	113	(163)
- unrealised	(20)	56	-	-
Gain on disposal of property, plant and equipment	(168)	(895)	(178)	(57)
Gain on disposal of investment in an associated company	-	(728)	-	(728)
Dividend income				
- from quoted subsidiary company	-	-	(1,097)	(4,388)
- from unquoted subsidiary companies	-	-	(35,867)	(21,146)
- from associated company	-	-	(10,333)	(1,000)
Interest income	(3,048)	(2,366)	(5,478)	(1,306)
Rental receivable	(2,245)	(2,266)	(760)	(796)
Inventories written up	(266)	(1,202)	-	(194)
Bad debts recovered	(193)	(833)	(193)	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)



20. PROFIT FROM OPERATIONS (cont'd)

	<u>Group</u>		<u>Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
(a) Employee Information				
Number of employees (excluding Directors)	2,135	2,080	641	660

21. FINANCE COSTS

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Interest on:				
- term loans	6,811	8,804	6,811	3,350
- bank overdrafts	539	497	40	32
- bankers' acceptances and trust receipts	789	1,017	-	48
- others	19	3	-	-
	8,158	10,321	6,851	3,430

22. TAXATION

Malaysian taxation based on results for the year:				
- current year	10,394	9,246	3,766	356
- deferred taxation (Note 18)	(1,105)	2,831	(1,044)	892
	9,289	12,077	2,722	1,248
Share of taxation of associated company	1,180	1,293	-	-
	10,469	13,370	2,722	1,248
Overprovision in prior years	(1,603)	(3,018)	-	(689)
	8,866	10,352	2,722	559

The effective tax rate of the Group is lower than the statutory tax rate mainly due to certain tax incentive being claimed for tax purposes and utilisation of unabsorbed capital allowances by certain subsidiary companies. Tax saving arising from such utilisation amounted to approximately RM2,050,000 (2001: RM3,192,000).

22. TAXATION (cont'd)

The effective tax rate of the Company is lower than the statutory tax rate mainly due to certain dividend income being tax exempt and certain tax incentive being claimed.

Subject to the agreement of the Inland Revenue Board, unutilised reinvestment allowances, unutilised capital allowances and unabsorbed tax losses of the Group and of the Company are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Unutilised reinvestment allowances	30,681	22,727	5,837	4,972
Unutilised capital allowances	55,594	57,782	2,918	-
Unabsorbed tax losses	25,592	26,418	-	-

23. EARNINGS PER SHARE

(a) Basic earnings per share

The Group's earnings per ordinary share is calculated by dividing the Group's net profit after taxation by the weighted average number of ordinary shares in issue during the financial year.

	<u>Group</u>	
	<u>2002</u>	<u>2001</u>
Profit after taxation and minority interest (RM'000)	28,225	30,183
Weighted average number of ordinary share in issue	173,636	173,608
Basic earnings per share (sen)	16.26	17.39

Comparative basic earnings per share for the financial year ended 31 December 2001 has been restated to take into account the effect of the Bonus Issues, as disclosed in Note 15 to the financial statements.

(b) Diluted earnings per share

The Group's diluted earnings per ordinary share is calculated by dividing the Group's net profit after taxation by the weighted average number of ordinary shares that would be in issue at the end of the financial year had all the exercisable share options as at the end of the financial year under the Company's Employees' Share Option Scheme been exercised.

	<u>Group</u>
	<u>2002</u>
Profit after taxation and minority interest (RM'000)	28,225
Weighted average number of ordinary shares in issue	
- as above	173,636
- adjusted for assumed exercise of share option	3,960
Weighted average number of ordinary shares for diluted earnings per share	177,596
Diluted earnings per share (sen)	15.89

Comparative diluted earnings per share has not been presented as there were no potential ordinary shares during the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

24. DIVIDENDS PER SHARE

(i) Paid and proposed dividends

Dividends per share as disclosed in the income statement is computed as follows:

		<u>Group/Company</u>	
		<u>2002</u>	<u>2001</u>
		Sen	Sen
Paid:			
Interim 10% tax exempt dividend	(a)	5.00	5.00
Proposed:			
Final of 10% tax exempt dividend	(b)	5.00	5.00
		10.00	10.00

(a) Interim dividend per share is calculated by dividing the dividend declared for the year of RM5,788,000 (2001: RM11,572,000) by the number of ordinary shares in issue at year end of 115,775,117 (2001: 115,720,117). The number of ordinary shares in issue is calculated after taking into account 55,000 (2001: Nil) ordinary shares issued pursuant to the Employees' Share Option Scheme but before the Bonus Issue of 57,887,544 (2001: Nil).

