

# CONTENTS

Notice of Annual General Meeting	2
Statement Accompanying Notice of Annual General Meeting	3
Corporate Information	4
Board of Directors	5
Group Structure	7
Chairman's Statement	8
Audit Committee's Report	10
Directors' Report	13
Auditors' Report to the Members	17
Balance Sheets	18
Income Statement	19
Consolidated Statement of Changes in Equity	20
Company Statement of Changes in Equity	21
Cash Flow Statement	22
Notes to the Financial Statements	23
Statement by Directors	38
Statutory Declaration	38
Shareholdings Statistics	39
List of Properties	41
Responsibility Statement	42
Proxy Form	



## NOTICE TO ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifth Annual General Meeting of the Company will be held at Concorde V, Level 2, Concorde Hotel, Shah Alam, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 29th June, 2001 at 10.00 a.m. for the following purposes :-

### AGENDA

1. To receive and adopt the Audited Accounts for the year ended 31st December, 2000 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To approve the declaration of a final dividend of 3.5 sen per ordinary share (less 28% income tax) for the year ended 31st December, 2000. **Resolution 2**
3. To re-elect the following Directors retiring in accordance with the Company's Articles of Association and being eligible, offer themselves for re-election :-
  - (i) Shaari bin Haron **Resolution 3**
  - (ii) Raja Shamsul Kamal bin Raja Shahrizzaman **Resolution 4**
  - (iii) Tunku Ahmad Burhanuddin bin Tunku Datuk Adnan **Resolution 5**
4. To approve the payment of Directors' fees for the year ended 31st December, 2000. **Resolution 6**
5. To re-appoint Messrs. Tan Cheng Hooi & Co. as Auditors of the Company and authorize the Directors to fix their remuneration. **Resolution 7**
6. **SPECIAL BUSINESS**  
To consider, and if thought fit, to pass the following Ordinary Resolution:- **Resolution 8**  
**ORDINARY RESOLUTION**  
**AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**  
"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental and / or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time at such price, 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 ten (10) per cent of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so 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."
7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD

KEW FOONG THO (LS005759)  
Secretary  
Shah Alam  
7th June, 2001

#### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint any person or persons to be his proxy or proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company, and where there are two proxies, the number of shares to be represented by each proxy must be stated.
2. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be either given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
3. The instrument appointing the proxy must be deposited at the Registered Office of the Company at No. 8 & 10, Jalan Jurutera U1/23, Section U1, Kawasan Perindustrian Hicom Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
4. **Explanatory note on Special Business:-**  
The Ordinary Resolution proposed under Agenda 6, if passed, will give the Directors of the Company, from the date of the forthcoming Annual General Meeting, authority to issue and allot ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. **Directors who are standing for election or re-election at the Fifth Annual General Meeting of EP Manufacturing Bhd. ("EPMB")**  
 (i) Shaari bin Haron  
 (ii) Raja Shamsul Kamal bin Raja Shahruzzaman  
 (iii) Tunku Ahmad Burhanuddin bin Tunku Datuk Adnan.

2. **Details of attendance of Directors at Board Meetings**

There were five Board of Directors Meetings held during the financial year ended 31 December 2000. Records of attendance for each of the Directors are as follows: -

<u>Names of Directors</u>	<u>% of attendance</u>
Hamidon bin Abdullah	100%
Linden Hamidon Nee Fong	60%
Goh Chyin Tar	60%
Shaari Bin Haron	80%
Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin	100%
Raja Shamsul Kamal bin Raja Shahruzzaman	100%

3. **Place, date and hour of Board of Directors Meetings held**

All Board of Directors Meetings were held at the Registered Office of the Company situated at No. 8 & 10, Jalan Jurutera U1/23, Section U1, HICOM Glenmarie Industrial Estate, 40150 Shah Alam, Selangor Darul Ehsan. Date and time of Board of Directors meetings held are: -

<u>Date</u>	<u>Time</u>
15.02.2000	10.30 am
09.06.2000	3.00 pm
29.08.2000	3.00 pm
10.10.2000	10.30 am
30.11.2000	2.30 pm

4. **Further details of Directors who are standing for election**

Details	SHAARI BIN HARON	RAJASHAMSUL KAMALBIN RAJA SHAHRUZZAMAN	TUNKU AHMAD BURHANUDDIN BIN TUNKU DATUK ADNAN
Directorship	Independent, Non-executive Director	Non-executive Director	Non-executive Director
Age	50 years old	40 years old	39 years old
Nationality & Race	Malaysian/ Malay	Malaysian/ Malay	Malaysian/ Malay
Qualification	LLB Honours	Degree in Civil Engineering, Hon.	FCCA, MIA
Working experience & occupation for the past 5 years	1993 - Present Advocate & Solicitor, Partner of Majid and Chen	1996 - 1997 General Manager, Commerce Asset Fund Managers Sdn. Bhd.  1997 - Present Chief Executive Officer, Commerce Asset Ventures Sdn. Bhd.	1994 - 1998 Financial Controller, Commerce-Asset Holding Berhad  1998 - Present Executive Director, Commerce Asset Fund Managers Sdn. Bhd.
Other directorships of public companies	Nil	Nil	Nil
Securities holdings in EPMB and its subsidiaries	10,000 ordinary shares in EPMB	Nil	Nil
Family relationship with any director and/ major shareholder of EPMB	Nil	Nil	Nil
Any conflict of interest with the listed issuer	Nil	Nil	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil	Nil	Nil

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Hamidon bin Abdullah  
*Executive Chairman*

Goh Chyin Tar  
*Executive Director*

Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin  
*Independent Director*

Shaari bin Haron  
*Independent Director*

Raja Shamsul Kamal bin Raja Shahruzzaman  
*Director*

Tunku Ahmad Burhanuddin bin Tunku Adnan  
*Director*

Linden Hamidon Nee Fong  
*Director*

### AUDIT COMMITTEE

Shaari bin Haron  
*Chairman*

Tunku Ahmad Burhanuddin  
*Member*

Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin  
*Member*

### SECRETARY

Kew Foong Tho (LS 005759)

### SHARE REGISTRAR

Mega Corporate Services Sdn. Bhd.  
Level 11-2, Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel : 603-2692 4271  
Fax : 603-460 5399

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 8 & 10, Jalan Jurutera U1/23  
Seksyen U1  
Kawasan Perindustrian Hicom Glenmarie  
40150 Shah Alam  
Selangor Darul Ehsan  
Tel : 603-703 6663  
Fax : 603-704 9761

