

# FINANCIAL

## statements

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# DIRECTORS' report

The Directors of Nylex (Malaysia) Berhad hereby present their report and the audited financial statements of the Group and of the Company for the financial period ended 31 May 2001.

## CHANGE OF FINANCIAL YEAR END

During the current financial period, the Group and Company changed their financial year end from 31 December to 31 May, to be co-terminous with that of their ultimate holding company. Accordingly, the current financial period covers a 17-month period from 1 January 2000 to 31 May 2001.

## PRINCIPAL ACTIVITIES

The Company is principally involved in the manufacture and marketing of vinyl-coated fabrics, calendered film and sheeting and other plastic products, including geotextiles and prefabricated sub-soil drainage systems.

The principal activities of the subsidiary companies comprise the following:-

- (a) Design, manufacture, supply, installation, commissioning and maintenance of equipment and systems for power distribution and motor control centres, trading and contracting in electrical engineering products;
- (b) Manufacture and marketing of roofing products and glasswool insulation products;
- (c) Manufacture and marketing of rotomoulded bulk containers; and
- (d) Manufacture and marketing of quality golf bags.

Other than the cessation of manufacturing and marketing of glass containers as a result of the disposal of Kuala Lumpur Glass Manufacturers Company Sdn Bhd, there have been no other significant changes in the nature of the activities of the Company and its subsidiary companies during the financial period.

## FINANCIAL RESULTS

The results of the operations of the Group and of the Company for the financial period are as follows:-

	Group RM'000	Company RM'000
Profit from operations	43,056	76,773
Finance costs	(12,706)	(2,100)
Operating profit before exceptional items	30,350	74,673
Exceptional items	(96,137)	(71,756)
(Loss)/Profit after exceptional items	(65,787)	2,917
Share of results of associated companies	(50)	—
(Loss)/Profit before taxation	(65,837)	2,917
Taxation	(8,852)	(10,726)
Loss after taxation	(74,689)	(7,809)
Minority interests	(480)	—
Loss for the period	(75,169)	(7,809)

## DIRECTORS' REPORT

### FINANCIAL RESULTS (cont'd.)

	Group RM'000	Company RM'000
Retained profit at beginning of the period		
As previously reported	198,619	108,884
Prior year adjustment	(1,457)	–
As restated	197,162	108,884
Profit available for appropriation	121,993	101,075
Dividends	(95,703)	(95,703)
Retained profits carried forward	26,290	5,372

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature, other than the exceptional items as mentioned in Note 6 to the financial statement.

### RESERVES AND PROVISIONS

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

### ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial period.

### DIVIDENDS

During the financial period, the Company paid:-

- (i) a final dividend of 7.0 sen per share less tax, amounting to RM11,314,181 which was proposed in the previous financial year and dealt with in the previous Directors' report;
- (ii) a special interim tax exempt dividend of 35.0 sen per share, amounting to RM78,570,702;
- (iii) a second interim dividend of 3.6 sen per share less tax, amounting to RM5,818,722; and
- (iv) a third interim dividend of 7.0 sen per share less tax, amounting to RM11,314,181.

### SIGNIFICANT EVENT

During the period, the Company disposed of a wholly-owned subsidiary company, Kuala Lumpur Glass Manufacturers Company Sdn Bhd for a cash consideration of RM60.0 million. Prior to the disposal, the total goodwill written off and write-down of assets amounted to RM66.1 million for the Group, whilst a provision of RM41.8 million was made for diminution in value of investment in subsidiary for the Company.

## DIRECTORS' REPORT

### DIRECTORS

The Directors who served on the Board of the Company since the date of the last report and at the date of this report are:-

Y.A.B.M. Raja Tun Mohar bin Raja Badiozaman	CHAIRMAN (Appointed on 17 May 2000)
Heah Kok Soon	GROUP MANAGING DIRECTOR
Y.M. Tengku Yusoff bin Tengku Mahmud	(Appointed on 25 July 2001)
Y.Bhg. Dato' Mohd Ismail bin Che Rus	
Y.Bhg. Dato' Ahmad Johari bin Abdul Razak	
Siew Ka Wei	
Hsieh Fu Hua	
Toh Yiu Joe	
Hung Hin Cheong	
Chua Ah Lak	
Chieng Ing Huong	(Appointed on 20 June 2001)
Y.A.M. Tengku Kemala Puteri Tengku Farah Qurashiyah binti	
Al-Marhum Sultan Mahmud Al-Muktaffi Billah Shah	(Passed away on 25 February 2001)

Y.M. Tengku Yusoff bin Tengku Mahmud and Chieng Ing Huong who were appointed to the Board after the last Annual General Meeting, retire under Article 86 of the Company's Articles of Association and being eligible, offer themselves for re-election.

In accordance with paragraph 7.28 of the Kuala Lumpur Stock Exchange Listing Requirements, Heah Kok Soon retires by rotation and, being eligible, offers himself for re-election.

In accordance with Article 100 of the Company's Articles of Association, Hung Hin Cheong retires by rotation and, being eligible, offers himself for re-election.

Y.A.B.M. Raja Tun Mohar bin Raja Badiozaman retires in accordance with Section 129(2) of the Companies Act, 1965. The Board recommends that Y.A.B.M. Raja Tun Mohar bin Raja Badiozaman be re-appointed as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965, to hold office until the conclusion of the next Annual General Meeting.

### DIRECTORS' INTERESTS

The interests in shares and share options of the Company and of related companies of those who were directors at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	No. of Shares		
	Balance at 1.1.2000/date of appointment	Acquired	Sold
<b>Ordinary Shares of RM1.00 each in the Company</b>			
<b>Registered in the name of directors</b>			
Heah Kok Soon	53,000	—	—
Hung Hin Cheong	15,000	—	—
Chua Ah Lak	38,000	—	—
<b>Deemed interest</b>			
Siew Ka Wei	116,587,472	1,500	—
Chieng Ing Huong	28,000	—	—

## DIRECTORS' REPORT

### DIRECTORS' INTERESTS (cont'd.)

	No. of Shares			Balance at 31.5.2001
	Balance at 1.1.2000	Acquired	Sold	
Ordinary Shares of RM1.00 each in the Holding Company, Rhodemark Development Sdn Bhd				
Deemed interest				
Heah Kok Soon	10,300,114	—	—	10,300,114
Hung Hin Cheong	10,300,114	—	—	10,300,114
Chua Ah Lak	10,300,114	—	—	10,300,114
Siew Ka Wei	53,753,722	—	—	53,753,722

	No. of Shares/Options			Balance at 31.5.2001
	Balance at 1.1.2000	Acquired	Sold/ Exercised	
Ordinary Shares of RM1.00 each in the Ultimate Holding Company, Ancom Berhad				
Registered in the name of directors				
Y.Bhg. Dato' Ahmad Johari bin Abdul Razak	499,126	—	—	499,126
Siew Ka Wei	4,891,000	360,000	(455,000)	4,796,000
Deemed interest				
Siew Ka Wei	11,090,853	930,574	—	12,021,427

### Options over Ordinary Shares in the Ultimate Holding Company, Ancom Berhad

<b>Registered in the name of directors</b>				
Y.Bhg. Dato' Ahmad Johari bin Abdul Razak	150,000	—	—	150,000
Siew Ka Wei	150,000	—	(30,000)	120,000

By virtue of his interest in the shares of the ultimate holding company, Ancom Berhad, Siew Ka Wei is also deemed to have an interest in the shares of all the other subsidiaries of Ancom Berhad to the extent Ancom Berhad has an interest.

The other Directors do not have any interest in the shares and/or share options of the Company and of related companies during the financial period.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits by reason of a contract made by the Company or a related corporation with the 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 other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements.

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS (cont'd.)

During and at the end of the financial period, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than those pursuant to the employees' share option scheme of the ultimate holding company.

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) 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 have satisfied themselves that all known bad debts had been written off and provision for doubtful debts was adequate; and
  - (ii) 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 have 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 which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which 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 which would render any amount stated in the financial statements of the Group and of the Company misleading.
- (e) 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 period which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial period.
- (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 period which will or may substantially affect the ability of the Group and 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 period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

## DIRECTORS' REPORT

### **HOLDING COMPANIES**

The Company is a subsidiary of Rhodemark Development Sdn Bhd, a company incorporated in Malaysia. The ultimate holding company is Ancom Berhad, a company incorporated in Malaysia.

### **AUDITORS**

The auditors, Messrs 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.B.M. RAJA TUN MOHAR BIN RAJA BADIOZAMAN**

**HEAH KOK SOON**

Shah Alam, Malaysia  
24 September 2001

## STATEMENT

by directors Pursuant to Section 169(15) of the Companies Act, 1965

We, Y.A.B.M. RAJA TUN MOHAR BIN RAJA BADIOZAMAN and HEAH KOK SOON, being two of the Directors of NYLEX (MALAYSIA) BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 42 to 69 are drawn up in accordance with 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 May 2001 and of the results of the business of the Group and of the Company for the period then ended; and
- (ii) the cash flows of the Group and of the Company for the period ended 31 May 2001.

