

| | 1997 RM ' 000 | 1998 RM ' 000 | 1999 RM ' 000 | 2000 RM ' 000 | 2001 RM ' 000 |
|--|------------------|------------------|------------------|------------------|------------------|
| TURNOVER | 51,096 | 54,338 | 56,052 | 66,013 | 67,869 |
| Profit before taxation and exceptional items | 8,995 | 9,604 | 10,936 | 10,934 | 8,716 |
| Exceptional items | (63) | 228 | 118 | (703) | (213) |
| Profit before taxation after exceptional items | 8,932 | 9,832 | 11,054 | 10,231 | 8,503 |
| Taxation | (2,673) | (2,930) | (66) | (3,962) | (1,991) |
| Profit after taxation | 6,259 | 6,902 | 10,988 | 6,269 | 6,512 |
| Minority interests | 51 | 77 | (112) | (202) | (196) |
| Profit after taxation and minority interests | 6,310 | 6,979 | 10,876 | 6,067 | 6,316 |
| No. of ordinary shares assumed in issued (' 000) | 31,364 | 31,364 | 31,364 | 34,536 | 41,000 |
| Gross earning per share ("Gross EPS") (sen) | 28.64 | 31.59 | 35.24 | 24.95 | 20.74 |
| Net earning per share ("Net EPS") (sen) | 20.12 | 22.25 | 34.68 | 14.80 | 15.41 |

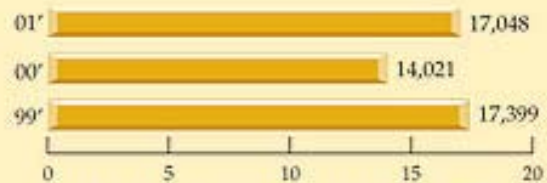
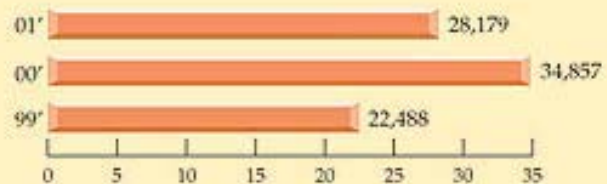
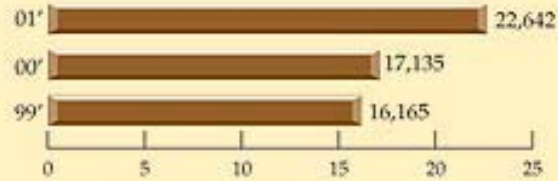


TURNOVER (RM'000)