### AUDITORS

Tan Cheng Hooi & Co.  
Public Accountants  
E-5-21B, Plaza Mont Kiara  
No. 2, 1/70C  
Mont Kiara  
50480 Kuala Lumpur  
Tel : 603-6201 3812  
Fax : 603-6201 0812

### PRINCIPAL BANKERS

Bumiputera-Commerce Bank Berhad  
Malayan Banking Berhad  
Arab-Malaysian Bank Berhad  
Hong Leong Bank Berhad  
Oriental Bank Berhad

### STOCK EXCHANGE LISTING

Second Board of the Kuala Lumpur  
Stock Exchange

## BOARD OF DIRECTORS

as at 31 May 2001

### Hamidon bin Abdullah



Aged 48 (Malaysian), is the Executive Chairman of the Company. He was appointed to the Board on 20 January 1997. Encik Hamidon obtained his degree in Applied Mathematics & Computer Science in 1974 and Master in Urban Planning in 1975 from the University of Adelaide, Australia. Encik Hamidon is the founding member of the EPMB Group, which he started in 1988.

Encik Hamidon attended 5 Board meetings during the financial year.

### Goh Chyin Tar



Aged 38 (Malaysian), is the Executive Director of the Company. He was appointed to the Board on 20 January 1997. Mr Goh holds a Bachelor of Computer Science (Honours) degree from the University of Manitoba, Canada, which he obtained in 1985. He has been with the EPMB Group since 1990.

Mr. Goh attended 3 Board meetings during the financial year.

### Shaari bin Haron



Aged 50 (Malaysian), is an Independent Non-Executive Director of the Company and the Chairman of the Audit Committee. He was appointed to the Board on 20 January 1997. Encik Shaari obtained his Bachelor of Law (Honours) degree from the International Islamic University in 1991, and is a practicing partner of Messrs. Majid & Chen since 1993. Encik Shaari started his career with the Polis Diraja Malaysia in 1971 and has held the position of, amongst others, Assistant Superintendent of Police (1981) and Legal Officer of the Traffic Division (1991).

Encik Shaari attended 4 Board meetings during the financial year.

## BOARD OF DIRECTORS (cont'd)

### Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin



Aged 65 (Malaysian), is an Independent Non-Executive Director of the Company and a member of the Audit Committee. He was appointed to the Board on 20 January 1997. Dato' Ibrahim is an artist by profession. He set up the Ibrahim Hussein Museum and Cultural Foundation on 18 September 1991, of which he is the Life Chairman and a member of the Board of Trustees.

Dato' Ibrahim attended 5 Board meetings during the financial year.

### Dr. Linden Hamidon Nee Fong



Aged 47 (Australian / Malaysian PR), is a Non-Executive Director of the Company. She was appointed to the Board on 20 January 1997. Dr. Linden holds a Bachelor of Dental Surgery from the University of Adelaide, Australia, which she obtained in 1978. She is also a practicing Dentist since 1980. Dr. Linden is the spouse of Encik Hamidon Abdullah.

Dr. Linden attended 3 Board meetings during the financial year.

### Raja Shamsul Kamal bin Raja Shahrizzaman



Aged 40 (Malaysian), is a Non-Executive Director of the Company. He was appointed to the Board on 1 August 1998. Y.M. Raja Shamsul holds a civil engineering degree from University of Newcastle upon-Tyne, England. Raja Shamsul has been with the Commerce Asset-Holding Berhad's group since 1987 and is presently the Chief Executive Officer of Commerce Asset Ventures Sdn. Bhd., a subsidiary of Commerce Asset Holdings Bhd.

Raja Shamsul Kamal attended 5 Board meetings during the financial year.

### Tunku Ahmad Burhanuddin bin Tunku Datuk Adnan



Aged 39 (Malaysian), is a Non-Executive Director of the Company and a member of the Audit Committee. He was appointed to the Board on 25 April 2001. Tunku Ahmad has been with the Commerce Asset-Holding Berhad group since 1984 and is presently the Executive Director and Chief Executive Officer of Commerce Asset Fund Managers Sdn. Bhd. and a Director of Commerce Asset Ventures Sdn. Bhd. He is a member of the Malaysian Institute of Accountants and also a Fellow of the Chartered Association of Certified Accountants.