On behalf of the Board,

**Y.A.B.M. RAJA TUN MOHAR BIN RAJA BADIOZAMAN**

**HEAH KOK SOON**

Shah Alam, Malaysia  
24 September 2001

## STATUTORY

declaration Pursuant to Section 169(16) of the Companies Act, 1965

I, PETER GOH, being the Officer primarily responsible for the financial management of NYLEX (MALAYSIA) BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 42 to 69 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 PETER GOH  
at Petaling Jaya on 24 September 2001

**PETER GOH**

Before me,

**ZAINAL ABIDIN B. HAMDAN** (No. B149)  
PESURUHJAYA SUMPAH  
Malaysia



# REPORT

## of the auditors to the Members of Nylex (Malaysia) Berhad

We have audited the financial statements set out on pages 42 to 69. 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 approved standards on auditing in Malaysia. These 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 financial statements presentation. 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 May 2001 and of the results and the cash flows of the Group and of the Company for the period then ended; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of the subsidiary companies for which we have not acted as auditors, which are indicated in Note 27 to the financial statements, being financial statements which are included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes 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 and did not include any comment required to be made under Section 174(3) of the Companies Act, 1965.

**ERNST & YOUNG AF: 0039**  
CHARTERED ACCOUNTANTS

**CHOONG MEI LING** 1918/09/02 (J)  
PARTNER

Kuala Lumpur, Malaysia  
24 September 2001

# INCOME statements

for the 17-Month Period Ended 31 May 2001

	Note	Group		Company	
		1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000	1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000
Operating revenue	3(m)	579,395	530,247	134,130	90,168
Cost of sales	3(m)	(445,416)	(423,348)	(102,237)	(67,753)
Gross profit		133,979	106,899	31,893	22,415
Other operating income		1,431	1,000	61,725	36,459
Selling and distribution cost		(47,746)	(43,740)	(9,402)	(6,971)
Administrative expenses		(29,967)	(25,527)	(6,603)	(5,268)
Other operating expenses		(14,641)	(11,994)	(840)	(500)
Profit from operations	4	43,056	26,638	76,773	46,135
Finance cost (net)	5	(12,706)	(9,263)	(2,100)	(1,467)
Operating profit before exceptional items		30,350	17,375	74,673	44,668
Exceptional items	6	(96,137)	–	(71,756)	–
(Loss)/profit after exceptional items		(65,787)	17,375	2,917	44,668
Share of results of associated company		(50)	25	–	–
(Loss)/profit before taxation		(65,837)	17,400	2,917	44,668
Taxation	8	(8,852)	6,958	(10,726)	90
(Loss)/profit after taxation		(74,689)	24,358	(7,809)	44,758
Minority interests		(480)	2,558	–	–
(Loss)/profit for the period		(75,169)	26,916	(7,809)	44,758
Basic (loss)/earnings per share (sen)	9	(33.5)	12.0		
Diluted (loss)/earnings per share (sen)	9	(33.5)	12.0		
Net dividend per share (sen)	10	42.6	7.6		

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

# BALANCE

sheets as at 31 May 2001

		Group		Company	
		31.5.2001	31.12.1999	31.5.2001	31.12.1999
	Note	RM'000	RM'000	RM'000	RM'000
<b>Assets employed</b>					
Property, plant and equipment	11	158,436	231,657	61,924	54,180
Investments	12	7,011	4,755	98,763	219,984
Development expenditure	13	6,622	7,549	—	—
Goodwill arising on consolidation	14	47,520	127,422	—	—
Future income tax benefit		10,378	7,742	—	—
<b>Current assets</b>					
Inventories	15	118,613	118,843	17,435	17,764
Debtors	16	178,549	195,278	21,518	22,624
Amount owing by group companies	17	14	—	141,725	86,853
Short-term deposits with licensed banks		6,780	1,977	—	—
Cash and bank balances		9,214	26,906	28	271
Total current assets		313,170	343,004	180,706	127,512
<b>Current liabilities</b>					
Creditors	18	116,255	136,247	20,038	17,279
Amount owing to group companies	17	193	121	193	121
Borrowings	19	155,252	118,511	76,003	27,150
Provision for taxation		1,016	204	—	—
Proposed dividend		—	11,314	—	11,314
Total current liabilities		272,716	266,397	96,234	55,864
<b>Net current assets</b>					
		40,454	76,607	84,472	71,648
		270,421	455,732	245,159	345,812
<b>Financed by</b>					
Share capital	20	224,488	224,488	224,488	224,488
Reserves	21	2,647	13,955	6,173	6,173
Retained profits		26,290	197,162	5,372	108,884
<b>Shareholders' funds</b>					
		253,425	435,605	236,033	339,545
Minority interests		3,457	5,278	—	—
Deferred taxation	22	9,798	8,653	6,004	3,778
Provision for retirement benefits		3,741	6,196	3,122	2,489
		270,421	455,732	245,159	345,812

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

# STATEMENT of changes in equity – group for the 17-Month Period Ended 31 May 2001

	Note	Share capital RM'000	Non-distributable Share premium RM'000	Translation reserve RM'000	Distributable Retained profits RM'000	Total RM'000
Balance as at 1 January 1999						
As previously reported		224,488	6,173	9,943	189,731	430,335
Prior year adjustment	23	–	–	–	(2,352)	(2,352)
As restated		224,488	6,173	9,943	187,379	427,983
Currency translation differences		–	–	(2,161)	–	(2,161)
Net profit for the year						
As previously reported		–	–	–	26,021	26,021
Prior year adjustment	23	–	–	–	895	895
As restated		–	–	–	26,916	26,916
Dividends	10	–	–	–	(17,133)	(17,133)
Balance as at 31 December 1999		224,488	6,173	7,782	197,162	435,605
Currency translation differences		–	–	(11,308)	–	(11,308)
Net loss for the period		–	–	–	(75,169)	(75,169)
Dividends	10	–	–	–	(95,703)	(95,703)
Balance as at 31 May 2001		<b>224,488</b>	<b>6,173</b>	<b>(3,526)</b>	<b>26,290</b>	<b>253,425</b>

# STATEMENT

## of changes in equity – company for the 17-Month Period Ended 31 May 2001

	Note	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 1999		224,488	6,173	81,259	311,920
Net profit for the year		–	–	44,758	44,758
Dividends	10	–	–	(17,133)	(17,133)
Balance as at 31 December 1999		224,488	6,173	108,884	339,545
Net loss for the period		–	–	(7,809)	(7,809)
Dividends	10	–	–	(95,703)	(95,703)
Balance as at 31 May 2001		<b>224,488</b>	<b>6,173</b>	<b>5,372</b>	<b>236,033</b>

# CASH

## flow statement – group for the 17-Month Period Ended 31 May 2001

	1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000
<b>Cash Flows From Operating Activities</b>		
(Loss)/profit before taxation	(65,837)	17,400
Adjustments for:		
Depreciation of property, plant and equipment	26,089	29,013
Interest expense	13,236	9,422
Amortisation of:		
Goodwill arising on consolidation	3,073	4,885
Development expenditure	3,386	1,925
Provision for stock obsolescence	–	3,541
Exceptional items	96,137	–
Provision for doubtful debts	1,218	1,266
Provision for retirement benefits	1,647	1,014
Dividend income	(7,569)	(3,769)
Interest income	(530)	(159)
Gain on disposal of property, plant and equipment (net)	(334)	(159)
Translation adjustment	(3,059)	(61)
Share in net results of associated companies	50	(25)
Operating profit before working capital changes	67,507	64,293
<b>Working Capital Changes</b>		
Debtors	(4,501)	(5,832)
Inventories	(31,432)	20,998
Intercompany	58	121
Creditors	(5,809)	(8,954)
Cash generated from operations	25,823	70,626
Income taxes paid	(10,729)	(10,597)
Retirement benefits paid	(905)	(1,104)
<b>Net Cash Generated From Operating Activities</b>	<b>14,189</b>	<b>58,925</b>

**CASH FLOW STATEMENT – GROUP** for the 17-Month Period Ended 31 May 2001

	1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000
<b>Net Cash Generated From Operating Activities</b>	<b>14,189</b>	<b>58,925</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	1,328	467
Purchase of property, plant and equipment	(26,292)	(8,045)
Additions to development expenditure carried forward	(2,091)	(4,753)
Acquisition of interest in associate company	(2,306)	(1,150)
Acquisition of additional interest in subsidiary	(1,595)	(10,877)
Net cash flows on disposal of subsidiary (Note A)	57,054	–
Interest received	530	159
Dividend received	7,569	3,769
<b>Net Cash Generated From/(Used In) Investing Activities</b>	<b>34,197</b>	<b>(20,430)</b>
<b>Cash Flows From Financing Activities</b>		
Dividends paid to shareholders of the Company	(107,017)	(13,901)
Short-term loans and advances	55,186	(31,913)
Interest paid	(13,236)	(9,422)
<b>Net Cash Used In Financing Activities</b>	<b>(65,067)</b>	<b>(55,236)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(16,681)</b>	<b>(16,741)</b>
<b>Cash and Cash Equivalents at beginning of period</b>	<b>6,685</b>	<b>23,426</b>
<b>Cash and Cash Equivalents at end of period (Note 24)</b>	<b>(9,996)</b>	<b>6,685</b>

