

Company No.: 390116-T

These Audited Statement of Account of the Company with Qualified / Unqualified Auditors' Report for the year ended 31st December, 2000 were tabled at the Annual General Meeting / Adjourned Annual General Meeting held on

Director

**EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES**

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS
31ST DECEMBER 2000**

CONTENTS	PAGES
• Corporate Information	2
• Directors' Report	3 - 7
• Statement by Directors and Statutory Declaration	8
• Auditors' Report to the Members	9 - 10
• Balance Sheets	11 - 12
• Income Statements	13
• Consolidated Statement of Changes in Equity	14
• Company Statement of Changes in Equity	15
• Cash Flow Statement	16 - 17
• Notes to the Financial Statements	18 - 34

Company No.: 390116-T

EP MANUFACTURING BHD. AND SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Hamidon bin Abdullah
Linden Hamidon Nee Fong
Goh Chyin Tar
Y.B. Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin
Shaari bin Haron
Y.M. Raja Shamsul Kamal bin Raja Shahruzzaman
Lee Yu Lian (alternate to Y.M. Raja Shamsul Kamal bin Raja Shahruzzaman)

SECRETARY

Kew Foong Tho (LS 005759)

REGISTERED OFFICE

No. 8 & 10, Jalan Jurutera U1/23
Seksyen U1
Kawasan Perindustrian Hicom Glenmarie
40150 Shah Alam
Selangor Darul Ehsan

PRINCIPAL PLACE OF BUSINESS

No. 8 & 10, Jalan Jurutera U1/23
Seksyen U1
Kawasan Perindustrian Hicom Glenmarie
40150 Shah Alam
Selangor Darul Ehsan

AUDITORS

Tan Cheng Hooi & Co.
Public Accountants
Kuala Lumpur

Company No.: 390116-T

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors of **EP MANUFACTURING BHD.**, have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31st December, 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year consist of investment holding.

The principal activities of the subsidiary companies are set out in Note 11 to the financial statements.

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

RESULTS OF OPERATIONS

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

	<u>Group</u> RM	<u>Company</u> RM
Profit attributable to shareholders	<u>9,243,982</u>	<u>453,382</u>

In the opinion of the Directors, the results of operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The dividends paid or declared since 31st December 1999 were as follows:-

In respect of the financial year ended 31st December 1999 as shown in the Directors' Report for that year:

First and final dividend of 3.5 sen gross per ordinary share less income tax at 28%, Paid on 27th September 2000	RM <u>1,005,480</u>
---	------------------------

The Directors now recommend the payment of a final gross dividend of 3.5 sen per ordinary share less Malaysian income tax which, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, will be paid on a date to be announced later.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

No new shares or debentures of the Group or of the Company were issued during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any party during the financial year to take up unissued shares of the Group or of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Group or of the Company. As at the end of the financial year, there were no unissued shares of the Group or of the Company under options.

DIRECTORS

The following Directors served on the Board of the Company since the date of the last report:-

Hamidon bin Abdullah

Linden Hamidon Nee Fong

Y.B. Dato' Ibrahim Hussein @ Ibrahim bin Nya r Hussin

Shaari bin Haron

Goh Chyin Tar

Y.M. Raja Shamsul Kamal bin Raja Shahruzzaman

Lee Yu Lian (Alternate to Y.M. Raja Shamsul Kamal bin Raja Shahruzzaman)

During and at the end of the financial year, no arrangement subsisted to which the Company or its subsidiaries is a party with the object of enabling 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.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows :-

Direct Interests	Number of ordinary shares of RM1 each			Balance at 31.12.2000
	Balance at 01.01.2000	Bought	Sold	
Hamidon bin Abdullah	7,671,733	--	(1,650,000)	6,021,733
Linden Hamidon Nee Fong	1,526,967	--	(300,000)	1,226,967
Y.B. Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin	50,000	--	--	50,000
Shaari bin Haron	10,000	--	--	10,000
Goh Chyin Tar	--	--	--	--
Y.M. Raja Shamsul Kamal bin Raja Sha hruzzaman	--	--	--	--
Lee Yu Lian (Alternate to Y.M. Raja Shamsul Kamal bin Raja Shahruzzaman)	--	--	--	--
Indirect Interests:				
Hamidon bin Abdullah	14,345,465	--	--	* 14,345,465

* Deemed interested by virtue of substantial shareholding in EP Properties (M) Sdn. Bhd. which has a substantial shareholding in the Company.

There are no changes in the interest of Directors in the Company or its related corporation as at the 21 day after the end of the financial year.

In accordance to the Company's Articles of Association, .Y.M. Raja Shamsul Kamal bin Raja Shahruzzaman and Shaari bin Haron retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

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 benefits included in the aggregate amount of fees, remuneration and EPF received or due and receivable by the Directors as disclosed in the financial statements) by reasons of a contract made by the Company or by a related company with any 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, except as disclosed in Note 14 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company or its subsidiaries is a party with the object of enabling 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

Before the Income Statements and the Balance Sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:-

- a) proper action had been taken in relation to the writing off of bad debts and making of the deemed provision for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- b) all current assets had been stated at the lower of cost and net realisable value.

At the date of this report, the Directors of the Company are not aware of any circumstances:-

- a) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and the Company inadequate to any substantial extent; or
- b) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- c) that 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; or
- d) that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:-

- a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- b) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Companies in the Group 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 substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of operations of the Group and of the Company for the financial year ended 31st December, 2000 have not been substantially affected by any item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Company No.: 390116-T
EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES
Year ended 31st December 2000

AUDITORS

The auditors, **Messrs. TAN CHENG HOOI & CO.** have expressed their willingness to accept reappointment.

