

Financial Statements

Directors' Report

Statement By Directors

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CONSOLIDATED BALANCE SHEET

31 December, 2001

	NOTE	2001 RM	2000 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	<u>37,971,012</u>	<u>41,112,823</u>
CURRENT ASSETS			
Inventories	5	52,873,950	41,288,391
Trade receivables	6	48,068,602	39,656,796
Other receivables	7	1,947,296	2,545,372
Cash and bank balances	8	<u>8,877,851</u>	<u>21,167,984</u>
		<u>111,767,699</u>	<u>104,658,543</u>
CURRENT LIABILITIES			
Short term borrowings	9	25,653,516	7,715,701
Trade payables		12,817,431	16,316,472
Other payables	10	4,562,425	11,625,581
Taxation		<u>-</u>	<u>104,253</u>
		<u>43,033,372</u>	<u>35,762,007</u>
NET CURRENT ASSETS		<u>68,734,327</u>	<u>68,896,536</u>
		<u>106,705,339</u>	<u>110,009,359</u>
FINANCED BY:			
Share capital	11	55,410,180	55,410,180
Reserves		<u>51,295,159</u>	<u>54,599,179</u>
		<u>106,705,339</u>	<u>110,009,359</u>

The accompanying notes are an integral part of this balance sheet.

CONSOLIDATED INCOME STATEMENT

For The Year Ended 31 December, 2001

	NOTE	2001 RM	2000 RM
Revenue	13	94,657,389	147,235,754
Cost of sales		<u>(80,194,598)</u>	<u>(127,043,929)</u>
Gross profit		14,462,791	20,191,825
Administrative expenses		(16,910,514)	(24,183,990)
Other operating expenses		(432,109)	(9,943,250)
Provision for inventory obsolescence	14	-	(12,192,000)
Reorganisation cost	14	<u>-</u>	<u>(3,705,851)</u>
Loss from operations	15	(2,879,832)	(29,833,266)
Finance cost, net	17	<u>(422,413)</u>	<u>(331,903)</u>
Loss before taxation		(3,302,245)	(30,165,169)
Taxation	18	<u>(1,775)</u>	<u>(287,371)</u>
Loss for the year		<u>(3,304,020)</u>	<u>(30,452,540)</u>
Loss per share (sen)	19	<u>6.0</u>	<u>55.0</u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED INCOME STATEMENT

For The Year Ended 31 December, 2001

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December, 2001

	<----- Non-distributable ----->			Distributable		
	Share capital RM	Share premium RM	Merger deficit (Note 12) RM	Exchange reserve RM	Retained profits/ (accumulated losses) RM	Total RM
At 1.1.2000 as previously stated	55,410,180	38,451,919	(6,178,698)	50,800	52,727,698	140,461,899
Prior year adjustments (Note 20)	-	-	6,178,698	-	(6,178,698)	-
At 1.1.2000 as restated	55,410,180	38,451,919	-	50,800	46,549,000	140,461,899
Loss for the year	-	-	-	-	(30,452,540)	(30,452,540)
At 31.12.2000	<u>55,410,180</u>	<u>38,451,919</u>	<u>-</u>	<u>50,800</u>	<u>16,096,460</u>	<u>110,009,359</u>
At 1.1.2001 as previously stated	55,410,180	38,451,919	(6,178,698)	50,800	22,493,120	110,227,321
Prior year adjustments (Note 20)	-	-	6,178,698	-	(6,396,660)	(217,962)
At 1.1.2001 as restated	55,410,180	38,451,919	-	50,800	16,096,460	110,009,359
Loss for the year	-	-	-	-	(3,304,020)	(3,304,020)
At 31.12.2001	<u>55,410,180</u>	<u>38,451,919</u>	<u>-</u>	<u>50,800</u>	<u>12,792,440</u>	<u>106,705,339</u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31 December, 2001