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

# CASH FLOW STATEMENT – GROUP for the 17-Month Period Ended 31 May 2001

1.1.2000  
to  
31.5.2001  
RM'000

## Note A

### Analysis of Effects of Disposal of Subsidiary

Fair value of assets disposed:-

Property, plant and equipment	45,234
Inventories	31,662
Debtors	21,466
Cash and bank balances	2,946
Creditors	(14,182)
Provision for retirements benefits	(3,089)
Short term bank borrowings	(22,237)
Provision for taxation	(263)
Deferred taxation	(1,537)
Net assets disposed/sale proceed	60,000
Cash and cash equivalents	(2,946)
Net cash flows on disposal	57,054



# CASH

## flow statement – company for the 17-Month Period Ended 31 May 2001

	1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000
<b>Cash Flow From Operating Activities</b>		
(Loss)/profit before taxation	2,917	44,668
Adjustments for:		
Depreciation of property, plant and equipment	8,312	6,221
Interest expense	3,432	1,934
Provision for doubtful debts	377	353
Provision for retirement benefits	869	304
Dividend income	(58,418)	(33,789)
Interest income	(1,332)	(467)
(Gain)/loss on disposal of property, plant and equipment (net)	(125)	56
Exceptional items	71,756	–
Operating profit before working capital changes	27,788	19,280
<b>Working Capital Changes</b>		
Debtors	530	(929)
Inventories	329	(1,782)
Intercompany	(54,800)	8,375
Creditors	2,759	1,633
Cash (used in)/generated from operations	(23,394)	26,577
Income taxes paid	(8,301)	(2,545)
Retirement benefits paid	(236)	(453)
<b>Net Cash (Used In)/Generated From Operating Activities</b>	<b>(31,931)</b>	<b>23,579</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	277	160
Purchase of property, plant and equipment	(16,208)	(1,477)
Acquisition of additional interest in subsidiary	(10,535)	–
Interest received	1,332	467
Dividend received	58,418	4,413
Proceeds from disposal of subsidiary	60,000	–
<b>Net Cash Generated From Investing Activities</b>	<b>93,284</b>	<b>3,563</b>

# CASH FLOW STATEMENT – COMPANY for the 17-Month Period Ended 31 May 2001

	1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000
<b>Cash Flows From Financing Activities</b>		
Dividends paid to shareholders of the Company	(107,017)	(13,901)
Short-term loans and advances	51,453	(23,908)
Interest paid	(3,432)	(1,934)
<b>Net Cash Used In Financing Activities</b>	<b>(58,996)</b>	<b>(39,743)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>2,357</b>	<b>(12,601)</b>
<b>Cash and Cash Equivalents at beginning of period</b>	<b>(13,965)</b>	<b>(1,364)</b>
<b>Cash and Cash Equivalents at end of period (Note 24)</b>	<b>(11,608)</b>	<b>(13,965)</b>

# NOTES

## to the financial statements 31 May 2001

### 1. CHANGE OF FINANCIAL YEAR END

During the current financial period, the Group and Company changed their financial year end from 31 December to 31 May, to be co-terminous with that of their ultimate holding company. Accordingly, the current financial period covers a 17-month period from 1 January 2000 to 31 May 2001.

### 2. PRINCIPAL ACTIVITIES

The Company is principally involved in the manufacture and marketing of vinyl-coated fabrics, calendered film and sheeting and other plastic products, including geotextiles and prefabricated sub-soil drainage systems.

The principal activities of the subsidiary companies are indicated in Note 27.

Other than the cessation of manufacturing and marketing of glass containers as a result of the disposal of Kuala Lumpur Glass Manufacturers Company Sdn Bhd, there have been no other significant changes in the nature of the activities of the Company and its subsidiary companies during the financial period.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of accounting

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 applicable approved accounting standards issued by the Malaysian Accounting Standards Board (MASB). In 1998, the Group and the Company applied certain transitional provisions in International Accounting Standard No. 16 (Revised), Property, Plant and Equipment, by virtue of which a reporting enterprise which does not adopt a policy of revaluation is allowed to retain revalued amounts on the basis of their previous revaluation (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount).

#### (b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial period.

The results of subsidiary companies acquired or disposed of during the period are included in the Group financial statements from the effective date of acquisition or to the effective date of disposal.

All significant intercompany balances and transactions are eliminated on consolidation.

Goodwill arising on consolidation represents the excess of the Company's cost of investment over the related fair values of net assets at the date of acquisition of subsidiary companies.

Goodwill arising on consolidation is systematically amortised over the period of time during which the benefits are expected to arise not exceeding twenty years.

Dividends from subsidiary companies are recognised in the income statements as and when declared or proposed. Dividends from other investee companies are recognised as and when declared.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

#### (c) Associated companies

An associated company is a company in which the Group or the Company holds as long-term investment not less than 20% of the equity voting rights and in which the Group or the Company is in a position to exercise significant influence in its management.

The consolidated financial statements include the Group's share in the results of associated companies made up to 31 May 2001.

#### (d) Property, plant & equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Cost consists of purchase, commissioning and installation costs and in respect of construction of plant and machinery, interest expense incurred prior to commencement of production. Land held under long lease is amortised evenly over the term of the lease of 60 to 84.5 years. Depreciation of all other property, plant and equipment is computed on the straight-line method based on the estimated useful lives of the various property, plant and equipment at the following annual rates:-

	%
Buildings and improvements	2.5 – 10.0
Plant and machinery	7.5 – 33.3
Furniture, fittings and office equipment	10.0 – 33.3
Motor vehicles	15.0 – 20.0

Depreciation is not provided for freehold land and capital work-in-progress.

#### (e) Investments

Investments in unquoted subsidiary companies, which are eliminated on consolidation, and investment in unquoted associated companies are stated at cost less dividends received out of pre-acquisition profits in the Company's financial statements. Provision for diminution in value is made when, in the opinion of the Directors, there is a permanent diminution in the value of the investments.

#### (f) Inventories

Raw materials and consumable stores, work-in-progress, finished products and inventory-in-transit are valued at the lower of cost and net realisable value. Cost comprises the actual cost of raw materials determined using weighted average cost and an applicable portion of labour and manufacturing overheads for work-in-progress and finished goods. Profit earned on contracts is brought to account progressively, based on the estimated cost to completion in cases where progress payments are received. On all contracts, full provision is made for any losses in the period in which they are first foreseen.

#### (g) Debtors

Debts considered to be uncollectible are written off while provisions are made for debts considered to be doubtful of collection.

#### (h) Research & development expenditure

Research and development expenditure are written off to the income statements as and when incurred except that development expenditure relating to specific projects with commercial viability and for which there is a clear indication of the marketability of the products being developed, is carried forward. Such expenditure is amortised over the period in which the benefits are expected to be derived commencing in the period in which the related sales are first made.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

#### (i) Expenditure carried forward

In previous years, expenditure carried forward consists of preliminary and pre-operating expenses which were capitalised and amortised over a period of 5 years upon commencement of operations. With effect from 1 January 2000, the Group changed its accounting policy to comply with MASB 1, whereby this expenditure is written off to the income statement as and when incurred.

Following this change in accounting policy, the balance of preliminary and pre-operating expenses brought forward has been adjusted as a prior year adjustment.

#### (j) Retirement benefits

The Company and certain subsidiary companies are obligated under non-contributory retirement benefit schemes and collective bargaining agreements to pay retirement benefits to certain employees who retire or leave the companies' employ after fulfilling certain conditions. Provision for retirement benefits is computed based on the length of service and a proportion of the basic salary earnings of the employees in each particular year of service.

#### (k) Taxation

The tax effects of transactions are recognised, using the 'liability' method, in the period such transactions enter into the determination of net income regardless of when they are recognised for tax purposes.

Deferred income taxes are provided on timing differences between tax capital allowances and book depreciation of property, plant and equipment, and on certain provisions which are not currently deductible for tax purposes.

The net future tax benefit relating to unutilised tax losses, unabsorbed capital allowances, future tax savings from unutilised investment incentives claimed and other timing differences are recognised only when the Directors are certain of their realisation.

#### (l) Foreign currency conversions

Foreign currency transactions are converted at rates of exchange in effect at the dates of the transactions or at forward foreign exchange contract rates. Receivables and payables denominated in foreign currencies are converted at rates of exchange ruling at balance sheet date except that contract settlement rates are used where forward foreign exchange contracts are held. Exchange gains and losses have been brought to account in determining operating profit for the financial period.

Unrealised exchange differences on period-end conversion of long-term foreign currency liabilities are deferred and included in the translation adjustment account.

Assets and liabilities of foreign subsidiary companies are translated at exchange rates ruling at balance sheet date and income statements are translated at average exchange rates for the financial period. Unrealised gains and losses on translation are taken directly to the translation adjustment account.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**

**(l) Foreign currency conversions (cont'd.)**

The principal average rates and closing rates are as follows:-

	Average Rate		Closing Rate	
	31.5.2001	31.12.1999	31.5.2001	31.12.1999
<b>RM1.00 =</b>				
<i>Foreign currency</i>				
UK Pounds	<b>0.1849</b>	0.1641	<b>0.1868</b>	0.1645
Australian Dollar	<b>0.5099</b>	0.4096	<b>0.5220</b>	0.4093
China Yuan	<b>2.1963</b>	2.1919	<b>2.1962</b>	2.2020
Hong Kong Dollar	<b>2.0776</b>	2.0594	<b>2.0777</b>	2.0700
Indonesia Rupiah (1,000 units)	<b>2.7473</b>	2.0840	<b>2.9714</b>	2.1053
Philippines Peso	<b>13.4543</b>	10.7715	<b>13.7768</b>	10.8814
Singapore Dollar	<b>0.4730</b>	0.4451	<b>0.4824</b>	0.4435
US Dollar	<b>0.2653</b>	0.2645	<b>0.2653</b>	0.2653

**(m) Operating revenue and cost of sales**

Operating revenue represents invoiced value of goods sold less returns and discounts and cost of sales represents the costs of products sold.