(b) Final dividend per share is calculated by dividing the final dividend proposed for the year of RM8,683,100 (2001: RM5,786,000) by the number of ordinary shares of RM0.50 each in issue of 173,662,661 (2001: 115,720,117). The number of ordinary shares in issue is calculated after taking into account 55,000 (2001: Nil) ordinary shares issued pursuant to the Employees' Share Option Scheme and the Bonus Issue of 57,887,544 (2001: Nil).

As indicated in 33 to the financial statements, the proposed 10% (2001: 10%) final tax exempt dividend has not been accounted for in the financial statements of the Company in accordance with MASB Standard No. 19, Events After the Balance Sheet Date.

(ii) Dividends accounted for in the financial statements.

		<u>Group/Company</u>	
		<u>2002</u>	<u>2001</u>
		RM'000	RM'000
Dividend payment:			
- Interim dividend		5,788	5,786
- Final dividend proposed in 2000 paid in 2001		-	5,786
- Final dividend proposed in 2001 paid in 2002		5,786	-
		11,574	11,572

At the forthcoming Annual General Meeting, a final tax exempt dividend in respect of the current financial year ended 31 December 2002, amounting to RM8,683,100 (5 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2003.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

25. DIRECTORS' REMUNERATION

	Note	<u>Group</u>		<u>Company</u>	
		<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Directors of the Company					
Executive:					
Salaries and other emoluments		2,981	2,851	1,091	1,063
Fees		132	132	80	80
Bonus		303	291	113	108
Retirement benefit		-	2,374	-	1,411
		3,416	5,648	1,284	2,662
Non-Executive:					
Fees		135	135	125	125
Total		3,551	5,783	1,409	2,787
Other Directors					
Executive:					
Salaries and other emoluments		737	668	-	-
Fees		15	15	-	-
Bonus		83	73	-	-
Retirement benefit		-	-	-	-
		835	756	-	-
Non-Executive:					
Fees		55	40	-	-
Total		890	796	-	-
Analysis:					
Total executive directors' remuneration		4,251	6,404	1,284	2,662
Total non-executive directors' remuneration		190	175	125	125
Total directors' remuneration		4,441	6,579	1,409	2,787

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

25. DIRECTORS' REMUNERATION (cont'd)

The number of Directors of the Group whose total remuneration falls within the respective bands are analysed as follows:

	<u>Number of Directors</u>	
	<u>2002</u>	<u>2001</u>
Executive Directors:		
RM100,001 - RM150,000	1	1
RM150,001 - RM200,000	1	1
RM400,001 - RM450,000	-	1
RM500,001 - RM550,000	1	-
RM650,001 - RM700,000	-	2
RM700,001 - RM750,000	1	-
RM750,001 - RM800,000	1	-
RM900,001 - RM950,000	1	-
RM950,001 - RM1,000,000	-	1
RM1,000,001 - RM1,050,000	1	-
RM3,250,001 - RM3,300,000	-	1*
Non Executive Directors:		
Below RM50,000	8	8

* inclusive of retirement benefit amounted to RM2,374,000.

26. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the Company's subsidiary and associated companies are listed below:

<u>Company</u>	<u>Country of Incorporation</u>	<u>Nature of Business</u>	<u>Equity Interest Held</u>	
			<u>2002</u>	<u>2001</u>
			%	%
Metal-Pak (Malaysia) Sdn. Bhd.	Malaysia	Can manufacturer	100	100
Box-Pak (Malaysia) Berhad	Malaysia	Corrugated fibre board carton manufacturer	54.84	54.85
Canco Engineering & Machinery Sdn. Bhd.	Malaysia	Industrial and mechanical engineering services	100	100

26. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

<u>Company</u>	<u>Country of Incorporation</u>	<u>Nature of Business</u>	<u>Equity Interest Held</u>	
			<u>2002</u> %	<u>2001</u> %
Indastri Kian Joo Sdn. Bhd.	Malaysia	Letting out of factory building	100	100
Great Asia Tin Cans Factory Company Sdn. Bhd.	Malaysia	Can manufacturer	100	100
Bintang Seribu Sdn. Bhd.	Malaysia	Tinplate cutting operations	100	100
Multi-Pet Sdn. Bhd.	Malaysia	Polyethelene terepthalate products manufacturer	100	100
Kian Joo Packaging Sdn. Bhd.	Malaysia	2-piece aluminium beverage cans manufacturer	100	100
KJ Can (Selangor) Sdn. Bhd.	Malaysia	Can manufacturer	100	100
Federal Metal Printing Factory Sdn. Bhd.	Malaysia	Metal printing and can manufacturer	100	100