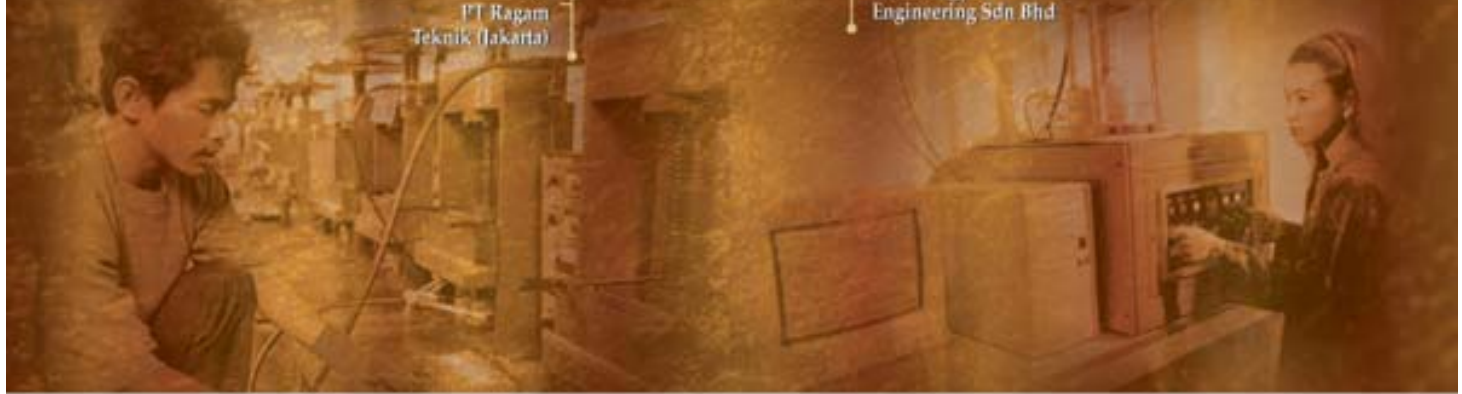
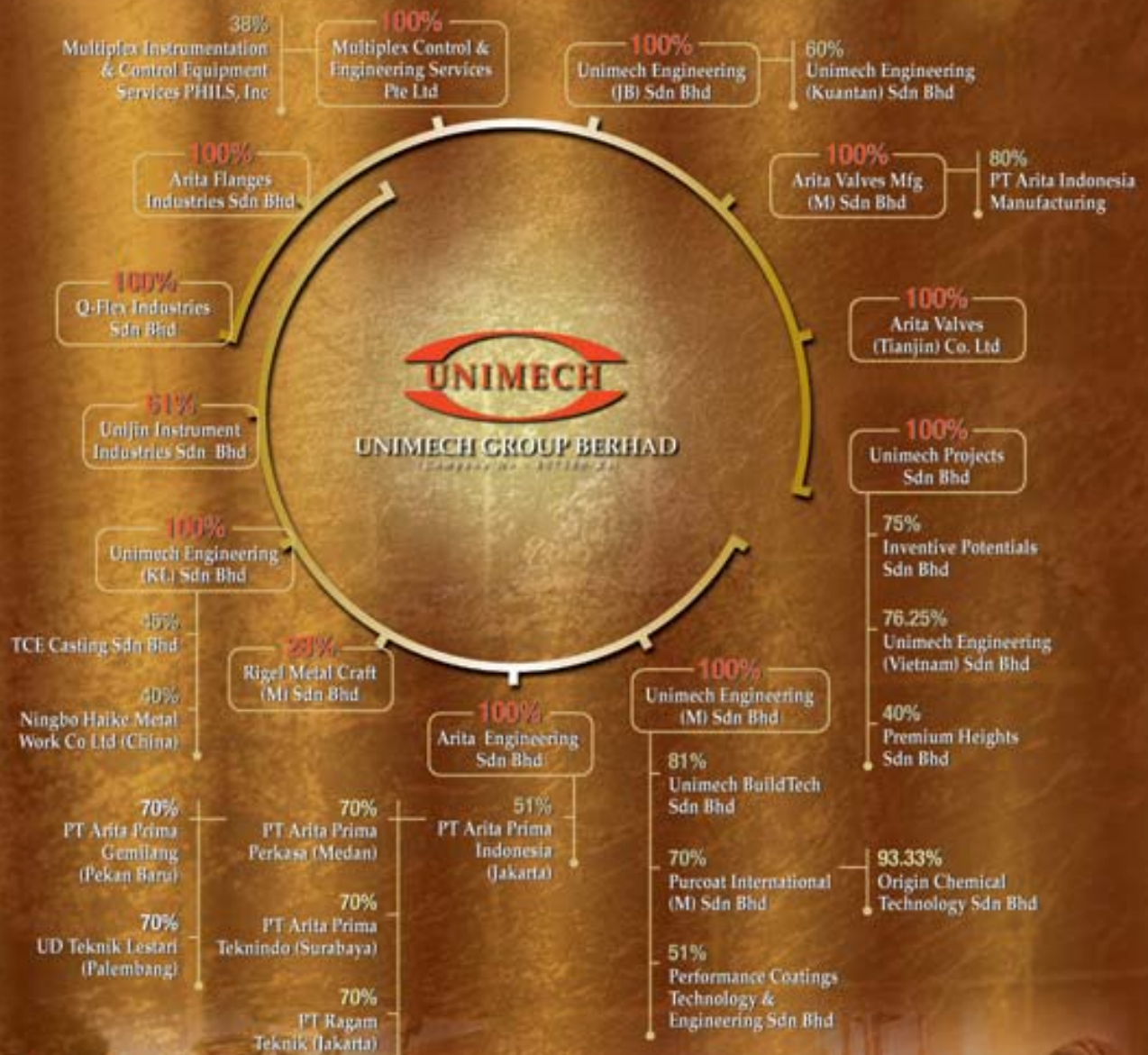
PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS (RM'000)

(Note: The year 1999 is a tax exempt year.)



BUSINESS SECTOR ANALYSIS
1999-2001 (RM'000)

■ Manufacturing ■ Engineering ■ Distribution





DATO' LIM CHEAH CHOOI
Executive Chairman and Managing Director

On behalf of the Board of Directors of Unimech Group Berhad, I am pleased to present the Annual Report of the Company and the Group for the financial year ended 31 December 2001.

INDUSTRY TREND AND DEVELOPMENT

The general industries in Malaysia are still consolidating in the year 2001. The Group have been able to maintain the existing business network and participated in a handful of sizeable domestic engineering projects such as the Cyberjaya Chilled Water Supply System and etc. More than two-third (2/3) of the domestic engineering works are from the existing maintenance and replacement activities of the various industries such as electrical and electronic, textile and clothing, wood and furniture, rubber products, food and beverages, tobacco, oil and gas, power, transportation and automobile sectors and etc.

The Group's manufactured products, especially the industrial and resident valves, rubber bellow, pressure gauges and others related products, have been able to continually compete in the world markets specifically in Asia-Pacific and Middle East countries. In the year 2001, the Group has exported approximately 45% of its manufactured products to all these countries.

In the year 2001, the Group has incorporated subsidiary companies in Indonesia, Vietnam, Phillipine and China. With these business establishments, the Group could effectively penetrate into the existing and upcoming markets of these countries. The Group has developed a stable stronghold in the Asia market, and expects to achieve the same in the China market. The Group has also been establishing various strategy and network prudently to tap on the regional economic recovery and growth.

In general, the economic in the ASEAN region still remain stable and positive.

The Board of Directors has implemented the first (5) five-years plan (2000 - 2005) to globalize the Group's manufactured products two years ago. And the Group is experiencing the positive respond and return from this business move.