**(n) Revenue recognition**

Revenue from sales of goods are recognised upon delivery of products, net of taxes and discounts.

Dividend income and interest income are recognised on an accrual basis.

**(o) Cash and cash equivalents**

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

**4. PROFIT FROM OPERATIONS**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2000</b>	<b>1.1.1999</b>	<b>1.1.2000</b>	<b>1.1.1999</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.5.2001</b>	<b>31.12.1999</b>	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
This was arrived at after charging:-				
Depreciation of property, plant and equipment (Note 11)	<b>26,089</b>	29,013	<b>8,312</b>	6,221
Directors' remuneration:				
Fees	<b>107</b>	67	<b>107</b>	67
Benefits-in-kind	<b>54</b>	36	<b>43</b>	28
Other emoluments	<b>2,026</b>	1,733	<b>1,371</b>	1,322
Amortisation of development expenditure (Note 13)	<b>3,386</b>	1,925	—	—
Amortisation of goodwill (Note 14)	<b>3,073</b>	4,885	—	—
Auditors remuneration				
Current	<b>741</b>	793	<b>104</b>	57
Under provision in prior year	<b>35</b>	77	—	—
Provision for doubtful debts	<b>1,218</b>	1,266	<b>377</b>	353
Bad debts written off	<b>33</b>	1,139	—	—
Rent of premises	<b>5,010</b>	8,025	<b>73</b>	57
Hire of equipment	<b>79</b>	233	—	—
Provision for retirement benefits	<b>1,647</b>	1,014	<b>869</b>	304
Year 2000 compliance costs	—	131	—	161
And crediting:				
Gain/(loss) on foreign exchange (net)	<b>1,097</b>	841	<b>(69)</b>	67
Gain/(loss) on disposal of property plant and equipment (net)	<b>334</b>	159	<b>125</b>	(56)
Gross dividend income from subsidiary companies	—	—	<b>50,849</b>	30,020
Gross dividend income from unquoted shares	<b>7,569</b>	3,769	<b>7,569</b>	3,769
Administrative charges recoverable from subsidiary companies	—	—	<b>3,184</b>	2,547
<b>5. FINANCE COST</b>				
Interest on:-				
Short-term borrowings	<b>13,235</b>	9,260	<b>3,432</b>	1,934
Others	<b>1</b>	162	—	—
Interest income from:-				
Short-term deposits	<b>(504)</b>	(127)	<b>(308)</b>	—
Advances to subsidiary companies	—	—	<b>(1,000)</b>	(467)
Others	<b>(26)</b>	(32)	<b>(24)</b>	—
	<b>12,706</b>	9,263	<b>2,100</b>	1,467

**6. EXCEPTIONAL ITEMS**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2000</b>	<b>1.1.1999</b>	<b>1.1.2000</b>	<b>1.1.1999</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.5.2001</b>	<b>31.12.1999</b>	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Provision for diminution in value of investment in subsidiaries	–	–	<b>71,756</b>	–
Write-down of goodwill arising on consolidation	<b>77,002</b>	–	–	–
Write-down of assets in subsidiary	<b>19,135</b>	–	–	–
	<b>96,137</b>	–	<b>71,756</b>	–

**7. EMPLOYEE INFORMATION**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2000</b>	<b>1.1.1999</b>	<b>1.1.2000</b>	<b>1.1.1999</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.5.2001</b>	<b>31.12.1999</b>	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Staff cost	<b>88,866</b>	77,761	<b>19,932</b>	14,057
Number of employees at end of period	<b>1,654</b>	2,031	<b>387</b>	368

**8. TAXATION**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2000</b>	<b>1.1.1999</b>	<b>1.1.2000</b>	<b>1.1.1999</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.5.2001</b>	<b>31.12.1999</b>	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Taxation based on results for the period				
– Current				
Malaysian	<b>(10,505)</b>	(1,055)	<b>(8,497)</b>	(1,699)
Foreign	<b>(672)</b>	(933)	–	–
– Deferred	<b>(2,684)</b>	2,878	<b>(2,226)</b>	813
– Deferred tax benefits				
Current period	<b>3,273</b>	5,130	–	–
Under provision in prior years	<b>1,736</b>	938	<b>(3)</b>	976
	<b>(8,852)</b>	6,958	<b>(10,726)</b>	90

The effective tax rates of the Group and Company are disproportionate to the statutory tax rate mainly due to the write-down of goodwill in subsidiaries and provision for diminution in value of investment in subsidiaries which are not allowed to be claimed for taxation purposes and the absence of group relief for losses suffered by certain subsidiaries.

The Company is entitled to claim certain tax incentives under the Income Tax Act, 1967 and Promotion of Investment Act, 1986. Pending finalisation of these claims with the Inland Revenue Board, an amount of RM8,833,000 (RM215,000 in 1999) has been taken into account in the current period's tax computation. As at 31 May 2001, the Company has claimed tax incentives totalling RM50,653,000 (RM41,820,000 in 1999) which, if agreed with the Inland Revenue Board, will enable the Company to distribute tax-exempt dividends of up to the same amount.



**9. EARNINGS PER ORDINARY SHARE**

Earnings per ordinary share is calculated by dividing the net loss of RM75,169,000 (1999: net profit of RM26,916,000) by the number of ordinary shares in issue during the financial period of 224,487,720 shares.

**10. DIVIDENDS**

	<b>Group/Company</b>	
	<b>1.1.2000</b>	<b>1.1.1999</b>
	<b>to</b>	<b>to</b>
	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Special interim paid – 35 sen per share tax exempt (1999: 3.6 sen per share less tax)	<b>78,571</b>	5,819
2nd interim paid – 3.6 sen per share less tax	<b>5,818</b>	–
3rd interim paid – 7 sen per share less tax	<b>11,314</b>	–
Proposed final – Nil%		
(1999: 7 sen per share less tax)	–	11,314
	<b>95,703</b>	<b>17,133</b>

**11. PROPERTY, PLANT AND EQUIPMENT**

	<b>At</b>	<b>Exchange</b>			<b>Subsidiary</b>	<b>Reclassi-</b>	<b>At</b>
	<b>1 January</b>	<b>Fluctuation</b>	<b>Additions</b>	<b>Disposals</b>	<b>disposed</b>	<b>fication</b>	<b>31 May</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>							
<b>Cost/Valuation</b>							
<b>31.5.2001</b>							
Freehold land	<b>9,341</b>	<b>(665)</b>	–	<b>(686)</b>	–	<b>(17)</b>	<b>7,973</b>
Leasehold land							
– long lease							
At 1985 valuation	<b>9,830</b>	–	–	–	–	–	<b>9,830</b>
At cost	<b>17,050</b>	<b>24</b>	<b>91</b>	–	<b>(9,000)</b>	<b>15,897</b>	<b>24,062</b>
Buildings and improvements							
At 1985 valuation	<b>5,020</b>	–	–	–	–	–	<b>5,020</b>
At cost	<b>54,540</b>	<b>(1,730)</b>	<b>1,366</b>	–	<b>(6,783)</b>	<b>(15,293)</b>	<b>32,100</b>
Plant and machinery	<b>317,264</b>	<b>(9,777)</b>	<b>14,850</b>	<b>(1,112)</b>	<b>(150,204)</b>	<b>1,646</b>	<b>172,667</b>
Furniture, fittings and office equipment	<b>17,888</b>	<b>(1,179)</b>	<b>784</b>	<b>(103)</b>	<b>(2,050)</b>	<b>2,095</b>	<b>17,435</b>
Motor vehicles	<b>7,038</b>	<b>(401)</b>	<b>1,722</b>	<b>(903)</b>	<b>(919)</b>	<b>1,288</b>	<b>7,825</b>
Capital work-in-progress	<b>3,060</b>	<b>(147)</b>	<b>7,479</b>	–	<b>(697)</b>	<b>(5,616)</b>	<b>4,079</b>
<b>Total</b>	<b>441,031</b>	<b>(13,875)</b>	<b>26,292</b>	<b>(2,804)</b>	<b>(169,653)</b>	<b>–</b>	<b>280,991</b>
<b>31.12.1999</b>	<b>438,802</b>	<b>(2,892)</b>	<b>8,045</b>	<b>(2,924)</b>	<b>–</b>	<b>–</b>	<b>441,031</b>