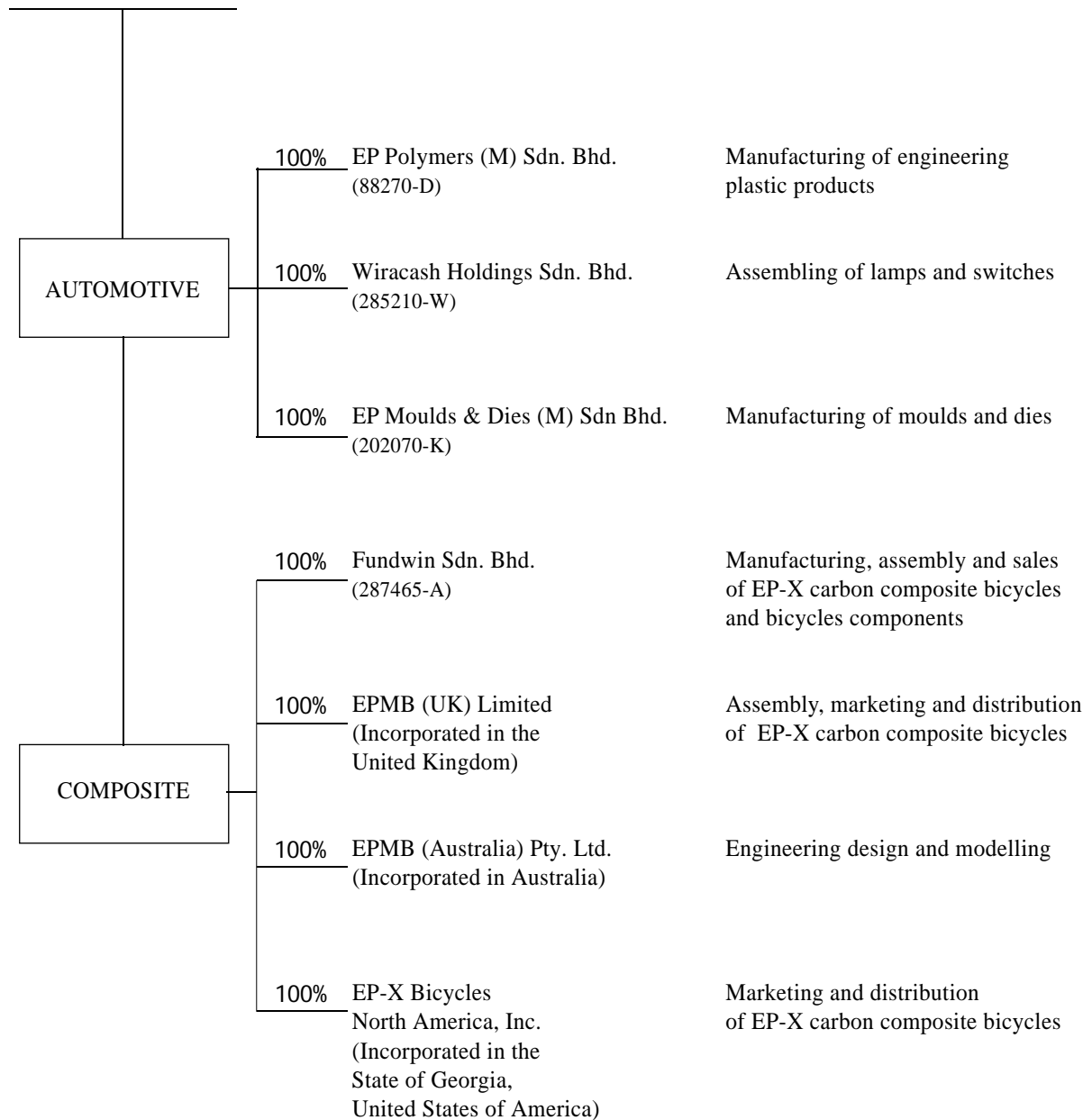
## GROUP STRUCTURE

as at 31 May 2001



EP MANUFACTURING BHD.  
390116-T

Investment holding



## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of EP Manufacturing Bhd. ("EPMB"), I am pleased to present the Annual Report and Audited Accounts of EPMB and its subsidiaries for the financial year ended 31 December 2000.

### OPERATING ENVIRONMENT

#### (a) Automotive Components Manufacturing

Global automotive manufacturers have in the past few years aggressively set up new automotive plants in Thailand, Indonesia, Philippines and China. These investments have direct correlation to the implementation of Asian Free Trade Agreement ("AFTA").

However, in the passenger car market, most major automotive manufacturers have shown strong interest in Malaysia, with either new plant set-up, or acquiring significant interest in local distributors and assemblers.

With this as a backdrop and with the continued success of Proton and Perodua, on implementation of AFTA, the automotive components manufacturer in Malaysia and specifically the autoparts units of the EPMB Group will be able to tap on bigger marketplace with more customer base.

Nonetheless, on a shorter time frame, the year 2001 will represent a challenge to the Group, as it re-engineer itself as not only as component supplier but as a complete R & D solution and service provider to the automotive manufacturer.

#### (b) Composite Bicycles

The bicycles industry has continuously evolved, from the ordinary day-to-day use, to the BMXs, and later the Mountain Biking. The industry growth has been in tandem with the growth of extreme sports in general. However, with the renew interest in health consciousness as well as environmental awareness, growth in the future is expected to be in the pavement bicycles sector. EP-X carbon composite bicycles series have representative in all the major categories: Mountain Bikes, Race Bikes and Pavement Bikes.

Whilst the slow down in the US economy, which taken together with the problems of the Japanese economy is expected to affect the bicycles industry in general, the Group's carbon composite bicycles are not expected to be significantly affected by the slow down due to the Group focus on niche market, i.e high-end and selected consumer base.



### GROUP PERFORMANCE IN 2000

In the financial year ended 31 December 2000, the Group has been streamlined into two major divisions. Firstly, the automotive components manufacturing division serving the local automotive manufacturers, and secondly, the EP-X carbon composite bicycles and other composite products serving a niche but global marketplace.

During the year and in anticipation of AFTA, the automotive components manufacturing division continued in its quality improvement process and procuring new customer base. The Group will continue to strive to achieve global best practices, with the aspiration that the Group's automotive components manufacturing division will be a supplier to major automotive manufacturers setting base in Malaysia for Asians consumption.





## CHAIRMAN'S STATEMENT (cont'd)

The year 2000 has been a challenging year for EP-X carbon composite bicycles division, as the Group continued to strive in the direction of being an Original Design Manufacturer (ODM). In this, the Group has to-date earmarked key marketplaces, and has in place, business units, in United Kingdom, United States of America, Australia and Malaysia. These business units will be the forefront of the EP-X carbon composite bicycles.

### FINANCIAL RESULTS

For the year under review, the Group's automotive components manufacturing division performed satisfactory, in line with the growth of the industry in the year 2000.

However, the Group faced setbacks in the development of its EP-X carbon composite bicycles. The development and marketing of the bicycles was hampered by certain technical issues, and as such resulted in delay in full-scale launch and marketing of EP-X range of bicycles. These issues, however, are fully settled and the Group looks forward to a more promising year for the EP-X carbon composite bicycles division.

In lights of the above, performance of the Group was significantly affected. Turnover for the year ended 31 December 2000 dropped to RM91,155,477 as compared to RM103,680,785 in 1999, whilst profit before tax dropped to RM10,333,879 as compared to RM12,627,490 in 1999. This represents a drop of approximately 12.1% in turnover and 18.2% in profit before tax.

### PROSPECTS

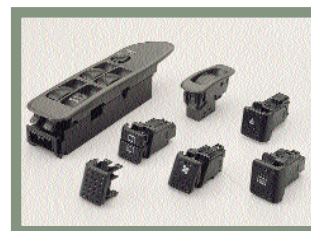
#### (a) Automotive Components Manufacturing

In 2001, the momentum of the economic recovery is expected to consolidate as Malaysia brace itself for the expected slow-down in the US economy. Nonetheless, the automotive industry continued to expect growth in sales of new motor vehicles, albeit at a lower pace. In view of this, the Group is taking a more proactive stance in readying itself via cost effectiveness and improvement in quality and efficiency, and continue to strive to provide excellent service to its customers.

The Group's automotive component unit will continue to seek new marketplace including export-oriented products - to increase its customer base as its long term business strategy.

#### (b) Composite Bicycles

The year 2001 will be an important milestone for the Group's composite bicycles unit, as it strives to penetrate the global marketplace, and mark the



Group's future as Original Design Manufacturer. The Group has in place and developing the following markets: United Kingdom, United States of America and are finalizing markets for Japan, Australia, selected European countries and Canada. With this in place, and with the Group's continuous interest in research and development as well as to promote brand awareness in EP-X, future growth of EPMB is promising.