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

26. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

<u>Company</u>	<u>Country of Incorporation</u>	<u>Nature of Business</u>	<u>Equity Interest Held</u>	
			<u>2002</u> %	<u>2001</u> %
KJM Aluminium Can Sdn. Bhd.	Malaysia	2-piece aluminium retortable can manufacturer	100	100
* KJ Can (Johore) Sdn.Bhd.	Malaysia	Can manufacturer	100	100
# Kian Joo Services Sdn. Bhd.	Malaysia	Share registration and management services	100	100
Kian Joo-Visypak Sdn. Bhd.	Malaysia	Polyethelene terephthalate products manufacturer	50	50
* Kian Joo Can (Vietnam) Co., Ltd.	Vietnam	Can manufacturer	100	-

* Audited by affiliate of Ernst & Young.

The Company has become dormant subsequent to the financial year end.

27. SEGMENT INFORMATION

(a) Business Segments:

The Group operates mainly in Malaysia and few major business segments are tabulated as follows:

	<u>General Cans</u>		<u>Aluminium Cans</u>		<u>Corrugated Cartons</u>	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
REVENUE AND EXPENSES						
Revenue						
External sales	223,828	228,963	188,956	190,348	44,881	51,380
Inter-segment sales	4,465	3,045	-	-	1,084	1,742
Total Revenue	228,348	232,008	188,956	190,348	45,965	53,122
Result						
Segment results	9,518	13,109	25,477	21,993	9,040	11,511
Finance cost						
Share of results of associate company	-	-	-	-	-	-
Taxation						
Minority interests						
Net profit for the year						
ASSETS AND LIABILITIES						
Segment assets	479,437	522,528	291,217	316,750	80,094	82,670
Investment in associate company	-	-	-	-	-	-
Unallocated corporate assets						
Consolidated total assets						
Segment liabilities	151,638	24,618	107,834	127,527	7,558	14,508
Unallocated corporate liabilities						
Consolidated total liabilities						
OTHER INFORMATION						
Capital expenditure	22,549	13,535	2,456	5,507	291	780
Depreciation	19,097	18,244	15,666	15,562	3,764	3,796
Non-cash expenses other than depreciation	140	69	814	1,017	326	203

* Other business segments include letting out of factory building and industrial and mechanical engineering services.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

<u>Pet Products</u>		<u>Other*</u>		<u>Total</u>		<u>Elimination</u>		<u>Consolidated</u>	
2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
21,290	23,207	136	130	479,091	494,028			479,091	494,028
1,183	628	813	436	7,545	5,851	(7,545)	(5,851)	-	-
<u>22,473</u>	<u>23,835</u>	<u>949</u>	<u>566</u>	<u>486,691</u>	<u>499,879</u>			<u>479,091</u>	<u>494,028</u>
(485)	1,125	-	(286)	43,550	47,452	(233)	88	43,317	47,540
								(8,158)	(10,321)
5,056	4,688	-	-	5,056	4,688			5,056	4,688
								(8,866)	(10,352)
								(3,124)	(1,372)
								<u>28,225</u>	<u>30,183</u>
23,638	21,866	4,557	4,197	878,943	948,011	(180,768)	(267,583)	698,175	680,428
16,043	20,167	-	-	16,043	20,167	-	-	16,043	20,167
								<u>22,483</u>	<u>22,559</u>
								<u>736,701</u>	<u>723,154</u>
19,921	17,369	1,434	1,513	288,385	185,535	(176,974)	(115,447)	111,411	70,088
								<u>82,812</u>	<u>129,994</u>
								<u>194,223</u>	<u>200,082</u>
4,978	2,450	-	71	30,274	22,343			30,274	22,343
2,443	2,205	100	119	41,070	39,926			41,070	39,926
-	(9)	-	-	1,280	1,280			1,280	1,280



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (cont'd)

27. SEGMENT INFORMATION (cont'd)

(b) Geographical Segments:

The Group operates in Malaysia and Vietnam. Performance and positions of respective countries are as follows:

	Malaysia		Vietnam	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Total revenue from				
external customers	478,570	494,028	521	-
Segment assets	683,728	680,428	14,447	-
Capital expenditure	20,909	22,343	9,366	-

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

28. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt. The Group had no substantial long-term interest-bearing assets as at 31 December 2002 other than an investment in unquoted debentures at cost and an amount due from a subsidiary company which bears interest at a fixed rate. The investment in other financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

28. FINANCIAL INSTRUMENTS (cont'd)

(c) Foreign Exchange Risk

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia except for foreign exchange risks arising from imports and exports and from a country in which a foreign subsidiary company operates. The currencies giving rise to this risk is primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EURO"), Swiss Franc ("CHF") and Japanese Yen ("JPY").