**11. PROPERTY, PLANT AND EQUIPMENT (cont'd.)**

	At 1 January RM'000	Exchange Fluctuation RM'000	Charge for the Year RM'000	Disposals RM'000	Subsidiary disposed RM'000	Reclassi- fication RM'000	At 31 May RM'000
<b>Group</b>							
<b>Accumulated</b>							
<b>Depreciation</b>							
<b>31.5.2001</b>							
Leasehold land							
– long lease							
At 1985 valuation	1,628	–	164	–	–	–	1,792
At cost	2,829	2	711	–	(1,293)	2,740	4,989
Buildings and improvements							
At 1985 valuation	1,761	–	178	–	–	–	1,939
At cost	9,970	(416)	1,244	–	(1,712)	(1,943)	7,143
Plant and machinery	178,179	(4,238)	19,284	(1,015)	(100,112)	(3,148)	88,950
Furniture, fittings and office equipment	11,181	(721)	2,964	(86)	(1,552)	1,231	13,017
Motor vehicles	3,826	(371)	1,544	(709)	(685)	1,120	4,725
<b>Total</b>	<b>209,374</b>	<b>(5,744)</b>	<b>26,089</b>	<b>(1,810)</b>	<b>(105,354)</b>	<b>–</b>	<b>122,555</b>
31.12.1999	184,162	(1,185)	29,013	(2,616)	–	–	209,374

	At 31 May 2001 RM'000	At 31 December 1999 RM'000
<b>Net Book Value</b>		
Freehold land	7,973	9,341
Leasehold land – long lease		
At 1985 valuation	8,038	8,202
At cost	19,073	14,221
Buildings and improvements		
At 1985 valuation	3,081	3,259
At cost	24,957	44,570
Plant and machinery	83,717	139,085
Furniture, fittings and office equipment	4,418	6,707
Motor vehicles	3,100	3,212
Capital work-in-progress	4,079	3,060
<b>Total</b>	<b>158,436</b>	<b>231,657</b>

**11. PROPERTY, PLANT AND EQUIPMENT (cont'd.)**

	At 1 January RM'000	Additions RM'000	Disposals RM'000	Reclassi- fication RM'000	At 31 May RM'000
<b>Company</b>					
<b>Cost/Valuation</b>					
<b>31.5.2001</b>					
Leasehold land – long lease					
At 1985 valuation	9,830	–	–	–	9,830
Buildings					
At 1985 valuation	5,020	–	–	–	5,020
At cost	7,621	411	–	972	9,004
Plant and machinery	75,258	6,150	(269)	7,229	88,368
Furniture, fittings and office equipment	2,252	188	(50)	4	2,394
Motor vehicles	1,982	1,221	(508)	–	2,695
Capital work-in-progress	40	8,238	–	(8,205)	73
<b>Total</b>	<b>102,003</b>	<b>16,208</b>	<b>(827)</b>	<b>–</b>	<b>117,384</b>
31.12.1999	101,702	1,477	(1,176)	–	102,003

	At 1 January RM'000	Charge for the Year RM'000	Disposals RM'000	Reclassi- fication RM'000	At 31 May RM'000
<b>Accumulated Depreciation</b>					
<b>31.5.2001</b>					
Leasehold land – long lease					
At 1985 valuation	1,628	163	–	–	1,791
Buildings					
At 1985 valuation	1,761	178	–	–	1,939
At cost	1,217	270	–	–	1,487
Plant and machinery	40,373	6,976	(206)	10	47,153
Furniture, fittings and office equipment	1,537	333	(49)	–	1,821
Motor vehicles	1,307	392	(420)	(10)	1,269
<b>Total</b>	<b>47,823</b>	<b>8,312</b>	<b>(675)</b>	<b>–</b>	<b>55,460</b>
31.12.1999	42,562	6,221	(960)	–	47,823

**11. PROPERTY, PLANT AND EQUIPMENT (cont'd.)**

	At 31 May 2001 RM'000	At 31 December 1999 RM'000
<b>Company</b>		
<b>Net Book Value</b>		
Leasehold land – long lease		
At 1985 valuation	8,039	8,202
Buildings and improvements		
At 1985 valuation	3,081	3,259
At cost	7,517	6,404
Plant and machinery	41,215	34,885
Furniture, fittings and office equipment	573	715
Motor vehicles	1,426	675
Capital work-in-progress	73	40
<b>Total</b>	<b>61,924</b>	<b>54,180</b>

Leasehold land and buildings were revalued in 1985 based on the valuation reports of an independent firm of professional valuers. The valuation was arrived at on an open market value basis. These assets continue to be stated on the basis of their 1985 valuation as allowed by the transitional provisions adopted by MASB in respect of International Accounting Standard No. 16 (Revised), Property, Plant & Equipment. The net book value of assets stated at 1985 valuation had they been stated at cost would have been approximately RM883,102 in respect of both the Group and Company.

Freehold land and buildings of a subsidiary company with net book value of RM2,279,838 (1999: RM Nil) have been pledged as securities for bank facilities granted to that subsidiary company.

**12. INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	31.5.2001 RM'000	31.12.1999 RM'000	31.5.2001 RM'000	31.12.1999 RM'000
Investment in unquoted subsidiary companies				
– At cost less dividend of RM976,969 received				
out of pre-acquisition profits	–	–	128,683	219,904
– Provision for diminution in value of investment	–	–	(30,000)	–
	–	–	98,683	219,904
Investment in unquoted associated companies				
– At cost	3,505	1,199	–	–
– Share of post-acquisition losses	(74)	(24)	–	–
	3,431	1,175	–	–
Investment in unquoted company	3,580	3,580	80	80
	7,011	4,755	98,763	219,984

**12. INVESTMENTS (cont'd.)**

The Group's investment in associated companies is as follows:-

	<b>Group</b>	
	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Share of net tangible assets	<b>3,431</b>	<b>1,175</b>

During the period, the Company disposed of a wholly-owned subsidiary company, Kuala Lumpur Glass Manufacturers Company Sdn Bhd for a cash consideration of RM60.0 million. Prior to the disposal, the total goodwill written off and write-down of assets amounted to RM66.1 million for the Group, whilst a provision of RM41.8 million was made for diminution in value of investment in subsidiary for the Company.

**13. DEVELOPMENT EXPENDITURE**

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001</b>	<b>31.12.1999</b>	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of period				
– As previously reported	<b>9,047</b>	<b>7,070</b>	–	–
– Prior year adjustment (Note 23)	<b>(1,498)</b>	<b>(2,373)</b>	–	–
– As restated	<b>7,549</b>	<b>4,697</b>	–	–
Exchange fluctuation	<b>368</b>	<b>24</b>	–	–
Additions during the period	<b>2,091</b>	<b>4,753</b>	–	–
Amount amortised				
– As previously reported	<b>(3,386)</b>	<b>(2,800)</b>	–	–
– Prior year adjustment (Note 23)	<b>–</b>	<b>875</b>	–	–
– As restated	<b>(3,386)</b>	<b>(1,925)</b>	–	–
Balance at end of period	<b>6,622</b>	<b>7,549</b>	–	–

**14. GOODWILL ARISING ON CONSOLIDATION**

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001</b>	<b>31.12.1999</b>	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of period	<b>127,422</b>	<b>124,499</b>	–	–
Goodwill arising from additional investment in subsidiary	<b>173</b>	<b>7,808</b>	–	–
Write down of goodwill arising on consolidation	<b>(77,002)</b>	<b>–</b>	–	–
Amount amortised – current period	<b>(3,073)</b>	<b>(4,885)</b>	–	–
Balance at end of period	<b>47,520</b>	<b>127,422</b>	–	–

**15. INVENTORIES**

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001</b>	31.12.1999	<b>31.5.2001</b>	31.12.1999
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
At cost:				
Finished goods	<b>22,663</b>	40,668	<b>6,515</b>	7,960
Work-in-progress	<b>34,057</b>	13,383	<b>3,363</b>	2,850
Raw materials and consumable stores	<b>59,025</b>	59,802	<b>7,557</b>	6,954
Inventory-in-transit	<b>2,868</b>	4,990	—	—
	<b>118,613</b>	118,843	<b>17,435</b>	17,764

**16. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001</b>	31.12.1999	<b>31.5.2001</b>	31.12.1999
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Trade debtors	<b>156,019</b>	174,911	<b>20,798</b>	20,033
Provision for doubtful debts	<b>(2,718)</b>	(2,299)	<b>(716)</b>	(626)
	<b>153,301</b>	172,612	<b>20,082</b>	19,407
Other debtors	<b>22,025</b>	18,824	<b>775</b>	2,893
Deposits	<b>1,208</b>	2,405	<b>264</b>	214
Prepayments	<b>2,015</b>	1,437	<b>397</b>	110
	<b>25,248</b>	22,666	<b>1,436</b>	3,217
	<b>178,549</b>	195,278	<b>21,518</b>	22,624

**17. AMOUNT OWING BY/TO GROUP COMPANIES AND RELATED COMPANY TRANSACTIONS**

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001</b>	31.12.1999	<b>31.5.2001</b>	31.12.1999
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Amount owing by group companies</b>				
Amount owing by related companies	<b>14</b>	—	—	—
Amount owing by subsidiary companies	—	—	<b>141,725</b>	86,853
	<b>14</b>	—	<b>141,725</b>	86,853
<b>Amount owing to group companies</b>				
Amount owing to related companies	<b>193</b>	121	<b>193</b>	121

The Company is a subsidiary of Rhodemark Development Sdn Bhd, a company incorporated in Malaysia.  
The ultimate holding company is Ancom Berhad, a company incorporated in Malaysia.

