



RALCO CORPORATION BERHAD (333101-V)



www.ralco.net

Annual Report **2000**

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> Financial

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notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of the Company will be held at the East VIP Lounge, Kuala Lumpur Golf & Country Club, No.10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 28th day of June 2001 at 10.00a.m. for the transaction of the following business:-

AGENDA

- 1) To receive and adopt the Directors' Report and Accounts for the year ended 31st December 2000 together with the Auditors report thereon. (Resolution No. 1)
- 2) To approve the payment of Directors' Fees for the year ended 31st December 2000. (Resolution No. 2)
- 3) To consider and if thought fit, to pass the following resolutions.
 - 3.1 That Mr Yong Ng Gah @ Yong Wee Sing retires by rotation pursuant to Article 64 of the Company's Articles of Association be and is hereby re-elected as Director of the Company. (Resolution No. 3)
 - 3.2 That Ms Lee Yoke Fong retires pursuant to Article 69 of the Company's Articles of Association be and is hereby re-elected as Director of the Company. (Resolution No. 4)
- 4) To re-appoint Messrs Moores Rowland as auditors and authorise the directors to fix their remuneration. (Resolution No. 5)
- 5) Special Business

To consider and if thought fit, pass the following resolution as an ordinary resolution:- (Resolution No. 6)

"That pursuant to Section 132D of the Companies Act, 1965, and subject to the approval of all relevant authorities being obtained, the Directors be and are hereby authorised to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares to be issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
- 6) To transact any other business of which due notice shall have been received.

notice of Annual General Meeting (cont'd)

By Order of The Board,

SUI DIONG HOE

Secretary

5th June 2001

Kuala Lumpur/mj

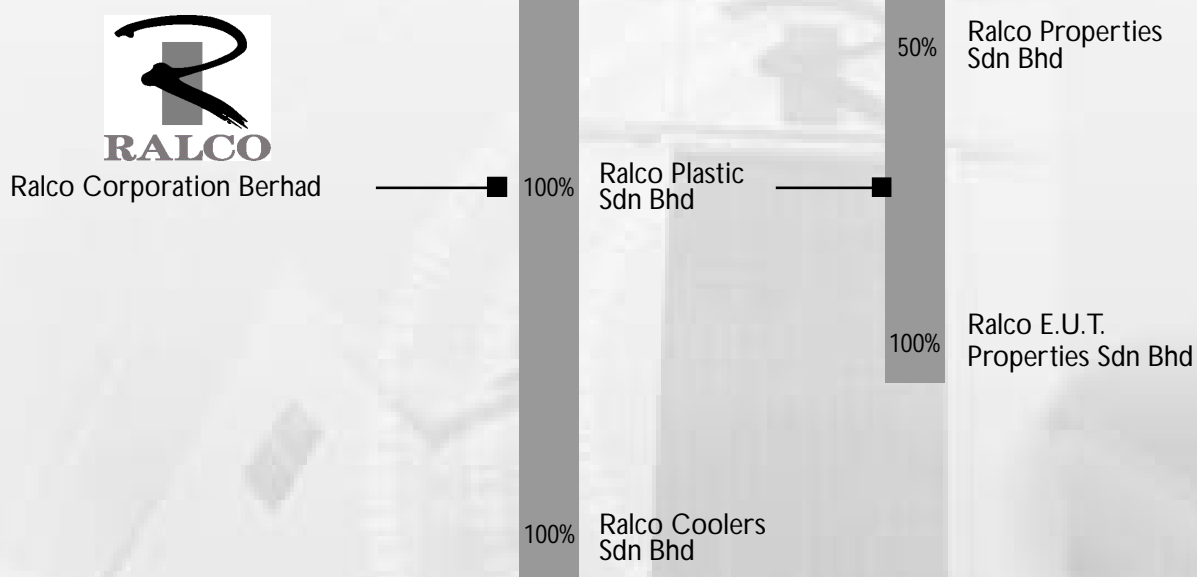
NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote instead of him. A proxy may but need not be a member of the Company.
2. The instrument appointing a proxy shall be deposited at the Registered Office No. 7.19, 7th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting.
3. A Proxy Form is enclosed.

corporate Information

BOARD OF DIRECTORS	Heng Hong Chai (Chairman) Syed Annuar Bin Syed Amir Baftim Yong Ng Gah @ Yong Wee Sing Tan Kie Lu Chang Sieh Joo
COMPANY SECRETARIES	Sui Diong Hoe Margaret Joseph
REGISTERED OFFICE	No. 7.19, 7th Floor, Wisma Central Jalan Ampang, 50450 Kuala Lumpur Tel: 603-2163 4133 Fax: 603-2162 4217 e-mail: scanasia@tm.net.my
PRINCIPAL PLACE OF BUSINESS	11, Jalan PJS 11/28-B Bandar Sunway 46150 Petaling Jaya, Selangor Darul Ehsan Tel: 603-5635 1999 Fax: 603-5632 8023 e-mail: ralco@tm.net.my website: www.ralco.net
REGISTRAR	Malaysian Share Registration Services Sdn Bhd 7th Floor, Exchange Square, Bukit Kewangan 50200 Kuala Lumpur e-mail: nazir@klse.com.my website: http://www.klse.com.my
AUDITORS	Moores Rowland Public Accountants Wisma Selangor Dredging, 7th Floor, South Block 142A, Jalan Ampang, 50450 Kuala Lumpur e-mail: consult@mooresrowland.com.my
PRINCIPAL BANKERS	Malayan Banking Berhad HSBC Bank Malaysia Berhad United Overseas Bank (Malaysia) Bhd The Bank of Nova Scotia Berhad
STOCK EXCHANGE LISTING	Second Board of the Kuala Lumpur Stock Exchange Stock Code: 7498
LEGAL FORM AND PLACE OF INCORPORATION	A public listed company incorporated in Malaysia under the Companies Act, 1965 and limited by shares
DOMICILE	Malaysia

corporate Structure



chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of the Company and of the Group for the Financial Year Ended 31st December 2000.

FINANCIAL RESULTS

The Group's turnover increased from RM38.5 million in the previous year to RM41.2 million for the year ended 31st December 2000.

For the year ended 31st December 2000, the Group incurred a pre-tax loss of RM2.4 million as compared to a pre-tax profit of RM2.2 million in the previous year. The financial results have been adversely affected by high operating costs and the continuing and substantial increase in the cost of raw materials (plastic resins), a main component in the production cost.