Signed in accordance with a resolution of the Directors:-

HAMIDON BIN ABDULLAH
Director

GOH CHYIN TAR
Director

Shah Alam

Date:

Company No.: 390116-T

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

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

We, **HAMIDON BIN ABDULLAH** and **GOH CHYIN TAR** being two Directors of **EP MANUFACTURING BHD.**, state that the financial statements set out on pages 11 to 34 are drawn up in accordance with the applicable approved accounting standard so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December, 2000 and of the results of operations and the cash flow of the Group and of the Company for the year ended 31st December, 2000.

On behalf of the Board.

HAMIDON BIN ABDULLAH
Director

GOH CHYIN TAR
Director

Shah Alam
Date:

STATUTORY DECLARATION

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

I, **HAMIDON BIN ABDULLAH**, being the Director responsible for the financial management of **EP MANUFACTURING BHD.**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 11 to 34 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by]
the abovenamed at Kuala Lumpur in]
the Federal Territory this]
day of]

Before me:

Commissioner for Oaths

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements set out on pages 11 to 34. 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 issued by the Malaysian Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by 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 accompanying financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31st December 2000 and of the results of operations and the cash flows of the Group and of the Company for the year ended on that date in accordance with the applicable approved accounting standards, and comply with the Companies Act, 1965; and
- b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 11 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

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.

Company No.: 390116-T

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Companies Act 1965.

TAN CHENG HOOI & CO.

(No. AF-0888)

Public Accountants (Mal.)

TAN CHENG HOOI, PA (M)

1295/3/01 (J)

Public Accountant

Kuala Lumpur

Date:

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

BALANCE SHEETS AS AT 31ST DECEMBER 2000

	Note	<-----Group----->		<-----Company----->	
		<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
SHARE CAPITAL	4	39,900,000	39,900,000	39,900,000	39,900,000
REDEEMABLE PREFERENCE SHARES		--	1	--	--
RESERVES	5	<u>41,725,217</u>	<u>33,591,269</u>	<u>24,003,272</u>	<u>24,555,370</u>
		<u>81,625,217</u>	<u>73,491,270</u>	<u>63,903,272</u>	<u>64,455,370</u>
LONG TERM LIABILITIES					
Term loan	6	14,105,399	22,084,850	--	--
Hire purchase creditors	7	412,169	756,474	--	--
Deferred taxation		643,583	--	643,583	--
		<u>96,786,368</u>	<u>96,332,594</u>	<u>64,546,855</u>	<u>64,455,370</u>
Represented by :					
FIXED ASSETS	8	<u>58,249,643</u>	<u>63,834,832</u>	<u>47,326,293</u>	<u>47,911,611</u>
GOODWILL		<u>98,244</u>	<u>98,244</u>	--	--
INTANGIBLE ASSETS	9	<u>87,224</u>	<u>989,134</u>	--	--
RESEARCH AND DEVELOPMENT	10	16,775,539	6,019,785	--	--
SUBSIDIARY COMPANIES	11	--	--	<u>4,728,676</u>	<u>4,672,613</u>

The above Balance Sheets are to be read in conjunction
with the Notes to the Financial Statements on pages 18 to 34.

Company No. 390116-T
EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES
Balance Sheet as at 31st December 2000 (Cont'd)

	Note	<-----Group----->		<-----Company----->	
		<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
INVESTMENT - AT COST	12	<u>8,527,681</u>	<u>8,527,681</u>	<u>8,490,000</u>	<u>8,490,000</u>
CURRENT ASSETS					
Stocks	13	11,387,947	10,683,054	--	--
Trade debtors	14	25,141,399	24,741,249	1,299,499	--
Other debtors, deposits and prepayments	14	20,195,530	16,953,555	3,929,843	7,182,049
Fixed deposits	15	2,640,152	1,750,954	--	--
Cash and bank balances		<u>1,220,996</u>	<u>5,785,963</u>	<u>25,056</u>	<u>22,780</u>
Total current assets		<u>60,586,024</u>	<u>59,914,775</u>	<u>5,254,398</u>	<u>7,204,829</u>
CURRENT LIABILITIES					
Trade creditors	14	12,101,112	8,474,365	--	--
Other creditors and accruals	14	8,638,619	13,211,629	216,007	2,800,008
Hire purchase creditors	7	465,073	513,727	--	--
Amount due to Directors	16	--	144,292	--	18,195
Taxation		408,469	--	31,025	--
Bank borrowings	17	24,919,234	19,702,364	--	--
Proposed dividend		<u>1,005,480</u>	<u>1,005,480</u>	<u>1,005,480</u>	<u>1,005,480</u>
Total current liabilities		<u>47,537,987</u>	<u>43,051,857</u>	<u>1,252,512</u>	<u>3,823,683</u>
NET CURRENT ASSETS		<u>13,048,037</u>	<u>16,862,918</u>	<u>4,001,886</u>	<u>3,381,146</u>
NET ASSETS		<u>96,786,368</u>	<u>96,332,594</u>	<u>64,546,855</u>	<u>64,455,370</u>
NET TANGIBLE ASSETS PER SHARE	18	<u>RM1.62</u>	<u>RM1.66</u>		

The above Balance Sheets are to be read in conjunction
with the Notes to the Financial Statements on pages 18 to 34.