#### (c) Group

Barring unforeseen circumstances, the Group expects to achieve a satisfactory level of growth and profitability in this current year.

### DIVIDENDS

The directors are pleased to recommend a first and final gross dividend of 3.5 sen per share for the financial year ended 31 December 2000 for the approval of the shareholders.

### ACKNOWLEDGEMENTS AND APPRECIATION

I would like to take this opportunity to welcome Tunku Ahmad Burhanuddin to the Board of Directors of EPMB. Tunku Ahmad's presence will further enhance the depth and experience already assembled on Board. In addition, I would also like to thank Ms. Lee Yu Lian (alternate Director to Raja Shamsul Kamal) for her services and presence as an alternate Board member of EPMB.

On behalf of the Board, I wish to express our gratitude to the management and staff of the EPMB Group for their dedication and commitment. Our achievements are a result of the concerted effort and contribution of the entire team.

Lastly, the Board also wishes to record our gratitude to all clients, suppliers, regulatory authorities, bankers, financiers and technical partners for their kind support. To our shareholders, we reaffirm our commitment of further enhancing shareholders value.

Hamidon Abdullah  
Executive Chairman

Shah Alam  
1 June 2001

## AUDIT COMMITTEE'S REPORT

**Registered Office:**

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

1 June 2001

The Board of Directors  
**EP Manufacturing Bhd.**

Dear Sir/ Madam,

The members of the Audit Committee of EP MANUFACTURING BHD. is pleased to submit their report for the financial year ended 31st December, 2000.

### **MEMBERS**

#### Independent Non-Executive Director

SHAARI BIN HARON, Chairman  
DATO' IBRAHIM HUSSEIN @  
IBRAHIM BIN NYAR HUSSIN, member

#### Executive Director

HAMIDON BIN ABDULLAH, member  
(Resigned on 31.05.2001)

#### Non-Executive Director

RAJA SHAMSUL KAMAL  
BIN RAJA SHAHRUZZAMAN, member  
(Appointed on 25.04.2001; Resigned on 31.05.2001)  
TUNKU AHMAD BURHANUDDIN  
BIN TUNKU DATUK ADNAN, member  
(Appointed on 25.04.2001)

### **TERMS OF REFERENCE**

#### **Composition**

The Audit Committee shall be appointed by the Board of Directors from amongst their numbers and in accordance with requirements set out in paragraph 15.10 of Chapter 15 of the Kuala Lumpur Stock Exchange Listing Requirements.

The members of the Audit Committee shall elect a chairman from among their numbers who shall be an independent, non-executive director.

#### **Authority**

The Audit Committee is authorized by the Board of Directors to investigate and audit any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all records, property and personnel of the Group.

The Committee is also authorized by the Board to obtain legal or other independent professional advice as necessary.

#### **Scope and Functions**

The scope and functions of the Audit Committee shall be: -

1. To consider the appointment of external auditors and audit fee.
2. To discuss with the external auditors, prior to the commencement of audit, the nature and scope of audit and to ensure co-ordination of audit where more than one audit firm is involved.
3. To review the quarterly announcements to the Kuala Lumpur Stock Exchange and year end annual financial statements before submission to the Board, focusing on: -
  - Going concern assumption.
  - Compliance with accounting standards and regulatory requirements.
  - Any major changes in or implementation of accounting policies and practices.
  - Significant issues arising from the audit.
  - Major judgmental areas.
4. To review the external auditors' management letter and management's response.
5. To review the audit report with the external auditors.
6. To review the following in relation to internal audit function, focusing on: -
  - To review the adequacy of scope, functions and resources of the internal audit department and the authority (as conferred by the Board of Directors) in discharging its duty.

## AUDIT COMMITTEE'S REPORT (cont'd)

- To review internal audit programme / plan.
  - To ensure co-ordination of external audit with internal audit.
  - To consider the major findings of internal audit investigations and managements' response, and ensure that appropriate actions are taken on the recommendations of the internal audit function.
  - To review any appraisal or assessment of the performance of the internal auditors in carrying out the assigned responsibilities.
7. To report to the Board of Directors all pertinent issues.
  8. To review and monitor any significant transactions, which are not within the normal course of business and / or related party transactions, entered into by the Company and the Group, and to ensure that the Directors report such transactions annually to shareholders via annual report.
  9. To review the effectiveness of internal control systems.
  10. To review and approve the draft Annual Report prior to presentation to the Board of Directors for approval and subsequent despatch to the shareholders.
6. In addition to the Committee members, the head of Internal Audit Department will normally be in attendance at the meetings.
  7. Other members of the Board, heads of division / departments and the representatives of the external auditors may, by invitation of the Committee, attend a particular Audit Committee meeting where related / specific matters are to be discussed.
  8. Questions arising at any meeting shall be decided by a majority vote. Each member of the Committee shall have one vote. In the event of a tie, the Chairman shall have a second or casting vote. However, at meetings where only two members are competent to vote on an issue, the Chairman will not have a casting vote.
  9. Minutes of each meeting shall be kept and distributed to each member of the Committee and all other members of the Board. The Committee Chairman shall report on each meeting to the Board.

### REPORT FOR THE YEAR 2000.

There were four meetings held during the financial year ended 31st December 2000 with full attendance. Amongst other issues, the Committee considered the unaudited quarterly financial results and year-end audited financial results prior to presentation to the Board.

### INTERNAL AUDIT FUNCTION

With effect from 1st June 2001, the Board has, upon the recommendation of the Audit Committee, appointed Corporate Outsourcing Professional Sdn. Bhd. to carry out Internal Audit Function of the Company and the Group. In addition, Corporate Outsourcing Professional Sdn. Bhd. is to assist and advise the Audit Committee on all matters relating to Internal Audit Function.

### Audit Committee Meeting.

1. There shall be at least four meetings per year. The Chairman or the Directors may convene additional meetings, where necessary.
2. Notice of meetings shall be circulated to the members one week in advance.
3. The quorum for the meeting shall be three.
4. In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
5. The Company Secretary shall be the secretary to the Audit Committee.