OUTLOOK AND PROSPECTS

Although the Malaysian economy registered a growth of above 8% for the year 2000, the current year may prove to be a challenging one due to general concerns over a potential global slow down.

The Group is implementing strategies to improve its overall performance. During the current year, it is opening factories at our branch premises in Penang and Johor. Foremost is the strategy to innovate our products to meet changing market requirements.

The Management also strives to identify value added products while maintaining competitive prices and customer satisfaction. More concerted marketing efforts will be implemented to create a larger marketing base for the Group's core products.

However, the Group looks upon the immediate future with cautious optimism on the basis of its new efforts and strategies. Barring any unforeseen circumstances, the Board is optimistic that the Group can halt its losses and start to improve on its performance in the year ahead.

CODE ON CORPORATE GOVERNANCE

The provisions of the revised Kuala Lumpur Stock Exchange Listing Requirements and the Code on Corporate Governance will come into effect on 1st June 2001. The Board has endorsed these moves and has initiated steps in compliance ; modifying board composition, setting up Internal Audit and the Remuneration and Nominations Committees, etc in order to achieve full compliance.



chairman's Statement (cont'd)

APPRECIATION

Mr Chang Sieh Joo resigned from the Group on 28th April 2001 as a Director. The Board would like to take this opportunity to record its thanks and appreciation to Mr Chang for his valued contribution to the Group and to wish him well in his future endeavours.

On behalf of the Board, I would also like to record my deepest and sincerest appreciation to all my fellow colleagues on the Board, the management team and staff of the Group, who have worked very hard to steer the Group through a difficult and trying year.

Finally, I would like to record my warmest gratitude to our shareholders, the relevant Government authorities, valued customers, bankers, suppliers and business associates for their continued confidence and unstinting support of the Group.

HENG HONG CHAI

Chairman

30th April 2001

group Financial Highlights

For The Year Ended 31st December 2000

	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000	1996 RM'000
INCOME STATEMENT					
Turnover	41,158	38,501	32,239	29,522	25,205
Profit/(Loss) Before Tax	(2,427)	2,246	5,571	5,976	6,247
Profit/(Loss) After Tax	(1,465)	2,140	5,945	5,654	5,199
BALANCE SHEET					
Fixed Assets	44,786	43,110	45,493	39,126	32,896
Net Current Assets	975	8,751	8,454	6,272	13,384
Total Assets Employed	45,761	51,861	53,947	45,398	46,280
Shareholders' Fund	43,081	44,595	43,610	38,500	33,683
Minority Interest	637	588	481	401	–
Deferred Liabilities	2,043	6,678	9,856	6,497	12,597
Total Funds Employed	45,761	51,861	53,947	45,398	46,280
PER RM 1 ORDINARY SHARE					
Earnings/(Loss) Per Share(sen)	(7.20)	9.70	28.00	27.40	50.50
Gross Dividend Per Share(sen)	–	5.00	3.60	4.32	9.10
Net Tangible Assets Per Share(RM)	2.05	2.13	2.08	1.84	1.61

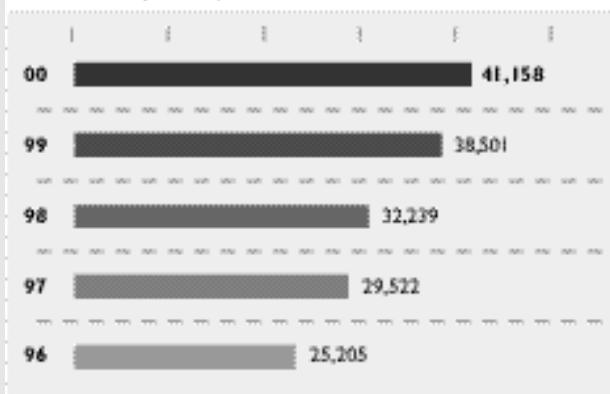
FINANCIAL CALENDAR

Financial Year End	: 31st December 2000
Announcement of Quarterly Result	
- 1st Quarter Performance Unaudited	: 26th May 2000
- 2nd Quarter Performance Unaudited	: 29th August 2000
- 3rd Quarter Performance Unaudited	: 29th November 2000
- 4th Quarter Performance Unaudited	: 27th February 2001
Announcement of Annual Audited Results	: 30th April 2001
Issue of Annual Report	: 5th June 2001
2000 Annual General Meeting	: 28th June 2001

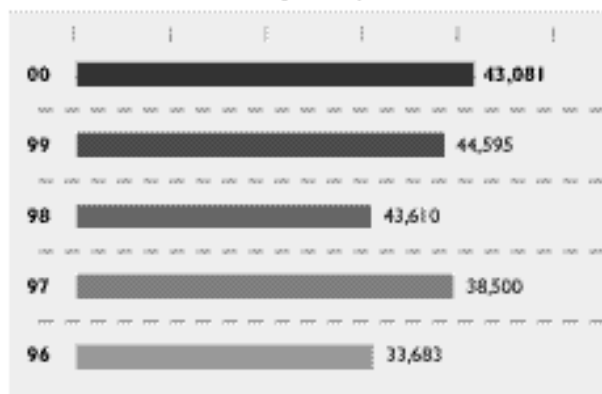
group Financial Highlights (cont'd)

For The Year Ended 31st December 2000

Turnover (RM'000)



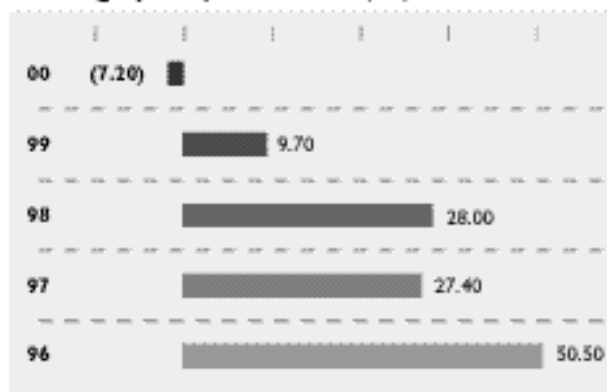
Shareholders' Fund (RM'000)