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

INCOME STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000

	<u>Note</u>	<-----Group----->		<-----Company----->	
		<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
REVENUE	19	91,155,477	103,680,785	4,154,808	20,155,649
OTHER INCOME	20	2,524,484	3,125,732	86,383	--
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		301,636	1,888,065	--	--
RAW MATERIAL AND CONSUMABLES USED		(50,301,446)	(51,901,641)		
STAFF COSTS		(11,652,907)	(10,750,558)	(850,000)	--
DEPRECIATION AND AMORTISATION EXPENSES		(7,286,512)	(7,616,843)	(616,817)	(609,847)
OPERATING EXPENSES		<u>(11,007,837)</u>	<u>(21,759,752)</u>	<u>(1,616,709)</u>	<u>(11,601,360)</u>
PROFIT FROM OPERATIONS		13,732,895	16,665,788	1,157,665	7,944,442
FINANCE COST		<u>(3,399,016)</u>	<u>(4,038,298)</u>	<u>(350)</u>	<u>(1,130,154)</u>
PROFIT BEFORE TAXATION	21	10,333,879	12,627,490	1,157,315	6,814,288
TAXATION	22	<u>(1,089,897)</u>	<u>835,878</u>	<u>(703,933)</u>	<u>627,251</u>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		<u>9,243,982</u>	<u>13,463,368</u>	<u>453,382</u>	<u>7,441,539</u>
EARNING PER SHARE (Sen)	23	<u>23.2</u>	<u>33.7</u>		

The above Income Statements are to be read in conjunction
with the Notes to the Financial Statements on pages 18 to 34.

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Note	Issued and Fully paid Ordinary shares of RM1 each	Redeemable preference (RPS) shares	Retained profits	Share premium	Other reserves	Total Shareholders' equity
		RM	RM	RM	RM	RM	RM
31st December, 2000							
As at 1st January							
- as previously reported		39,900,000	1	10,267,925	15,618,333	7,705,011	73,491,270
Profit attributable to shareholders		--	--	9,243,982	--	--	9,243,982
Dividend for the year	24	--	--	(1,005,480)	--	--	(1,005,480)
Currency translation differences		--	--	--	--	(104,554)	(104,554)
Redemption of Preference Shares		--	(1)	--	--	--	(1)
As at 31 st December		39,900,000	--	18,506,427	15,618,333	7,600,457	81,625,217
31st December, 1999							
As at 1st January							
- as previously reported		39,900,000	--	(188,090)	15,618,333	7,709,511	63,039,754
- prior year adjustment		--	--	(2,001,873)	--	--	(2,001,873)
Profit attributable to shareholders		--	--	13,463,368	--	--	13,463,368
Dividend for the year	24	--	--	(1,005,480)	--	--	(1,005,480)
Currency translation Differences		--	--	--	--	(4,500)	(4,500)
Issuance of Preference Shares		--	1	--	--	--	1
As at 31st December		39,900,000	1	10,267,925	15,618,333	7,705,011	73,491,270

The above Consolidated Statement of Changes in Equity
is to be read in conjunction with the Notes to the Financial Statements on pages 18 to 34.

Company No.: 390116-T

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Note	Issued and Fully paid Ordinary shares of RM1 each	Retained Profits	Share Premium	Total Shareholders' Equity
31st December, 2000					
As at 1st January		39,900,000	8,937,037	15,618,333	64,455,370
Profit attributable to shareholders		--	453,382	--	453,382
Dividend for the year	24	--	(1,005,480)	--	(1,005,480)
As at 31st December		<u>39,900,000</u>	<u>8,384,939</u>	<u>15,618,333</u>	<u>63,903,272</u>
31st December, 1999					
As at 1st January		39,900,000	2,500,978	15,618,333	58,019,311
Profit attributable to shareholders		--	7,441,539	--	7,441,539
Dividend for the year	24	--	(1,005,480)	--	(1,005,480)
As at 31st December		<u>39,900,000</u>	<u>8,937,037</u>	<u>15,618,333</u>	<u>64,455,370</u>

The above Statement of Changes in Equity
is to be read in conjunction with the Notes to the Financial Statements on pages 18 to 34.

Company No.: 390116-T

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Note	<-----Group----->		<-----Company----->	
		<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		88,000,528	97,850,340	2,039,090	10,531,764
Cash paid to suppliers and employees		(74,757,739)	(78,099,156)	(5,051,060)	(11,673,752)
Cash generated from / (Used in) Operations		13,242,789	19,751,184	(3,011,970)	(1,141,988)
Dividends paid		(1,005,480)	--	(1,005,480)	--
Interest income received		1,605,361	1,967,607	--	--
Interest paid		(2,614,880)	(3,820,089)	--	(1,130,106)
Taxation paid		(13,847)	(368,942)	(29,324)	(273,149)
Repayments to Directors		(144,292)	(340,905)	(18,195)	--
Advances from Directors		--	--	--	1,000
NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES		11,069,651	17,188,855	(4,064,969)	(2,544,243)
CASH FLOWS FROM INVESTING ACTIVITIES					
Loan from subsidiary company		--	--	4,098,744	6,105,214
Proceeds from disposal of investments		--	4,922	--	--
Purchase of fixed assets		(1,769,615)	(2,632,933)	(31,499)	(1,078,715)
Proceeds from disposal of fixed assets		18,000	116,550	--	--
Purchase of intangible assets		(9,801,181)	(6,613,694)	--	--
Purchase of investment		--	--	--	(950,500)
Proceed from redemption of preference share		1	--	--	--
NET CASH (OUTFLOWS)/INFLOWS FROM INVESTING ACTIVITIES		(11,552,795)	(9,125,155)	4,067,245	4,075,999

The above Consolidated Cash Flow Statements are to be read in conjunction with the Notes to the Financial Statements on pages 18 to 34.