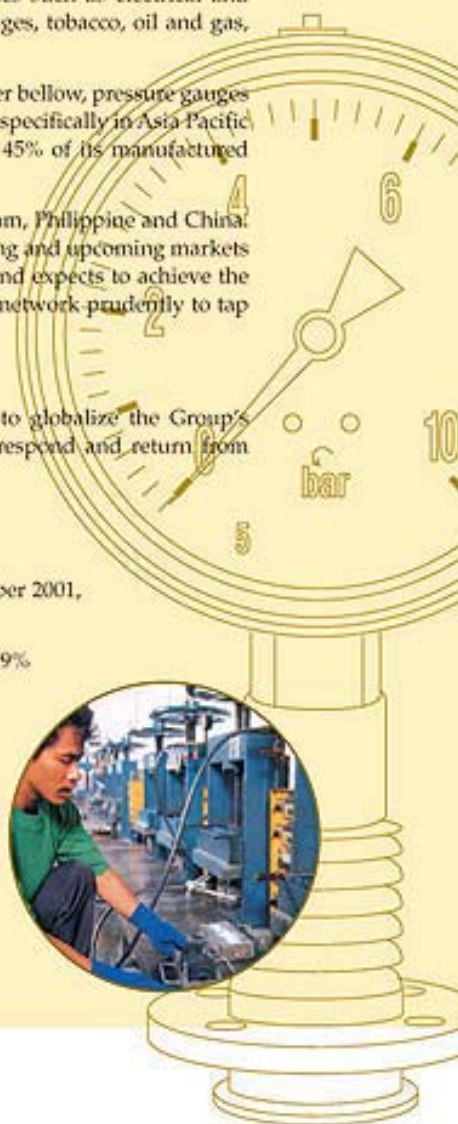
GROUP'S PERFORMANCE

The Group recorded a turnover of RM68 million for the financial year ended 31 December 2001, an increase of 3% as compared to the previous year.

Simultaneously, the Group earned a profit before tax of RM8.5 million, a decrease of 16.9% as compared to the previous year.

The change of profit performance of the Group is mainly due to :-

1. the consolidation effect of the engineering works and services of the general industries in the domestic market.
2. the shifting of the group's production from domestic location to oversea incorporation.
3. the progressive increase of the group's products into the world market. This market penetration would initially consume a higher entry cost with a lower gross margin in order to compete with the existing world manufacturers.



However, the board of directors is positive and confident that the initial business development and establishment carried out in year 2001 would be able to overcome the above constraints and should bring better return and higher yield in the following years.

CORPORATE DEVELOPMENT

We are pleased to inform that the following corporate proposals as announced on 12 October 2001 and 12 November 2001 have been approved by the Securities Commission, Kuala Lumpur Stock Exchange and the Foreign Investment Committee :-

- The Proposed Bonus Issue of 13,666,667 new ordinary shares of RM1.00 each credited as fully paid-up on the basis of one (1) new share for every three (3) existing shares, and the Proposed Increase In Authorized Share Capital.
- The Proposed Establishment of Employees' Share Option Scheme and Proposed Private Placement.

The Bonus Issue has been completed in February 2002, and the Private Placement has been completed in April 2002, and the Employees' Share Option Scheme has been implemented in May 2002.

The utilization of the proceed of private placement is as follows :-

| | |
|------------------------------------|---------|
| | RM ,000 |
| Working capital | 7,173 |
| Expenses relating to the Proposals | 150 |
| | 7,323 |

PROSPECTS AND FUTURE OUTLOOK

The Group core business, being the engineering specialist in chilled water, heat and steam system and manufacturer of the industrial and residential valves and accessories for all industrial sectors, has been tested and challenged in the past (3) three decades. It is the dynamic change of business equilibrium that sustains and grows the Group business until today.

The Board of Directors has implemented the first (5) five years (2000 - 2005) business globalization plan two years ago. And this plan has taken off positively. The Group has established manufacturing facilities at China in addition to the existing manufacturing facilities in Malaysia. This is to create an effective and flexible source of production supply for the competitive world market. Simultaneously, the Group establishes various business networks, either through the Group's own incorporated business entity or venture with existing local network, in the various foreign markets namely Singapore, Philippine, Thailand, Indonesia, Vietnam, China, Hong Kong, Kuwait, Turkey, UAE, Chile, Peru and USA.

The existence of the Group business is fundamentally related to the emergence and development of the industries.