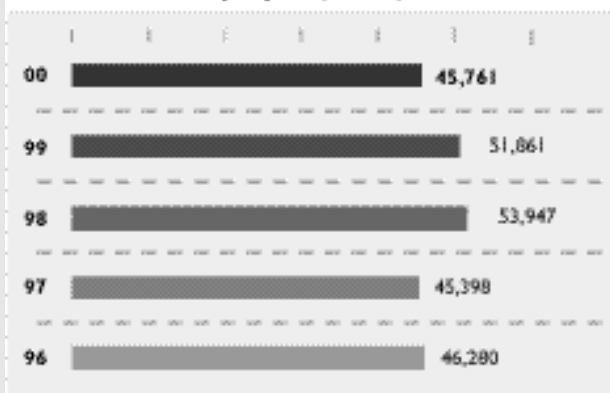
Profit/(Loss) Before Tax (RM'000)



Earnings/(Loss) Per Share (sen)



Total Assets Employed (RM'000)



Net Tangible Assets Per Share (RM)



audit Committee

Members of the Committee		Designation in the Company
	Tuan Syed Annuar Bin Syed Amir Baftim (Chairman)	Director (<i>Independent Non-Executive</i>)
	Mr Heng Hong Chai	Chairman
	Mr Yong Ng Gah @ Yong Wee Sing	Director (<i>Independent Non-Executive</i>)
Secretary to the Committee		
	Mr Sui Diong Hoe	Company Secretary
	Ms Margaret Joseph	Company Secretary

TERMS OF REFERENCE

Membership

The Committee shall consist of at least three (3) members appointed by the Board from amongst the Directors, comprising a majority of independent non-executive directors. The Chairman of the Audit Committee shall be appointed by the Board from amongst the independent non-executive directors. The terms of office of the Committee should be reviewed by the Board every two (2) years.

Meetings

The Committee shall meet not less than two (2) times a year and as many times as the Committee deems necessary.

The quorum for meetings of the Audit Committee shall be two (2) members who are independent non-executive Directors.

The Company Secretary shall be the secretary to the Audit Committee.

The Committee may require the members of management and representatives of the external auditors to attend any of its meeting as it determines.

Authority

The Audit Committee shall be granted the authority to investigate any activity of the Company and its subsidiaries and all employees shall be directed to co-operate as requested by members of the Committee. The Committee shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities.

audit Committee (cont'd)

Responsibilities

The Audit Committee shall assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and its subsidiaries and the sufficiency of auditing relating thereto.

Duties

- To review with the auditors the overall scope of the external audit and discuss the results of their examination and their evaluation of the system of internal accounting controls.
- To review the external audit report on the financial statements.
- To review the financial statements with management and the auditors prior to them being approved by the Board.
- To review interim financial information and press releases relating to financial matters of importance.
- To review the accounting policies adopted, any changes in accounting principles or practices and the level of prudence applied in areas requiring judgement.
- To review any significant related party transactions that may arise within the Company and Group.
- To review any significant transactions which are not a normal part of the Company's business.
- To review the effectiveness of management information and other systems of control within the Company.
- To review the assistance given by the Company's officers to the auditors.
- To consider any matter the auditors wish to bring to the attention of directors.
- To recommend to the Board of Directors the retention or non-retention of the external auditors.
- Such other responsibilities as may be agreed to by the Audit Committee and the Board of Directors.

directors' Report

For The Year Ended 31st December 2000

The directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the year ended 31st December 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiary companies consist of manufacturing of and trading in plastic bottles, containers, boxes, crates and related materials and also water dispensers.

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

RESULTS

	Group RM	Company RM
Loss after taxation	(1,464,783)	(72,171)
Minority interest	(49,130)	—
Net loss for the year	(1,513,913)	(72,171)
Unappropriated profit brought forward	12,789,003	2,748,736
Unappropriated profit carried forward	11,275,090	2,676,565

DIVIDEND

Dividend paid or declared by the Company since the end of the previous financial year were as follows:

In respect of the year ended 31st December 1999 as disclosed in the directors' report of that year

First and final dividend of 5% tax exempt paid on 24th August 2000	<u>RM1,049,000</u>
--	--------------------

The directors do not propose to recommend any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

directors' Report (cont'd)

For The Year Ended 31st December 2000

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

DIRECTORS

The directors in office since the date of the last report are:

Mr Heng Hong Chai
 Mr Chang Sieh Joo
 Tuan Syed Annuar bin Syed Amir Baftim
 Mr Yong Ng Gah @ Yong Wee Sing
 Mr Tan Kie Lu

In accordance with Article 64 of the Company's Articles of Association, Mr Yong Ng Gah @ Yong Wee Sing retires from the board at the annual general meeting and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS IN SHARES

Directors' interests in shares in the Company were as follows:

	Ordinary shares of RM1 each			
	At 1-1-2000	Bought	Sold	At 31-12-2000
Mr Heng Hong Chai				
- direct interest	6,110,690	—	—	6,110,690
Mr Chang Sieh Joo				
- direct interest	17,000	—	—	17,000
- deemed interest	643,297	—	—	643,297
Tuan Syed Annuar bin Syed Amir Baftim				
- direct interest	31,000	—	—	31,000
- deemed interest	254,000	—	—	254,000
Mr Yong Ng Gah @ Yong Wee Sing				
- direct interest	1,000	—	—	1,000
Mr Tan Kie Lu				
- direct interest	1,571,710	—	—	1,571,710

None of the directors held any shares or had any interest in shares in the related corporations except for Mr Heng Hong Chai, who by virtue of his interests in shares in the Company, is deemed to have interests in shares in all the subsidiaries to the extent the Company has an interest.

directors' Report (cont'd)

For The Year Ended 31st December 2000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with 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.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Company and of the Group were made out, the directors took reasonable steps:
 - (i) to ascertain the action taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Company and of the Group had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
 - (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company and of the Group inadequate to any substantial extent, or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Company and of the Group misleading, or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Company or its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person, or
 - (ii) any contingent liability of the Company or its subsidiary companies which has arisen since the end of the financial year.

directors' Report (cont'd)

For The Year Ended 31st December 2000

- (d) No contingent or other liability of the Company or its subsidiary companies has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company and of the Group which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the directors:
 - (i) the results of the operations of the Company and of the Group for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

AUDITORS

The auditors, Moores Rowland, Public Accountants, have expressed their willingness to continue in office.

On behalf of the Directors

HENG HONG CHAI
Director

SYED ANNUAR BIN SYED AMIR BAFTIM
Director

25th April 2001

report of the Auditors

We have audited the financial statements set out on pages 17 to 38. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards issued by the Malaysian Institute of Accountants. 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 an assessment of the accounting principles used and significant estimates made by the directors as well as an evaluation of the overall presentation of the financial statements. We believe our audit has provided us with a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up:
 - (i) so as to give a true and fair view of the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company and of the Group;
 - (ii) in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Company and of the Group at 31st December 2000 and of their results and cash flows for the year ended on that date; and
 - (iii) in accordance with applicable approved accounting standards; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries 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.