Company No. 390116-T
EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES
Cash Flow Statement for the year ended 31st December, 2000 (Cont'd)

	Note	<-----Group----->		<-----Company----->	
		<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend received		467	--	--	--
Lease rentals paid		(37,552)	(10,566)	--	--
Proceeds from hire purchase loan		124,911	194,000	--	--
Repayments of hire purchase liabilities		(517,870)	(1,133,195)	--	--
Proceeds/(repayment) from term loan		3,339,727	(326,235)	--	--
Proceeds/(repayment) of Banker acceptance		(5,854,204)	715,010	--	--
Short term advancement		--	(1,516,767)	--	(1,516,767)
Fixed deposits held as security value		(839,775)	(1,735,000)	--	--
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES		<u>(3,784,296)</u>	<u>(3,812,753)</u>	<u>--</u>	<u>(1,516,767)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(4,267,440)	4,250,947	2,276	14,989
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>(697,880)</u>	<u>(4,948,827)</u>	<u>22,780</u>	<u>7,791</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	<u><u>(4,965,320)</u></u>	<u><u>(697,880)</u></u>	<u><u>25,056</u></u>	<u><u>22,780</u></u>

The above Cash Flow Statements are to be read in conjunction with the Notes to the Financial Statements on pages 18 to 34.

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2000

1. **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and comply with approved accounting standards.

2. **SIGNIFICANT ACCOUNTING POLICIES**

2.1 **Accounting convention**

The financial statements of the Group and of the Company have been prepared in accordance with the historical cost convention and comply with approved accounting standards.

2.2 **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies.

The results of subsidiary companies acquired or disposed of during the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of their disposal.

2.3 **Goodwill**

The excess of the purchase consideration over the net tangible assets acquired is reflected in the financial statements as goodwill arising from consolidation.

2.4 **Expenditure carried forward**

Incorporation expenses incurred are shown as preliminary expenses while expenses incurred subsequent to the date of incorporation are shown as pre-operating expenses. The amount will be written off against future profit.

2.5 **Debtors**

Bad debts are written off as soon as it is established that they are irrecoverable. General provision is made where collection appears doubtful.

2.6 Hire Purchase Assets

Assets financed under hire purchase arrangements which transfer substantially all the risks and rewards of ownership to the Group and to the Company are capitalised. The depreciation policy of those assets is similar to that as set out in 2.7.

Outstanding obligations under the hire purchase arrangements after deducting financial expenses are included as liabilities in the financial statements. The finance expenses are charged to the income statement over the period of the respective arrangement to give the constant periodic rate of return.

2.7 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. No depreciation is provided for freehold land.

Leasehold land is amortised over the remaining lease period.

Depreciation of the other fixed assets is calculated to write off their costs on a straight line basis over the expected useful lives of the assets.

Gain and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining profit from operations.

The principal annual rates used are :-

<u>Assets</u>	<u>Rate per annum (%)</u>
Computer systems	33.33%
Electrical fittings	10%
Factory equipment	10%
Freehold and leasehold buildings	2%
Furniture and fittings	8% - 12%
Motor vehicles	16%
Office equipment	8% - 12%
Plant and machinery	5% - 40%
Renovation costs	15%
Tools and moulds	20% - 33.33%

2.8 Intangible asset

Intangible asset is stated at cost less amortisation. Amortisation is computed on a straight line method over the expected useful lives of the asset. The principal annual rate used is :-

Technical assistance	15%
----------------------	-----

2.9 **Research and Development**

Research costs are expensed in the period in which they are incurred. Development costs incurred on projects are deferred and will be amortised upon commercialization. The principal annual rate used is :-

Research and development	20%
--------------------------	-----

2.10 **Investment**

Investments in subsidiary companies, which are eliminated on consolidation, are stated at costs.

Other investment in quoted and unquoted shares is stated at cost. Provision is made against such investments when, in the opinion of the Directors, a permanent diminution in value have occurred.

2.11 **Stocks**

Stocks for raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost in the case of work-in-progress and finished goods comprises raw materials, direct labour and attributable proportion of production overheads. Cost is determined principally on the first-in-first-out basis.

2.12 **Foreign currency**

Foreign currency translations are converted into Ringgit Malaysia at exchange rates ruling at the transaction dates unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Monetary assets and liabilities in foreign currencies are translated at exchange rates ruling at the balance sheet dates unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. All exchange differences are dealt with through the income statement.

Results of foreign subsidiary companies are translated into Ringgit Malaysia at average rates of exchange for the financial year. Assets and liabilities are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. Exchange differences arising from the translation of the results for the financial year at average rates and assets and liabilities at year end rates, and the restatement at year end rates of the opening net investments in foreign subsidiary companies are taken to a foreign currency translation reserve account as a component of shareholders' funds.

The principal closing rates used in translation of foreign currency amounts were as follows :-

<u>Foreign currency</u>	<u>2000</u> RM	<u>1999</u> RM
1 USD	3.8000	3.8000
100 JPY	3.3745	3.7115
1 GBP	5.5985	6.1389
1 AUD	2.1107	2.4852

2.13 **Deferred taxation**

The tax effects of transactions are recognised, using the 'liability' method, in the year such transactions enter into the determination of net income regardless of when they are recognised for tax purposes. However, where timing differences would give rise to net future tax benefit, the tax effects are recognised when there is reasonable expectation of realisation.

