

# NOTES TO THE FINANCIAL STATEMENTS

31 December, 2001

## 16. DIRECTORS' REMUNERATION - continued

2000	Salaries and other emoluments RM	Bonus RM	Fees RM	Total RM
<b>Directors of the Company</b>				
Mirzan bin Mahathir	336,000	-	-	336,000
Ooi Peng Huat	270,961	32,083	-	303,044
Lau Hing Chi	126,978	8,450	-	135,428
Premilla Ann A/P John David	-	-	10,000	10,000
Mohammad Karim bin Mohammad Raslan	-	-	10,000	10,000
	<u>733,939</u>	<u>40,533</u>	<u>20,000</u>	<u>794,472</u>
<b>Other directors in the Group</b>				
Goh Ah Nya	<u>68,448</u>	<u>7,350</u>	<u>-</u>	<u>75,798</u>
	<u>802,387</u>	<u>47,883</u>	<u>20,000</u>	<u>870,270</u>

The number of directors of the Company whose total remuneration during the year fall within the following bands is as follows:

	Executive directors Number of directors		Non-Executive directors Number of directors	
	2001	2000	2001	2000
Less than 50,000	-	-	3	2
RM100,000 - RM150,000	-	-	-	1
RM300,000 - RM350,000	-	-	1	2

## 17. FINANCE COSTS, NET

Included in finance costs are the following:

	2001 RM	Group 2000 RM
Interest income		
- a fellow subsidiary	-	(919,150)
- others	(27,739)	(6,846)
Interest expense	<u>450,152</u>	<u>1,257,899</u>

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## 18. TAXATION

	<b>Group</b>		<b>Company</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Taxation under provided in prior years	<u>1,775</u>	<u>287,371</u>	<u>-</u>	<u>1,739</u>

There is no tax charge for the year as the Company is in a tax loss position.

The Company has tax exempt profits available for distribution of approximately RM13 million (2000 : RM13 million).

## 19. LOSS PER SHARE

Loss per share of the Group is calculated by dividing the loss of RM3,304,020 (2000 : RM30,452,540) by the number of ordinary shares in issue during the financial year of 55,410,180 (2000: 55,410,180).

## 20. PRIOR YEAR ADJUSTMENTS

The prior year adjustments represent the following effects of changes in accounting policies in relation to:

- (a) the inventory valuation method as referred to in Note 2(g). This change in accounting policy has the effect of decreasing the loss before taxation of the Group for 2001 and increasing loss before taxation of the Group for 2000 by RM217,962. The effects relating to periods prior to 2000 has not been adjusted against the opening retained profits as the amount cannot be reasonably determined in a practical manner.
- (b) the early adoption of MASB 21: Business Combinations, as referred to in Note 2(a) and Note 12. This change in accounting policy has the effect of decreasing the retained profits of the Group by RM6,178,698. The effects relating to periods prior to 2000 has been adjusted against the opening retained profits for the year ended 31 December, 2000.

The above changes in the accounting policies have been accounted for retrospectively and comparative information have been restated to conform with the changed accounting policies.

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## 21. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2001 RM'000	2000 RM'000
<b>Group</b>		
Purchases from Nakamichi Corporation Japan, an affiliated company	5,740	30,772
Purchases from Nakamichi Enterprises Limited, a fellow subsidiary	15,145	-
Purchases from NAKS Europe Limited, a fellow subsidiary	23,405	-
Sales to Nakamichi Corporation Japan, an affiliated company	(69,971)	(50,165)
Sales to Lafe Peripherals International Limited, a fellow subsidiary	-	(55,997)
Sales to Nakamichi Enterprises Limited, a fellow subsidiary	(7,812)	-
Transfer of machinery to TWD Asia Limited, a fellow subsidiary	8	-
Guarantee fee payable to The Alpha Capital Group Limited, a fellow subsidiary	356	-
Internal audit fee payable to The Grande Group (HK) Ltd, a fellow subsidiary	103	-
Interest income received from The Alpha Capital Group Limited, a fellow subsidiary	-	(854)

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

## 22. SEGMENTAL REPORTING

No segmental reporting is prepared as the Group's activities are predominantly in one industry segment and occur predominantly in Malaysia.

## 23. COMPARATIVE FIGURES

Certain comparative figures have been adjusted resulting from the change in accounting policy as described in Note 20.

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## PROXY FORM

**NAKAMICHI CORPORATION BERHAD**  
(Company No. 301384-H)

I/We.....  
(FULL NAME IN BLOCK LETTERS)

of.....  
(ADDRESS)

being a member/members of Nakamichi Corporation Berhad hereby .....

appoint.....  
(FULL NAME)

of.....  
(ADDRESS)

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Eighth (8th) Annual General Meeting of the Company to be held at Junior Ballroom 1 (Level 2), Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 June 2002 at 3.00pm and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

RESOLUTION		FOR	AGAINST
Ordinary Resolution 1	Receipt of the Financial Statements and Directors' and Auditors' Reports		
Ordinary Resolution 2	Approval of Directors' Fees		
Ordinary Resolution 3	Re-election of Director		
Ordinary Resolution 4	Re-election of Director		
Ordinary Resolution 5	Re-election of Director		
Ordinary Resolution 6	Re-election of Director		
Ordinary Resolution 7	Re-election of Director		
Ordinary Resolution 8	Re-appointment of Auditors		
Ordinary Resolution 9	Authority to the Directors under Section 132D of the Companies Act 1965 to allot and issue shares in the Company		

Please indicate with "x" how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this                      day of                      2002

.....  
Signature/Common Seal of Shareholder(s)

**Note 1**

A member of the Company who is entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote on a show of hands or on a poll in his stead. A proxy need not be a member of the Company.

In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer of the corporation duly authorised in that behalf.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.

The instrument appointing a proxy must be deposited at the Company's Registered Office situated at Level 13, Menara Milenium, 8 Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur, not less than forty eight 48 hours before the time appointed for holding the Meeting or at any adjournment thereof.



NAKAMICHI  
CORPORATION BERHAD