### OTHER ISSUES

#### I. Remuneration of Directors.

##### (A) Aggregate Remuneration

	Executive Directors	Non-Executive Directors	Total (RM)
(a) Fees (RM)	-	30,000.00	30,000.00
(b) Salary (RM)	510,000.00	-	510,000.00
(c) EPF (RM)	54,000.00	-	54,000.00
<b>Total :</b>	<b>564,000.00</b>	<b>30,000.00</b>	<b>594,000.00</b>

## AUDIT COMMITTEE'S REPORT (cont'd)

(B) Band (RM)	Executive Directors	Non-Executive Directors	Total
0 - 50,000	-	4	4
50,001 - 100,000	1	-	1
100,000 - 150,000	-	-	-
150,001 - 200,000	-	-	-
200,001 - 250,000	-	-	-
250,001 - 300,000	-	-	-
300,001 - 350,000	-	-	-
350,001 - 400,000	-	-	-
400,001 - 450,000	1	-	1
<b>Total :</b>	<b>2</b>	<b>4</b>	<b>6</b>

**II. Amount of Non Audit Fees paid to External Auditors.**

Review of the profit estimate and forecast of Fundwin Sdn. Bhd. for the acquisition of the entire issued and paid-up capital of Fundwin Sdn. Bhd. by EP Manufacturing Bhd.	<u>RM11,500.00</u>
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**III. Variance between audited and unaudited results for the year ended 31st December, 2000.**

	<b>RM'000</b>
Unaudited profit after tax as per Fourth Quarter announcement	10,314
Add: -	
(a) Increase in turnover due principally to sales provision.	1,172
(b) Increase in other income due principally to unaccounted interest income and other income.	138
(c) Decrease in depreciation due principally to consolidation adjustment.	52
Subtract: -	
(d) Increase in borrowing costs due principally to late interest charged	(195)
(e) Increase in operational costs due to: -	
i. understatement of purchase	(302)
ii. understatement of promotion costs	(94)
iii. provision of doubtful debts	(589)
iv. others / consolidation adjustments	(162)
(f) Provision of taxation for: -	
i. tax expense	(446)
ii. deferred taxation	(644)
<b>Audited results for the year ended 31st December, 2000.</b>	<u><u>9,244</u></u>

Yours faithfully  
For and on behalf of the members of the Audit Committee  
**EP MANUFACTURING BHD.**

Shaari bin Haron  
Chairman

## 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 activity 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:-

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

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:

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

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.

## DIRECTORS' REPORT (cont'd)

### 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  
Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin  
Shaari bin Haron  
Goh Chyin Tar  
Raja Shamsul Kamal bin Raja Shahruzzaman  
Lee Yu Lian (Alternate to Raja Shamsul Kamal bin Raja Shahruzzaman)

### 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
Dato' Ibrahim Hussein @ Ibrahim bin Nyar Hussin	50,000	-	-	50,000
Shaari bin Haron	10,000	-	-	10,000
Goh Chyin Tar	-	-	-	-
Raja Shamsul Kamal bin Raja Shahruzzaman	-	-	-	-
Lee Yu Lian (Alternate to Raja Shamsul Kamal bin Raja Shahruzzaman)	-	-	-	-

#### Indirect Interests:

Hamidon bin Abdullah	14,345,465	-	-	* 14,345,465
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\* 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.

## DIRECTORS' REPORT (cont'd)

In accordance to the Company's Articles of Association, Raja Shamsul Kamal bin Raja Shahrizzaman 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.

## DIRECTORS' REPORT (cont'd)

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.

### 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

16 March 2001



## AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements set out on pages 18 to 37. 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.

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

16 March 2001

## BALANCE SHEETS

as at 31st December, 2000

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
SHARE CAPITAL	4	<b>39,900,000</b>	39,900,000	<b>39,900,000</b>	39,900,000
REDEEMABLE PREFERENCE SHARES		-	1	-	-
RESERVES	5	<b>41,725,217</b>	33,591,269	<b>24,003,272</b>	24,555,370
		<b>81,625,217</b>	73,491,270	<b>63,903,272</b>	64,455,370
<b>LONG TERM LIABILITIES</b>					
Term loans	6	<b>14,105,399</b>	22,084,850	-	-
Hire purchase creditors	7	<b>412,169</b>	756,474	-	-
Deferred taxation		<b>643,583</b>	-	<b>643,583</b>	-
		<b>96,786,368</b>	96,332,594	<b>64,546,855</b>	64,455,370
Represented by :					
FIXED ASSETS	8	<b>58,249,643</b>	63,834,832	<b>47,326,293</b>	47,911,611
GOODWILL		<b>98,244</b>	98,244	-	-
INTANGIBLE ASSETS	9	<b>87,224</b>	989,134	-	-
RESEARCH AND DEVELOPMENT	10	<b>16,775,539</b>	6,019,785	-	-
SUBSIDIARY COMPANIES	11	-	-	<b>4,728,676</b>	4,672,613
INVESTMENT - AT COST	12	<b>8,527,681</b>	8,527,681	<b>8,490,000</b>	8,490,000
<b>CURRENT ASSETS</b>					
Stocks	13	<b>11,387,947</b>	10,683,054	-	-
Trade debtors	14	<b>25,141,399</b>	24,741,249	<b>1,299,499</b>	-
Other debtors, deposits and prepayments	14	<b>20,195,530</b>	16,953,555	<b>3,929,843</b>	7,182,049
Fixed deposits	15	<b>2,640,152</b>	1,750,954	-	-
Cash and bank balances		<b>1,220,996</b>	5,785,963	<b>25,056</b>	22,780
Total current assets		<b>60,586,024</b>	59,914,775	<b>5,254,398</b>	7,204,829
<b>CURRENT LIABILITIES</b>					
Trade creditors	14	<b>12,101,112</b>	8,474,365	-	-
Other creditors and accruals	14	<b>8,638,619</b>	13,211,629	<b>216,007</b>	2,800,008
Hire purchase creditors	7	<b>465,073</b>	513,727	-	-
Amount due to Directors	16	-	144,292	-	18,195
Taxation		<b>408,469</b>	-	<b>31,025</b>	-
Bank borrowings	17	<b>24,919,234</b>	19,702,364	-	-
Proposed dividend		<b>1,005,480</b>	1,005,480	<b>1,005,480</b>	1,005,480
Total current liabilities		<b>47,537,987</b>	43,051,857	<b>1,252,512</b>	3,823,683
NET CURRENT ASSETS		<b>13,048,037</b>	16,862,918	<b>4,001,886</b>	3,381,146
NET ASSETS		<b>96,786,368</b>	96,332,594	<b>64,546,855</b>	64,455,370
NET TANGIBLE ASSETS PER SHARE	18	<b>RM1.62</b>	RM1.66		

The above Balance Sheets are to be read in conjunction with the Notes to the Financial Statements on pages 23 to 37.