2.14 **Cash and cash equivalents**

Cash comprises cash in hand, bank balances and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, less short term borrowings repayable on demand.

2.15 **Revenue Recognition**

Sales are recognised upon delivery of products and customer acceptance or performance of services net of returns, discounts and sales tax and after eliminating sales within the Group.

Other revenues earned by the Group are recognised on the following:-

Interest income and Rental Income are recognised on accrual basis.

Dividend Income recognised when the Shareholder's right to receive payment is established.

3. **PRINCIPAL ACTIVITIES**

The principal activities of the Company in the course of the financial year consist of investment holding.

The principal activities of the subsidiary companies are set out in Note 11 to the financial statements.

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

4. **SHARE CAPITAL**

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Authorised :				
Ordinary shares of RM1 each	<u>95,000,000</u>	<u>95,000,000</u>	<u>95,000,000</u>	<u>95,000,000</u>
Issued and fully paid :				
Ordinary shares of RM1 each	<u>39,900,000</u>	<u>39,900,000</u>	<u>39,900,000</u>	<u>39,900,000</u>

5. **RESERVES**

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Share premium	15,618,333	15,618,333	15,618,333	15,618,333
Retained profit	18,506,427	10,267,925	8,384,939	8,937,037
Exchange reserve	(109,054)	(4,500)	--	--
Capital reserve	<u>7,709,511</u>	<u>7,709,511</u>	--	--
	<u>41,725,217</u>	<u>33,591,269</u>	<u>24,003,272</u>	<u>24,555,370</u>

Subject to agreement with the Inland Revenue Board, the Company has sufficient tax credit under section 108 of the Income Tax Act, 1967 as at 31st December, 2000 to frank the payment of net dividends of RM1,005,480 (1999: RM1,005,480) out of total distributable reserves of RM8,384,939 (1999: RM8,937,037) without incurring additional taxation.

6. **TERM LOANS**

The term loans are payable over the following periods :-

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Amount payable within twelve months	11,957,792	638,614	--	--
Amount payable between 1 year – 5 years	14,105,399	22,084,850	--	--
	<u>26,063,191</u>	<u>22,723,464</u>	<u>--</u>	<u>--</u>

The facilities are secured by way of :-

- (i) Fixed deposits of RM2,574,775 on lien to licensed banks.
- (ii) Pledge of public quoted shares.
- (iii) Debenture creating fixed and floating charges over subsidiary companies' present and future assets.
- (iv) Jointly and severally guaranteed by Directors and former Director of subsidiary companies.
- (v) Corporate guarantee.

The term loans carry interest at rate which varies according to prevailing inter-bank offered rates or base lending rates.

The range of interest rates applicable to loans outstanding at the Balance Sheet date was 8.25% to 11.79% (1999: 8.29% - 13.04%) per annum.

7. **HIRE PURCHASE CREDITORS**

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Payable within 1 year	465,073	513,727	--	--
Payable after 1 year	412,169	756,474	--	--
Total outstanding	<u>877,242</u>	<u>1,270,201</u>	<u>--</u>	<u>--</u>

Company No. 390116-T
EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES
Year ended 31st December, 2000

8. FIXED ASSETS

Details of fixed assets are as follows:-

<u>GROUP</u>	Buildings	Computer Systems	Electrical Fittings	Factory Equipments	Freehold Land	Furniture and Fittings	Leasehold Land	Motor Vehicles	Office Equipments	Plant and Machinery	Renovation Costs	Tools and Moulds	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<u>31st December, 2000</u>													
<u>Costs</u>													
As at 1st January	28,339,830	702,268	313,217	4,388,188	15,214,001	1,388,365	4,451,551	2,733,264	2,667,619	23,193,051	953,997	15,502,810	99,848,161
Currency translation	-	-	-	-	-	-	-	-	(5,804)	(6,730)	-	-	(12,534)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	31,500	79,946	-	231,279	-	60,076	-	156,139	181,277	428,450	-	600,948	1,769,615
Disposals	-	-	-	-	-	-	-	(43,983)	(1,055)	-	-	-	(45,038)
Reclassification	-	-	-	-	-	(3,339)	-	-	-	3,339	-	-	-
As at 31st December	28,371,330	782,214	313,217	4,619,467	15,214,001	1,445,102	4,451,551	2,845,420	2,842,037	23,618,110	953,997	16,103,758	#####
<u>Accumulated depreciation</u>													
As at 1st January	1,647,898	461,119	256,262	2,204,376	-	537,309	148,327	1,394,627	1,059,120	15,497,268	525,297	12,281,726	36,013,329
Currency translation	-	-	-	-	-	-	-	-	(452)	(283)	-	-	(735)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	567,376	121,595	29,144	452,533	-	112,648	49,442	396,648	303,070	3,331,952	112,922	1,861,845	7,339,175
Disposals	-	-	-	-	-	-	-	(41,050)	(158)	-	-	-	(41,208)
As at 31st December	2,215,274	582,714	285,406	2,656,909	-	649,957	197,769	1,750,225	1,361,580	18,828,937	638,219	14,143,571	43,310,561
<u>Net Book Value</u>													
As at 31st December	26,156,056	199,500	27,811	1,962,558	15,214,001	795,145	4,253,782	1,095,195	1,480,457	4,789,173	315,778	1,960,187	58,249,643

Company No. 390116-T
EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES
Year ended 31st December, 2000