**17. AMOUNT OWING BY/TO GROUP COMPANIES AND RELATED COMPANY TRANSACTIONS (cont'd.)**

The account balances with the holding company, subsidiary companies, associated companies and other related companies arose mainly from intercompany advances which bear interest at rates ranging from 5.4% to 7.2% (7.2% to 8.2% in 1999) per annum, interest-free advances by/ to other related companies, expenses paid on behalf and the following trade and other intercompany charges which are negotiated on a basis determined within the Group:-

	Group		Company	
	1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000	1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000
Sales to associated and other related companies	45	25	—	—
Sales to subsidiary companies	—	—	967	641
Purchases from other related companies	—	—	—	208
Purchases from subsidiary companies	—	—	—	65
Interest income on advances to subsidiary companies	—	—	1,000	467
Administrative charges recoverable from subsidiary companies	—	—	3,184	2,547

The Directors are of the opinion that these transactions are based on terms determined on a commercial basis. At period end, the balances unpaid were within normal trade credit terms.

**18. CREDITORS**

	Group		Company	
	31.5.2001 RM'000	31.12.1999 RM'000	31.5.2001 RM'000	31.12.1999 RM'000
Trade creditors	82,993	93,978	16,102	15,553
Other creditors	24,155	33,312	908	1,341
Accruals	9,107	8,957	3,028	385
	116,255	136,247	20,038	17,279

**19. BORROWINGS**

	Group		Company	
	31.5.2001 RM'000	31.12.1999 RM'000	31.5.2001 RM'000	31.12.1999 RM'000
Bank overdrafts				
– unsecured	25,990	22,198	11,636	14,236
Short-term loans and advances				
– secured	8,817	—	—	—
– unsecured	120,445	96,313	64,367	12,914
	129,262	96,313	64,367	12,914
	155,252	118,511	76,003	27,150

## 19. BORROWINGS (cont'd.)

The short-term loans and advances of one subsidiary company are secured by fixed charges over the fixed assets of that subsidiary company.

The short-term borrowings bear interest at rates ranging from 4.90% to 18.29% (1999: 4.90% to 18.29%) per annum.

## 20. SHARE CAPITAL

	<b>Group/Company</b>	
	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Authorised:		
300,000,000 ordinary shares of RM1.00 each	<b>300,000</b>	300,000
Issued and fully paid:		
224,487,720 ordinary shares of RM1.00 each	<b>224,488</b>	224,488

## 21. RESERVES

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001</b>	<b>31.12.1999</b>	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Non-distributable:				
– Share premium	<b>6,173</b>	6,173	<b>6,173</b>	6,173
– Translation adjustment account	<b>(3,526)</b>	7,782	–	–
	<b>2,647</b>	13,955	<b>6,173</b>	6,173

## 22. DEFERRED TAXATION

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001</b>	<b>31.12.1999</b>	<b>31.5.2001</b>	<b>31.12.1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of period	<b>8,653</b>	11,911	<b>3,778</b>	4,591
Exchange fluctuation	<b>(47)</b>	(543)	–	–
Arising during the period	<b>2,684</b>	(2,878)	<b>2,226</b>	(813)
Disposal of a subsidiary	<b>(1,537)</b>	–	–	–
Others	<b>45</b>	163	–	–
Balance at end of period	<b>9,798</b>	8,653	<b>6,004</b>	3,778



**23. PRIOR YEAR ADJUSTMENT**

The prior year adjustment represents the effect of the change in accounting policy for expenditure carried forward as stated in Note 3 (i). This change in accounting policy has been accounted for retrospectively. Had the previous accounting policy for expenditure carried forward been applied, the loss after taxation for the current period would have increased by RM1,034,000. The effects of the change in accounting policy for expenditure carried forward in relation to the prior period are as follows:-

	<b>Group</b>		
	<b>As previously reported RM'000</b>	<b>Prior year adjustment RM'000</b>	<b>As restated RM'000</b>
Profit after taxation	23,483	875	24,358
Minority interest	2,538	20	2,558
Profit for the year	26,021	895	26,916

**24. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the cash flow statements comprise the following:

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001 RM'000</b>	<b>31.12.1999 RM'000</b>	<b>31.5.2001 RM'000</b>	<b>31.12.1999 RM'000</b>
Cash and bank balances	9,214	26,906	28	271
Short-term deposits with licensed banks	6,780	1,977	—	—
Bank overdrafts (Note 19)	(25,990)	(22,198)	(11,636)	(14,236)
	(9,996)	6,685	(11,608)	(13,965)

**25. CAPITAL COMMITMENTS**

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001 RM'000</b>	<b>31.12.1999 RM'000</b>	<b>31.5.2001 RM'000</b>	<b>31.12.1999 RM'000</b>
Approved and contracted	1,872	2,371	162	787
Approved but not contracted	3,178	8,398	—	—
	5,050	10,769	162	787

**26. CONTINGENT LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>31.5.2001 RM'000</b>	<b>31.12.1999 RM'000</b>	<b>31.5.2001 RM'000</b>	<b>31.12.1999 RM'000</b>
Unsecured:				
Bills discounted with banks	1,378	3,799	1,378	1,969
Guarantees given to financial institution for facilities granted to a subsidiary company	—	—	1,452	—

**27. SUBSIDIARY COMPANIES**

Details of subsidiary companies are as follows:-

Name of Company	Country of incorporation	Effective % ownership in		Principal activities
		31.5.2001	31.12.1999	
Direct Subsidiary Companies		%	%	
Tamco Corporate Holdings Sdn Berhad	Malaysia	100	100	Design, manufacture, supply, installation, commissioning and maintenance of equipment and systems for power distribution.
Nycon Manufacturing Sdn Bhd	Malaysia	100	100	Manufacture and marketing of rotomoulded bulk containers.
Malaysian Roofing Industries Sdn Bhd	Malaysia	70	51	Manufacture and marketing of metal roofing tiles and ceiling panels.
* Asia Pacific Insulation Corporation	Philippines	100	100	Manufacture and marketing of glasswool insulation products.
Zonson Sports (Malaysia) Sdn Bhd	Malaysia	80	80	Manufacture and marketing of quality golf bags.
Kuala Lumpur Glass Manufacturers Company Sdn Bhd	Malaysia	—	100	Manufacture and marketing of glass containers.

**27. SUBSIDIARY COMPANIES (cont'd.)**

Name of Company	Country of incorporation	Effective % ownership in		Principal activities
		2001	1999	
Indirect Subsidiary Companies		%	%	
* Tamco (Singapore) Pte Ltd	Singapore	100	100	Trading and contracting in electrical engineering products.
Tamco Electrical & Electronics (Malaysia) Sdn Bhd	Malaysia	100	100	Trading and contracting in electrical engineering products.
* Tamco Electrical & Electronics (Singapore) Pte Ltd	Singapore	100	100	Trading and contracting in electrical engineering products.
* Tamco Electrical & Electronics (Hong Kong) Limited	Hong Kong	100	100	Trading and contracting in electrical engineering products.
Tamco (Malaysia) Sdn Berhad	Malaysia	100	100	Dormant.
Tamco Industries Sdn Berhad	Malaysia	100	100	Dormant.
TEE Power & Engineering Sdn Bhd	Malaysia	100	100	Dormant.
* Asia Pacific Insulation Development Corporation	Philippines	100	100	Property holding company.
* Asia Pacific Insulation Trading Corporation	Philippines	100	100	Trading in fibreglass and other related products.
** PT Indomalay Ekatana Roofing Industries	Indonesia	49	35.7	Manufacture and marketing of metal roofing tiles.
** Universal Motor Kontrol Pty Limited	Australia	100	51	Design and manufacture of electrical motor control centres.
** Kontrol Sales Pty Limited	Australia	100	51	Sales of electrical motor control centres and other related equipment.
** PT Kontrol Ragam Indonesia	Indonesia	80	40.8	Design and manufacture of electrical motor control centres.

**27. SUBSIDIARY COMPANIES (cont'd.)**

Name of Company	Country of incorporation	Effective % ownership in		Principal activities
		2001	1999	
Indirect Subsidiary Companies (cont'd.)		%	%	
* Universal Motor Kontrol Hong Kong Limited	Hong Kong	100	51	Sales of electrical motor control centres and other related equipment.
** Tamco Shanghai Switchgear Company Limited	China	100	100	Manufacture and marketing of switchgear and related products.
Tamco Gulf Enterprises Sdn Berhad	Malaysia	100	100	Dormant.
* Tamco Static Systems (Far East) Limited	Hong Kong	100	100	Dormant.

\* The accounts of these companies are audited by member firms of Ernst & Young International.

\*\* The accounts of these subsidiaries are not audited by Ernst & Young.

**28. ASSOCIATED COMPANIES**

Details of associated companies are as follows:-

Name of Company	Country of incorporation	Effective % ownership in		Principal activities
		2001	1999	
		%	%	
Hikmat Ikhlas Sdn Bhd	Malaysia	49	49	Trading and contracting in electrical engineering products.
Suistulin Sdn Bhd	Malaysia	30	30	Trading and marketing of switchgear and related products.
Tamco Chongqing Switchgear Company Limited	China	37.5	50	Manufacture and sale of switchgear and related products.
Sinaran Takhta – Tamco Sdn Bhd	Malaysia	30	–	Sales of electrical power switchgear products.