The Group does not engage in any hedging transactions.

The net unhedged financial assets and financial liabilities of the Group as at 31 December 2002 that are not denominated in their functional currencies are as follows:

Functional currency of the Group	<u>JPY</u> RM'000	<u>SGD</u> RM'000	<u>EURO</u> RM'000	<u>CHF</u> RM'000	<u>USD</u> RM'000
Ringgit Malaysia:					
Trade receivables	-	5,437	-	-	6,006
Trade payables	(22)	(928)	(20)	(63)	(836)
Other payables	-	(27)	-	(2)	(100)
	(22)	4,482	(20)	(65)	5,070

(d) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

28. FINANCIAL INSTRUMENTS (cont'd)

(e) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(f) Fair Values

The aggregate net fair values of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Group and of the Company are represented as follows:

	Note	<u>Group</u>		<u>Company</u>	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets:					
Investment		300	*	300	*
Financial Liabilities:					
Term loans		125,149	125,170	120,000	120,021

* It is not practical to estimate the fair value of the Group's non-current unquoted debenture because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. However, the Group believes that the carrying amount represents the recoverable value.

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, short term borrowings and contingent liability approximate their fair values due to the relatively short term nature of these financial instruments.

It is not practicable to determine the fair value of amounts due from/(to) subsidiary and associated companies due to principally a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the Group and the Company do not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The fair values of all other financial assets and liabilities of the Group and the Company as at 31 December 2002 are not materially different from their carrying values.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)



29. SIGNIFICANT RELATED PARTY TRANSACTIONS

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Sales to subsidiary companies	-	-	31,139	33,906
Sales to an associated company	564	352	-	-
Rental receivable from subsidiary companies	-	-	750	780
Rental receivable from an associate company	2,191	2,191	-	-
Interest income receivable from a subsidiary company	-	-	3,664	200
Management fees receivable from an associated company	1,604	1,589	1,604	1,589
Purchases from subsidiary companies	-	-	8,018	6,260
Purchases from an associated company	146	202	-	-
Purchase of property, plant and equipment (to)/from a subsidiary company	-	-	(297)	7,534

Apart from the above, the Group also entered into the following related party transactions:

(i) <u>Nature of transaction</u>	<u>Identity of related party</u>	<u>Group</u>	
		<u>2002</u> RM'000	<u>2001</u> RM'000
Sales of trading inventories by a subsidiary company	Hercules Sdn. Bhd. ("Hercules")	506	453

The party is deemed related to the Group by virtue of common directorship held by See Leong Chye @ Sze Leong Chye in Hercules and a subsidiary company.

The above transactions were entered into in the normal course of business on terms that the Directors consider comparable to those had the transactions been entered into with third parties.

30. CAPITAL COMMITMENTS

(a) Capital expenditure for property, plant and equipment:

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Approved and contracted for	15,886	8,442	15,468	3,300
Approved but not contracted contracted for	-	6,300	-	6,300

(b) Capital expenditure for the investment in Vietnam

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Approved and contracted for	10,814	18,317	10,814	18,137

31. OPERATING LEASE

(a) Operating Lease Payables

The future minimum lease payables of the Group and of the Company under non-cancellable operating leases are summarised as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
1 year after balance sheet date	268	504	-	113
More than 1 year but not later than five years	119	155	-	22

(b) Operating Lease Receivables

The future minimum lease receivables under non-cancellable operating leases are summarised as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
1 year after balance sheet date	1,095	2,191	-	-
More than 1 year but not later than five years	-	1,095	-	-

The above lease receivable is in respect of the rental income from letting of factory building to an associate of the holding company, determined based on per square foot basis pursuant to rental agreement dated 20 June 2001. The agreement expires on 30 June 2003.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2002 (cont'd)

32. CONTINGENT LIABILITY

	<u>Company</u>	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
Unsecured:		
Guarantees given to financial institutions for credit facilities granted to subsidiary companies	1,291	42

33. PRIOR YEAR ADJUSTMENT

In compliance with Malaysian Accounting Standards Board No. 19, Event After the Balance Sheet Date, the Group discontinued the recognition of dividend declared or proposed after the balance sheet date, as a liability. This change has been applied retrospectively with the resulting adjustment reported as an adjustment to opening balance of retained profit of the Group and of the Company. In this respect, retained profit as at 31 December 2001 of the Group and of the Company has increased by RM5,786,000 each with a corresponding decrease in proposed dividend.