GROUP	Buildings	Computer Systems	Electrical Fittings	Factory Equipments	Freehold Land	Furniture	Leasehold Land	Motor Vehicles	Office Equipments	Plant and Machinery	Renovation Costs	Tools and Moulds	Total
						and Fittings							
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
31st December, 1999													
Costs													
As at 1st January	27,944,830	448,630	313,217	4,200,161	15,214,001	1,310,599	#####	2,531,228	2,507,030	22,756,205	833,497	15,048,359	97,559,308
Acquisition of subsidiary	-	-	-	24,609	-	-	-	-	-	73,800	-	-	98,409
Additions	395,000	253,638	-	163,418	-	77,766	-	546,116	160,589	363,046	120,500	454,451	2,534,524
Disposals	-	-	-	-	-	-	-	(344,080)	-	-	-	-	(344,080)
As at 31st December	28,339,830	702,268	313,217	4,388,188	15,214,001	1,388,365	#####	2,733,264	2,667,619	23,193,051	953,997	15,502,810	99,848,161
Accumulated Depreciation													
As at 1st January	1,087,493	310,201	224,952	1,774,560	-	429,824	98,885	1,324,480	760,255	12,229,006	408,964	10,101,606	28,750,226
Acquisition of subsidiary	-	-	-	410	-	-	-	-	-	1,845	-	-	2,255
Charge for the year	560,405	150,918	31,310	429,406	-	107,485	49,442	381,112	298,865	3,266,417	116,333	2,180,120	7,571,813
Disposals	-	-	-	-	-	-	-	(310,965)	-	-	-	-	(310,965)
As at 31st December	1,647,898	461,119	256,262	2,204,376	-	537,309	148,327	1,394,627	1,059,120	15,497,268	525,297	12,281,726	36,013,329
Net Book Value													
As at 31st December	26,691,932	241,149	56,955	2,183,812	15,214,001	851,056	#####	1,338,637	1,608,499	7,695,783	428,700	3,221,084	63,834,832

Included in fixed assets are certain assets acquired under hire purchase with net book value of RM1,177,631 (1999: RM3,047,962).

Company No.: 390116-T
EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES
Year ended 31st December, 2000

Company

31st December, 2000

Cost	Buildings	Freehold Land	Leasehold Land	Total
	RM	RM	RM	RM
As at 1st January	28,339,830	16,916,455	4,451,551	49,707,836
Additions	31,499	--	--	31,499
Disposals	--	--	--	--
As at 31 st December	<u>28,371,329</u>	<u>16,916,455</u>	<u>4,451,551</u>	<u>49,739,335</u>

Accumulated depreciation

As at 1st January	1,647,899	--	148,326	1,796,225
Charge for the year	567,375	--	49,442	616,817
Disposals	--	--	--	--
As at 31st December	<u>2,215,274</u>	<u>--</u>	<u>197,768</u>	<u>2,413,042</u>

Net book value

As at 31st December	<u>26,156,055</u>	<u>16,916,455</u>	<u>4,253,783</u>	<u>47,326,293</u>
---------------------	-------------------	-------------------	------------------	-------------------

31st December, 1999

Cost	Buildings	Freehold Land	Leasehold Land	Total
	RM	RM	RM	RM
As at 1st January	27,944,830	16,232,740	4,451,551	48,629,121
Additions	395,000	683,715	--	1,078,715
Disposals	--	--	--	--
As at 31st December	<u>28,339,830</u>	<u>16,916,455</u>	<u>4,451,551</u>	<u>49,707,836</u>

Accumulated depreciation

As at 1st January	1,087,494	--	98,884	1,186,378
Charge for the year	560,405	--	49,442	609,847
Disposals	--	--	--	--
As at 31st December	<u>1,647,899</u>	<u>--</u>	<u>148,326</u>	<u>1,796,225</u>

Net book value

As at 31st December	<u>26,691,931</u>	<u>16,916,455</u>	<u>4,303,225</u>	<u>47,911,611</u>
---------------------	-------------------	-------------------	------------------	-------------------

9. **INTANGIBLE ASSETS**

	<-----Group----->	
	2000	1999
	<u>RM</u>	<u>RM</u>
Details of intangible assets are as follows :-		
Technical Assistance – at cost	1,031,024	1,031,024
Less: Accumulated depreciation	(945,106)	(790,453)
	<u>85,918</u>	<u>240,571</u>
Preliminary expenses	1,306	4,480
Pre-operating expenses	--	708,165
Foreign income tax benefit	--	35,918
	<u>87,224</u>	<u>989,134</u>

10. **RESEARCH AND DEVELOPMENT**

	<-----Group----->	
	2000	1999
	<u>RM</u>	<u>RM</u>
Research and development	16,775,539	6,019,785

The amounts capitalised principally represent development costs incurred in the continuous development of the EP-X carbon composite bicycles which include new model mix, new variants and improvement in the manufacturing processes.

11. **SUBSIDIARY COMPANIES**

	<-----Company----->	
	2000	1999
	<u>RM</u>	<u>RM</u>
Unquoted shares, at cost	24,516,464	24,516,464
Amounts due to a subsidiary company	(21,287,788)	(19,852,649)
Amounts due from a subsidiary company	1,500,000	8,798
	<u>4,728,676</u>	<u>4,672,613</u>

The amounts due to subsidiary companies are unsecured and have no fixed repayment scheme.

Details of the subsidiary companies are as follows :-

Name of Company	Place of incorporation	Effective interest		Principal Activities
		2000 %	1999 %	
EP Polymers (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing of engineering plastic products.
EP Moulds & Dies (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing of moulds and dies.