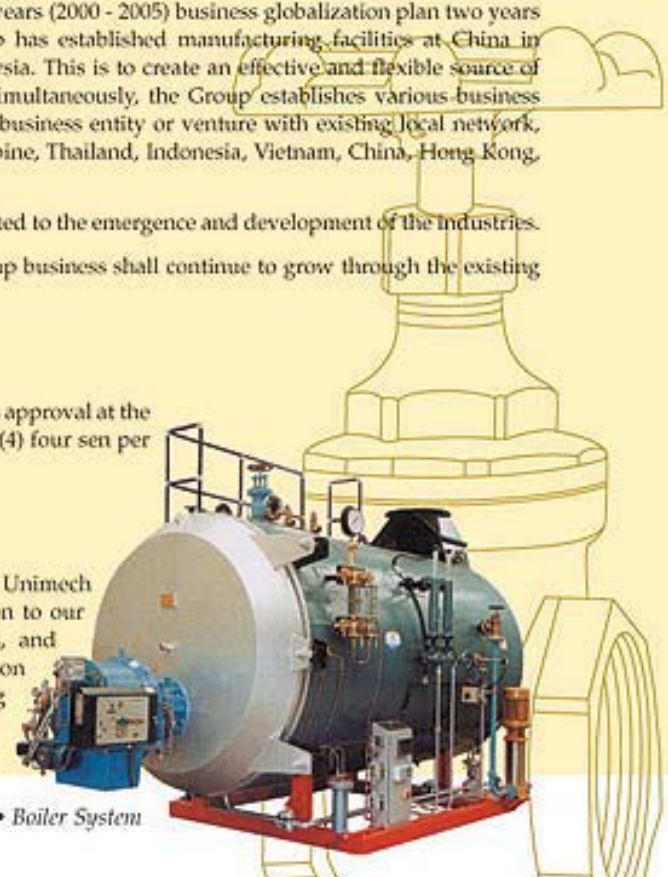
The Board of Directors confidently believes that the Group business shall continue to grow through the existing business strategy and global networking.

DIVIDEND

The Board of Directors has recommended for shareholders approval at the Annual General Meeting, a final tax-exempt dividend of (4) four sen per share for the financial year ended 31 December 2001.

ACKNOWLEDGMENT

On behalf of the Board of Directors and Management of Unimech Group Berhad, I wish to express my sincere appreciation to our shareholders, employees, business partners, customers, and various governmental authorities for their cooperation throughout the year and look forward to their continuing support for the year ahead.



• Boiler System

MEMBERS

| | | |
|---------------------------------|----------|--|
| Lee Yoke Khay | Chairman | Independent Non-Executive Director |
| Tan King Tai @ Tan Khoon Hai | Member | Independent Non-Executive Director |
| Siew Fook Kheong | Member | Deputy Managing Director/Group General Manager |

TERM OF REFERENCE

Objectives

The principal objective of the Audit Committee is to assist the Board of Directors in discharging its duties and responsibilities in the area of corporate governance and business, public accountability of the Company and its subsidiaries and associates.

Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference.

The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if deemed necessary.

Composition

The Audit Committee shall consist of at least three (3) members appointed by the Board from amongst the directors, comprising a majority of independent non-executive directors. The members of the Audit Committee shall select a chairman from amongst the independent non-executive directors. At least one member of the audit committee must be a member of the Malaysian Institute of Accountants or if he is not a member of Malaysian Institute of Accountants, he must have at least (3) three years working experience and he must have passed the examinations specified in the Part 1 of the 1st Schedule of the Accountants Act 1967 or he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967. No alternative director is appointed as a member of the audit committee.

Duties

The duties of the Committee shall be :-

- (a) To review the audit plan with external auditor
- (b) To evaluate the system of internal control with external auditor
- (c) To review the internal audit report with the external auditor
- (d) To review the assistance given by the employees to the external auditor
- (e) To review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work
- (f) To review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- (g) To review the quarterly results and year end financial statements, prior to the approval by the board of directors on :-
 - i. changes in or implementation of major accounting policy changes
 - ii. significant and unusual events; and
 - iii. compliance with accounting standards and other legal requirement

- (h) To review any related party transaction and conflict of interest situation that may arise within the group including any transaction, procedure or course of conduct that raises question of management integrity.
- (i) Review the appointment and performance of external auditors, the audit fee and any questions of resignation or dismissal before making recommendations to the Board.
- (j) Review procedures in place to ensure that the Group is in compliance with the Company's Act 1965, KLSE listing requirements and other legislative and reporting requirements.
- (k) Any other activities as authorised by the Board.

REPORTING PROCEDURES

The Executive Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

NUMBER OF MEETINGS

There are (4) four meetings conducted with full attendance from the members in the financial year 2001.

SUMMARY OF ACTIVITIES

During the year under review, the Committee undertook the following activities :-

1. Review the external auditors' scope of work and audit plan.
2. Review the result of the audit, the audit report and the management letter.
3. Review the quarterly and annual financial statements to ensure that they are in compliance with the requirement of the relevant authorities.
4. Setting of internal audit term,
5. Discuss on new ruling and issues from KLSE.
6. Discuss and plan on the internal audit assignment for Indonesian operations.
7. Discuss and plan for the new requirements on annual report.

INTERNAL AUDIT FUNCTION

The Committee is aware of the essential of an independent and adequately resource internal audit function for the effectiveness of the internal control system. In May 2001, an internal audit function was established for the purpose of maintaining a sound and effective system of internal control over the Group's business operation. The internal audit function will be conducted on group basis to ensure consistency of the application of policies and procedures.