**INCOME STATEMENTS**  
for the year ended 31st December, 2000

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

The above Income Statements are to be read in conjunction with the Notes to the Financial Statements on pages 23 to 37.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st December, 2000

	Note	Issued and Fully paid Ordinary shares of RM1 each RM	Redeemable preference (RPS) shares RM	Retained profits RM	Share premium RM	Other reserves RM	Total Shareholders' equity RM
<b>31st December, 2000</b>							
As at 1st January							
- as previously reported		<b>39,900,000</b>	<b>1</b>	<b>10,267,925</b>	<b>15,618,333</b>	<b>7,705,011</b>	<b>73,491,270</b>
Profit attributable to shareholders		-	-	<b>9,243,982</b>	-	-	<b>9,243,982</b>
Dividend for the year	24	-	-	<b>(1,005,480)</b>	-	-	<b>(1,005,480)</b>
Currency translation differences		-	-	-	-	<b>(104,554)</b>	<b>(104,554)</b>
Redemption of Preference Shares		-	<b>(1)</b>	-	-	-	<b>(1)</b>
<b>As at 31st December</b>		<b>39,900,000</b>	<b>-</b>	<b>18,506,427</b>	<b>15,618,333</b>	<b>7,600,457</b>	<b>81,625,217</b>
<b>31st December, 1999</b>							
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
<b>As at 31st December</b>		<b>39,900,000</b>	<b>1</b>	<b>10,267,925</b>	<b>15,618,333</b>	<b>7,705,011</b>	<b>73,491,270</b>

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements on pages 23 to 37.

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31st December, 2000

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

The above Statement of Changes in Equity  
is to be read in conjunction with the Notes to the Financial Statements on pages 23 to 37.

## CASH FLOW STATEMENTS

for the year ended 31st December, 2000

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts from customers		<b>88,000,528</b>	97,850,340	<b>2,039,090</b>	10,531,764
Cash paid to suppliers and employees		<b>(74,757,739)</b>	(78,099,156)	<b>(5,051,060)</b>	(11,673,752)
Cash generated from / (Used in)					
Operations		<b>13,242,789</b>	19,751,184	<b>(3,011,970)</b>	(1,141,988)
Dividends paid		<b>(1,005,480)</b>	-	<b>(1,005,480)</b>	-
Interest income received		<b>1,605,361</b>	1,967,607	-	-
Interest paid		<b>(2,614,880)</b>	(3,820,089)	-	(1,130,106)
Taxation paid		<b>(13,847)</b>	(368,942)	<b>(29,324)</b>	(273,149)
Repayments to Directors		<b>(144,292)</b>	(340,905)	<b>(18,195)</b>	-
Advances from Directors		-	-	-	1,000
<b>NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES</b>		<b>11,069,651</b>	17,188,855	<b>(4,064,969)</b>	(2,544,243)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Loan from subsidiary company		-	-	<b>4,098,744</b>	6,105,214
Proceeds from disposal of investments		-	4,922	-	-
Purchase of fixed assets		<b>(1,769,615)</b>	(2,632,933)	<b>(31,499)</b>	(1,078,715)
Proceeds from disposal of fixed assets		<b>18,000</b>	116,550	-	-
Purchase of intangible assets		<b>(9,801,181)</b>	(6,613,694)	-	-
Purchase of investment		-	-	-	(950,500)
Proceed from redemption of preference share		<b>1</b>	-	-	-
<b>NET CASH (OUTFLOWS)/INFLOWS FROM INVESTING ACTIVITIES</b>		<b>(11,552,795)</b>	(9,125,155)	<b>4,067,245</b>	4,075,999
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend received		<b>467</b>	-	-	-
Lease rentals paid		<b>(37,552)</b>	(10,566)	-	-
Proceeds from hire purchase loan		<b>124,911</b>	194,000	-	-
Repayments of hire purchase liabilities		<b>(517,870)</b>	(1,133,195)	-	-
Proceeds/(repayment) from term loans		<b>3,339,727</b>	(326,235)	-	-
Proceeds/(repayment) of Banker acceptance		<b>(5,854,204)</b>	715,010	-	-
Short term advancement		-	(1,516,767)	-	(1,516,767)
Fixed deposits held as security value		<b>(839,775)</b>	(1,735,000)	-	-
<b>NET CASH OUTFLOWS FROM FINANCING ACTIVITIES</b>		<b>(3,784,296)</b>	(3,812,753)	-	(1,516,767)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(4,267,440)</b>	4,250,947	<b>2,276</b>	14,989
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>(697,880)</b>	(4,948,827)	<b>22,780</b>	7,791
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	25	<b>(4,965,320)</b>	(697,880)	<b>25,056</b>	22,780

The above Consolidated Cash Flow Statements are to be read in conjunction with the Notes to the Financial Statements on pages 23 to 37.

## NOTES TO THE FINANCIAL STATEMENTS

- 31 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.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

- 31 December, 2000

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 :-

Assets	Rate per annum (%)
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%
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### 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.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

- 31 December, 2000

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 :-

Foreign currency	2000 RM	1999 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.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
- 31 December, 2000

**4. SHARE CAPITAL**

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

**5. RESERVES**

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

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

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.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
- 31 December, 2000

- (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**

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

- 31 December, 2000

8. FIXED ASSETS

Details of fixed assets are as follows:-

GROUP Costs	Buildings RM	Computer Systems RM	Electrical Fittings RM	Factory Equipments RM	Freehold Land RM	Furniture and Fittings		Leasehold Land RM	Motor Vehicles RM	Office Equipments RM	Plant and Machinery RM	Renovation Costs RM	Tools and Moulds RM	Total RM
						RM	RM							
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	101,560,204	
Accumulated depreciation														
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	
Net Book Value														
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	

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

- 31 December, 2000

GROUP Costs	Furniture and											Total RM
	Buildings RM	Computer Systems RM	Electrical Fittings RM	Factory Equipments RM	Freehold Land RM	Motor Vehicles RM	Office Equipments RM	Plant and Machinery RM	Renovation Costs RM	Tools and Moulds RM		
As at 1st January	27,944,830	448,630	313,217	4,200,161	15,214,001	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	-	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	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	224,932	1,774,560	-	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	-	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	-	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	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 RMI,177,631 (1999: RMB,047,962).