Company No.: 390116-T

EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES
Year ended 31st December, 2000

Wiracash Holdings Sdn. Bhd.	Malaysia	100	100	Assembling of lamp and Switches
Fundwin Sdn. Bhd.	Malaysia	100	100	Manufacturing, assembly and sales of bicycles and bicycles components.
EPMB (Australia) Pte. Ltd.*	Australia	100	100	Engineering design, development and modeling.
EPMB (UK) Limited *	United Kingdom	100	100	Assembling and marketing of bicycles.

* Not audited by Tan Cheng Hooi & Co.

12. **INVESTMENT – AT COST**

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Quoted shares	37,682	37,682	--	--
Unquoted shares *	8,489,999	8,489,999	8,490,000	8,490,000
	<u>8,527,681</u>	<u>8,527,681</u>	<u>8,490,000</u>	<u>8,490,000</u>

* The investment is based upon a Put Option granted by a Director of the Company whereby the Company is given the right but not the obligation to put to the said Director to acquire it.

13. **STOCK**

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Stocks consist of the following:-				
Raw materials	7,238,510	6,772,499	--	--
Work-in-progress	1,366,567	1,606,567	--	--
Finished goods	2,782,870	2,303,988	--	--
	<u>11,387,947</u>	<u>10,683,054</u>	<u>--</u>	<u>--</u>

14. **AMOUNT DUE TO/FROM RELATED PARTIES**

Related parties are companies in which certain Directors of these companies are also Directors of the Company or holding company or companies in which the Directors have a substantial financial interest.

The amounts shown below comprise part of the balances in Trade debtors, Other debtors, deposits and prepayments, Trade creditors and Other creditors and accruals.

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Companies in which certain Directors of the Company or holding company are Directors or have a substantial financial interest:-				
Trade debtors	7,029,317	3,080,930	1,613	--
Other debtors and deposits	13,562,703	5,955,568	3,333,128	601,613
Trade creditors	1,779,862	1,679,577	--	--
Other creditors and accruals	<u>75,800</u>	<u>8,762,890</u>	<u>9,484</u>	<u>9,484</u>

The amounts due to/from related parties are unsecured and have no fixed repayment scheme. Certain amounts due from related parties are bearing interest.

During the financial year, significant transactions undertaken with related parties are as follows:-

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Turnover	1,231,362	1,009,744	--	--
Purchases and subcontract cost	13,868,272	13,729,770	--	--
Rental payable	20,400	182,400	--	--
Rental receivable	264,000	228,000	--	--
Interest receivable	1,644,740	1,599,258	--	--
Repair and maintenance	6,100	--	--	--
Purchase of fixed assets	<u>94,600</u>	<u>--</u>	<u>--</u>	<u>--</u>

15. **FIXED DEPOSITS**

Included in the fixed deposits is an amount of RM2,574,775 (1999: RM1,735,000) which was pledged as securities to local licensed banks.

16. **AMOUNTS DUE TO DIRECTORS**

The amount due to Directors is unsecured, interest free and no fixed repayment scheme has been arranged.

17. **BANK BORROWINGS**

	<-----Group----->		<-----Company----->	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Bank borrowings consist of the following :-				
Bank overdraft	6,251,693	6,499,797	--	--
Term loans (current portion from Note 6)	11,957,792	638,614	--	--
Bankers acceptance and trust Receipts	<u>6,709,749</u>	<u>12,563,953</u>	<u>--</u>	<u>--</u>
	<u>24,919,234</u>	<u>19,702,364</u>	<u>--</u>	<u>--</u>

The Group has bank overdraft, term loan and other bank facilities from various local banks. These facilities are secured by way of :-

- i) Fixed deposits of RM2,574,775 on lien to licenced banks
- ii) Pledge of public quoted shares.
- iii) Debentures creating fixed and floating charges over subsidiary companies' present and future assets.
- iv) Jointly and severally guaranteed by Directors and former Director of subsidiary companies.
- v) Corporate guarantee.

18. **NET TANGIBLE ASSETS PER SHARE**

The net tangible asset per share is calculated by dividing the net tangible assets of the Group by the number of ordinary shares in issue at the balance sheet date.

19. **REVENUE**

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Revenue represents : -				
Sales – Automotive	86,927,263	88,358,624	--	--
- Composite products	4,228,214	--	--	--
Rental income	--	--	2,654,808	4,333,488
Dividend income	--	--	1,500,000	500,000
Product development income	--	15,322,161	--	15,322,161
	<u>91,155,477</u>	<u>103,680,785</u>	<u>4,154,808</u>	<u>20,155,649</u>

20. **OTHER OPERATING INCOME**

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Dividend income	467	--	--	--
Gain on disposal	14,170	83,436	--	--
Interest income	1,605,361	1,967,607	--	--
Rental income	--	228,000	--	--
Sundry income	904,486	846,689	86,383	--
	<u>2,524,484</u>	<u>3,125,732</u>	<u>86,383</u>	<u>--</u>

21. **PROFIT BEFORE TAXATION**

Profit before taxation has been determined after charging and crediting amongst other items the followings:-