This change in accounting policy has no effect on the Income Statements of the current and previous financial years.

34. COMPARATIVE FIGURES

- (a) The following comparative figures of the financial statements and notes thereto have been restated due to the adoption of MASB Standard No. 19, Events After the Balance Sheet Date as disclosed in Note 33 to the financial statements and to conform with current year's presentation.

	<u>Group</u>		<u>Company</u>	
	<u>As restated</u>	<u>As previously reported</u>	<u>As restated</u>	<u>As previously reported</u>
	RM'000	RM'000	RM'000	RM'000
BALANCE SHEET				
Proposed dividend	-	5,786	-	5,786
Reserves	435,779	429,993	147,293	141,241
Trade payables	19,568	19,414	-	-
Other payables and accruals	28,015	28,169	-	-
<hr/>				
INCOME STATEMENT				
Raw materials and consumables used	(5,415)	(5,361)	-	-
Changes in inventories of finished goods and work-in-progress	(285,683)	(285,737)	-	-

- (b) The presentation and classification of items in the segment information as disclosed in Note 27 to the financial statements of the previous financial year have been changed to comply with the requirement of MASB Standard No. 22, Segment Reporting.

LIST OF PROPERTIES AS AT 31 DECEMBER 2002

Location	Description	Area (sq.m)	Tenure	Expiry Date	Age of Buildings (Years)	NBV as at 31/12/2002	
						Land (RM'000)	Building (RM'000)
Lot PT 2 Jalan Perusahaan 4 Batu Caves	Factory Building	11,713	Leasehold	05.09.2074	22	3,148	2,676
Lot No 28833 to 28836 Batu Caves	Factory Building	7,299	Freehold	-	08	2,801	1,468
No 28829 to 28832 Batu Caves	Factory Building	16,895	Freehold	-	07	4,771	4,168
Lot 6 Jalan Perusahaan 1 Batu Caves	Factory Building	8,514	Leasehold	05.09.2074	14	2,241	3,382
Lot 8 Jalan Perusahaan 1 Batu Caves	Factory Building	8,452	Leasehold	05.09.2074	26	2,258	1,763
Lot 10 Jalan Perusahaan 1 Batu Caves	Factory Building	9,919	Leasehold	05.09.2074	26	2,592	2,935
Lot PT 765, Mukim of Kuala Lumpur	Land for Development	1,963	Freehold	-	-	740	-
Lot No 3846, Chembong Rembau, Negeri Sembilan	Land for Development	4,249	Leasehold	27.06.2049	-	191	-
Plo 456, Pasir Gudang Ind Estate, Johor	Land for Development	12,140	Leasehold	04.09.2021	-	693	-
Lot 123, Phase 3 Arab-Malaysian Ind Park Nilai, Negeri Sembilan	Land for Development	12,553	Freehold	-	-	2,254	-
Lot 146 Arab-Malaysian Ind Park Nilai, Negeri Sembilan	Land for Development	9,007	Freehold	-	-	1,803	-
Lot 147 Arab-Malaysian Ind Park Nilai, Negeri Sembilan	Land for Development	9,007	Freehold	-	-	1,925	-
Lot 107 Arab-Malaysian Ind Park Nilai, Negeri Sembilan	Land for Development	11,785	Freehold	-	-	2,465	-
Lot 22 & 24, Sec 16 Town of Shah Alam Selangor	Factory Building	3,902	Leasehold	31.10.2070	30	981	1789
Lot 21, Section 16 Town of Shah Alam Selangor	Factory Building	1,951	Leasehold	31.10.2070	18	497	298

LIST OF PROPERTIES AS AT 31 DECEMBER 2002 (cont'd)