Our audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Section 174 (3) of the Act.

MOORES ROWLAND
No. AF: 0539
Public Accountants

GAN MORN GHUAT
No. 1499/5/01(J)
Partner

25th April 2001

consolidated Balance Sheet

As At 31st December 2000

	Note	2000 RM	1999 RM
PROPERTY, PLANT AND EQUIPMENT	2	44,785,907	43,110,338
CURRENT ASSETS			
Inventories	4	5,573,527	4,848,812
Trade debtors	5	16,391,215	19,640,212
Other debtors, deposits and prepayments		4,451,111	3,542,021
Tax recoverable		104,403	—
Cash and bank balances		955,023	1,247,804
		27,475,279	29,278,849
Less:			
CURRENT LIABILITIES			
Trade creditors		4,971,704	3,561,810
Other creditors and accruals		1,848,550	2,325,270
Hire purchase liabilities	6	150,012	5,134
Bank borrowings	7	19,442,893	13,260,162
Taxation		87,188	327,233
Proposed dividend		—	1,049,000
		26,500,347	20,528,609
NET CURRENT ASSETS		974,932	8,750,240
		45,760,839	51,860,578
Financed by:			
SHARE CAPITAL	8	20,980,000	20,980,000
SHARE PREMIUM		5,477,296	5,477,296
UNAPPROPRIATED PROFIT		11,275,090	12,789,003
SHAREHOLDERS' EQUITY		37,732,386	39,246,299
MINORITY INTEREST		636,977	587,847
RESERVE ON CONSOLIDATION		5,348,889	5,348,889
DEFERRED LIABILITIES			
Term loans	9	1,821,608	5,610,543
Hire purchase liabilities	6	187,479	—
Deferred taxation		33,500	1,067,000
		2,042,587	6,677,543
		45,760,839	51,860,578

Notes to and forming part of the financial statements are set out on pages 26 to 38
Auditors' Report - Page 16

consolidated Income Statement

For The Year Ended 31st December 2000

	Note	2000 RM	1999 RM
Gross revenue	10	41,157,665	38,500,504
Cost of sales		<u>(34,925,869)</u>	<u>(27,514,934)</u>
Gross profit		6,231,796	10,985,570
Other operating income		36,274	500,811
Selling and distribution costs		<u>(2,162,614)</u>	<u>(1,915,602)</u>
Administrative and general expenses		<u>(5,243,105)</u>	<u>(5,866,063)</u>
(Loss)/Profit from operations		(1,137,649)	3,704,716
Finance costs		<u>(1,289,634)</u>	<u>(1,458,507)</u>
(Loss)/Profit before taxation	11	(2,427,283)	2,246,209
Taxation	12	<u>962,500</u>	<u>(105,717)</u>
(Loss)/Profit after taxation		(1,464,783)	2,140,492
Minority interest		<u>(49,130)</u>	<u>(106,753)</u>
Net (loss)/profit for the year		<u>(1,513,913)</u>	<u>2,033,739</u>
(Loss)/Earnings per share	13	<u>(7.2) sen</u>	<u>9.7 sen</u>
Dividend per share		<u>–</u>	<u>5 sen</u>

Notes to and forming part of the financial statements are set out on pages 26 to 38

Auditors' Report - Page 16

consolidated Statement of Changes in Equity

For The Year Ended 31st December 2000

	Share capital RM	Share premium RM	Unappropriated profit RM	Total RM
At 1st January 1999	20,980,000	5,477,296	11,804,264	38,261,560
Net profit for the year	–	–	2,033,739	2,033,739
Proposed first and final dividend of 5% tax exempt	–	–	(1,049,000)	(1,049,000)
At 31st December 1999	20,980,000	5,477,296	12,789,003	39,246,299
Net loss for the year	–	–	(1,513,913)	(1,513,913)
At 31st December 2000	<u>20,980,000</u>	<u>5,477,296</u>	<u>11,275,090</u>	<u>37,732,386</u>

consolidated Cash Flow Statement

For The Year Ended 31st December 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(2,427,283)	2,246,209
Adjustments for:		
Depreciation	4,710,866	4,441,812
Property, plant and equipment written off	–	210,238
(Gain)/Loss on disposal of property, plant and equipment	(36,033)	1,533
Provision for doubtful debts	738,574	73,249
Interest expenses	1,268,796	1,423,619
Hire purchase term charges	20,838	34,888
Unrealised gain on foreign exchange	–	(80,900)
Operating profit before working capital changes	4,275,758	8,350,648
Increase in inventories	(724,715)	(109,902)
Decrease/(Increase) in debtors	1,601,333	(7,175,417)
Increase in creditors	6,384,306	4,965,744
Cash generated from operations	11,536,682	6,031,073
Interest paid	(1,268,796)	(1,423,619)
Taxation paid	(415,448)	(879,736)
Net cash from operating activities	9,852,438	3,727,718
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,963,102)	(2,271,532)
Proceeds from disposal of property, plant and equipment	62,700	1,000
Net cash used in investing activities	(5,900,402)	(2,270,532)

consolidated Cash Flow Statement (cont'd)

For The Year Ended 31st December 2000

	2000 RM	1999 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,049,000)	(755,280)
Term loans raised	–	665,875
Repayment of term loans	(5,298,644)	(3,460,937)
Payment of hire purchase instalments	(117,643)	(188,701)
Hire purchase term charges paid	(20,838)	(34,888)
Net cash used in financing activities	(6,486,125)	(3,773,931)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,534,089)	(2,316,745)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(177,463)	2,139,282
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(2,711,552)	(177,463)
Represented by:		
CASH AND BANK BALANCES	955,023	1,247,804
BANK OVERDRAFTS	(3,666,575)	(1,425,267)
	(2,711,552)	(177,463)

During the financial year, the Group purchased property, plant and equipment amounting to RM6,413,102 (1999 : RM2,271,532) of which RM450,000 (1999 : RM Nil) was financed under hire purchase and the balance of RM5,963,102 (1999 : RM2,271,532) was paid by internally generated funds.