**29. SEGMENT INFORMATION**

Financial information by industry and geographical segment is as follows:

	Operating revenue		Profit from operations		Total assets	
	1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000	1.1.2000 to 31.5.2001 RM'000	1.1.1999 to 31.12.1999 RM'000	31.5.2001 RM'000	31.12.1999 RM'000
<b>(a) Industry segment</b>						
Polymer	156,906	107,100	21,014	12,663	149,572	223,385
Engineering	336,225	308,386	25,863	24,385	333,647	304,088
Building products	56,782	48,897	(4,601)	(4,721)	59,918	73,551
Packaging	29,482	65,864	780	(5,689)	—	121,105
	<b>579,395</b>	<b>530,247</b>	<b>43,056</b>	<b>26,638</b>	<b>543,137</b>	<b>722,129</b>
<b>(b) Geographical segment</b>						
Malaysia	383,834	341,405	54,171	36,324	335,304	499,747
Singapore	34,691	35,902	606	1,245	20,407	23,735
Philippines	35,799	29,335	(6,400)	(6,757)	41,833	55,260
Other countries	125,071	123,605	(5,321)	(4,174)	145,593	143,387
	<b>579,395</b>	<b>530,247</b>	<b>43,056</b>	<b>26,638</b>	<b>543,137</b>	<b>722,129</b>

- Polymer – manufacture and marketing of vinyl-coated fabrics, calendered film and sheeting, and other plastic products, including geotextiles and prefabricated sub-soil drainage systems, and rotomoulded bulk containers.
- Engineering – design, manufacture, supply, installation, commissioning and maintenance of equipment and systems for power distribution and motor control centres; trading and contracting in electrical engineering products.
- Building products – manufacture and marketing of roofing products and glasswool insulation products.

**30. COMPARATIVES**

Comparative figures are in respect of the 12-month financial year ended 31 December 1999.

The presentation of financial statements for the current period has been changed to adopt the format as prescribed in MASB Standard No. 1 – Presentation of Financial Statements, issued by the MASB. Comparative figures have been reclassified to conform with this presentation, where necessary.

# LIST of properties 31 May 2001

LOCATION/ADDRESS	TITLE	AGE OF BUILDING YEARS	LAND AREA	EXISTING USE	TENURE
<b>a) Proprietor: Nylex (Malaysia) Berhad</b>					
Persiaran Selangor, Section 15, Shah Alam Industrial Estate, 40200 Shah Alam Selangor Darul Ehsan.	QT(R)32	30	29,340 sq. m. (315,810 sq. ft.)	Office building and factory.  The buildings are in good condition.	Unexpired leasehold interest of 69 years expiring on 19 July 2070.
	HS(D)209	21	12,140 sq. m. (130,680 sq. ft.)	Warehouse, factory and vacant land. The total built-up area is 15,679.4 sq. m.  The buildings are in good condition.	Unexpired leasehold interest of 74 years expiring on 10 February 2075.
NBV: Land and Buildings – RM18,635,798					
<b>b) Proprietor: Tamco Corporate Holdings Sdn Berhad</b>					
2A, Jalan 13/2, 46200 Petaling Jaya, Selangor Darul Ehsan.	HS(D)7524	16-26	13,143.64 sq. m. (141,477 sq. ft.)	Office building, factory building and warehouse. The total built-up area is 8,359 sq. m.  The buildings are in good condition.	Unexpired leasehold interest of 57 years expiring on 20 July 2058.
Lot 24, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan.	HM30892	9	27,519 sq. m. (296,221 sq. ft.)	Factory and office.  The buildings are in good condition.	Freehold.
NBV: Land and Buildings – RM22,287,428					
<b>C) Proprietor: Malaysian Roofing Industries Sdn Bhd</b>					
Lot 12, Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan.	HS(D) 33792	17	21,721 sq. m. (233,804 sq. ft.)	Factory and office building.  The buildings are in good condition.	Unexpired leasehold interest of 43 years expiring on 18 June 2044.
NBV: Land and Buildings – RM2,597,737					

LIST OF PROPERTIES 31 May 2001

LOCATION/ADDRESS	TITLE	AGE OF BUILDING YEARS	LAND AREA	EXISTING USE	TENURE
<b>d) Proprietor: Asia Pacific Insulation Development Corporation</b>					
Barrio Real, Calamba, Laguna, Philippines.	TCT No. 293777 (Lot 1509 F-1)	26	31,220 sq. m. (336,052 sq. ft.)	Administration building, factory office, plant and vacant lot. Total built-up area is 14,979 sq. m.	Unexpired leasehold interest of 15 years expiring in December 2016.
				The buildings are in good condition.	
	TCT No. 293778 (Lot 1509 F-2)	12	10,126 sq. m. (108,996 sq. ft.)	Factory, warehouse and vacant lot. Total built-up area is 3,010 sq. m.	Unexpired leasehold interest of 15 years expiring in December 2016.
				The buildings are in good condition.	
	TCT No. 293780/ 293779 (Lot 1509 F-5 and C-2)		413 sq. m. (4,446 sq. ft.)	Right of way.	Unexpired leasehold interest of 15 years expiring in December 2016.
NBV: Land and Buildings – PHP31,408,872 (RM2,279,838)					
<b>e) Proprietor: Universal Motor Kontrol Pty Limited</b>					
31, Kitchen Road, Dandenong, Australia.	V9922/510	16	4,000 sq. m. (43,056 sq. ft.)	Factory.	Freehold.
				The buildings are in good condition.	
Lot 29, Kitchen Road, Dandenong, Australia.	V9922/509	7	4,000 sq. m. (43,056 sq. ft.)	Factory.	Freehold.
				The buildings are in good condition.	
NBV: Land and Buildings – A\$2,096,381 (RM4,016,056)					

LIST OF PROPERTIES 31 May 2001

LOCATION/ADDRESS	TITLE	AGE OF BUILDING YEARS	LAND AREA	EXISTING USE	TENURE
<b>f) Tamco Shanghai Switchgear Company Ltd</b>					
You Ai Village, Tangwan Town Minhang District Shanghai, China	1997-000180	8	12,498 sq. m. (134,527 sq. ft.)	Factory and office building.  The buildings are in good condition.	Unexpired leasehold interest of 44 years expiring on 2 October 2045.
No. 379 Jianchuan Road, Tangwan Town Minhang District Shanghai, China	1997-000181	8	20,935 sq. m. (225,342 sq. ft.)	Factory and office building.  The buildings are in good condition.	Unexpired leasehold interest of 44 years expiring on 2 October 2045.
NBV: Land and Buildings – RMB18,682,407 (RM8,506,697)					
<b>g) Zonson Sports (Malaysia) Sdn Bhd</b>					
Lot 13260 Jln Hj. Abd. Manan Mukim Kapar 42200 Klang Selangor Darul Ehsan	HS(D) 27690	12	11,951.23 sq. m. (128,646 sq. ft.)	Factory and office building.  The buildings are in good condition.	Freehold.
NBV: Land and Buildings – RM4,011,705					



# ANALYSIS

## of shareholdings 7 September 2001

### SHARE CAPITAL

Issued and Paid-up Capital : 224,487,720 Ordinary Shares  
 Class of Shares : Ordinary Shares of RM1.00 each  
 No of Holders : 8,873

### ANALYSIS OF SHAREHOLDINGS ACCORDING TO SIZE

SHAREHOLDINGS	NUMBER OF HOLDERS	TOTAL HOLDINGS	%
Less than 1,000	85	35,665	0.02
1,000 – 10,000	8,100	23,217,714	10.33
10,001 – 100,000	611	17,037,643	7.59
100,001 to less than 5% of issued shares	75	50,028,226	22.29
5% and above of issued shares	2	134,168,472	59.77
Total	8,873	224,487,720	100.00

### SUBSTANTIAL SHAREHOLDERS

as per the Register of Substantial Shareholders

NAME OF SHAREHOLDERS	DIRECT		INDIRECT	
	No. of shares	%	No. of shares	%
1. Rhodemark Development Sdn Bhd	116,587,972	51.94	–	–
2. Ancom Berhad	–	–	116,587,972 *	51.94
3. Eminent East Limited	–	–	116,587,972 *	51.94
4. Y. Bhg. Dato' Siew Nim Chee	1,000	–	116,587,972 @	51.94
5. Siew Ka Wei	–	–	116,588,972 ^	51.94
6. Asian Corporate Finance Fund, L.P.	–	–	116,587,972 #	51.94
7. Prime Enterprise II, L.P.	–	–	116,587,972 #	51.94
8. Employees Provident Fund Board	17,582,000	7.83	–	–

\* Deemed interest by virtue of its direct interest in Rhodemark Development Sdn Bhd.

@ Direct interest in Nylex (Malaysia) Berhad and deemed interest by virtue of his direct and indirect interests in Ancom Berhad.

^ Deemed interest by virtue of his direct interest in Nylex (Malaysia) Berhad and direct and indirect interests in Ancom Berhad.

# Deemed interest by virtue of its direct interest in Eminent East Limited.

**DIRECTORS' SHAREHOLDINGS**

as per the Register of Directors' Shareholdings

NAME OF DIRECTORS	DIRECT		INDIRECT	
	No. of shares	%	No. of shares	%
1. Y.A.B.M. Raja Tun Mohar bin Raja Badiozaman	–	–	–	–
2. Heah Kok Soon	53,000	0.02	–	–
3. Y.M. Tengku Yusoff bin Tengku Mahmud	–	–	–	–
4. Y.Bhg. Dato' Mohd Ismail bin Che Rus	–	–	–	–
5. Y.Bhg. Dato' Ahmad Johari bin Abdul Razak	–	–	–	–
6. Siew Ka Wei	–	–	116,588,972 #	51.94
7. Hsieh Fu Hua	–	–	–	–
8. Toh Yiu Joe	–	–	–	–
9. Hung Hin Cheong	15,000	0.01	–	–
10. Chua Ah Lak	38,000	0.02	–	–
11. Chieng Ing Huong	–	–	28,000@	0.01

\* Deemed interest by virtue of his indirect interest in Nylex (Malaysia) Berhad and direct and indirect interests in Ancom Berhad.