	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,302,245)	(30,165,169)
Adjustments for:		
Intangible assets written off	-	4,030
Depreciation	4,827,113	6,122,363
Loss/(gain) on disposal of property, plant and equipment	26,482	(97,278)
Unrealised foreign exchange losses/(gains)	583,061	(2,801,193)
Interest expense	450,152	1,257,899
Interest income	(27,739)	(925,996)
Provision for doubtful debts	-	10,511,878
Provision for inventory obsolescence	-	12,192,000
Operating profit/(loss) before working capital changes	2,556,824	(3,901,466)
(Increase)/decrease in receivables	(8,396,791)	68,049,292
(Increase)/decrease in inventories	(11,585,559)	6,779,674
Decrease in payables	(10,562,197)	(53,424,969)
Cash (used in)/generated from operations	(27,987,723)	17,502,531
Taxes paid	(106,028)	(548,531)
Interest paid	(450,152)	(1,257,899)
Net cash (used in)/generated from operating activities	(28,543,903)	15,696,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	9,201	1,310,477
Purchase of property, plant and equipment	(1,720,985)	(3,813,147)
Interest received	27,739	925,996
Net cash used in investing activities	(1,684,045)	(1,576,674)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(2,770,509)
Repayment of short term borrowings	(3,892,127)	(17,093,494)
Drawdown of short term borrowings	25,068,000	-
Net cash generated from/(used in) financing activities	21,175,873	(19,864,003)

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31 December, 2001

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31 December, 2001

	200a1 RM	2000 RM
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,052,075)	(5,744,576)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>17,929,926</u>	<u>23,674,502</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>8,877,851</u>	<u>17,929,926</u>
Cash and cash equivalents comprise:		
Cash on hand and at banks	844,651	347,784
Deposits with licensed banks	8,033,200	20,820,200
Bank overdraft	<u>-</u>	<u>(3,238,058)</u>
	<u>8,877,851</u>	<u>17,929,926</u>

The accompanying notes are an integral part of this statement.

BALANCE SHEET

31 December, 2001

	NOTE	2001 RM	2000 RM
NON-CURRENT ASSETS			
Subsidiaries	4	<u>33,579,080</u>	<u>33,579,080</u>
CURRENT ASSETS			
Other receivables	7	60,269,367	60,631,771
Cash and bank balances	8	<u>77,005</u>	<u>54,224</u>
		<u>60,346,372</u>	<u>60,685,995</u>
CURRENT LIABILITIES			
Other payables	10	97,083	28,501
Taxation		<u>-</u>	<u>104,253</u>
		<u>97,083</u>	<u>132,754</u>
NET CURRENT ASSETS		<u>60,249,289</u>	<u>60,553,241</u>
		<u>93,828,369</u>	<u>94,132,321</u>
FINANCED BY:			
Share capital	11	55,410,180	55,410,180
Reserves		<u>38,418,189</u>	<u>38,722,141</u>
		<u>93,828,369</u>	<u>94,132,321</u>

The accompanying notes are an integral part of this balance sheet.

INCOME STATEMENT

For The Year Ended 31 December, 2001

	NOTE	2001 RM	2000 RM
Administration expenses, representing loss from operations	15	(303,952)	(447,715)
Taxation	18	-	(1,739)
		<hr/>	<hr/>
Loss for the year		(303,952)	(449,454)
		<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December, 2001

	Share capital RM	Non- distributable Share premium RM	Distributable Retained profits/ (accumulated losses) RM	Total RM
At 1.1.2000	55,410,180	38,451,919	719,676	94,581,775
Loss for the year	-	-	(449,454)	(449,454)
At 31.12.2000	<u>55,410,180</u>	<u>38,451,919</u>	<u>270,222</u>	<u>94,132,321</u>
At 1.1.2001	55,410,180	38,451,919	270,222	94,132,321
Loss for the year	-	-	(303,952)	(303,952)
At 31.12.2001	<u>55,410,180</u>	<u>38,451,919</u>	<u>(33,730)</u>	<u>93,828,369</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December, 2001

CASH FLOW STATEMENT
For The Year Ended 31 December, 2001

	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(303,952)	(447,715)
Adjustment for:		
Unrealised foreign exchange (gain)/loss	(210)	467
Operating loss before working capital changes	(304,162)	(447,248)
Decrease in receivables	362,404	3,053,387
Increase/(decrease) in payables	68,792	(61,245)
Cash generated from operations	127,034	2,544,894
Tax (paid)/refunded	(104,253)	191,922
Net cash generated from operating activities	22,781	2,736,816
CASH FLOWS FROM FINANCING ACTIVITY		
Dividend paid, representing net cash used in financing activity	-	(2,770,509)
Net increase/(decrease) in cash and cash equivalents	22,781	(33,693)
Cash and cash equivalents at beginning of year	54,224	87,917
Cash and cash equivalents at end of year	77,005	54,224

The accompanying notes are an integral part of this statement.