balance Sheet

As At 31st December 2000

	Note	2000 RM	1999 RM
PROPERTY, PLANT AND EQUIPMENT	2	300,563	419,782
SUBSIDIARY COMPANIES	3	23,227,733	23,227,733
CURRENT ASSETS			
Sundry debtors and deposits		6,000	12,050
Tax recoverable		22,722	20,827
Amount owing by subsidiary companies	3	5,612,941	6,650,247
Cash and bank balances		75,935	174,475
		5,717,598	6,857,599
Less:			
CURRENT LIABILITIES			
Sundry creditors and accruals		112,033	250,082
Proposed dividend		–	1,049,000
		112,033	1,299,082
NET CURRENT ASSETS		5,605,565	5,558,517
		<u>29,133,861</u>	<u>29,206,032</u>
Financed by:			
SHARE CAPITAL	8	20,980,000	20,980,000
SHARE PREMIUM		5,477,296	5,477,296
UNAPPROPRIATED PROFIT		2,676,565	2,748,736
SHAREHOLDERS' EQUITY		<u>29,133,861</u>	<u>29,206,032</u>

Notes to and forming part of the financial statements are set out on pages 26 to 38
Auditors' Report - Page 16

income Statement

For The Year Ended 31st December 2000

	Note	2000 RM	1999 RM
Gross revenue	10	936,000	3,027,229
Other operating income		–	18,237
Administrative and general expenses		(1,008,171)	(1,251,783)
(Loss)/Profit before taxation	11	(72,171)	1,793,683
Taxation	12	–	(241,175)
Net (loss)/profit for the year		(72,171)	1,552,508
Dividend per share		–	5 sen

statement of Changes in Equity

For The Year Ended 31st December 2000

	Share capital RM	Share premium RM	Unappropriated profit RM	Total RM
At 1st January 1999	20,980,000	5,477,296	2,245,228	28,702,524
Net profit for the year	–	–	1,552,508	1,552,508
Proposed first and final dividend of 5% tax exempt	–	–	(1,049,000)	(1,049,000)
At 31st December 1999	20,980,000	5,477,296	2,748,736	29,206,032
Net loss for the year	–	–	(72,171)	(72,171)
At 31st December 2000	<u>20,980,000</u>	<u>5,477,296</u>	<u>2,676,565</u>	<u>29,133,861</u>

Notes to and forming part of the financial statements are set out on pages 26 to 38
Auditors' Report - Page 16

cash Flow Statement

For The Year Ended 31st December 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(72,171)	1,793,683
Adjustment for depreciation	119,219	119,218
Operating profit before working capital changes	47,048	1,912,901
Decrease in debtors	6,050	17,864
(Decrease)/Increase in creditors	(138,049)	130,218
Cash utilised in operations	(84,951)	2,060,983
Taxation paid	(1,895)	(24,656)
Net cash (used in)/from operating activities	(86,846)	2,036,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment from/(Advances to) subsidiary companies	1,037,306	(1,288,881)
Net cash from/(used in) investing activities	1,037,306	(1,288,881)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,049,000)	(755,280)
Net cash used in financing activities	(1,049,000)	(755,280)
NET DECREASE IN CASH	(98,540)	(7,834)
CASH BALANCE BROUGHT FORWARD	174,475	182,309
CASH BALANCE CARRIED FORWARD	75,935	174,475

Notes to and forming part of the financial statements are set out on pages 26 to 38
Auditors' Report - Page 16

notes To And Forming Part Of the Financial Statements

For The Year Ended 31st December 2000

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, unless otherwise indicated in the accounting policies set out below and comply with applicable approved accounting standards issued or adopted by the Malaysian Accounting Standards Board ("MASB").

(b) Subsidiary companies

A subsidiary company is a company in which the Company, directly or indirectly, controls more than half of the voting power or issued share capital or controls the composition of the board of directors.

The Company's interests in subsidiary companies are stated at cost, and are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments.

(c) Basis of consolidation

The consolidated financial statements include the audited financial statements of the Company and all its subsidiary companies made up to the end of the financial year. All material inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. The financial statements of the subsidiary companies are consolidated on the acquisition method of accounting and the results of the subsidiary companies acquired or disposed of are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

(d) Goodwill or reserve on consolidation

The difference between the consideration paid for the shares in the subsidiary companies and the fair values of their attributable net assets acquired at the dates of acquisition is reflected in the consolidated balance sheet as either goodwill or reserve on consolidation.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

Freehold land is not amortised except in the case where the cost of buildings could not be readily segregated from that of the land, depreciation is then calculated on the combined value of land and buildings on the straight line basis at 2% per annum.

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

Depreciation is calculated to write off the cost of other property, plant and equipment on the straight line basis over their expected useful lives at the following annual rates:

Leasehold land	over the remaining lease period of 90 to 99 years
Buildings	2%
Plant and machinery	10%
Furniture, fittings and renovations	10% - 20%
Office equipment	10% - 20%
Motor vehicles	20%

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is principally determined on the first-in first-out basis and in the case of finished goods and work-in-progress comprises materials, direct labour, other direct charges and an appropriate proportion of factory overheads.

(g) Debtors

Known bad debts are written off and specific provisions are made for any debtors considered to be doubtful of collection.

(h) Foreign currencies

Transactions in foreign currencies are translated to Ringgit Malaysia at the rates of exchange ruling on transaction dates and where settlement had not taken place on balance sheet date, at the closing rates. Foreign exchange differences arising on translation are recognised in the income statement.

The closing rates used in translation are as follows:

USD 1 = RM3.80
SGD 1 = RM2.20
HKD 1 = RM0.49

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

(i) Income recognition

Income is recognised when it is probable that the economic benefits will flow to the Group and when the outcome can be measured reliably, on the following bases:

(i) Sale of goods

Sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customers.

(ii) Management fee

Management fee is recognised on an accrual basis when services are rendered.

(iii) Rental income

Rental income is recognised on a time proportion basis over the lease term.

(iv) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(j) Taxation

The tax expense in the income statement represents taxation at current tax rate based on profit earned during the year.