Location	Description	Area (sq.m)	Tenure	Expiry Date	Age of Buildings (Years)	NBV as at 31/12/2002	
						Land (RM'000)	Building (RM'000)
PT No 14350 Mukim of Damansara Shah Alam, Selangor	Factory Building	19,777	Freehold	-	04	4,257	9,293
Lot 10, Lorong 2A Cheras Jaya Ind Estate Balakong, Selangor	Factory Building	6,028	Leasehold	14.05.2088	25	805	1,023
Lot 135 Jalan Kawat 15/18 Tapak Perusahaan Shah Alam, Town of Shah Alam, Selangor	Factory Building	11,427	Leasehold	12.06.2073	26	2,158	2,348
Lot 3 Jalan Kawat 15/18 Tapak Perusahaan Shah Alam, Town of Shah Alam, Selangor	Factory Building	12,140	Leasehold	16.07.2074	11	2,294	3,504
Lot 18 Jalan Pengapit 15/19 Shah Alam	Factory Building	7,641	Leasehold	04.11.2080	11	1,486	1,859
Lot 4 Jalan Perusahaan 2 Batu Caves, Selangor	Factory Building	18,848	Leasehold	05.09.2074	10	6,453	8,031
Lot 7 Jalan Perusahaan 2 Batu Caves, Selangor	Factory Building	12,840	Leasehold	05.09.2074	18	4,382	3,842
2736 & 2737 Mukim of Ulu Kinta District of Kinta, Perak	Factory Building	5,344	Leasehold	13.07.2036	24	244	569
733 Jalan Tampoi 81200 Johor Bahru	Factory Building	16,709	Freehold	-	34	8,028	7,861
23 Jalan Dewani, Lorong 1 Johor Bahru	Shophouse	180	Freehold	-	22	-	523
Lot 104, 105 & 106 Arab-Malaysian Ind Park Nilai, Negeri Sembilan	Factory Building	39,603	Freehold	-	5	8,575	18,432
HS (D) 80122 PT No 5141 Mukim Damansara Daerah Petaling	Factory Building	31,142	Freehold	-	10	10,727	8,646
17 Dai Lo Doc Lap, VSIP Thuan An District Binh Duong Province Vietnam	Factory Building	22,201	Leasehold	11.02.2046	01	3,006	-



ANALYSIS OF SHAREHOLDINGS AS AT 30 APRIL 2003

Authorised Share Capital	:	RM100,000,000
Issued & Fully Paid-up Capital	:	RM86,831,330.50
Class of Shares	:	Ordinary share of RM0.50 each
Voting Rights	:	One vote per ordinary share
Number of Shareholders	:	3,663

DISTRIBUTION OF SHAREHOLDINGS

<u>Size of Shareholdings</u>	<u>No of Holders</u>	<u>% of Holders</u>	<u>No of shares</u>	<u>% of shares</u>
1 - 1,000	205	5.60	152,586	0.09
1,001 - 10,000	2,796	76.33	9,331,878	5.38
10,001 - 100,000	542	14.80	14,698,656	8.46
100,001 - to less than 5% of issues shares	118	3.22	63,029,627	36.29
5% and above of issued shares	2	0.05	86,449,914	49.78
	3,663	100.00	173,662,661	100.00

THIRTY LARGEST SHAREHOLDERS AS AT 30.04.2003

<u>Name</u>	<u>No of shares</u>	<u>% of Shares</u>
1. Kian Joo Holdings Sdn Bhd - in liquidation	64,111,914	36.92
2. Employees Provident Fund Board	22,338,000	12.86
3. Malaysia National Insurance Berhad	5,778,000	3.33
4. Universal Trustee (Malaysia) Berhad	4,584,000	2.64
5. HSBC Nominees (Tempatan) Sdn Bhd	4,172,250	2.40
6. Malaysian Assurance Alliance Berhad	4,048,500	2.33
7. Permodalan Nasional Berhad	3,988,500	2.30
8. Malaysia Nominees (Tempatan) Sdn Bhd	3,093,000	1.78
9. Amanah Raya Nominees (Tempatan) Sdn Bhd	3,036,000	1.75
10. Lembaga Tabung Haji	2,809,500	1.62

ANALYSIS OF SHAREHOLDINGS

AS AT 23 APRIL 2003 (cont'd)