The main roles of the function are as follows :-

1. Review, appraise and to ensure compliance with the Group's policies, guidelines, procedures and systems of internal control.
2. Evaluates the effectiveness of the internal control systems and to assess any potential risk arising from inadequate controls.
3. Highlight major weakness in control procedures to the Audit Committee and make recommendation for improvements.

The state of internal control of the Company as a group presently is in good order and under control with the existing control procedures and systems.

BOARD OF DIRECTORS

Composition and Balance

The Board of Directors ("Board") plays a key role in overseeing the conducts of the business and operations of the Group. As such, the Board is made up of professionals and experienced and hand-on business entrepreneur with diverse knowledge, skills and exposure.

The current board comprises of five (5) executive directors and five (5) independent non-executive directors. The role of executive directors are responsible for making and implementing operational decisions, and the independent non-executive directors play a key supporting role, contributing their knowledge and experience towards the formulation of policies and in the decision making process. The number of Directors in the Board reflects a fair representation of the shareholders' interest. This will ensure that issues of strategy, performance and resources are fully discussed taking into the consideration of long term interest of shareholders, employees, customers, and suppliers.

During the year under review, the Board has met (6) six times for the Group business and corporate matters.

All directors have undergone the Mandatory Accreditation Programme required under the KLSE's guidelines on training for Directors.

Supply of information

All directors are provided with written reports and supporting information prior to any discussion and meeting so that clarification or additional information can be sought if necessary.

The Board is given unrestricted access to all staff for any information pertaining to the company's affairs. Directors also have access to the advice and services of the Company Secretary and in addition, may seek independent advice if needed.

Board Committee

The Board is assisted by the Audit Committee. The Board plans to set up a Nomination Committee comprising a majority of Independent Non-Executive Directors.

The Nomination Committee will be responsible for making recommendation on any director appointment to the Board.

Re-election

Pursuant to the provisions of the Articles of Association of the Company, the members of the Board (with the exception of the Managing Director) are required to retire and to offer themselves for re-election every year. In line with the new listing requirement from Kuala Lumpur Stock Exchange, the Articles of Association has been amended to ensure that all directors shall be subject to retirement and re-election at least once every (3) three years.

Directors Remuneration

The Board plans to set up a Remuneration Committee comprising a majority of independent Non-Executive Directors.

The Remuneration Committee will be responsible for drawing up the policy framework and making recommendation to the Board on remuneration package and benefits for the Executive Directors. The remuneration package of the Non Executive Director will be decided by the Board, with the concerned directors be abstained from deliberation and voting on decision.

The annual Director fees are approved by the shareholders at the Annual General Meeting. The Company pays meeting allowance to directors who attend the board meeting.

The remuneration of directors for the financial year ended 31 December 2001 is as follows :-

| Group | Salary | Allowance | Fee | Bonus | Commission | Total |
|---------------|--------|-----------|--------|-------|------------|--------|
| Executive | - | 30,000 | 30,000 | - | - | 60,000 |
| Non-executive | - | 6,000 | 30,000 | - | - | 36,000 |
| Total | - | 36,000 | 60,000 | - | - | 96,000 |

Subsidiary

| | | | | | | |
|---------------|-----------|---------|---|--------|---------|-----------|
| Executive | 1,433,799 | 104,610 | - | 81,715 | 942,503 | 2,562,627 |
| Non-executive | - | - | - | - | - | - |
| Total | 1,433,799 | 104,610 | - | 81,715 | 942,503 | 2,562,627 |

| RM | Executive | Non-executive |
|--------------------------------|-----------|---------------|
| Less than RM 50,000 | 13 | 4 |
| Between RM 50,000 to RM100,000 | 6 | - |
| Between RM100,000 to RM150,000 | 6 | - |
| Between RM150,000 to RM200,000 | - | - |
| Between RM200,000 to RM250,000 | 1 | - |
| Between RM250,000 to RM300,000 | 1 | - |
| Between RM300,000 to RM350,000 | 1 | - |
| Between RM350,000 to RM400,000 | 1 | - |
| Total | 29 | 4 |

SHAREHOLDERS

Relationship with Shareholders and Investors

The Group recognizes the importance of a good relationship with shareholders and investors. As such, the Group always keep them update through one or a combination of the following medium :-

- Publication and distribution of Annual Report, containing facts, figures, statutory reports and disclosures.
- Publication and distribution of circulars to shareholders.
- Issuing of press release and announcement to the KLSE and national newspaper.
- Holding dialogue conference with analyst and press representative.
- Responding to enquires in a timely manner.

The company has also developed a comprehensive website namely www.unimech.com.my and periodically update it with the latest development for the information of shareholders, investors and any others who are interested in the Group information.

Annual General Meeting

Notice of the AGM and Annual Report are sent out to shareholders at least 21 days before the date of meeting.

The Company encourages the shareholders to attend the AGM as it serves an important platform for shareholders to meet and exchange views with the Board members. At each AGM, the Board allocates a question and answer session for the shareholders. And all question shall be responded by the Board members.

In the re-election of Directors, the Board will ensure that full information is disclosed through the Notice of Meeting.

Each item of special business included in the Notice of Meeting will be accompanied by a full explanation of the effect of the proposed resolution. This is to facilitate a better understanding and evaluation of the issues involved.