Deferred taxation is provided on the liability method for taxation deferred in respect of all material timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(k) Finance costs

Finance costs comprise interest paid and payable on borrowings.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. The interest component of hire purchase payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

(l) Cash equivalents

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

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

2. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land & buildings	Long term leasehold land & buildings	Plant & machinery	Furniture, fittings, renovation, office equipment & motor vehicles	Total
2000	RM	RM	RM	RM	RM
Cost					
At 1st January	348,290	19,803,816	36,338,511	4,505,440	60,996,057
Additions	–	95,315	5,428,344	889,443	6,413,102
Disposals	–	–	–	(109,000)	(109,000)
Write-off	–	–	(8,500)	–	(8,500)
At 31st December	348,290	19,899,131	41,758,355	5,285,883	67,291,659
Accumulated depreciation					
At 1st January	36,527	937,860	14,862,461	2,048,871	17,885,719
Charge for the year	6,966	363,702	3,608,312	731,886	4,710,866
Disposals	–	–	–	(82,333)	(82,333)
Write-off	–	–	(8,500)	–	(8,500)
At 31st December	43,493	1,301,562	18,462,273	2,698,424	22,505,752
Net book value at 31st December	<u>304,797</u>	<u>18,597,569</u>	<u>23,296,082</u>	<u>2,587,459</u>	<u>44,785,907</u>
1999					
Net book value at 31st December	<u>311,763</u>	<u>18,865,956</u>	<u>21,476,050</u>	<u>2,456,569</u>	<u>43,110,338</u>
Depreciation charge for the year	<u>6,965</u>	<u>346,594</u>	<u>3,433,968</u>	<u>654,285</u>	<u>4,441,812</u>

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

Company	2000 RM	1999 RM
Furniture, fittings and renovation		
Cost		
At 1st January	711,897	711,897
Addition/Disposal	—	—
At 31st December	711,897	711,897
Accumulated depreciation		
At 1st January	292,115	172,897
Charge for the year	119,219	119,218
At 31st December	411,334	292,115
Net book value		
at 31st December	300,563	419,782

A leasehold property of a subsidiary company with a net book value of RM2,678,344 (1999 : RM 2,710,215) is charged to a bank as security for banking facilities granted to the said subsidiary company.

The title deeds to certain leasehold properties of subsidiary companies with net book value of RM1,771,959 (1999 : RM1,791,406) have yet to be issued by the relevant authority.

Included in the net book value of the Group are motor vehicles amounting to RM523,385 (1999 : RM28,650) acquired under hire purchase.

Included in the net book value of the Group is a motor vehicle of RM408,987 (1999 : Nil) which is registered in the name of a director of the Company who is holding it in trust for the Group.

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

3. SUBSIDIARY COMPANIES

	2000 RM	1999 RM
Unquoted shares, at cost	<u>23,227,733</u>	<u>23,227,733</u>

The subsidiary companies which are all incorporated in Malaysia are as follows:

	Gross Equity interest		Principal activities
	2000	1999	
	%	%	
Ralco Plastic Sdn Bhd	100	100	Manufacturing of and trading in plastic bottles, containers, boxes, crates and related materials
@ Ralco E.U.T. Properties Sdn Bhd	100	100	Property holding
@ Ralco Properties Sdn Bhd	50	50	Property holding
Ralco Holdings Sdn Bhd	100	100	Assembly of water dispensers
Ralco Coolers Sdn Bhd	100	100	Distribution and trading in water dispensers and filters

@ Held through Ralco Plastic Sdn Bhd

The amount owing by the subsidiary companies represents unsecured advances which are interest free and have no fixed terms of repayment.

4. INVENTORIES

	Group	
	2000 RM	1999 RM
Raw materials, at cost	2,243,124	2,509,476
Finished goods, at cost	<u>3,330,403</u>	<u>2,339,336</u>
	<u>5,573,527</u>	<u>4,848,812</u>

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

5. TRADE DEBTORS

	Group	
	2000	1999
	RM	RM
Gross receivables	17,391,242	19,901,665
Less: Provision for doubtful debts	1,000,027	261,453
	<u>16,391,215</u>	<u>19,640,212</u>

6. HIRE PURCHASE LIABILITIES

	Group	
	2000	1999
	RM	RM
Outstanding hire purchase instalments due:		
- not later than one year	176,364	6,359
- later than one year and not later than five years	220,431	—
	<u>396,795</u>	<u>6,359</u>
Less: Unexpired term charges	59,304	1,225
	<u>337,491</u>	<u>5,134</u>
Outstanding principal amount due		
Less: Outstanding principal amount due not later than one year (included in current liabilities)	150,012	5,134
Outstanding principal amount due later than one year and not later than five years	<u>187,479</u>	<u>—</u>

7. BANK BORROWINGS

	Group	
	2000	1999
	RM	RM
Bills payable, unsecured	12,121,000	6,669,868
Bank overdrafts		
- secured	835,751	188,334
- unsecured	2,830,824	1,236,933
Current portion of term loans (Note 9)	3,655,318	5,165,027
	<u>19,442,893</u>	<u>13,260,162</u>

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

The bills payable and bank overdrafts bear interests at rates which vary according to the base lending rates of the respective banks.

The bills payable and bank overdrafts of a subsidiary company are unsecured but guaranteed by the Company while a bank overdraft of another subsidiary company is secured by way of a supplementary loan agreement cum assignment over the leasehold property of the said subsidiary company and is also guaranteed by the Company.

8. SHARE CAPITAL

	2000 RM	1999 RM
Authorised Shares of RM1 each	<u>25,000,000</u>	<u>25,000,000</u>
Issued and fully paid Ordinary shares of RM1 each	<u>20,980,000</u>	<u>20,980,000</u>

9. TERM LOANS

	2000 RM	Group 1999 RM
Term loans from finance companies bearing interests at 6.5% to 9.75% (1999 : 6.5% to 9.75%) per annum, repayable by equal monthly and quarterly instalments commencing 1995 and 1997	786,120	1,869,305
Bank term loans bearing interests at 1% and 1.5% (1999 : 1% and 1.5%) per annum above base lending rate, repayable by equal monthly instalments commencing 1994 and 1999	<u>4,690,806</u>	<u>8,906,265</u>
	5,476,926	10,775,570
Less: Repayments due within 12 months (included in current liabilities, Note 7)	<u>3,655,318</u>	<u>5,165,027</u>
Repayments due after 12 months	<u>1,821,608</u>	<u>5,610,543</u>

Bank term loan of RM513,767 (1999 : RM625,338) of a subsidiary company is secured by a loan agreement cum assignment over the leasehold property of the said subsidiary company. The other term loans of another subsidiary company are unsecured but have negative pledges on all the unencumbered assets of the said subsidiary company. All the term loans are also guaranteed by the Company.