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
After charging :				
Amortisation of technical assistance fees	154,654	154,654	--	--
Amortisation of preliminary expenses	451	--	--	--
Auditors' remuneration				
- current year provision	68,300	73,600	15,000	15,000
- underprovision in prior year	9,300	1,000	4,000	1,000
Bank overdraft interest	777,037	627,064	--	--
Banker acceptance interest	690,533	918,825	--	--
Depreciation of fixed assets	7,131,407	7,571,813	616,817	609,847
Directors' EPF contribution	54,000	54,000	--	--
Directors' fees and remuneration	540,000	570,000	450,000	--
Exchange losses	--	29,167	52,504	4
Hire purchase interest	252,989	198,662	--	--

Company No.: 390116-T
EP MANUFACTURING BHD.
AND SUBSIDIARY COMPANIES
Year ended 31st December, 2000

Lease rental	37,552	10,566	--	--
Loan interest paid to a subsidiary company	--	--	--	1,130,106
Overdue interest	4,794	10,910	--	--
Provision of doubtful debts	425,986	--	324,471	--
Rental of car park	42,000	29,700	--	--
Rental of equipment and machinery	5,415	4,275	--	--
Rental of premises	78,979	202,750	--	--
Term loan interest	1,567,698	2,054,066	--	--
Trust receipt interest	12,362	10,562	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

After crediting :-

Gain on foreign exchange	543,904	--	--	--
Dividend income (gross) from:				
- quoted investments	467	--	--	--
- unquoted subsidiaries	--	500,000	1,500,000	500,000
Gain on disposal of fixed assets	14,170	83,436	--	--
Interest income	1,605,361	1,967,607	--	--
Rental income received from subsidiary companies	--	--	2,654,808	4,333,488
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
The number of employee as at end of the year	<u>603</u>	<u>587</u>	<u>5</u>	<u>--</u>

There are no other benefits received or receivable by the Directors otherwise than in cash from the Company or from its subsidiary companies.

22. **TAXATION**

	<-----Group----->		<-----Company----->	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Based on profit for the year				
Malaysian Income Tax	412,421	--	36,353	140,000
Foreign Income Tax provision/(benefit)	9,896	(35,918)	--	--
Under/(overprovision) of tax in prior years	23,997	(799,960)	23,997	(767,251)
	<u>446,314</u>	<u>(835,878)</u>	<u>60,350</u>	<u>(627,251)</u>
Deferred taxation (credit)	643,583	--	643,583	--
	<u>1,089,897</u>	<u>(835,878)</u>	<u>703,933</u>	<u>(627,251)</u>

As at 31st December, 2000, deferred tax arising mainly from timing differences between the book depreciation and capital allowance have not been recognised in the accounts of subsidiary companies due to the availability of unabsorbed capital allowances and tax losses carried forward.

23. **EARNING PER SHARE**

Earning per share is calculated based on the Group's profit after taxation attributable to shareholders over 39,900,000 ordinary shares currently in issue.

24. **DIVIDENDS**

	GROUP AND COMPANY	
	<u>2000</u>	<u>1999</u>
	RM	RM
Final dividend of 3.5 sen per share less income tax at 28% - proposed	1,005,480	1,005,480

25. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consists of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts :-

	<-----Group----->		<-----Company----->	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Cash in hand	17,620	8,547	66	66
Cash at banks	1,203,376	5,777,416	24,990	22,714
Fixed deposits	2,640,152	1,750,954	--	--
Bank overdrafts	(6,251,693)	(6,499,797)	--	--
	<u>(2,390,545)</u>	<u>1,037,120</u>	<u>25,056</u>	<u>22,780</u>
Less: Fixed deposits held as security value	(2,574,775)	(1,735,000)	--	--
	<u>(4,965,320)</u>	<u>(697,880)</u>	<u>25,056</u>	<u>22,780</u>

26. **CONTINGENT LIABILITIES**

	<-----Group----->		<-----Company----->	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
<u>Secured Contingencies</u>				
Bank guarantee extended to customs pending import duties exemption	55,000	8,700	--	--
<u>Unsecured Contingencies</u>				
Claim from factoring company	165,000	165,000	--	--

27. **SEGMENTAL REPORTING**

	Turnover		Profit before taxation		Net assets employed	
	2000	1999	2000	1999	2000	1999
	RM	RM	RM	RM	RM	RM
Analysis by activity:						
Automotive	86,927,263	103,680,785	6,792,855	12,627,924	83,421,845	87,049,074
Composite Products	4,228,214	--	3,541,024	(434)	13,364,523	9,283,520
	<u>91,155,477</u>	<u>103,680,785</u>	<u>10,333,879</u>	<u>12,627,490</u>	<u>96,786,368</u>	<u>96,332,594</u>

Analysis by geographical location:

Malaysia	90,426,344	103,680,785	10,348,411	12,627,924	95,282,130	95,352,123
United Kingdom	729,133	--	(14,298)	--	1,504,844	944,985
Australia	--	--	(234)	(434)	(606)	35,486
	<u>91,155,477</u>	<u>103,680,785</u>	<u>10,333,879</u>	<u>12,627,490</u>	<u>96,786,368</u>	<u>96,332,594</u>

28. **CAPITAL COMMITMENTS**

The Group has significant commitments in respect of the following :

	<-----Group----->	
	<u>2000</u>	<u>1999</u>
	RM	RM
Contracted but not provided for		
- Fixed assets	1,056,025	--
- Subscription of ordinary shares in a subsidiary company	825,000	--
	<u>1,881,025</u>	<u>--</u>

Lodged by : APT Management Services Sdn. Bhd. (Company No. 220281-V)
 E-9-21B, Plaza Mont Kiara
 No. 2, Jalan 1/70C
 Mont Kiara
 50480 Kuala Lumpur

Tel. No : 03-62018812