THIRTY LARGEST SHAREHOLDERS AS AT 30.04.2003

<u>Name</u>	<u>No of shares</u>	<u>% of Shares</u>
11. Mayban Nominees (Tempatan) Sdn Bhd	2,205,250	1.27
12. Perbadanan Nasional Berhad	1,740,000	1.00
13. BBMB Securities Nominees (Tempatan) Sdn Bhd	1,726,500	0.99
14. SBBAM Nominees (Tempatan) Sdn Bhd	1,354,500	0.78
15. Lembaga Tabung Angkatan Tentera	1,275,000	0.73
16. See Leong Chye @ Sze Leong Chye	1,134,889	0.65
17. Alliance Group Nominees (Tempatan) Sdn Bhd	1,022,000	0.59
18. Dato' See Teow Chuan	995,463	0.57
19. Citicorp Nominees (Tempatan) Sdn Bhd	971,000	0.56
20. CIMSEC Nominees (Tempatan) Sdn Bhd	924,750	0.53
21. Yong Har Chye	840,000	0.48
22. Tan Ching Ching	822,000	0.47
23. Rothputra Nominees (Tempatan) Sdn Bhd	814,500	0.47
24. Rengo Malay Estate Sdn Bhd	787,500	0.45
25. John Hancock Life Insurance (Malaysia) Berhad	750,000	0.43
26. Bidor Tahan Estates Sdn Bhd	750,000	0.43
27. Raja Ashman Shah Bin Raja Azlan Shah	748,132	0.43
28. Kurnia Insurans (Malaysia) Berhad	684,000	0.39
29. Allianz General Insurance Malaysia Berhad	655,000	0.38
30. Koperasi Permodalan FELDA Berhad	619,500	0.36



ANALYSIS OF SHAREHOLDINGS AS AT 23 APRIL 2003 (cont'd)

SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2003

<u>Name</u>	<u>Direct Interest</u>		<u>Indirect interest</u>		<u>%</u>
	<u>No of Shares</u>	<u>%</u>	<u>No of Shares</u>	<u>%</u>	
1. Kian Joo Holdings Sdn Bhd - in liquidation	64,111,914	36.92	0	-	-
2. Employees Provident Fund Board	22,338,000	12.86	0	-	-
3. Dato' See Teow Chuan	995,463	0.57	64,799,619	37.31	37.31
4. Dato' Anthony See Teow Guan	413,205	0.24	64,360,560	37.06	37.06
5. Mr See Teow Koon	23,616	0.01	64,285,119	37.02	37.02
6. Mr See Tiau Kee	-	0.00	64,159,914	36.95	36.95

DIRECTORS' SHAREHOLDINGS AS AT 30 APRIL 2003

<u>Name of Director</u>	<u>Direct Interest</u>		<u>Indirect interest</u>		<u>No of Option*</u>
	<u>No of Shares</u>	<u>%</u>	<u>No of Shares</u>	<u>%</u>	
1. Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	-	-	1,664,625	0.96	-
2. Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	150,000	0.09	-	-	-
3. Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah	748,132	0.43	-	-	-
4. Dato' See Teow Chuan	995,463	0.57	64,799,619	37.31	600,000
5. Dato' Anthony See Teow Guan	413,205	0.24	64,360,560	37.06	600,000
6. Mr See Teow Koon	23,616	0.01	64,285,119	37.02	600,000
7. Mr See Tiau Kee	-	-	64,159,914	36.95	600,000
8. Mr See Ean Seng	9,907	0.01	134,179	0.08	-
9. Dato' Ismail Bin Lebai Kamat	-	-	-	-	-

Note :

* Options granted pursuant to the Company's Employee Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of Kian Joo Can Factory Berhad will be held at the Conference Room, Lot 6, Jalan Perusahaan 1, 68100, Batu Caves, Selangor Darul Ehsan on Wednesday, 18 June 2003 at 3.00 p.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2002 together with the Directors' and Auditors' thereon. **Resolution 1**
2. To declare a 10% Tax Exempt Final Dividend for financial year ended 31 December 2002. **Resolution 2**
3. To approve the Directors' Fees of RM 205,000 for the financial year ended 31 December 2002. **Resolution 3**
4. To re-elect the following directors retiring by rotation pursuant to Article 107 of the Company's Articles of Association:-
 - i) Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar **Resolution 4**
 - ii) Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah **Resolution 5**
 - iii) See Ean Seng **Resolution 6**
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

As Special Business

6. To consider and, if thought fit, to pass the following Ordinary Resolution:-
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature **Resolution 8**

*THAT, subject always to the compliance of the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of the Kuala Lumpur Stock Exchange and all other applicable laws, regulation and guidelines, approval be and is hereby given to the Company to renew its the Company and its subsidiaries are hereby authorised to enter into or transact all recurrent related party transactions of a revenue and trading nature which are necessary for the day to day operations of the Company from time to time, the nature and the contracting parties are set out in a table under Section 2.1 of the Circular to Shareholders dated 27 May 2003 PROVIDED THAT

- (i) the transactions are in the ordinary course of business on an arm's length basis, on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (ii) disclosure of the aggregate value of the transactions conducted pursuant to this shareholders' mandate during the financial year of the Company is made in the annual report by providing a breakdown of the aggregate value of the transactions, amongst others, based on the following information:-
 - (a) the type of transactions made; and
 - (b) the names of the related parties involved in each type of transactions made and their relationships with the Company and its subsidiaries.