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

10. GROSS REVENUE

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Sale of goods	41,021,965	38,344,804	–	–
Rental income	135,700	155,700	–	–
Management fees	–	–	936,000	936,000
Dividend income	–	–	–	2,091,229
	<u>41,157,665</u>	<u>38,500,504</u>	<u>936,000</u>	<u>3,027,229</u>

11. LOSS BEFORE TAXATION

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Loss before taxation is stated after charging:				
Auditor's remuneration				
- current year	53,500	51,000	8,000	7,500
- underprovision in prior year	–	6,500	–	500
Bad debts written off	4,938	–	–	–
Consultancy fees paid to a director	–	42,000	–	–
Depreciation	4,710,866	4,441,812	119,219	119,218
Directors' remuneration				
- fees	30,000	30,000	30,000	30,000
- other emoluments	180,000	360,000	–	–
Finance costs				
- hire purchase term charges	20,838	34,888	–	–
- interest expenses	1,268,796	1,423,619	–	–
Loss on disposal of property, plant and equipment	–	1,533	–	–
Property, plant and equipment written off	–	210,238	–	–
Provision for doubtful debts	738,574	73,249	–	–
Rental of equipment	6,600	6,600	6,600	6,600
Rental of premises	92,530	118,580	162,000	162,000
Loss on foreign exchange, realised	108,526	–	–	–

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
and crediting:				
Gain on disposal of property, plant and equipment	36,033	—	—	—
Gain on foreign exchange				
- realised	—	72,760	—	—
- unrealised	—	80,900	—	—
Gross dividend income from a subsidiary company	—	—	—	2,091,229
Rental income	135,700	48,000	—	—

12. TAXATION

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Malaysian taxation based on results for the year				
- current	(71,000)	—	—	—
- deferred	(1,500)	(220,000)	—	13,000
	(72,500)	(220,000)	—	13,000
Reversal of deferred taxation during the year	1,035,000	—	—	—
Over/(Under)provision in prior years	—	114,283	—	(254,175)
	962,500	(105,717)	—	(241,175)

Provision for taxation is made in the Group for the current financial year despite the Group incurring losses because of non-availability of Group relief for losses incurred by certain subsidiary companies.

No provision for taxation is required in the Company for the current financial year because of the availability of tax losses and unabsorbed capital allowances brought forward of which approximately RM87,000 has been utilised to set-off the adjusted profit for the year.

No provision for taxation was made in the Group and the Company in the previous financial year as income earned in the financial year 1999 was waived from income tax as provided under the Income Tax (Amendment) Act, 1999.

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

Subject to agreement with the Inland Revenue Board, the Company has tax losses and unabsorbed capital allowances amounting to approximately RM179,000 at year end (1999 : RM266,000) for which the related tax effects have not been accounted for.

Based on estimated tax credits and tax exempt income available and the prevailing tax rate applicable to dividends, the entire unappropriated profit of the Company is available for distribution without incurring additional tax liability.

13. EARNINGS PER SHARE

Earnings per share is calculated based on Group loss after taxation and minority interest of RM1,513,913 (1999: profit after taxation and minority interest of RM2,033,739) and on 20,980,000 (1999 : 20,980,000) shares in issue during the financial year.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company has a controlling related party relationship with its subsidiary companies.

Transactions with subsidiary companies during the year are as follows:

	Company	
	2000	1999
	RM	RM
Management fees charged to		
- Ralco Plastic Sdn Bhd	900,000	900,000
- Ralco Coolers Sdn Bhd	9,600	9,600
- Ralco Holdings Sdn Bhd	2,400	2,400
- Ralco E.U.T. Properties Sdn Bhd	12,000	12,000
- Ralco Properties Sdn Bhd	12,000	12,000
Rental of premises charged by		
- Ralco Properties Sdn Bhd	162,000	162,000

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business.

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

Non-trade balances with related parties are as follows:

	Company	
	2000	1999
	RM	RM
Outstanding advances owing by		
- Ralco Plastic Sdn Bhd	4,726,827	5,340,133
- Ralco Properties Sdn Bhd	746,999	1,075,999
- Ralco E.U.T. Properties Sdn Bhd	139,115	234,115

15. EMPLOYEES INFORMATION

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Staff costs	5,547,841	5,848,863	600,981	837,604
Number of employees at year end	327	225	18	24

16. CAPITAL COMMITMENTS

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Approved capital expenditure contracted but not provided for in the financial statements	-	2,815,000	-	-

17. CONTINGENT LIABILITIES

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Unsecured corporate guarantees in respect of				
- banking facilities granted to subsidiaries	-	-	50,450,000	52,300,000
- trade facilities granted to a subsidiary	-	-	4,700,000	2,600,000
	-	-	55,150,000	54,900,000

notes To And Forming Part Of the Financial Statements (cont'd)

For The Year Ended 31st December 2000

18. SEGMENT ANALYSIS

No segment analysis is prepared as the Group is involved in a single industry segment relating to the manufacturing of plastic products in Malaysia.

19. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are presented in accordance with MASB Standards for the first time together with the relevant comparatives.

statement By Directors

In the opinion of the directors, the financial statements set out on pages 17 to 38 are drawn up:

- (a) so as to give a true and fair view of the state of affairs of the Company and of the Group at 31st December 2000 and of their results and cash flows for the year then ended; and
- (b) in accordance with applicable approved accounting standards.

On behalf of the Directors

HENG HONG CHAI
Director

SYED ANNUAR BIN SYED AMIR BAFTIM
Director

25th April 2001

statutory Declaration

I, **Heng Hong Chai**, being the director primarily responsible for the financial management of **Ralco Corporation Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 17 to 38 are 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 at
Kuala Lumpur in the Federal Territory
this 25th day of April 2001

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)

HENG HONG CHAI

Before me:
WO92
ROBERT LIM HOCK KEE
Commissioner for Oaths

landed Property

Type : Land and Building
 Location : Nilai, Negeri Sembilan
 Address : Lot 1476, Kawasan Perusahaan Nilai
 Net Book Value : RM12,425,586
 Existing Use : Factory
 Tenure : Leasehold (Expiring 20/08/2089)
 Age of Property : Approximately 8 years
 Land Area : 18,200 sq. meters

Type : Land and Building
 Location : Nilai, Negeri Sembilan
 Address : Lot 1478, Kawasan Perusahaan Nilai
 Net Book Value : RM2,769,747
 Existing Use : Factory
 Tenure : Leasehold (Expiring 20/08/2089)
 Age of Property : Approximately 8 years
 Land Area : 4,464 sq. meters