ACCOUNTABILITY AND AUDIT FUNCTION

The Group's financial reporting in the form of quarterly and annual financial statements represents a balanced and understandable assessment of the Group's position and prospects. The Audit Committee of the Board also plays an important role in ensuring that the information disclosed is accurate and adequate.

The Board maintains a transparent and formal relationship with the Group's external auditors through the Audit Committee. There is no non-audit fees paid to external auditor for the financial year 2001. There is no material contract of the company and subsidiaries involving directors and substantial shareholders for the financial year 2000 and 2001.

The Group maintains system of internal control in each subsidiary and each subsidiary operational management is responsible for its assessment and evaluation of any significant risk. The subsidiary directors are responsible to the Group's board of directors for effective risk monitoring and controls.



Statement Of Directors' Responsibilities In Relation To Financial Statement

UNIMECH GROUP BERHAD
2001 ANNUAL REPORT

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the financial year and of the income statement and cash flows of the Company and the Group for the financial year.

The Directors consider that, in preparing the financial statements of the Company and Group for the year ended 31 December 2001, the Company have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors have also considered that all applicable accounting standards have been followed and confirm that the financial statements have been prepared on the going concern basis.

The Directors are responsible for ensuring that the Company maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Company and Group to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1965.

The Directors have also a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent, detect fraud and other irregularities.

| | | |
|----------------------------|---|---|
| Authorised Share Capital | : | RM100,000,000.00 |
| Issued and Paid-up Capital | : | RM54,666,667.00 |
| Class of Shares | : | Ordinary Shares of RM1-00 each fully paid |
| No. of Shareholders | : | 2,751 |
| Voting Right | : | One Vote per ordinary share |

DISTRIBUTION OF SHAREHOLDINGS

| Range of Shareholdings | No. of Shareholders | No. of Shares | % of Issued Share Capital |
|------------------------|---------------------|-------------------|---------------------------|
| Less than 1,000 | 52 | 20,549 | 0.04 |
| 1,000 - 10,000 | 2,414 | 6,814,056 | 12.46 |
| 10,001 - 100,000 | 239 | 5,875,637 | 10.74 |
| 100,001 - 2,733,332 | 43 | 20,911,175 | 38.26 |
| 2,733,333 - 54,666,667 | 3 | 21,045,250 | 38.50 |
| Total | 2,751 | 54,666,667 | 100.00 |

THIRTY LARGEST SHAREHOLDERS

| Name | No. of Shares | % of Issued Share Capital |
|--|---------------|---------------------------|
| 1 Dato' Lim Cheah Chooi | 18,246,583 | 33.38 |
| 2 Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Cheah Chooi (100266) | 2,798,667 | 5.12 |
| 3 Ngoi Foo Sing | 2,274,279 | 4.16 |
| 4 Abdul Rafique Bin Abdul Karim | 1,897,334 | 3.47 |
| 5 Lim Kim Guan | 1,883,375 | 3.45 |
| 6 Select Assets Sdn. Bhd. | 1,600,000 | 2.93 |
| 7 Cimsec Nominees (Tempatan) Sdn. Bhd. Eon Finance Berhad for Ngoi Foo Sing | 1,310,000 | 2.40 |
| 8 Perbadanan Kemajuan Negeri Negeri Sembilan | 1,066,667 | 1.95 |
| 9 HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Kim Guan (MEMO) | 1,060,000 | 1.94 |
| 10 HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ngoi Foo Sing (MEMO) | 1,052,000 | 1.92 |
| 11 HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Han Mun Kuan (MEMO) | 849,333 | 1.55 |
| 12 Mayfin Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Kim Guan(PNGS) | 730,000 | 1.34 |
| 13 Wong Kam Hoong | 553,333 | 1.01 |
| 14 Dato' Lim Cheah Chooi | 545,333 | 1.00 |
| 15 Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Kim Guan (472673) | 533,334 | 0.98 |
| 16 Koh Boon Kheng | 393,333 | 0.72 |
| 17 Shamsudin @ Samad Bin Kassim | 373,333 | 0.68 |
| 18 Kamal Mohamed Hashim Bin Che Din | 333,333 | 0.61 |
| 19 Ong Hock Hin | 308,000 | 0.56 |
| 20 Sim Kim Heoh | 274,667 | 0.50 |

| Name | No. of Shares | % of Issued Share Capital |
|---|---------------|---------------------------|
| 21 Lim Kim Guan | 266,777 | 0.49 |
| 22 Mayfin Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Siew Fook Kheong (PNGS) | 262,000 | 0.48 |
| 23 Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Yee Hean (472642) | 250,333 | 0.46 |
| 24 Ang Teng Wee | 236,072 | 0.43 |
| 25 Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Siew Fook Kheong (472626) | 217,334 | 0.40 |
| 26 Toh Seng Huat | 214,299 | 0.39 |
| 27 Angie Ooi Min Huey | 202,000 | 0.37 |
| 28 Tsang Ying Kham | 196,000 | 0.36 |
| 29 Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tham Chong Lay (472638) | 177,334 | 0.32 |
| 30 Law Gim See | 174,347 | 0.32 |