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of next AGM of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
- (c) revoke or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

7. To transact any other business of the Annual General Meeting.

By order of the Board,

Chia Kwok Why
Company Secretary

Batu Caves, Selangor
Date: 27 May 2003

Notes :

1. A member of the Company entitled to attend and vote at the Meeting may appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, under its common seal or the hands of its attorney.
3. Duly completed forms of proxy should be deposited to Signet Share Registration Services Sdn. Bhd. at 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. **EXPLANATORY NOTES ON SPECIAL BUSINESS**
Resolution 8 seek to secure mandate from shareholders to enable the Company and its subsidiaries to enter into related party transactions of revenue or trading nature in the ordinary course of business. The shareholders' mandate is on an annual basis and subject to renewal at the next AGM.

Relevant information on the Proposed Renewal of Shareholders' Mandate is set out in the Circular to Shareholders dated 27 May 2003 which is despatched together with the Company's 2002 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election are:-

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar
Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah
See Ean Seng

The details of the above Directors are set out on pages 7 to 10.

2. Details of Attendance of Directors at Board Meetings: -

There were a total of four (4) board meetings held during the financial year ended 31 December 2002 and the details of the attendance of the Directors are set out on page 11.

3. Date, Time and Place of the 45th Annual General Meeting:-

Date : Wednesday, 18 June 2003
Time : 3.00 pm
Place : Conference Room
Lot 6 Jalan Perusahaan 1
68100 Batu Caves
Selangor Darul Ehsan



NOTES

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KIAN JOO CAN FACTORY BERHAD (3186-P)
(Incorporated in Malaysia)

I/We, _____
(Full Name)
of _____
(Address)
being a member of Kian Joo Can Factory Berhad hereby appoint *The Chairman of the meeting or _____

(Full Name)
of _____ or failing
(Address)
him _____
(Full Name)
of _____
(Address)

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Conference Room, Lot 6, Jalan Perusahaan 1, 68100 Batu Caves, Selangor, Malaysia on Wednesday, 18 June 2003 at 3.00 p.m. and at any adjournment thereof.

Please indicate with an 'X' in the spaces provided below how you wish your vote to be cast on the resolutions specified in the Notice of Meeting.

	For	Against
1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2002 together with the Directors and Auditors' Reports thereon. Resolution 1		
2. To declare a 10% Tax Exempt Final Dividend for financial year ended 31 December 2002. Resolution 2		
3. To approve Directors' Fees of RM205,000 for the financial year ended 31 December 2002. Resolution 3		
4. To re-elect the following directors retiring by rotation pursuant to Article 107 of the Company's Articles of Association:- (i) Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar Resolution 4 (ii) Y.A.M. Raja Dato' Seri Ashman Shah Ibni Sultan Azlan Shah Resolution 5 (iii) See Ean Seng Resolution 6		
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise directors to fix their remuneration. Resolution 7		
6. To consider and, if thought fit, to pass the following Ordinary Resolution:- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature Resolution 8		

Signed this _____ day of _____ 2003.

Signature of Member(s)

Notes :

- A member of the Company entitled to attend and vote at the Meeting may appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the company.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, under its common seal or the hands of its attorney.
- Duly completed forms of proxy should be deposited to Signet Share Registration Services Sdn. Bhd. at 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- EXPLANATORY NOTES ON SPECIAL BUSINESS**
Resolution 8 seek to secure mandate from shareholders to enable the Company and its subsidiaries to enter into related related party transactions of revenue or trading nature in the ordinary course of business. The shareholders' mandate is on an annual basis and subject to renewal at the next AGM.
Relevant information on the Proposed Renewal of Shareholders' Mandate is set out in the Circular to Shareholders dated 27 May 2003 which is despatched together with the Company's 2002 Annual Report.

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The Share Registrars
KIAN JOO CAN FACTORY BERHAD (3186-P)
11th Floor, Tower Block,
Kompleks Antarabangsa,
Jalan Sultan Ismail,
50250 Kuala Lumpur

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