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
- 31 December, 2000

**Company**

**31st December, 2000**

	<b>Buildings</b>	<b>Freehold</b>	<b>Leasehold</b>	<b>Total</b>
<b>Cost</b>	<b>RM</b>	<b>Land</b>	<b>Land</b>	<b>RM</b>
		<b>RM</b>	<b>RM</b>	
As at 1st January	28,339,830	16,916,455	4,451,551	49,707,836
Additions	31,499	-	-	31,499
Disposals	-	-	-	-
As at 31st December	<b>28,371,329</b>	<b>16,916,455</b>	<b>4,451,551</b>	<b>49,739,335</b>
<b>Accumulated depreciation</b>				
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	<b>2,215,274</b>	<b>-</b>	<b>197,768</b>	<b>2,413,042</b>
<b>Net book value</b>				
As at 31st December	<b>26,156,055</b>	<b>16,916,455</b>	<b>4,253,783</b>	<b>47,326,293</b>

**31st December, 1999**

	<b>Buildings</b>	<b>Freehold</b>	<b>Freehold</b>	<b>Total</b>
<b>Cost</b>	<b>RM</b>	<b>Land</b>	<b>Land</b>	<b>RM</b>
		<b>RM</b>	<b>RM</b>	
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	<b>28,339,830</b>	<b>16,916,455</b>	<b>4,451,551</b>	<b>49,707,836</b>
<b>Accumulated depreciation</b>				
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	<b>1,647,899</b>	<b>-</b>	<b>148,326</b>	<b>1,796,225</b>
<b>Net book value</b>				
As at 31st December	<b>26,691,931</b>	<b>16,916,455</b>	<b>4,303,225</b>	<b>47,911,611</b>

**9. INTANGIBLE ASSETS**

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

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
- 31 December, 2000

**10. RESEARCH AND DEVELOPMENT**

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

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**

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

<b>Name of Company</b>	<b>Place of incorporation</b>	<b>Effective interest</b>		<b>Principal Activities</b>
		<b>2000</b>	1999	
		%	%	
EP Polymers (M) Sdn. Bhd.	Malaysia	<b>100</b>	100	Manufacturing of engineering plastic products.
EP Moulds & Dies (M) Sdn. Bhd.	Malaysia	<b>100</b>	100	Manufacturing of moulds and dies.
Wiracash Holdings Sdn. Bhd.	Malaysia	<b>100</b>	100	Assembling of lamp and switches
Fundwin Sdn. Bhd.	Malaysia	<b>100</b>	100	Manufacturing, assembly and sales of bicycles and bicycles components.
EPMB (Australia) Pte. Ltd.*	Australia	<b>100</b>	100	Engineering design, development and modeling.
EPMB (UK) Limited *	United Kingdom	<b>100</b>	100	Assembling and marketing of bicycles.

\* Not audited by Tan Cheng Hooi & Co.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
- 31 December, 2000

**12. INVESTMENT - AT COST**

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 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	
	2000 RM	1999 RM	2000 RM	1999 RM
Stock 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	
	2000 RM	1999 RM	2000 RM	1999 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 creditor	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.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

- 31 December, 2000

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

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 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	94,600	-	-	-
	<u>1,231,362</u>	<u>1,009,744</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	
	2000 RM	1999 RM	2000 RM	1999 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	6,709,749	12,563,953	-	-
	<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.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
- 31 December, 2000

**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	
	2000 RM	1999 RM	2000 RM	1999 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	
	2000 RM	1999 RM	2000 RM	1999 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	
	2000 RM	1999 RM	2000 RM	1999 RM
<b>After charging:</b>				
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	-	-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

- 31 December, 2000

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
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	
	2000 RM	1999 RM	2000 RM	1999 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>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

- 31 December, 2000

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

### 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	
	2000 RM	1999 RM	2000 RM	1999 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	
	2000 RM	1999 RM	2000 RM	1999 RM
Secured Contingencies				
Bank guarantee extended to customs pending import duties exemption	55,000	8,700	-	-
Unsecured Contingencies				
Claim from factoring company	165,000	165,000	-	-

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
- 31 December, 2000

**27. SEGMENTAL REPORTING**

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

Analysis by geographical  
location:

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

**28. CAPITAL COMMITMENTS**

The Group has significant commitments in respect of the following :

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

**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 18 to 37 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.

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**HAMIDON BIN ABDULLAH**  
Director

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**GOH CHYIN TAR**  
Director

Shah Alam

16 March 2001

**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 18 to 37 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                        )  
16 day of March 2001

**HAMIDON BIN ABDULLAH**

Before me:

Commissioner for Oaths

Kuala Lumpur

16 March 2001

## SHAREHOLDINGS STATISTICS

as at 25 May, 2001

<b>Authorised Share Capital</b>	:	RM95,000,000
<b>Issued and Fully Paid-up capital</b>	:	RM39,900,000
<b>Class of Shares</b>	:	Ordinary shares of RM1 each
<b>Voting rights</b>	:	One vote per ordinary share (on poll)

### DISTRIBUTION OF SHAREHOLDINGS AS AT 25 MAY 2001

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 1,000	2	0.14	1,000	-
1,000 to 10,000	1,334	92.90	2,483,000	6.22
10,001 to 100,000	61	4.25	2,064,967	5.18
100,001 to less than 5% of issued shares	35	2.44	13,994,465	35.07
5% and above of issued shares	4	0.27	21,356,568	53.53
<b>Total</b>	<b>1,436</b>	<b>100.00</b>	<b>39,900,000</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHOLDERS

Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
1. EP Properties (M) Sdn. Bhd.	14,345,465	35.95	-	-
2. Hamidon bin Abdullah	6,021,733	15.09	*14,345,465	35.95
3. Commerce Asset Venture Sdn. Bhd	4,597,835	11.52	-	-
4. Linden Hamidon Nee Fong	1,226,967	3.07	-	-
5. Overseas Assurance Corporation (Malaysia) Berhad	875,000	2.19	-	-

\* Deemed interested by virtue of having of having substantial shareholding in EP Properties (M) Sdn. Bhd.