SUBSTANTIAL SHAREHOLDERS

| Name | No. of Shares Held of RM1.00 each | | | |
|-------------------------|-----------------------------------|-------|-----------------|---|
| | Direct Interest | % | Deemed Interest | % |
| 1 Dato' Lim Cheah Chooi | 21,609,250 | 39.53 | - | - |
| 2 Ngoi Foo Sing | 4,636,279 | 8.48 | - | - |
| 3 Lim Kim Guan | 4,476,153 | 8.19 | - | - |

DIRECTORS' INTEREST IN THE SHARE CAPITAL

| Name of Director | Direct Interest | % | Deemed Interest | % | No. of Unexercised Options |
|-------------------------------------|-----------------|-------|-----------------|---|----------------------------|
| Dato' Lim Cheah Chooi | 21,609,250* | 39.53 | - | - | 500,000 |
| Dato' Kamal Mohd Hashim bin Che Din | 333,333 | 0.61 | - | - | - |
| Siew Fook Kheong | 480,386* | 0.88 | - | - | 450,000 |
| Lim Kim Guan | 4,476,153* | 8.19 | - | - | 450,000 |
| Ngoi Foo Sing | 4,636,279* | 8.48 | - | - | 450,000 |
| Han Mun Kuan | 850,249* | 1.56 | - | - | 450,000 |
| Abdul Rafique bin Abdul Karim | 1,897,334 | 3.47 | - | - | - |
| Norman bin Abdul Rahman | 13,333 | 0.02 | - | - | - |
| Lee Yoke Khay | 13,333 | 0.02 | - | - | - |
| Tan King Tai @ Tan Khoon Hai | 49,492* | 0.09 | - | - | - |

* Certain shares are held through nominee companies

By virtue of his interest of more than 15% in the shares of the Company, Dato' Lim Cheah Chooi is also deemed to have interest in the shares of all its subsidiary companies to the extent the Company has an interest.

Note:

The Record of Depositors dated 23 April 2002 does not reflect the Private Placement of 5,465,000 new ordinary shares of RM1-00 each in the capital of Unimech Group Berhad which was allotted on 15 April 2002 and has been granted for listing and quotation on KLSE with effect from 26 April 2002.

DETAIL OF THE LANDED PROPERTIES OF THE UGB GROUP ARE SET OUT BELOW:

| Registered/ Beneficial Owner | Location | Description/ Existing use | Tenure/ (Approximate age of building) Year | Approximate land area/ (Build up area) sq.m. | Audited net book value as at 31.12.2001 RM | Audited net book value as at 31.12.2000 RM |
|------------------------------------|---|--|---|---|---|---|
| UME(M) | H.S (D) No. 435, Section 4, Butterworth, Province Wellesley, Penang. (V/BW/HAI/99) | Shophouse/ rented out | Freehold/ (19 years) | 186/ (371) | 319,794 | 323,197 |
| UME(M) | Lot Nos. 3075, 3076 and 3167, Section 4, Butterworth, Province Wellesley North, Penang. (V/BW/HAS/99) | Office and warehouse | Freehold/ (5 years) | 881/ (1,711) | 2,296,180 | 2,298,003 |
| UME(M) | Lot 3078, Section 4, Butterworth, Province Wellesley North, Penang. (V/BW/HAO/99) | Open storage area | Freehold/ (Not Applicable) | 766 | 620,000 | 620,000 |
| UME(M) | No. 598-15-A Menara Asa, Jalan Tanjung Bungah, 11200 Penang. (V/PG/9231) | Apartment/ residential/ rented out | Freehold/ (1 year) | (101) | 188,000 | 192,000 |
| UME(M) | Parcel No S-23-F, level 23, Menara Northern, Lot No. 313, 314, 417 & 418, Section 13, Georgetown, Penang. Grant No. 18239, 5375, 6551 & 5996 | Shoplot/ vacant | Freehold (2 years) | (57) | 152,087 | 155,323 |
| UME(M) | Phase 1A bearing address B-4-4, Taman Desa Relau, (Villa Condominium), Lebuh Relau 2, 11900 Relau, Penang. | Apartment/ rented out | Freehold (7 years) | (65) | 129,629 | 132,329 |
| UME(M) | No.G-09, Block A, Lorong Cantik 10, Taman Gemilang, Butterworth. | Apartment/ rented out | Freehold (6 years) | (65) | 79,200 | 80,850 |
| UME(M) | H.S (D). No. 1204, No P.T. Lot 3574, Sec 4, Butterworth with No. 56, Lengkok Kapal, 12100 Butterworth. | Shophouse/ warehouse | Freehold (2 years) | 147/ (194) | 351,620 | 352,726 |

