

BOARD OF DIRECTORS

Mirzan Bin Mahathir
Chairman
Independent Non-Executive

Christopher Ho Wing On
Non-Independent Non-Executive Director

Premilla Ann A/P John David
Independent Non-Executive Director

Ma Chi Chiu
Non-Independent Non-Executive Director

Lee Hock Chye
Independent Non-Executive Director

Yohan A Rajan
Independent Non-Executive Director

Michael Andrew Barclay Binney
Non-Independent Non-Executive Director

Samuel Yuen Kin
Non-Independent Non-Executive Director

Paul Law Kwok Fai
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Premilla Ann A/P John David
Chairman
Independent Non-Executive

Yohan A Rajan
Independent Non-Executive Director

Lee Hock Chye
Independent Non-Executive Director

Michael Andrew Barclay Binney *
Non-Independent Non-Executive Director

* A member of the Institute of Chartered Accountants in England and Wales specified in Part II of the 1st Schedule of the Accountants Act 1967 and have more than 3 years' working experience

NOMINATION COMMITTEE

Mirzan Bin Mahathir
Chairman
Independent Non-Executive

Yohan A Rajan
Independent Non-Executive Director

Lee Hock Chye
Independent Non-Executive Director

REMUNERATION COMMITTEE

Mirzan Bin Mahathir
Chairman
Independent Non-Executive

Yohan A Rajan
Independent Non-Executive Director

Lee Hock Chye
Independent Non-Executive Director

COMPANY SECRETARY

Gwee Ooi Teng
(MAICSA 0794701)

AUDITORS

Messrs Arthur Andersen & Co
Level 23A, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-20877000
Fax: 03-20959078

REGISTERED OFFICE

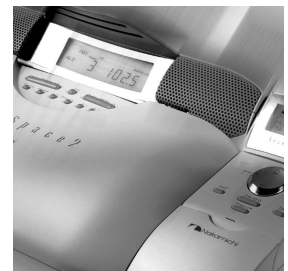
Level 13, Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
Tel: 03-27105555
Fax: 03-27103108
Email: rlmsdg@po.jaring.my

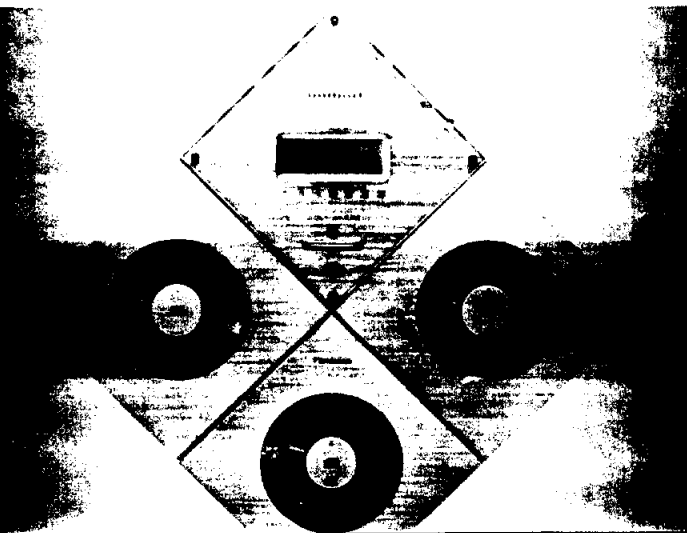
SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 22, Menara Milenium,
Jalan Damanlela
Pusat Bandar Damansara,
Damansara Heights
50490 Kuala Lumpur
Tel: 03-20957077
Fax: 03-20950292

STOCK EXCHANGE LISTING

Second Board of Kuala Lumpur Stock Exchange





On behalf of the Board of Directors, I am pleased to present the Annual Report and the Consolidated Financial Statements for Nakamichi Corporation Berhad ("NCB or the Company") and its subsidiaries ("the Group") for the financial year ended December 31, 2001.

FINANCIAL REVIEW

The Group's turnover for the year was RM95 million as compared with RM147 million in the previous year. In the current reporting year, the Group has successfully transformed itself to become a sole manufacturer of the Nakamichi's audio and visual products from a producer of low / medium end audio and visual products of a mixture of other brand names in its preceding year. Accordingly, the Group reported a higher gross margin of 15.3% in the reporting year as compared to 13.7% in the previous year as a result of this shift.

In the current reporting year, the Group reported an after tax loss of RM3 million as compared with an after tax loss of RM30 million in the previous year. The improved performance for the current year was attributed to the reduction in fixed operating expenses, improved gross margin and an exceptional loss of RM 16 million recorded in the previous year. The exceptional loss recorded in the previous year was made up of provision for stock and reorganization cost as a result of the shift in Group's strategy to become a sole manufacturer of Nakamichi's audio and visual products from a low / medium end audio and visual products.

DIVIDENDS

No dividend was declared in respect of the financial year ended December 31, 2001.

FUTURE HIGHLIGHTS

The prospect of the consumer electronic industry in the coming year will remain competitive. The Group will remain its focus on its core activity of manufacturing audio and visual products of the Nakamichi range. The Group shall continue to focus on measures to maximize its efficiency to minimize cost and improve its quality.

APPRECIATION

On behalf of the Board, I would like to extend my appreciation to the management and staff of the Group for their loyalty and commitment. I also thank all our shareholders, customers, suppliers, bankers for their valued support.

Mirzan Bin Mahathir
Chairman