## SHAREHOLDINGS STATISTICS (cont'd)

as at 25 May, 2001

### 30 LARGEST SHAREHOLDERS AS AT 25 MAY 2001

No	Name of Registered Holders	No. of Shares Held	% of Shareholdings
1	CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for EP Properties (M) Sdn Bhd	7,680,750	19.25
2	Syarikat Nominee Bumiputra (Tempatan) Sdn Bhd - Pledged securities account for EP Properties (M) Sdn Bhd	6,284,250	15.75
3	Commerce Asset Ventures Sdn Bhd	4,597,835	11.52
4	Hamidon bin Abdullah	2,793,733	7.00
5	CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Hamidon bin Abdullah	1,902,000	4.77
6	Syarikat Nominee Bumiputra (Tempatan) Sdn Bhd - Pledged securities account for Hamidon bin Abdullah	1,197,000	3.00
7	CIMB Nominees (Tempatan) Sdn Bhd - Commerce Asset Ventures Sdn Bhd pledged securities account for Linden Hamidon Nee Fong	1,000,000	2.51
8	Overseas Assurance Corporation (Malaysia) Berhad	875,000	2.19
9	Probalance Sdn Bhd	717,000	1.80
10	Universal Trustee (Malaysia) Berhad - BHLB Pacific Emerging Companies Growth Fund	661,000	1.66
11	Universal Trustee (Malaysia) Berhad - BHLB Pacific High Growth Fund	618,000	1.55
12	Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Abrar Investment Fund	600,000	1.50
13	Citicorp Nominees (Asing) Sdn Bhd - TNTC for Government of Singapore Investment Corporation Pte Ltd	550,000	1.38
14	Lembaga Tabung Haji	500,000	1.25
15	Zainee bin Md Dahlan	427,465	1.07
16	BBMB Securities Nominees (Asing) Sdn Bhd - Neptune Securities Pte Ltd	400,000	1.00
17	Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Amanah Saham Bank Islam Tabung Pertama	371,000	0.93
18	Arab-Malaysian Nominees (Tempatan) Sdn Bhd - Arab Malaysian Trustee Bhd for Pacific Pearl Fund	371,000	0.93
19	Yap Siew Yoong	336,000	0.84
20	Sin Khuan Siew	330,000	0.83
21	AlliedBan Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tan Seok Hien	318,000	0.80
22	Michelle Cheah Min Tze	303,000	0.76
23	Universal Trustee (Malaysia) Berhad - Multi-Purpose First Fund	298,000	0.75
24	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for OSK-UOB small cap opportunity unit trust	297,000	0.74
25	Arab-Malaysian Nominees (Tempatan) Sdn Bhd - Arab Malaysian Trustee Bhd for HLB Penny Stock Fund	271,000	0.68
26	Malaysia Nominees (Tempatan) Sendirian Berhad - Arab Malaysian Trustee Bhd for HLB Penny Stock Fund	250,000	0.63
27	Bimsec Nominees (Tempatan) Sdn Bhd - Syarikat Takaful Malaysia Berhad	202,000	0.51
28	CIMB Nominees (Tempatan) Sdn Bhd - Linden Hamidon Nee Fong	190,000	0.48
29	Singatronics (Malaysia) Sdn Bhd	150,000	0.38
30	Bimsec Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tg Abdullah Ibni Sultan Hj Ahmad Shah	145,000	0.68
		<b>34,636,033</b>	<b>86.81</b>



## LIST OF PROPERTIES

as at 31 December, 2000

Title / Location	Description	Tenure	Land Area	Gross Floor Area	Net book Value As at 31.12.2000 (RM)	Age of Building
Plot No. 72 and 73 Hicom-Glenmarie Industrial Park Phase 2A, Mukim of Damansara, Daerah Kelang Selangor Darul Ehsan	Land with factory, stores and office	Freehold	13,858 sq. m.	15,480 sq. m.	33,716,297	5 1/2 years
Lot Nos. 16, 18 20 and 22 Kawasan MIEL Phase VI, Shah Alam Selangor Darul Ehsan	Land with factory, stores and offices	Leasehold Expiring 05.05.2086	8,048 sq. m.	4,080 sq. m.	6,166,848	10 years
G.M. No 4776 Lot No. 1401 Mukim of Ulu Yam District of Ulu Selangor Selangor Darul Ehsan	Agricultural land (vacant)	Freehold	10,116 sq. m.	-	1,968,720	-
Lot No. 1410 E.M.R. No. 3019 Lot No. 1412 Lot No. 3027 Mukim of Ulu Yam District of Ulu Selangor Selangor Darul Ehsan	Industrial land (vacant)	Freehold Freehold	13,782 sq. m. 13,402 sq. m.	- -	2,777,103 2,697,325	- -

There is no revaluation carried out on the above properties.

## RESPONSIBILITY STATEMENT

This Annual Report has been seen and approved by the Board and they accept full responsibility for the accuracy of the information given and confirm that after making all enquiries as were reasonable in the circumstances, and to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading.

## PROXY FORM

I/We .....

of .....

being a member / members of the abovenamed company, hereby appoint .....

..... of .....

or falling him .....

or .....

failing him \* the Chairman of the Meeting as my/ our proxy to vote and for act me / us on my / our behalf at the Fifth Annual General Meeting of the Company to be held at Concorde V, Level 2, Concorde Hotel, Shah Alam, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 29th June, 2001 at 10.00 a.m. and at any adjournment thereof in respect of my / our holding of shares in the manner indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	To receive and adopt the Audited Accounts for the year ended 31st December, 2000 together with the Reports of the Directors and Auditors thereon.		
2.	Approval for declaration of a final gross dividend of 3.5 sen per ordinary share.		
3.	Re-election of Shaari bin Haron as director.		
4.	Re-election Raja Shamsul Kamal bin Raja Shahruzzaman as director.		
5.	Re-election of Tunku Ahmad Burhanuddin bin Tunku Datuk Adnan as director.		
6.	To approve the payment of Directors' fees.		
7.	To re-appoint Messrs. Tan Cheng Hooi & Co. Auditors of the Company.		
8.	<b>SPECIAL BUSINESS</b> <b>ORDINARY RESOLUTION</b> Confer authority for the Directors to allot and issue new shares.		

Please indicate with an "X" in the spaces provided how you wish your proxy/proxies to vote. If you do not do so, this form will be taken to authorise the proxy/proxies to vote or abstain from voting as he/she thinks fit.

NUMBER OF SHARES HELD

.....  
Signature/Common Seal of Shareholder

Dated this ..... day of June 2001.

### Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint any person or persons to be his proxy or proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company, and where there are two proxies the number of shares to be represented by each proxy must be stated.
2. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be either given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
3. The instrument appointing the proxy must be deposited at the Registered Office of the Company at No. 8 & 10, Jalan Jurutera U1/23, Section U1, Kawasan Perindustrian Hicom Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
4. **Explanatory note on Special Business**  
The Ordinary Resolution proposed under Resolution 6, if passed, will give the Directors of the Company, from the date of the forthcoming Annual General Meeting, authority to issue and allot ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

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Postage

**THE COMPANY SECRETARY**  
**EP MANUFACTURING BHD. (390116-T)**  
No. 8 & 10, Jalan Jurutera U1/ 23, Section U1,  
Kawasan Perindustrian Hicom Glenmarie,  
40150 Shah Alam, Selangor Darul Ehsan  
Malaysia

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