| Registered/ Beneficial Owner | Location | Description/ Existing use | Tenure/ (Approximate age of building) Year | Approximate land area/ (Build up area) sq.m. | Audited net book value as at 31.12.2001 RM | Audited net book value as at 31.12.2000 RM |
|------------------------------------|---|--|--|---|---|---|
| UME(M) | Lot No. 3575, Sec 4, Butterworth with No. 54, Lengkok Kapal, 12100 Butterworth. | Shophouse/ warehouse | Freehold (2 years) | 173/ (229) | 331,581 | 332,537 |
| UME(M) | 898, Jalan Sultan Badlishah, 05000 Alor Setar, Kedah Darul Aman. | Shophouse/ rented out | 60 years lease expiring in January 2031 (28 years) | 160/ (320) | 404,644 | 418,132 |
| UMW(KL) | No. 11A, Jalan PJS 11/4, Bandar Sunway, Petaling Jaya. (V/B04-99/0302) | 1 1/2 storey light industrial factory | 99 years lease expiring in December 2096 (5 years) | 221/ (331) | 496,439 | 504,293 |
| UME(KL) | No. 4, Jalan PJS 7/17, Bandar Sunway, Petaling Jaya. (V/B04-99/0304) | 1 1/2 storey light industrial terrace factory | 99 years lease expiring in April 2093 (6 years) | 185/ (260) | 401,007 | 407,328 |
| UME(KL) | H.S (D) HBM 23, Mukim 1, Province Wellesley Central, Penang. (V/BW/HH/99) | 1 1/2 semi- detached factory | 60 years lease expiring in September 2045 (14 years) | 1,677/ (1,778) | 803,913 | 822,609 |
| UME(JB) | Lot PTD 48292, Mukim Plentong, Johor Bahru, Johor. (HBJB/99/126/PLT/TCY/sfa) | An intermediate unit of 1 1/2 storey terrace workshop | Freehold/ (5 years) | 446/ (476) | 523,200 | 528,800 |
| AVSB | H.S (D) No. 2843, P.T. 1571, Mukim 1, Province Wellesley Central, Penang. (V/BW/HAR/99) | Factory | 60 years lease expiring in July 2046 (7 years) | 4,047/ (1,989) | 1,924,001 | 1,966,001 |
| AFSB | H.S (D) No. 718, P.T. 610, Mukim 6, Province Wellesley Central, Penang. (V/BW/HDY/99) | 1 1/2 storey terrace light Industrial factory | Freehold/ (3 years) | 374/ (270) | 321,960 | 324,640 |
| AESB | No. 9, Jalan JPJ 7, Taman Perindustrian Jaya, 47200 Subang Jaya, Selangor. | Shophouse | Freehold/ (1 year) | (267) | 381,371 | 386,525 |

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the Company will be held at Perdana Room 1 & 2-Level 3, Cititel-Penang, No. 66, Jalan Penang, 10000 Penang on Monday, 10 June 2002 at 11.30 a.m.

A G E N D A

- 1 To receive and adopt the Directors' Report, Audited Financial Statements and the Auditors' Report for the year ended 31 December 2001. **Resolution 1**
- 2 To approve the payment of a first and final tax exempt dividend of 4% for the year ended 31 December 2001. **Resolution 2**
- 3 To approve the payment of Directors' fees. **Resolution 3**
- 4 To approve the payment of Director's Remuneration to a non-executive director. **Resolution 4**
- 5 To re-elect the following Directors retiring in accordance with Article 76 of the Company's Articles of Association :-
 - i. Dato' Lim Cheah Chooi **Resolution 5**
 - ii. Dato' Kamal Mohd Hashim Bin Che Din **Resolution 6**
 - iii. Lim Kim Guan **Resolution 7**
- 6 To re-appoint Messrs. Wong Liu & Partners as Auditors and to authorise the Directors to fix their remuneration. **Resolution 8**
- 7 As Special Business
To consider, and if thought fit, pass with or without modification the following Ordinary Resolution :-

Authority to issue shares pursuant to Section 132D of the Companies Act 1965

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and THAT the Directors be and are also empowered to obtain 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."

Resolution 9
- 8 To transact any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Fifth Annual General Meeting, the first and final tax exempt dividend of 4% in respect of the financial year ended 31 December 2001 will be paid on 15 August 2002 to depositors registered in the Record of Depositors on 18 July 2002.

A depositor shall qualify for the entitlement only in respect of :-

- a) Shares transferred into the depositor's securities account before 12.30 p.m. on 18 July 2002 in respect of ordinary transfers; and
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

GOH SIEW SIEW MAICSA7012512
KELSOM BEE BINTI ALI LS 03815
Secretaries

Date: 17 May 2002

NOTES :-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy may but need not be a member of the Company and if the proxy is not a member of the Company, the proxy shall be an advocate or an approved company auditor or a person approved by the Registrar of Companies.
2. The Form of Proxy must be deposited at the Company's Registered Office at Wisma Unimech, 4934, Jalan Chain Ferry, 12100 Butterworth not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
3. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meetings. Where a member appoints more than one proxy (subject always to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution pursuant to Section 132D of the Companies Act, 1965

Subject to the exceptions provided in the aforesaid section of the Companies Act, 1965, the Directors would have to call for a General Meeting to approve the issue of new shares even though the number involved is less than 10% of the issued capital.

In order to avoid any delay and cost involved in convening a General Meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now authorized to issue new shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.