Type : Land and Building
 Location : Petaling Jaya, Selangor
 Address : Lot 11, Jalan PJS 11/28B, Bandar Sunway
 Net Book Value : RM2,678,344
 Existing Use : Headoffice
 Tenure : Leasehold (Expiring 11/03/2095)
 Age of Property : Approximately 5 years
 Built-up Area : 1,418 sq. meters

Type : Land and Building
 Location : Petaling Jaya, Selangor
 Address : No. 14, Jalan PJS 11/18, Bandar Sunway
 Net Book Value : RM625,779
 Existing Use : Rental
 Tenure : Leasehold (Expiring 28/12/2096)
 Age of Property : Approximately 7 years
 Built-up Area : 501.7 sq. meters

Type : Land and Building (5 One-Storey Terrace House)
 Location : Nilai, Negeri Sembilan
 Address : PT. 5001, 5536, 5490, 5491, 5535 Mukim Labu
 Net Book Value : RM304,796
 Existing Use : Workers Hostel
 Tenure : Freehold
 Age of Property : Approximately 6 years
 Built-up Area : 95 sq. meters each

shareholding Structure

Analysis Of Shareholdings As At 23rd April 2001

Authorised Share Capital	: RM25,000,000
Paid-up Share Capital	: RM20,980,000
Class of Share	: Ordinary Share of RM1.00 each
Voting Rights	: 1 Vote per Ordinary Share

Size Of Shareholdings

Range	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 1,000	10	0.48	2,334	0.01
1,001 - 10,000	1,948	94.06	4,341,315	20.69
10,001 - 100,000	95	4.59	2,425,143	11.56
100,001 to less than 5%	15	0.72	5,028,808	23.97
5% and above	3	0.15	9,182,400	43.77
Total	2,071	100.00	20,980,000	100.00

List Of Substantial Shareholders (5% Above)

No. Shareholders	No. of Shares	% of Shares
1. Heng Hong Chai	6,110,690	29.13
2. Tan Kie Lu	1,571,710	7.49
3. Distinct Master Sdn Bhd	1,500,000	7.15

shareholding Structure (cont'd)

Thirty (30) Largest Shareholders

No.	Shareholders	No. of Shares	% of Shares
1.	Mercsec Nominees (Tempatan) Sdn Bhd <i>Account for Heng Hong Chai</i>	4,811,077	22.93
2.	Tan Kie Lu	1,571,710	7.49
3.	Distinct Master Sdn Bhd	1,500,000	7.15
4.	Heng Hong Chai	1,299,613	6.19
5.	Chie Kuai Leong	1,040,207	4.96
6.	Tan Ching Ching	1,018,000	4.85
7.	Duclos Sdn Bhd	918,000	4.38
8.	Kenanga Nominees (Asing) Sdn Bhd <i>Account for International Scientific (Private) Limited</i>	643,297	3.07
9.	Sharifah Asiah Binti Syed Aziz Baftin	254,000	1.21
10.	DB (Malaysia) Nominee (Asing) Sdn Bhd <i>Account for Contend Investments Limited</i>	250,000	1.19
11.	Tan Han Chuan	247,000	1.18
12.	Chan Wan Moi	186,000	0.89
13.	Ong Har Hong	169,000	0.81
14.	JB Nominees (Asing) Sdn Bhd <i>Account for Paramesweran S/O K Velayutham</i>	145,000	0.69
15.	Ng Yee Hoon @ Ng Yam Hoon	140,000	0.67
16.	Wong How Sim	125,014	0.60
17.	Chee Chee Pin	120,000	0.57
18.	Leong Khai Cheong	108,000	0.51
19.	Mohamad Bin Haji Hasan	100,000	0.48
20.	Cheng Yock Ngo	80,000	0.38
21.	MIDF SISMA Holdings Sdn Bhd	75,000	0.36
22.	Citicorp Nominees (Tempatan) Sdn Bhd <i>Account for Ong Ling Mooi</i>	74,000	0.35
23.	Tiong Kwing Hee	71,000	0.34
24.	Tiong King Ting	50,000	0.24
25.	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Account for Lai Siew Yoong</i>	41,000	0.20
26.	Tay Lay Kee	41,000	0.20
27.	Yeoh Lip Hee	40,000	0.19
28.	JB Securities Sdn Bhd <i>Account for IVT (VII)</i>	38,000	0.18
29.	JB Nominees (Tempatan) Sdn Bhd <i>Account for Kwong Wai Ling</i>	37,000	0.18
30.	Chua Kiew Heng	36,000	0.17
	Total	15,228,918	72.61



Ralco Corporation Berhad
Incorporation in Malaysia

form of Proxy

I/We, _____
(PLEASE USE BLOCK LETTERS)

of _____

being a member/members of Ralco Corporation Berhad, hereby appoint _____

_____ of _____

or failing him _____

of _____

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the **Sixth Annual General Meeting** of the Company will be held at the **East VIP Lounge, Kuala Lumpur Golf & Country Club, No.10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 28th day of June 2001 at 10.00a.m.** and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

No.	RESOLUTIONS	FOR	AGAINST
1.	Adoption of Reports of the Directors and Auditors and Audited Statement of Accounts for the year ended 31st December 2000 RESOLUTION NO. 1		
2.	Approval for the payment of Directors' Fees for the year ended 31st December 2000 RESOLUTION NO. 2		
3.	Election of Director under Article 64 (i) Mr Yong Ng Gah @ Yong Wee Sing RESOLUTION NO. 3 (ii) Ms Lee Yoke Fong RESOLUTION NO. 4		
4.	Re-appointment of Messrs Moores Rowland as auditors and authorising the Directors to fix their remuneration RESOLUTION NO. 5		
5.	Ordinary Resolution Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares RESOLUTION NO. 6		

Please indicate with an 'X' how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Date this _____ day of _____ 2001

NUMBER OF SHARES

Signature(s) of Member(s)

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, to vote instead of him. A proxy may but need not be a member of the Company.
2. The instrument appointing a proxy shall be deposited at the Registered Office No. 7.19, 7th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting.



Please Fold Along This Line

STAMP
HERE

RALCO CORPORATION BERHAD
c/o CS SECRETARIAL SERVICES SDN BHD
NO.7.19, 7TH FLOOR
WISMA CENTRAL
JALAN AMPANG
50450 KUALA LUMPUR

(333101-V)

(264827-K)

Fold This Flap For Sealing (Stapler or Glue)