@ Shares registered in the name of his spouse.

**LIST OF 30 LARGEST SHAREHOLDERS**

as per the Records of Depositors

NAME	NUMBER OF SHARES HELD	%
1. OUB Nominees (Tempatan) Sdn Bhd – Rhodemark Development Sdn Bhd	116,586,472	51.93
2. Employees Provident Fund Board	17,582,000	7.83
3. DB (Malaysia) Nominee (Asing) Sdn Bhd – DB AG Frankfurt for DWS Top 50 Asian	9,949,000	4.43
4. Lembaga Kemajuan Tanah Persekutuan (Felda)	4,002,000	1.78
5. Rothputra Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	2,714,000	1.21
6. Amanah Raya Nominees (Tempatan) Sdn Bhd – Kuala Lumpur Growth Fund	2,115,000	0.94
7. Mayban Nominees (Tempatan) Sdn Bhd – Mayban Trustees Berhad for Kuala Lumpur Regular Savings Fund	2,037,000	0.91
8. PAB Nominee (Tempatan) Sdn Bhd – Pledged Securities Account for Lembaga Tabung Amanah Warisan Negeri Terengganu	2,000,000	0.89
9. HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston for GMO Emerging Markets Fund	1,588,783	0.71
10. Mayban Nominees (Tempatan) Sdn Bhd – Mayban Trustees Berhad for Kuala Lumpur Ittikal Fund	1,454,000	0.65

**LIST OF 30 LARGEST SHAREHOLDERS (cont'd.)**

as per the Records of Depositors

NAME	NUMBER OF SHARES HELD	%
11. Amanah Raya Nominees (Tempatan) Sdn Bhd – Kuala Lumpur Savings Fund	1,303,000	0.58
12. Cartaban Nominees (Asing) Sdn Bhd – Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreich Ische Volksbanken AG	1,276,000	0.57
13. Permodalan Nasional Berhad	1,184,000	0.53
14. Overseas Assurance Corporation (Malaysia) Berhad	1,172,000	0.52
15. Amanah Raya Nominees (Tempatan) Sdn Bhd – Sekim Amanah Saham Nasional	1,076,000	0.48
16. John Hancock Life Insurance (Malaysia) Berhad	1,020,000	0.45
17. Arab-Malaysian Nominees (Tempatan) Sdn Bhd – MIMB Aberdeen Asset Management Sdn Bhd for Employees Provident Fund	854,000	0.38
18. Amanah Raya Nominees (Tempatan) Sdn Bhd – Kuala Lumpur Index Fund	794,000	0.35
19. Universal Trustee (Malaysia) Berhad – Mayban Unit Trust Fund	635,000	0.28
20. Cartaban Nominees (Asing) Sdn Bhd – Investors Bank And Trust Company for Top 50 Asia Fund	620,000	0.28
21. Cartaban Nominees (Asing) Sdn Bhd – SSBT Fund ZV6M for State Street Bank & Trust Funds for Employee Trusts	578,000	0.26
22. HSBC Nominees (Asing) Sdn Bhd – BNY Brussels for Merchant Investors Assurance Co. Ltd (Far East)	550,000	0.25
23. Rothputra Nominees (Tempatan) Sdn Bhd – State Heritage Trust Fund	538,000	0.24
24. Mayban Nominees (Tempatan) Sdn Bhd – Mayban Trustees Berhad for Kuala Lumpur Balanced Fund	529,000	0.24
25. Johan Enterprise Sdn Bhd	480,000	0.21
26. Lembaga Tabung Haji	464,000	0.21
27. HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston for GMO Asia Fund	459,217	0.20
28. Mayban Nominees (Tempatan) Sdn Bhd – Mayban Trustees Berhad for Kuala Lumpur Industry Fund	448,000	0.20
29. Arab-Malaysian Nominees (Tempatan) Sdn Bhd – MIMB Aberdeen Asset Management Sdn Bhd for Pertubuhan Keselamatan Sosial	445,000	0.20
30. Yeoh Kean Hua	420,000	0.19

## FIVE-YEAR record

	2001 RM'000	1999 RM'000	1998 RM'000	1997 RM'000	1996 RM'000
Sales	<b>579,395</b>	530,247	543,510	590,935	578,275
Profit from operations	<b>43,056</b>	26,638	47,603	84,383	93,152
Profit/(loss) before tax	<b>(65,837)</b>	17,400	30,375	69,887	82,107
Profit/(loss) after tax	<b>(74,689)</b>	24,358	21,523	50,148	58,572
Effective percentage rate of tax	<b>41.3%</b>	-40.0%	29.1%	28.2%	28.7%
Net Earnings/(loss) for Nylex Malaysia shareholders	<b>(75,169)</b>	26,021	20,232	46,368	56,276
Assets employed					
Fixed Assets	<b>158,436</b>	231,657	254,640	249,675	233,188
Investments	<b>7,011</b>	4,755	3,580	3,816	4,546
Other non-current assets	<b>64,520</b>	142,713	133,033	135,884	139,548
Current assets	<b>313,170</b>	343,004	358,635	405,455	318,908
Total assets	<b>543,137</b>	722,129	749,888	794,830	696,190
Financed by					
Share capital	<b>224,488</b>	224,488	224,488	224,488	224,488
Reserves	<b>2,647</b>	13,955	16,116	19,145	6,021
Retained profits	<b>26,290</b>	197,162	189,731	183,400	161,737
Nylex Malaysia shareholders' interest	<b>253,425</b>	435,605	430,335	427,033	392,246
Minority shareholders' interest	<b>3,457</b>	5,278	10,630	13,442	11,725
Total shareholders funds and minority interests	<b>256,882</b>	440,883	440,965	440,475	403,971
Non-current liabilities	<b>13,539</b>	14,849	18,169	19,364	15,931
Current liabilities	<b>272,716</b>	266,397	290,754	334,991	276,288
Total funds employed	<b>543,137</b>	722,129	794,888	794,830	696,190
Shareholders' interest					
Earnings/(loss) per share – sen	<b>(33.48)</b>	12.0	9.0	20.7	25.1
Dividend per share – sen	<b>42.6</b>	10.6	8.6	15.3	15.8
Net tangible assets per share – sen	<b>84.10</b>	133.90	133.09	130.10	112.86
Employees at year end	<b>1,654</b>	2,031	2,035	2,308	2,202
Depreciation & amortisation	<b>32,548</b>	35,823	33,498	31,098	25,950
Interest	<b>12,706</b>	9,263	17,228	14,496	11,045

# PROXY form



**NYLEX (MALAYSIA) BERHAD** (9378-T)  
(Incorporated In Malaysia Under The Companies Act, 1965)

I/We \_\_\_\_\_  
of \_\_\_\_\_  
a member/members of Nylex (Malaysia) Berhad hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him/her \_\_\_\_\_  
of \_\_\_\_\_

as my/our proxy/proxies to vote on my/our behalf at the 31st Annual General Meeting of the Company to be held at Kristal Ballroom, Petaling Jaya Hilton Hotel, Jalan Barat, 46200 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 6 November 2001 at 12.00 noon and at any adjournment thereof and to vote as indicated below:-

ITEM	DESCRIPTION OF RESOLUTIONS	RESOLUTION	FOR	AGAINST
1.	Receive and adopt the Audited Financial Statements and Reports.	1		
2.	Re-election of Y.A.B.M. Raja Tun Mohar bin Raja Badiozaman, the Director retiring under Section 129(2) of the Companies Act, 1965, to hold office until the next Annual General Meeting.	2		
3.	Re-election of Mr. Heah Kok Soon, the Director retiring pursuant to paragraph 7.28 of the Kuala Lumpur Stock Exchange Listing Requirements.	3		
4.	Re-election of Mr. Hung Hin Cheong, the Director retiring under Article 100 of the Company's Articles of Association.	4		
5.	Re-election of the following Directors retiring under Article 86 of the Company's Articles of Association:			
	(i) Mr. Chieng Ing Huong	5.1		
	(ii) Y.M. Tengku Yusoff bin Tengku Mahmud.	5.2		
6.	Approval of Directors' fees amounting to RM107,358	6		
7.	Re-appointment of Ernst & Young as Auditors of the Company.	7		
8.	Authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.	8		

Please indicate with an "X" in the appropriate box against the resolution how you wish your vote to be cast.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2001.

\_\_\_\_\_  
Signature of Shareholder(s) or Common Seal

No. of shares held	
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## NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative), to attend and vote in his stead. A proxy need not be a member of the Company.
2. The Proxy Form in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. If the Proxy Form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he thinks fit.
4. If no name is inserted in the space for the name of your proxy on the Proxy Form, the Chairman of the Meeting will act as your proxy.
5. The Proxy Form or other instruments of appointment shall not be treated as valid unless deposited at the Registered Office of the Company at Persiaran Selangor, Shah Alam Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting.