



ANNUAL REPORT **2002**



UNIMECH GROUP BERHAD
(Company No : 407589-X)

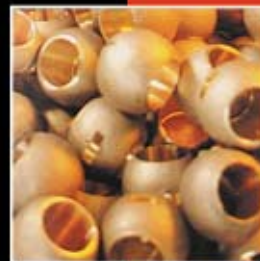
Corporate Mission

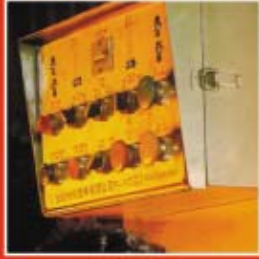
Corporate Mission

To be the leading manufacturer and engineering specialist in Valves and Pipe Fittings and accessories in Asia Pacific.

To strive for business excellence through a dedicated, loyal, motivated, efficient and effective professional workforce.

To be a responsible corporate group contributing positively towards the development of the Malaysia economy.





annual report 2002



UNIMECH GROUP BERHAD
(Company No : 407596-X)

WISMA UNIMECH

4934, Jalan Chain Ferry

12100 Butterworth,

Penang, Malaysia

Tel : 604-332 8823 (7 Lines)

Fax : 604-332 5491, 332 5176

E-mail : sales@unimech.po.my

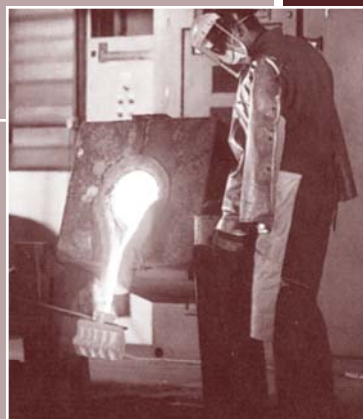
Website : www.unimech.com.my

www.unimechgroup.com

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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of the Company will be held at Balau Room (Level 2), Sunway Hotel Seberang Jaya, No. 11, Lebuh Tenggara Dua, Pusat Bandar Seberang Jaya, Seberang Jaya, 13700 Prai, Penang on Tuesday, 10 June 2003 at 11:30 a.m.

AGENDA

1. To receive and adopt the Directors' Report, Audited Financial Statements and the Auditors' Report for the year ended 31 December 2002. **Resolution 1**
2. To approve the payment of a first and final dividend of 4.2 sen per share less 28% income tax and a tax exempt dividend of 1 sen per share for the year ended 31 December 2002. **Resolution 2**
3. To increase the aggregate Directors' fees to RM80,000.00 for the year ended 31 December 2002. **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. Siew Fook Kheong **Resolution 5**
 - ii. Ngoi Foo Sing **Resolution 6**
 - iii. Han Mun Kuan **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 Sixth Annual General Meeting, a first and final dividend of 4.2 sen per share less 28% income tax and a tax exempt dividend of 1 sen per share in respect of the financial year ended 31 December 2002 will be paid on 3 July 2003 to depositors registered in the Record of Depositors on 17 June 2003.

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

- a. Shares transferred into the depositor's securities account before 4.00 p.m. on 17 June 2003 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 MAICSA 7012512
KELSOM BEE BINTI ALI LS 03815
Secretaries

Date: 19 May 2003

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 (always subject 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.

Statement Accompanying Notice Of Annual General Meeting

1. Directors who are standing for election or re-election at the 6th Annual General Meeting of the Company are:-
 - i. Siew Fook Kheong, attended all four (4) Board Meetings.
 - ii. Ngoi Foo Sing, attended all four (4) Board Meetings.
 - iii. Han Mun Kuan, attended all four (4) Board Meetings.
2. The 6th Annual General Meeting of the Company will be held at Balau Room (Level 2), Sunway Hotel Seberang Jaya, No. 11, Lebuhr Tenggiri Dua, Pusat Bandar Seberang Jaya, Seberang Jaya, 13700 Prai, Penang on Tuesday, 10 June 2003 at 11:30 a.m.
3. Profiles of the Directors standing for election:-

Name	Siew Fook Kheong	Ngoi Foo Sing	Han Muun Kuan
Age	42	54	50
Nationality	Malaysian	Malaysian	Malaysian
Qualification	Professional	High School	High School
Board Position	Deputy Managing Director/ General Manager	Executive Director	Executive Director
Working experience	20 years	26 years	21 years
Occupation	Company Director	Company Director	Company Director
Other Directorship of public company	None	None	None
Securities holdings In the Company and Its subsidiaries (as at 15 April 2003)	282,386	4,616,279	850,249
Family relationship With any Director and /or major shareholder of the company	None	None	None
List of convictions for Offences within the past 10 years other than traffic offences (if any)	None	None	None

BOARD OF DIRECTORS

Dato' Lim Cheah Chooi, Executive Chairman and Managing Director
Dato' Kamal Mohd Hashim bin Che Din, Deputy Chairman,
Independent Non-Executive Director
Siew Fook Kheong, Deputy Managing Director and Group General Manager
Lim Kim Guan, Deputy Managing Director
Ngoi Foo Sing, Executive Director
Han Mun Kuan, Executive Director
Abdul Rafique bin Abdul Karim, Independent Non-Executive Director
Lee Yoke Khay, Independent Non-Executive Director
Dato' Tan King Tai @ Tan Khoon Hai, Independent Non-Executive Director
Norman bin Abdul Rahman, Independent Non-Executive Director

REGISTERED OFFICE

Wisma Unimech,
4934, Jalan Chain Ferry, 12100 Butterworth
Tel: 04 3328823 (8 lines) Fax: 04 3325491
e-mail : sales@unimech.po.my website : www.unimech.com.my

REGISTRAR

Plantation Agencies Sdn Berhad
Standard Chartered Bank Chambers
Lebuh Pantai, 10300 Pulau Pinang
Tel: 04 2625333 Fax: 04 2622018

COMPANY SECRETARIES

Goh Siew Siew (MAICSA 7012512)
Kelsom Bee Bt Ali (LS 03815)

PRINCIPAL BANKERS

Hong Leong Bank Berhad
United Overseas Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad

SOLICITOR

Teh & Lee

AUDITOR

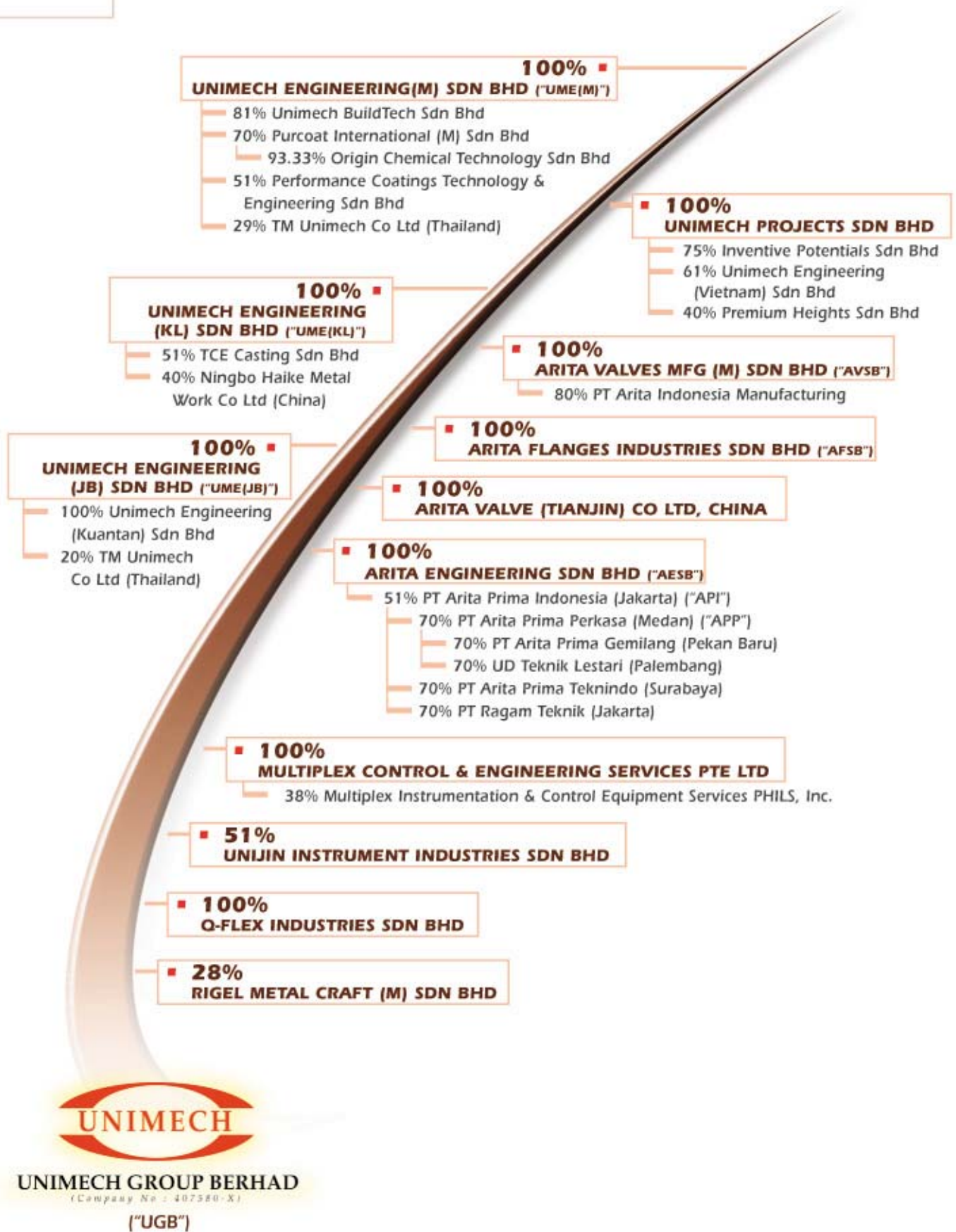
Wong Liu & Partners

STOCK EXCHANGE LISTING

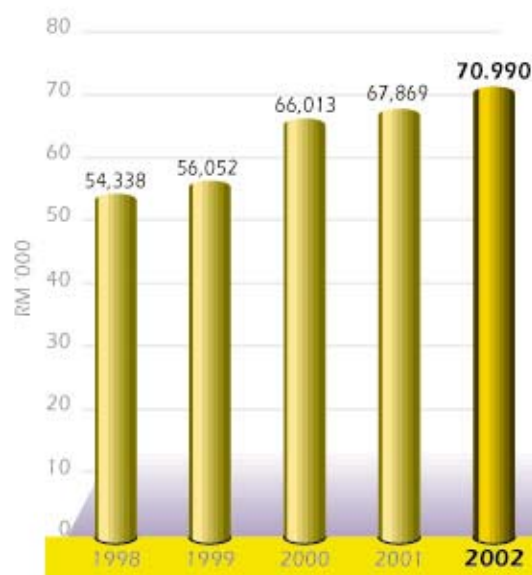
Kuala Lumpur Stock Exchange - Second Board



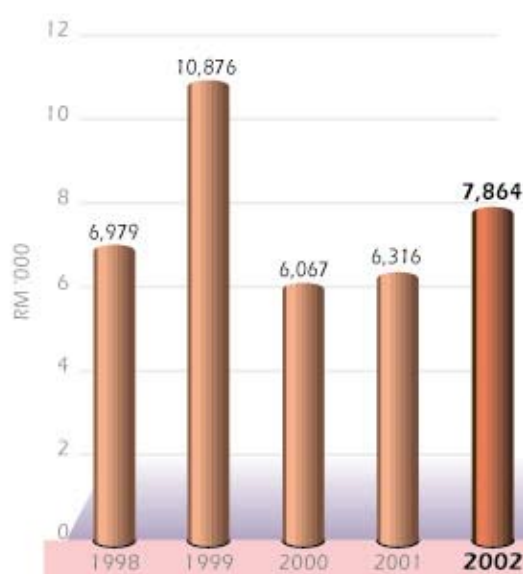
Corporate Structure



	1998 RM ' 000	1999 RM ' 000	2000 RM ' 000	2001 RM ' 000	2002 RM ' 000
Turnover	54,338	56,052	66,013	67,869	70,990
Profit before taxation and exceptional items	9,604	10,936	10,934	8,716	10,995
Exceptional items	228	118	(703)	(213)	-
Profit before taxation after exceptional items	9,832	11,054	10,231	8,503	10,995
Taxation	(2,930)	(66)	(3,962)	(1,991)	(2,896)
Profit after taxation	6,902	10,988	6,269	6,512	8,099
Minority interests	77	(112)	(202)	(196)	(235)
Profit after taxation and minority interests	6,979	10,876	6,067	6,316	7,864
No. of ordinary shares assumed in issued (' 000)	31,364	31,364	34,598	41,000	60,312
Gross earning per share (*Gross EPS*) (sen)	31.59	35.24	29.57	20.74	18.23
Net earning per share (*Net EPS*) (sen)	22.25	34.68	17.54	15.41	13.04



TURNOVER



PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS