

LAPORAN
TAHUNAN
2000
ANNUAL
REPORT



HARVEST COURT
INDUSTRIES BERHAD

(Company No. 36998-T)



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of the Company will be held at the **Crystal 2 (1st Floor), Crystal Crown Hotel Harbour View, 217, Persiaran Raja Muda Musa, 42000 Port Klang on Thursday, 31st May 2001 at 9.30 a.m.** to transact the following business :

1. To receive and adopt the Statement of Accounts for the year ended 31st December 2000 together with the Reports of Directors and Auditors thereon. **Resolution 1**
2. To consider, and if thought fit, to pass the following resolution:-
"That Mr. Ng Chuan Seng @ Ng Teck Huat, who has attained the age of seventy years, and retiring in accordance with Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company pursuant to Sub-section(6) of the same section of the Companies Act, 1965, to hold office until the conclusion of the next Annual General Meeting". **Resolution 2**
3. To re-elect Mr. Yet. Kiong Siang who retires in accordance with the Company's Articles of Association, and being eligible offers himself for re-election. **Resolution 3**
4. To approve the payment of Directors' fees for the year ended 31st December 2000. **Resolution 4**
5. To re-appoint Messrs K.C. Chia & Noor as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following Ordinary Resolutions :-

ORDINARY RESOLUTION I

AUTHORITY TO ISSUE SHARES BY DIRECTORS PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

- 6.1 "THAT subject to the Companies Act, 1965 and the approval of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue shares of the Company from time to time upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution shall not exceed 10% of the issued capital for the time being and such authority shall continue in force until the conclusion of the next annual general meeting of the Company". **Resolution 6**

ORDINARY RESOLUTION II

AUTHORITY TO ALLOT SHARES PURSUANT TO THE EMPLOYEES' SHARE OPTION SCHEME

- 6.2 "THAT pursuant to the Company's Employees Share Option Scheme (the "Scheme") as approved at the Extraordinary General Meeting of the Company held on 23rd June 2000, the Directors of the Company be and are hereby authorised in accordance with Section 132D of the Companies Act, 1965 to allot and issue shares of the Company from time to time in accordance with the Scheme. **Resolution 7**
7. To transact any other business of the Company of which due notice shall have been given.



Explanatory Notes To Special Business

- a) The Ordinary Resolution proposed under item 6.1, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as they may deem fit from the date of this Annual General Meeting till the next Annual General Meeting of the Company and also to avoid any delay and costs incurred in convening a general meeting.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

- b) The Ordinary Resolution proposed under item 6.2, if passed, will empower the Directors of the Company to issue and allot shares to those employees who have exercised their option under the Employees' Share Option Scheme.

By Order Of The Board

AARON KWAN KIEN FAI
HU SIEW POH
SECRETARIES

Klang
16th May 2001

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A member shall not be entitled to appoint a person who is not a member as his proxy unless that person is a qualified legal practitioner or an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
2. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation, executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
3. The proxy form must be deposited at the Company's Registered Office at 111, Pusat Perniagaan NBC, Jalan Meru, 41050 Klang, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.



CORPORATE INFORMATION

DIRECTORS	:	NG CHUAN SENG @ NG TECK HUAT NG SWEE KIAT NG AI CHENG NG SWEE KEONG YET KIONG SIANG SUKHINDERJIT SINGH MUKER	(Executive Chairman) (Managing Director) (Executive Director) (Executive Director) (Independent non-executive Director) (Independent non-executive Director)
SECRETARIES	:	AARON KWAN KIEN FAI (MIA 13376) HU SIEW POH (MAICSA 7017313)	
REGISTERED OFFICE	:	NO. 111, PUSAT PERNIAGAAN NBC, JALAN MERU, 41050 KLANG, SELANGOR DARUL EHSAN. TEL. : 03-33451150 FAX. : 03-33451151/2	
REGISTRAR	:	MALAYSIAN SHARE REGISTRATION SERVICES SDN. BHD. 7 TH FLOOR, EXCHANGE SQUARE, BUKIT KEWANGAN, 50200 KUALA LUMPUR. TEL.: 03-2068099 FAX.: 03-2063736	
PRINCIPAL BANKERS	:	AFFIN BANK BERHAD ALLIANCE MERCHANT BANK BERHAD AARAB-MALAYSIAN BANK BERHAD BANK UTAMA (MALAYSIA) BERHAD DEUTSCHE BANK (MALAYSIA) BERHAD MALAYAN BANKING BERHAD OVERSEAS UNION BANK (M) BERHAD PUBLIC BANK BERHAD RHB BANK BERHAD SOUTHERN BANK BERHAD UTAMA MERCHANT BANK BERHAD	
AUDITORS	:	K. C. CHIA & NOOR PUBLIC ACCOUNTANTS	
STOCK EXCHANGE LISTING	:	THE KUALA LUMPUR STOCK EXCHANGE SECOND BOARD	



EXECUTIVE CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of Harvest Court Industries Berhad ("HCIB") and its subsidiaries for the financial year ended 31 December 2000.

FINANCIAL PERFORMANCE

On the whole, the current year's performance of the Group has been improved significantly at pre-tax profit of RM2.1 million compared to pre-tax loss of RM14.2 million in 1999 despite a slight decrease in turnover compared with the previous year.

This encouraging performance is due mainly to a paradigm shift in emphasis on higher margin products, increase in productivity, stringent cost controls and a reversal to exceptional gain of RM0.6 million from the exceptional losses of RM12.0 million in previous year.

OPERATIONAL REVIEW

I am pleased to report that despite the economic slow-down in the region, the wood-based manufacturing activities remains the major contributor to the Group's turnover and earnings. Currently, the Group is operating at its optimum capacity to meet with the increasing and diverse overseas demands.

To further expand the market, the Group has adopted aggressive marketing strategies to capture new market destinations by actively participating in overseas trade fairs and exhibitions, circuiting marketing team to establish contacts and to disseminate the Group's overview brochure to potential customers. Such efforts have been proven successful as evidenced by the new customers secured in China, Middle East and Eastern Europe.

The Group also realised the advancement in information and communication technology has accelerated the pace of doing business. Towards this end, the Group has invested in upgrading the existing computer systems and providing continuous staff training in order to remain competitive.

PROSPECTS

With the strong demand from the overseas market and pro-active measures such as carrying out research and development on product design and production process, cost reduction by improving productivity and maximising waste recovery and establishing direct-contact with the end-users bypassing the intermediate agents, the Group's performance for the financial year ending 31 December 2001 is expected to improve favourably.

APPRECIATION

On behalf of the Board of Directors, I wish to whole-heartedly express my gratitude to all the management and staff for their dedication and support in assisting the Group to move forward. I would also like to thank my fellow directors for their counsel and services rendered for the year.

Lastly, I would like to extend my warmest gratitude to our shareholders, valued customers, bankers, business associates, suppliers and government authorities for their confidence and continuous support to the Group.

On behalf of the Board

IN GOD WE TRUST

NG CHUAN SENG @ NG TECK HUAT
Executive Chairman

KLANG
24TH APRIL 2001



AUDIT COMMITTEE

TERMS OF REFERENCE

COMPOSITION

The Audit Committee shall be appointed by the Board from amongst their members and shall consist of not less than three (3) members, of whom a majority shall not be:

- i) Executive Directors of the Company or any related corporation;
- ii) A spouse, parent, brother, sister, son or adopted son or daughter or adopted daughter of an Executive Director of the Company or of any related corporation; or
- iii) Any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of the Committee.

The members of the Audit Committee shall elect a Chairman from amongst their number who is not an Executive Director or employee of the Company or any related corporation.

If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of the members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

AUTHORITY

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is also authorised 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 it considers this necessary.

DUTIES

The duties of the Committee shall be:

- i) To consider the appointment of the External Auditors, the Audit fee, and any question of resignation or dismissal.
- ii) To discuss with the External Auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.
- iii) To review the quarterly and annual financial statements before submission to the Board, focusing particularly on:
 - any changes in accounting policies and practices
 - major judgemental areas
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with stock exchange and legal requirements



AUDIT COMMITTEE

DUTIES (CONT'D)

- iv) To review any related party transactions that may arise within the Group.
- v) To review with the External Auditors.
 - their Audit reports
 - their evaluation of the system of internal control procedures
 - the assistance given to the External Auditors by the officers of the Company or any related corporation.
- vi) To discuss problems and reservations arising from the interim and final audits, and any matters the Auditors may wish to discuss (in the absence of Executive Directors where necessary).
- vii) To review the Internal Audit programme, consider the major findings of Internal Audit investigations and management's responses, and ensure co-ordination between the Internal and External Auditors.
- viii) To keep under review the effectiveness of internal control systems, and in particular review the External Auditors' management letters and management's responses.
- ix) To consider other topics, such as health and safety issues etc as may be agreed to by the Committee of the Board of Directors.

PROCEDURES

The Audit Committee may regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

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

ATTENDANCE AT MEETINGS

A quorum of the Audit Committee shall be two (2) members.

The Head of Finance and the Head of Internal Audit shall normally attend meetings of the Committee. The External Auditors shall have the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee.

The Company Secretary shall be the Secretary of the Committee.

FREQUENCY OF MEETINGS

Meetings shall be held not less than three (3) times a year. The External Auditors may request a meeting if they consider that one is necessary, to consider any matter the External Auditors wish to bring to the attention of the directors or shareholders of the Company.



DIRECTORS' REPORT

The directors hereby submit their report together with the audited accounts of the Group and of the Company for the financial year ended 31 December, 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holdings and acting as managing and marketing agents for and providing management services to its subsidiaries.

The principal activities of the subsidiaries are described in Note 14 to the accounts.

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

RESULTS

	<u>Group</u>	<u>Company</u>
	RM	RM
Net profit/(loss) for the year	1,386,704	(467,270)

DIVIDENDS

No dividends were paid or declared or recommended to be paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require any amount to be written off as bad debts or render the amount of provision for doubtful debts in the accounts of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the accounts of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other persons; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 or of the Company to meet their obligations when they fall due.



DIRECTORS' REPORT

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the accounts of the Group or of the Company which would render any amount stated in the accounts misleading.

ITEMS OF AN UNUSUAL NATURE

Except for exceptional items as disclosed in Note 24 to the accounts, the results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

CORPORATE EXERCISE

On 15 March 2000, the Company obtained the approval from the Securities Commission for the following Corporate Exercise:

- (a) a Private Placement of 1,980,000 new ordinary shares of RM1 each at a price to be determined on a later date;
- (b) allocation for the Employees' Share Option Scheme ("ESOS") for the Directors and eligible Employees involving an issue of up to a maximum of 10% of the issued and paid-up share capital of the Company for a duration of five years; and
- (c) listing and quotation of the new ordinary shares to be issued pursuant to the Private Placement and ESOS on the Kuala Lumpur Stock Exchange.

The proceeds will be utilized to partially repay the Group's existing bank borrowings and for working capital purposes.

The Private Placement expired on 15 September, 2000 was further extended till 15 June, 2001.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 23 June, 2000 and became effective on 15 July, 2000.

The main features of the ESOS are as follows:

- (a) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Option Committee appointed by the Board of Directors.
- (b) The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the duration of the ESOS, which shall be in force for a period of five years from 15 July, 2000.
- (c) The option price for each share shall be the average of the mean market quotation of the shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the date of offer.



DIRECTORS' REPORT

- (d) No offer shall be made for less than 1,000 shares nor more than 350,000 shares to any eligible employee.
- (e) An option granted under ESOS shall be capable of being exercised by the grantee by notice in writing to the Company before the expiry of five years from the date of the offer or such shorter period as may be specified in such offer.
- (f) The number of shares under option or the option price or both so far as the option remain unexercised may be adjusted following any variation in the issued share capital of the Company by way of a capitalisation or rights issue or a reduction, subdivision or consolidation of the Company's shares made by the Company.
- (g) The shares under option shall remain unissued until the option is exercised and shall on allotment rank pari passu in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the option.

The movement in the share options for the unissued ordinary shares of RM1.00 each during the financial year is as follows:

<u>Option Price</u>	<u>At 1 January, 2000</u>	<u>Granted</u>	<u>Exercised</u>	<u>At 31 December, 2000</u>
RM1.50	-	477,150	20,000	457,150

Subsequent to the end of the financial year, no further option was exercised.

DIRECTORS

The directors who served since the date of the last report are:

Ng Chuan Seng @ Ng Teck Huat
Ng Swee Kiat
Ng Ai Cheng (f)
Ng Swee Keong
Yet Kiong Siang
Sukhinderjit Singh Muker

In accordance with Section 129(2) of the Companies Act, 1965, Ng Chuan Seng @ Ng Teck Huat retires and being eligible, offers himself for re-election.

In accordance with the Company's Articles of Association, Yet Kiong Siang retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiaries is a party with the object of enabling 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 than the share options granted pursuant to the ESOS as disclosed.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors and related party transactions as disclosed in Note 22 and 31 respectively to the accounts) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.



DIRECTORS' REPORT

DIRECTORS' INTEREST

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	<u>Number of Ordinary Shares of RM1 each</u>			
	<u>At 1 January,</u> <u>2000</u>	<u>Bought</u>	<u>Sold</u>	<u>At 31 December,</u> <u>2000</u>
NG CHUAN SENG				
@ NG TECK HUAT - direct	-	-	-	-
- indirect	8,164,200	-	-	8,164,200
NG SWEE KIAT - direct	495,000	-	-	495,000
- indirect	8,164,200	-	-	8,164,200
NG AI CHENG	-	1,000	-	1,000
NG SWEE KEONG - direct	495,000	-	-	495,000
- indirect	8,164,200	-	-	8,164,200
YET KIONG SIANG	-	-	-	-
SUKHINDERJIT SINGH MUKER	10,000	-	-	10,000

	<u>Number of Ordinary Shares Under Options</u>			
	<u>At 1 January,</u> <u>2000</u>	<u>Granted</u>	<u>Exercised</u>	<u>At 31 December,</u> <u>2000</u>
NG CHUAN SENG				
@ NG TECK HUAT	-	30,200	-	30,200
NG SWEE KIAT	-	26,000	-	26,000
NG AI CHENG	-	26,000	-	26,000
NG SWEE KEONG	-	26,000	-	26,000

By virtue of Section 6A of the Companies Act, 1965, Ng Chuan Seng @ Ng Teck Huat, Ng Swee Kiat, Ng Ai Cheng and Ng Swee Keong are deemed interested in the shares of all subsidiaries to the extent that the Company has an interest.

NUMBER OF EMPLOYEES

The average number of employees in the Group and the Company in the financial year ended 31 December, 2000 were 258 (1999 : 209) and 41 (1999 : 33) respectively.

AUDITORS

K. C. Chia & Noor retire and have indicated their willingness to accept re-appointment.

Signed in accordance with a
resolution of the directors

NG SWEE KIAT

NG AI CHENG

18th April 2001
Kuala Lumpur.



STATEMENT BY DIRECTORS

We, NG SWEE KIAT and NG AI CHENG, being two of the directors of HARVEST COURT INDUSTRIES BERHAD, do hereby state that in the opinion of the directors, the accompanying balance sheets of the Group and of the Company as at 31 December, 2000 and the statements of changes in equity, income and cash flow statements of the Group and of the Company for the year then ended, together with the notes thereto, give a true and fair view of the state of affairs of the Group and of the Company as at 31 December, 2000 and of the results and cash flows of the Group and of the Company for the year then ended, and have been properly drawn up in accordance with the applicable approved accounting standards.

Signed in accordance with a
resolution of the directors

NG SWEE KIAT

NG AI CHENG

18th April 2001
Kuala Lumpur.

STATUTORY DECLARATION

I, NG AI CHENG, the director primarily responsible for the financial management of HARVEST COURT INDUSTRIES BERHAD, do solemnly and sincerely declare that the accompanying balance sheets of the Group and of the Company as at 31 December, 2000 and the statements of changes in equity, income and cash flow statements of the Group and of the Company for the year then ended, together with the notes thereto are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed NG AI CHENG)
at Kuala Lumpur in the Federal)
Territory on 18th April 2001)

NG AI CHENG

Before me,

D. SELVARAJ (W320)
Commissioner for Oaths



AUDITORS' REPORT

To the Shareholders of
HARVEST COURT INDUSTRIES BERHAD

We have audited the consolidated accounts of HARVEST COURT INDUSTRIES BERHAD AND ITS SUBSIDIARIES (the Group) and the accounts of HARVEST COURT INDUSTRIES BERHAD (the Company) as at 31 December, 2000. These accounts are the responsibility of the Company's directors. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accounts give a true and fair view of the state of affairs of the Group and of the Company as at 31 December, 2000 and of the results and cash flows of the Group and of the Company for the year then ended, and have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the accounts and the auditors' report of a subsidiary of which we have not acted as auditors, as indicated in Note 14 to the accounts, being accounts that have been included in the consolidated accounts.

We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for these purposes.

The auditors' reports on the accounts of the subsidiaries were not subject to any qualification or any adverse comment made under subsection (3) of Section 174 of the Act.

K. C. CHIA & NOOR (AF : 0922)
Public Accountants

CHIA KWONG CHOW
1127/1/02(J)

18th April 2001
Kuala Lumpur.



CONSOLIDATED BALANCE SHEET

- 31 DECEMBER, 2000

	<u>Note</u>	<u>2000</u> RM	<u>1999</u> RM
CURRENT ASSETS			
Stocks	2	13,145,022	10,666,234
Trade debtors	3	5,705,933	7,902,652
Other debtors, deposits and prepayments	4	1,102,841	1,133,387
Fixed deposits with licensed financial institutions	5	1,007,306	975,217
Cash and bank balances		148,417	300,585
		<u>21,109,519</u>	<u>20,978,075</u>
CURRENT LIABILITIES			
Trade creditors	6	2,216,049	2,713,598
Other creditors and accruals	7	1,826,100	4,745,165
Hire purchase and lease creditors	8	794,764	784,182
Term loans	9	3,534,491	5,503,013
Short term borrowings	10	23,654,895	24,498,073
Provision for taxation		4,105,538	3,491,520
		<u>36,131,837</u>	<u>41,735,551</u>
NET CURRENT LIABILITIES		(15,022,318)	(20,757,476)
GOODWILL ON CONSOLIDATION	11	397,170	415,223
FIXED ASSETS	12	18,824,498	18,768,362
PROPERTY DEVELOPMENT EXPENDITURE	13	18,626,116	18,910,000
ASSOCIATED COMPANY	15	-	44,285
OTHER CREDITORS AND ACCRUALS	7	(144,765)	(1,504,898)
HIRE PURCHASE AND LEASE CREDITORS	8	(727,447)	(857,714)
TERM LOANS	9	(11,939,046)	(6,371,019)
DEFERRED TAXATION	16	(550,000)	(652,500)
		<u>9,464,208</u>	<u>7,994,263</u>
FINANCED BY:			
Share capital	17	19,820,000	19,800,000
Reserves	18	(10,355,792)	(11,805,737)
		<u>9,464,208</u>	<u>7,994,263</u>

The accompanying notes are an integral part of this balance sheet



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2000

	Note	Share Capital RM	Share Premium RM	Exchange Translation Reserve RM	(Accumulated Losses)/ Retained Profits RM	Total RM
At 31 December, 1998 as previously stated		19,800,000	-	5,999	2,260,270	22,066,269
Prior year adjustment	19	-	-	-	(416,383)	(416,383)
At 1 January, 1999 as restated		19,800,000	-	5,999	1,843,887	21,649,886
Currency translation differences		-	-	(32,478)	-	(32,478)
Net loss for the year		-	-	-	(13,623,145)	(13,623,145)
At 31 December, 1999 as restated		19,800,000	-	(26,479)	(11,779,258)	7,994,263
At 31 December, 1999 as previously stated		19,800,000	-	(26,479)	(11,227,117)	8,546,404
Prior year adjustment	19	-	-	-	(552,141)	(552,141)
At 1 January, 2000 as restated		19,800,000	-	(26,479)	(11,779,258)	7,994,263
Exercise of employees' share option scheme		20,000	10,000	-	-	30,000
Currency translation differences		-	-	53,241	-	53,241
Net profit for the year		-	-	-	1,386,704	1,386,704
At 31 December, 2000		19,820,000	10,000	26,762	(10,392,554)	9,464,208

The accompanying notes are an integral part of this statement.



CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2000

	<u>Note</u>	<u>2000</u> RM	<u>1999</u> RM
Revenues	20	35,608,183	35,747,707
Other operating income	21	189,730	290,975
Changes in stocks of finished goods and work-in-progress		(305,633)	(1,899,936)
Raw materials and consumables used		(15,990,231)	(22,646,091)
Purchases of trading inventories		(1,205,058)	-
Staff costs	22	(5,344,707)	(4,467,062)
Depreciation of fixed assets		(1,712,229)	(1,697,017)
Other operating expenses	23	(7,081,639)	(4,798,517)
Operating profit before exceptional items		<u>4,158,416</u>	<u>530,059</u>
Exceptional items	24	643,636	(12,027,793)
Operating profit/(loss) after exceptional items		<u>4,802,052</u>	<u>(11,497,734)</u>
Finance costs	25	(2,714,998)	(2,678,772)
Profit/(loss) before taxation		<u>2,087,054</u>	<u>(14,176,506)</u>
Taxation	26	(700,350)	433,361
Profit/(loss) after taxation		<u>1,386,704</u>	<u>(13,743,145)</u>
Minority interest		-	120,000
Net profit/(loss) for the year		<u>1,386,704</u>	<u>(13,623,145)</u>
Earnings/(loss) per share (sen)	27		
- Basic		7.00	(68.80)
- Diluted		7.00	(68.80)

The accompanying notes are an integral part of this statement.



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2000

	Note	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		2,087,054	(14,176,506)
Adjustments for :			
Amortisation of goodwill on consolidation		18,053	18,053
Bad debts written off		5,962	107,945
Currency translation differences		53,241	(32,478)
Depreciation of fixed assets		1,712,229	1,697,017
Exceptional items		(643,636)	12,027,793
Interest expenses		2,532,355	1,878,322
Interest income		(38,091)	(41,066)
Loss on disposal of fixed assets		31,990	42,963
Preliminary expenses written off		-	2,436
Provision for doubtful debts written back		-	(94,564)
Operating profit before working capital changes		<u>5,759,157</u>	<u>1,429,915</u>
(Increase)/decrease in stocks		(2,478,788)	4,375,683
Decrease in debtors		2,775,733	4,340,774
Decrease in creditors		(1,639,808)	(3,591,470)
Cash generated from operations		<u>4,416,294</u>	<u>6,554,902</u>
Tax paid		(202,172)	(1,953,326)
Interest paid		(2,532,355)	(2,566,147)
Property development expenditure		(1,083,195)	-
Net cash from operating activities		<u>598,572</u>	<u>2,035,429</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		38,091	41,066
Net proceeds from disposal of fixed assets		157,171	598,635
Net proceeds from disposal of investment in associated company		30,000	-
Purchase of fixed assets		(1,229,526)	(2,938,029)
Net cash used in investing activities		<u>(1,004,264)</u>	<u>(2,298,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		30,000	-
Proceeds from short term borrowings		900,749	811
Proceeds from term loans		6,258,537	-
Repayment of hire purchase and lease creditors		(847,686)	(734,533)
Repayment of short term borrowings		(7,900,000)	-
Repayment of term loans		(2,659,032)	(295,812)
Net cash used in financing activities		<u>(4,217,432)</u>	<u>(1,029,534)</u>
CASH AND CASH EQUIVALENTS			
Net decrease		(4,623,124)	(1,292,433)
At 1 January, 2000/1999		(3,082,982)	(1,790,549)
At 31 December, 2000/1999	28	<u>(7,706,106)</u>	<u>(3,082,982)</u>

The accompanying notes are an integral part of this statement.



BALANCE SHEET

- 31 DECEMBER, 2000

	<u>Note</u>	<u>2000</u> RM	<u>1999</u> RM
CURRENT ASSETS			
Trade debtors	3	2,845,918	6,796,522
Other debtors, deposits and prepayments	4	26,209,553	28,431,507
Cash and bank balances		65,331	219,555
		<u>29,120,802</u>	<u>35,447,584</u>
CURRENT LIABILITIES			
Trade creditors	6	11,257,893	2,353,721
Other creditors and accruals	7	3,783,913	7,166,988
Hire purchase and lease creditors	8	465,570	625,480
Term loans	9	1,059,121	1,000,000
Short term borrowings	10	11,727,192	21,793,564
Provision for taxation		1,525,325	859,000
		<u>29,819,014</u>	<u>33,798,753</u>
NET CURRENT (LIABILITIES)/ ASSETS		(698,212)	1,648,831
FIXED ASSETS	12	343,109	409,199
SUBSIDIARIES	14	33,265,991	26,666,091
ASSOCIATED COMPANY	15	-	30,000
HIRE PURCHASE AND LEASE CREDITORS	8	(203,898)	(629,533)
TERM LOANS	9	(10,032,672)	(4,933,000)
DEFERRED TAXATION	16	-	(80,000)
		<u>22,674,318</u>	<u>23,111,588</u>
FINANCED BY:			
Share capital	17	19,820,000	19,800,000
Reserves	18	2,854,318	3,311,588
		<u>22,674,318</u>	<u>23,111,588</u>

The accompanying notes are an integral part of this balance sheet



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2000

	<u>Share Capital</u> RM	<u>Share Premium</u> RM	<u>Retained Profits</u> RM	<u>Total</u> RM
At 1 January, 1999	19,800,000	-	2,181,670	21,981,670
Net profit for the year	-	-	1,129,918	1,129,918
At 31 December, 1999	19,800,000	-	3,311,588	23,111,588
Exercise of employees' share option scheme	20,000	10,000	-	30,000
Net loss for the year	-	-	(467,270)	(467,270)
At 31 December, 2000	19,820,000	10,000	2,844,318	22,674,318

The accompanying notes are an integral part of this statement.

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2000

	<u>Note</u>	<u>2000</u> RM	<u>1999</u> RM
Revenues	20	51,495,417	57,836,921
Other operating income	21	1,546,954	2,465,322
Changes in stocks of finished goods and work-in-progress		-	(7,058,540)
Purchases of trading inventories		(49,176,717)	(20,746,072)
Raw materials and consumables used		-	(25,463,391)
Staff costs	22	(1,317,544)	(2,482,954)
Depreciation of fixed assets		(66,256)	(358,654)
Other operating expenses	23	(385,045)	(2,402,712)
Profit from operations		2,096,809	1,789,920
Finance costs	25	(1,929,754)	(1,530,002)
Profit before taxation		167,055	259,918
Taxation	26	(634,325)	870,000
Net (loss)/profit for the year		(467,270)	1,129,918

The accompanying notes are an integral part of this statement.



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2000

	<u>Note</u>	<u>2000</u> RM	<u>1999</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		167,055	259,918
Adjustments for :			
Depreciation of fixed assets		66,256	358,654
Interest expenses		1,786,775	1,384,187
Interest income		(1,300,872)	(2,140,087)
Loss/(gain) on disposal of fixed assets		4,902	(11,098)
Provision for doubtful debts written back		-	(152,427)
Operating profit /(loss) before working capital changes		<u>724,116</u>	<u>(300,853)</u>
Decrease in stocks		-	15,457,872
Decrease/(increase) in debtors		6,172,558	(3,260,404)
Increase/(decrease) in creditors		<u>2,076,763</u>	<u>(5,529,236)</u>
Cash generated from operations		<u>8,973,437</u>	<u>6,367,379</u>
Tax paid		(48,000)	-
Interest paid		<u>(1,786,775)</u>	<u>(1,384,187)</u>
Net cash from operating activities		<u>7,138,662</u>	<u>4,983,192</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in subsidiaries		(6,599,900)	(17,399,996)
Interest received		1,300,872	2,140,087
Net proceeds from disposal of fixed assets		19,611	9,504,134
Net proceeds from disposal of investment in associated company		30,000	-
Purchase of fixed assets		<u>(24,679)</u>	<u>(197,209)</u>
Net cash used in investing activities		<u>(5,274,096)</u>	<u>(5,952,981)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		30,000	-
Proceeds from term loans		5,158,793	-
Repayment of hire purchase and lease creditors		(585,545)	(627,953)
Repayment of short term borrowings		<u>(7,900,000)</u>	<u>-</u>
Net cash used in financing activities		<u>(3,296,752)</u>	<u>(627,953)</u>
CASH AND CASH EQUIVALENTS			
Net decrease		(1,432,186)	(1,597,742)
At 1 January, 2000/1999		<u>(3,700,531)</u>	<u>(2,102,789)</u>
At 31 December, 2000/1999	28	<u>(5,132,717)</u>	<u>(3,700,531)</u>

The accompanying notes are an integral part of this statement.



NOTES TO THE ACCOUNTS

- 31 DECEMBER, 2000

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The accounts have been prepared under the historical cost convention modified by revaluation of investment in a subsidiary and in accordance with the applicable approved accounting standards.

b. Fixed Assets and Depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and impairment losses. Revaluations are made at least once every five years by independent valuer on an open market value basis. Any increase arising from valuation is credited to a revaluation surplus; any decrease is first offset against an increase on earlier valuation in respect of the same property and is thereafter charged to the operating profit. Depreciation is computed on the straight line method over the estimated useful lives of the related assets. The annual rates of depreciation are as follows:

	%
Freehold land and buildings	0.5 - 2
Long leasehold buildings	2 or over the long leasehold period of 52 years
Office furniture, fittings and equipment	5 - 10
Plant and machinery	5 - 33.3
Motor vehicles	10 - 20
Renovation	20

c. Interest Capitalisation

Interest incurred on borrowings relating to the purchase of fixed assets is capitalised until the assets are ready for their intended use. Interest related to development properties is capitalised during the period of active development and until they are ready for their intended purpose.

d. Property Development Expenditure

Property development expenditure consist of land held for future development and where no significant development has been undertaken and are stated at cost. Cost includes cost of land and attributable development expenditure, including interest expense incurred during the period of development.

e. Basis of Consolidation

The consolidated accounts include the audited accounts of the Company and its subsidiaries made up to the end of the financial year. The results of the subsidiaries acquired or disposed of are included in the consolidated accounts from the date of acquisition or up to the date of disposal. Intragroup transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

The excess of the purchase price over the value of the net assets of subsidiaries at the date of acquisition is treated as goodwill arising on consolidation. It is amortised in the income statement in the following year from the date of acquisition over a period of twenty five years.

f. Associated Company

The Group treats as associated company a company in which the Group has long term equity interest and where it exercises significant influence through management participation.

The Group's share of post acquisition profits less losses of an associated company is included in the consolidated income statement and the Group's interest in an associated company is stated at cost plus the Group's share of post acquisition retained profits and reserves.

g. Investments

Investments are stated at cost or valuation less provision for permanent diminution in value.

h. Stocks

Stocks are stated at the lower of cost (determined principally on the first-in first-out basis) and net realisable value. Cost of manufactured goods includes raw materials, direct labour and an appropriate proportion of production overheads.

i. Debtors

Debts considered to be irrecoverable are written off while provisions are made for debts considered to be doubtful of collection.



NOTES TO THE ACCOUNTS

j. Deferred Taxation

Deferred taxation is provided under the liability method in respect of all material timing differences except where it is reasonably expected that the tax effects of such deferrals will continue in the foreseeable future.

Future benefits are not recognised unless it can be demonstrated that such benefits can be realised in due course.

k. Revenue Recognition

Revenues from sales or services net of discounts are recognised upon sales of goods or services rendered when transfer of risks and rewards has been completed.

Revenue from contract activities is recognised using the percentage of completion method whereby the stage of completion of the contract is determined by surveys of work performed. All anticipated losses on the contracts are fully provided for.

l. Hire Purchase and Finance Lease

Fixed assets held under hire purchase and finance lease are capitalised in the accounts and are depreciated in accordance with the policy set out in (b) above. The corresponding outstanding obligations due under the hire purchase and finance lease after deducting finance expenses are included as liabilities in the accounts. Finance expenses are charged to the income statement over the period of the respective agreements to give a constant rate of charge on the remaining balance of the obligations.

m. Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rate of exchange ruling at the date. Gains or losses arising are taken to the income statement.

Accounts of foreign subsidiary are translated into Ringgit Malaysia at the year-end exchange rate with respect to the balance sheet and at prevailing rates at the dates of transactions with respect to the income statement. All exchange differences are taken to the reserves.

The exchange rate ruling at the balance sheet date used is as follow:

	<u>2000</u>	<u>1999</u>
	RM	RM
1 Australian Dollar	2.086	2.435

n. Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and at bank and deposits on calls net of outstanding bank overdrafts.

2. STOCKS

	<u>Raw</u> <u>materials</u> RM	<u>Work-in-</u> <u>progress</u> RM	<u>Finished</u> <u>goods</u> RM	<u>Others</u> RM	<u>Total</u> RM
<u>Group</u> <u>2000</u>					
At cost	6,505,590	2,456,108	4,183,324	-	13,145,022
<u>1999</u>					
At cost	5,639,371	2,917,398	5,669,867	12,000	14,238,636
Stocks written down	(1,918,202)	-	(1,654,200)	-	(3,572,402)
	<u>3,721,169</u>	<u>2,917,398</u>	<u>4,015,667</u>	<u>12,000</u>	<u>10,666,234</u>



NOTES TO THE ACCOUNTS

3. TRADE DEBTORS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade debtors	4,555,807	5,375,089	2,484,385	2,165,030
Due from director related companies	1,150,126	4,201,070	-	-
Due from subsidiaries	-	-	361,533	4,631,492
	<u>5,705,933</u>	<u>9,576,159</u>	<u>2,845,918</u>	<u>6,796,522</u>
Provision for doubtful debts	-	(1,673,507)	-	-
	<u>5,705,933</u>	<u>7,902,652</u>	<u>2,845,918</u>	<u>6,796,522</u>

4. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Other debtors, deposits and prepayments	1,102,841	1,133,387	340,319	494,522
Due from subsidiaries	-	-	25,869,234	27,936,985
	<u>1,102,841</u>	<u>1,133,387</u>	<u>26,209,553</u>	<u>28,431,507</u>

The amounts due from subsidiaries bearing interest at 3.70% to 13.00% (1999 : 3.70% to 13.00%) per annum are unsecured and have no fixed terms of repayment.

5. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS - GROUP

Included in a subsidiary's fixed deposits is an amount of RM461,523 (1999 : RM446,542) pledged to a financial institution as part of the securities for banking facilities extended to the Company.

6. TRADE CREDITORS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade creditors	2,216,049	2,713,598	1,326,362	1,641,518
Due to subsidiaries	-	-	9,931,531	712,203
	<u>2,216,049</u>	<u>2,713,598</u>	<u>11,257,893</u>	<u>2,353,721</u>

7. OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Other creditors and accruals	1,970,865	6,247,863	1,098,572	1,927,455
Due to director	-	2,200	-	-
Due to subsidiaries	-	-	2,685,341	5,239,533
	<u>1,970,865</u>	<u>6,250,063</u>	<u>3,783,913</u>	<u>7,166,988</u>
Due within 12 months included in current liabilities	(1,826,100)	(4,745,165)	(3,783,913)	(7,166,988)
Due after 12 months	144,765	1,504,898	-	-

8. HIRE PURCHASE AND LEASE CREDITORS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Hire purchase and lease creditors	1,848,491	2,025,307	806,642	1,538,355
Interest in suspense	(326,280)	(383,411)	(137,174)	(283,342)
	<u>1,522,211</u>	<u>1,641,896</u>	<u>669,468</u>	<u>1,255,013</u>
Due within 12 months included in current liabilities	(794,764)	(784,182)	(465,570)	(625,480)
Due after 12 months	727,447	857,714	203,898	629,533

Interest rates ranging from 5.50% to 7.00% (1999 : 5.39% to 8.00%) flat per annum.



NOTES TO THE ACCOUNTS

9. TERM LOANS (SECURED)

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Term loan repayable by 10 instalments commencing June, 2002	5,000,000	-	5,000,000	-
Term loan repayable by 96 instalments commencing March, 2001	908,793	-	908,793	-
Term loan repayable by 6 instalments commencing December, 2000	2,874,583	4,061,161	-	-
Term loan repayable by 48 instalments commencing December, 2000	1,084,261	-	-	-
Term loan repayable by 16 instalments commencing May, 2000	5,183,000	5,933,000	5,183,000	5,933,000
Term loan repayable by 84 instalments commencing December, 1998	-	1,283,425	-	-
Term loan repayable by 72 instalments commencing January, 1998	422,900	596,446	-	-
	<u>15,473,537</u>	<u>11,874,032</u>	<u>11,091,793</u>	<u>5,933,000</u>
Due within 12 months included in current liabilities	(3,534,491)	(5,503,013)	(1,059,121)	(1,000,000)
Due after 12 months	<u>11,939,046</u>	<u>6,371,019</u>	<u>10,032,672</u>	<u>4,933,000</u>

Term loans are secured by legal charges over the landed properties and negative pledges over other assets of the subsidiaries and corporate guarantees executed by the Company. Interest rates ranging from 6.20% to 16.00% (1999 : 6.50% to 10.80%) per annum.

10. SHORT TERM BORROWINGS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Secured				
Bankers' acceptances	7,871,000	8,216,821	3,888,000	8,216,821
Bank overdrafts	8,356,439	3,920,086	5,198,048	3,920,086
Bills payable	1,934,369	343,114	850,007	343,114
Export credit refinancing	1,791,137	1,385,000	1,791,137	1,385,000
Revolving credits	900,000	7,900,000	-	7,900,000
Trust receipts	-	28,543	-	28,543
	<u>20,852,945</u>	<u>21,793,564</u>	<u>11,727,192</u>	<u>21,793,564</u>
Unsecured				
Bankers' acceptances	995,000	965,000	-	-
Bank overdrafts	505,390	438,698	-	-
Revolving credits	1,301,560	1,300,811	-	-
	<u>23,654,895</u>	<u>24,498,073</u>	<u>11,727,192</u>	<u>21,793,564</u>

Group

Short term borrowings are secured by landed properties and negative pledges over other assets of the subsidiaries and corporate guarantees executed by the Company. Interest rates ranging from 4.40% to 12.65% (1999 : 3.15% to 10.80%) per annum.

Company

Short term borrowings are secured by legal charges over certain subsidiaries' landed properties and negative pledges over the assets of the Company. Interest rates ranging from 4.40% to 12.65% (1999 : 6.50% to 10.80%) per annum.



NOTES TO THE ACCOUNTS

11. GOODWILL ON CONSOLIDATION

	Group	
	2000 RM	1999 RM
At 1 January, 2000/1999	415,223	433,276
Current year's amortisation	(18,053)	(18,053)
At 31 December, 2000/1999	397,170	415,223

12. FIXED ASSETS

Group 2000	Freehold land and buildings RM	Long leasehold buildings RM	Office furniture, fittings, equipment and motor vehicles RM	Plant and machinery RM	Renovation RM	Total RM
<u>At Cost</u>						
At 1 January, 2000	1,820,281	6,398,032	2,811,569	17,141,335	172,012	28,343,229
Additions	-	405,292	198,292	1,353,266	676	1,957,526
Disposals	-	-	(329,828)	(64,500)	-	(394,328)
At 31 December, 2000	1,820,281	6,803,324	2,680,033	18,430,101	172,688	29,906,427
<u>Accumulated Depreciation</u>						
At 1 January, 2000	50,877	543,737	1,082,569	7,829,399	68,285	9,574,867
Additions	18,903	133,423	266,936	1,258,564	34,403	1,712,229
Disposals	-	-	(172,917)	(32,250)	-	(205,167)
At 31 December, 2000	69,780	677,160	1,176,588	9,055,713	102,688	11,081,929
Net Book Value	1,750,501	6,126,164	1,503,445	9,374,388	70,000	18,824,498

Group 1999	Freehold land and buildings RM	Long leasehold buildings RM	Long leasehold buildings-in- progress RM	Office furniture, fittings, equipment and motor vehicles RM	Plant and machinery RM	Renovation RM	Total RM
<u>At Cost</u>							
At 1 January, 1999	2,456,418	2,963,516	2,783,405	2,629,276	14,807,525	169,412	25,809,552
Additions	-	-	651,111	367,142	2,683,175	2,600	3,704,028
Disposals	(636,137)	-	-	(184,849)	(349,365)	-	(1,170,351)
Reclassification	-	3,434,516	(3,434,516)	-	-	-	-
At 31 December, 1999	1,820,281	6,398,032	-	2,811,569	17,141,335	172,012	28,343,229
<u>Accumulated Depreciation</u>							
At 1 January, 1999	51,584	418,419	-	858,829	6,889,913	-	8,218,745
Additions	24,737	125,318	-	279,195	1,199,482	68,285	1,697,017
Disposals	(25,444)	-	-	(55,455)	(259,996)	-	(340,895)
At 31 December, 1999	50,877	543,737	-	1,082,569	7,829,399	68,285	9,574,867
Net Book Value	1,769,404	5,854,295	-	1,729,000	9,311,936	103,727	18,768,362



NOTES TO THE ACCOUNTS

<u>Company</u> <u>2000</u>	Long leasehold buildings RM	Office furniture, fittings, equipment and motor vehicles RM	Plant and machinery RM	Total RM
<u>At Cost</u>				
At 1 January, 2000	-	789,819	-	789,819
Additions	-	24,679	-	24,679
Disposals	-	(49,026)	-	(49,026)
At 31 December, 2000	-	765,472	-	765,472
<u>Accumulated Depreciation</u>				
At 1 January, 2000	-	380,620	-	380,620
Additions	-	66,256	-	66,256
Disposals	-	(24,513)	-	(24,513)
At 31 December, 2000	-	422,363	-	422,363
Net Book Value	-	343,109	-	343,109

<u>Company</u> <u>1999</u>	Long leasehold buildings RM	Office furniture, fittings, equipment and motor vehicles RM	Plant and machinery RM	Total RM
<u>At Cost</u>				
At 1 January, 1999	2,963,516	764,610	11,086,821	14,814,947
Additions	-	25,209	496,809	522,018
Disposals	(2,963,516)	-	(11,583,630)	(14,547,146)
At 31 December, 1999	-	789,819	-	789,819
<u>Accumulated Depreciation</u>				
At 1 January, 1999	418,419	308,232	4,690,613	5,417,264
Additions	17,889	72,388	268,377	358,654
Disposals	(436,308)	-	(4,958,990)	(5,395,298)
At 31 December, 1999	-	380,620	-	380,620
Net Book Value	-	409,199	-	409,199

Freehold land and buildings of the subsidiaries with carrying value of RM1,750,501 (1999 : RM1,769,404) are pledged to financial institutions as part of the securities for banking facilities extended to the Company and its subsidiaries.

Net book values of fixed assets held under hire purchase and lease agreements are as follows :

	<u>Group</u>		<u>Company</u>	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Plant and machinery	2,452,463	2,069,777	-	-
Motor vehicles	682,955	555,032	28,183	87,350
	<u>3,135,418</u>	<u>2,624,809</u>	<u>28,183</u>	<u>87,350</u>



NOTES TO THE ACCOUNTS

13. PROPERTY DEVELOPMENT EXPENDITURE

	<u>2000</u> RM	<u>Group</u> 1999 RM
At Cost :		
Freehold land	5,574,500	5,574,500
Long leasehold land	5,380,110	7,630,110
Development expenditure	<u>11,937,983</u>	<u>12,327,681</u>
	22,892,593	25,532,291
Development expenditure written down/off	<u>(4,266,477)</u>	<u>(6,622,291)</u>
	<u>18,626,116</u>	<u>18,910,000</u>

The subsidiaries have yet to commence sales on development properties. Included in development expenditure is interest expense of RM975,634 (1999 : RM2,536,774).

Freehold and long leasehold land are charged to financial institutions as part of the securities for banking facilities amounting to RM6,633,000 (1999 : RM6,633,000) extended to the Company and its subsidiaries.

14. SUBSIDIARIES

	<u>2000</u> RM	<u>Company</u> 1999 RM
Unquoted Shares		
- At cost	25,180,002	18,580,102
- At 1993 valuation	15,085,989	15,085,989
Provision for diminution in value	<u>(7,000,000)</u>	<u>(7,000,000)</u>
	8,085,989	8,085,989
	<u>33,265,991</u>	<u>26,666,091</u>

Details of the subsidiaries are as follows :-

<u>Name of Company</u>	<u>Effective Interest</u>		<u>Principal Activities</u>
	<u>2000</u> %	<u>1999</u> %	
Incorporated in Malaysia :			
Harvest Court (M) Sdn. Bhd.	100	100	Sawmilling and marketing of sawn timber.
Harvest Court Marketing Sdn. Bhd.	100	100	Marketing of timber doors and other related products.
Harvest Lumber Sdn. Bhd.	100	100	Manufacturing and marketing of timber doors and other related products.
Harvest Court Corporation Sdn. Bhd.	100	100	Manufacturing and marketing of timber doors and other related products.
Harvest Exporter Sdn. Bhd.	100	100	Sawn timber export and related products.
Quantum Pro Sdn. Bhd.	100	100	Timber kiln drying.
Harvest Court Properties Sdn. Bhd.	100	100	Property development.
Harvest Rimba Sdn. Bhd.	70	70	Property development.
Harvest Court Management Sdn. Bhd.	100	100	Investment holdings.
Harvest Court Development Sdn. Bhd.	100	100	Construction.
Harvest Nation Sdn. Bhd.	100	100	Dormant.
Incorporated in Australia :			
Subsidiary of Harvest Court Management Sdn. Bhd.			
Harvest Timber Products (Australia) Pty. Ltd. *	100	100	Marketing of wood-based products.

* Not audited by K. C. Chia & Noor.



NOTES TO THE ACCOUNTS

15. ASSOCIATED COMPANY

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Unquoted shares, at cost	-	30,000	-	30,000
Share of post acquisition profit	-	14,285	-	-
	<u>-</u>	<u>44,285</u>	<u>-</u>	<u>30,000</u>
Represented by :				
Share of net tangible assets of associated company	<u>-</u>	<u>44,285</u>		

Details of the associated company is as follow : -

Name of Company	Effective Interest		Principal Activity
	2000 %	1999 %	
Rentak Cindai Sdn. Bhd.	-	30	Inactive.

16. DEFERRED TAXATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
At 1 January, 2000/1999	652,500	1,139,000	80,000	950,000
Transfer to income statement	(102,500)	(486,500)	(80,000)	(870,000)
At 31 December, 2000/1999	<u>550,000</u>	<u>652,500</u>	<u>-</u>	<u>80,000</u>

Deferred taxation is mainly in respect of timing differences between book depreciation and corresponding capital allowances. Potential deferred tax liabilities for other timing differences are not accounted for as the amount involved is immaterial.

17. SHARE CAPITAL

	Group and Company	
	2000 RM	1999 RM
Ordinary Shares of RM1 each		
Authorised :		
At 1 January, 2000 and 31 December, 2000	<u>25,000,000</u>	<u>25,000,000</u>
Issued and fully paid :		
At 1 January, 2000/1999	19,800,000	19,800,000
Exercise of employees' share option scheme	20,000	-
At 31 December, 2000/1999	<u>19,820,000</u>	<u>19,800,000</u>

18. RESERVES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Non-distributable :				
Exchange Translation Reserve	26,762	(26,479)	-	-
Share Premium	10,000	-	10,000	-
	<u>36,762</u>	<u>(26,479)</u>	<u>10,000</u>	<u>-</u>
Distributable :				
(Accumulated Loss)/Retained Profits	<u>(10,392,554)</u>	<u>(11,779,258)</u>	<u>2,844,318</u>	<u>3,311,588</u>
Total Reserves	<u>(10,355,792)</u>	<u>(11,805,737)</u>	<u>2,854,318</u>	<u>3,311,588</u>



NOTES TO THE ACCOUNTS

19. PRIOR YEAR ADJUSTMENT

The prior year adjustment represents the effect of the change in accounting policy for expenditure carried forward. This change in accounting policy has been accounted for retrospectively. The change in accounting policy has the effect of increasing loss before taxation by RM135,758 in 1999 for the Group. The effects relating to periods prior to 1999 of RM416,383 for the Group have been adjusted against the opening retained earnings for the year ended 31 December, 1999.

20. REVENUES

Revenues consist of the following:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Contract income	142,934	-	-	-
Services provided to director related company	20,000	-	-	-
Sales of goods net of discounts	35,445,249	35,747,707	51,495,417	57,836,921
	<u>35,608,183</u>	<u>35,747,707</u>	<u>51,495,417</u>	<u>57,836,921</u>

21. OTHER OPERATING INCOME

Included in other operating income are:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Fixed deposits interest	38,091	41,066	-	-
Gain on disposal of fixed assets	-	-	-	11,098
Interest income from subsidiaries	-	-	1,300,872	2,140,087
Management income from subsidiaries	-	-	246,000	152,311
Provision for doubtful debts written back	-	94,564	-	152,427
Rental income	67,168	35,808	-	-
	<u>67,168</u>	<u>35,808</u>	<u>-</u>	<u>-</u>

22. STAFF COSTS

Included in staff costs is:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Directors' emoluments	<u>650,400</u>	<u>650,400</u>	<u>388,800</u>	<u>650,400</u>

23. OTHER OPERATING EXPENSES

Operating expenses are after charging:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Amortisation of goodwill on consolidation	18,053	18,053	-	-
Auditors' remuneration	68,400	67,600	20,000	20,000
Bad debts written off	5,962	107,945	-	-
Directors' fees	35,900	1,550	35,900	1,550
Loss on disposal of fixed assets	31,990	42,963	4,902	-
Loss on foreign exchange	180,901	79,718	-	76,597
Preliminary expenses written off	-	2,436	-	-
Rental of premises paid to - director related company	432,180	652,660	-	194,000
- others	121,728	-	-	-
	<u>432,180</u>	<u>652,660</u>	<u>-</u>	<u>194,000</u>



NOTES TO THE ACCOUNTS

24. EXCEPTIONAL ITEMS

	<u>2000</u>	<u>Group</u>
	RM	1999 RM
Loss on disposal of associated company	(14,285)	-
Loss on disposal of landed properties	-	(187,858)
Property development expenditure written back/(down)	657,921	(6,622,291)
Provision for diminution in value in investment and other liabilities of subsidiaries	-	(145,242)
Provision for doubtful debts	-	(1,500,000)
Stocks written down	-	(3,572,402)
	<u>643,636</u>	<u>(12,027,793)</u>

The exceptional items for the financial year 1999 mainly consist of adjustments arising from the rationalization and restructuring exercise.

25. FINANCE COSTS

Included in finance costs are:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Interest expense on				
- bank overdrafts	727,702	328,524	465,192	195,882
- bankers' acceptances	272,007	367,702	162,379	325,490
- bills payable	99,661	100,043	98,793	100,043
- due to subsidiaries	-	-	-	63,049
- export credit refinancing	30,246	33,030	30,246	33,030
- hire purchase and leases	201,218	215,090	5,509	18,143
- revolving credits	996,888	668,549	908,418	509,496
- term loans	139,696	151,502	-	-
- trust receipts	-	13,882	-	13,882
	<u>-</u>	<u>13,882</u>	<u>-</u>	<u>13,882</u>

26. TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Current year's provision				
- Malaysian	248,500	-	216,000	-
- Overseas	-	48,139	-	-
Underprovision in prior years	554,350	5,000	498,325	-
	<u>802,850</u>	<u>53,139</u>	<u>714,325</u>	<u>-</u>
Deferred taxation	(102,500)	(486,500)	(80,000)	(870,000)
	<u>700,350</u>	<u>(433,361)</u>	<u>634,325</u>	<u>(870,000)</u>

Group and Company

2000

The Group's effective tax rate is lower than the statutory tax rate due mainly to availability of unabsorbed tax losses for certain subsidiaries. The Company's effective tax rate is disproportionate with the statutory tax rate due mainly to interest income and certain expenses being disallowed for tax purposes.

1999

No provision is required to be made for the previous financial year as tax payable on chargeable income is waived in accordance with the Income Tax (Amendment) Act 1999.

Subject to the agreement with the Inland Revenue Board, the Company has :

- Unabsorbed tax losses and unrelieved capital allowances amounting to approximately RM1,137,000 (1999:RM1,137,000) and RM1,011,000 (1999 : RM1,101,000) respectively available to offset against its future taxable profits;
- Tax exempt reserve amounting to approximately RM5,632,000 (1999 : RM5,632,000) to frank the payment of tax exempt dividends; and
- Sufficient Section 108 tax credit to frank the payment of dividends out of its entire distributable profits without incurring additional tax liability.



NOTES TO THE ACCOUNTS

27. EARNINGS/(LOSS) PER SHARE - GROUP

The basic and diluted earnings/(loss) per share are calculated as follows:

	<u>2000</u> RM	<u>1999</u> RM
Net profit/(loss) for the year	1,386,704	(13,623,145)
Weighted average number of shares	19,806,667	19,800,000
Earnings per share (sen)		
- Basic	7.00	(68.80)
- Diluted *	7.00	(68.80)

* As the potential unissued ordinary shares under the private placement and share options are anti-dilutive, such effects are ignored in calculating current year's diluted earnings per share.

28. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Cash and bank balances	148,417	300,585	65,331	219,555
Fixed deposits with licensed financial institutions	1,007,306	975,217	-	-
Bank overdrafts	(8,861,829)	(4,358,784)	(5,198,048)	(3,920,086)
	<u>(7,706,106)</u>	<u>(3,082,982)</u>	<u>(5,132,717)</u>	<u>(3,700,531)</u>

29. CAPITAL COMMITMENTS

	<u>Group</u>	
	<u>2000</u> RM	<u>1999</u> RM
Authorised and contracted for but not provided for in the accounts	800,000	800,000

30. CONTINGENT LIABILITIES (UNSECURED)

As at the balance sheet date, the contingent liabilities are in respect of:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
(i) Corporate guarantees given to:				
financial institutions for banking or credit facilities extended to				
- subsidiaries	-	-	18,126,378	8,679,871
- then subsidiary	-	1,089,478	-	-
third parties for trade purposes	800,000	950,000	800,000	950,000
(ii) Litigation claims by a customer in prior year *	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>	<u>-</u>

* Based on the counsels' advice, the directors are of the opinion that the claims are baseless and are unlikely to succeed, accordingly the amount of claims is not provided for in the accounts.



NOTES TO THE ACCOUNTS

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant transactions with Port Klang Jetty Sdn. Bhd., a company related to directors, Ng Chuan Seng @ Ng Teck Huat, Ng Swee Kiat, Ng Ai Cheng and Ng Swee Keong during the financial year are as follows:-

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Management income received	20,000	-	-	-
Rental expenses paid	432,180	652,660	-	194,000

The directors are of the opinion that the transactions have been entered into in the normal course of business and have been established on a negotiated basis.

32. SEGMENT ANALYSIS

	Turnover RM'000	Operating Profit/(Loss) Before Taxation RM'000	Assets Employed RM'000
<u>Group</u>			
<u>2000</u>			
Timber product manufacturing	35,445	2,734	37,608
Construction	143	(182)	1,284
Property development	-	-	18,638
Investment holdings	20	(465)	1,427
	<u>35,608</u>	<u>2,087</u>	<u>58,957</u>
<u>Group</u>			
<u>1999</u>			
Timber product manufacturing	35,748	(5,694)	36,035
Construction	-	(1,542)	2,724
Property development	-	(6,820)	19,091
Investment holdings	-	(121)	1,266
	<u>35,748</u>	<u>(14,177)</u>	<u>59,116</u>

No geographical segment is presented as the Group principally operates within Malaysia.

33. COMPARATIVE FIGURES

Following the adoption of the MASB standard in the presentation of the accounts, certain figures in the accounts have been reclassified or amended to ensure comparability with the current year.

The following balance sheet comparative figures have been reclassified to conform with current year's presentation: -

	<u>As amended</u> RM	<u>As previously reported</u> RM
Trade debtors	6,796,522	2,165,030
Other debtors, deposits and prepayments	28,431,507	494,522
Due from subsidiaries	-	32,568,477
Trade creditors	2,353,721	1,641,518
Other creditors and accruals	7,166,988	1,927,455
Due to subsidiaries	-	5,951,736



SHAREHOLDINGS STATISTICS

AS AT 12TH APRIL 2001

Authorised Capital	: RM 25,000,000.00
Issued and fully paid-up capital	: RM 19,820,000.00
Class of Shares	: Ordinary shares of RM 1.00 each
Voting Rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

AS AT 12TH APRIL 2001

Size By Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-1,000	1,352	57.63	1,352,000	6.82
1,001-5,000	822	35.04	2,235,000	11.28
5,001-10,000	96	4.09	765,000	3.86
10,001 AND ABOVE	76	3.24	15,468,000	78.04
GRAND TOTAL	2,346	100.00	19,820,000	100.00

LIST OF TWENTY (20) LARGEST SHAREHOLDERS

AS AT 12TH APRIL 2001

NAME	SHAREHOLDINGS	(%)
1. HARVEST COURT HOLDINGS (M) SDN BHD	8,164,200	41.19
2. TEH, THOMAS KOK MENG	1,570,000	7.92
3. TAN CHING CHING	932,000	4.70
4. ARAB-MALAYSIAN NOMINEES (TEMPATAN) SDN BHD [ARAB-MALAYSIAN FINANCE BHD FOR MADAM WONG WEI SHAN]	783,000	3.95
5. TENAGA KAWALAN SEJATI SDN BHD	770,000	3.88
6. NG SWEE KEONG	495,000	2.50
7. NG SWEE KIAT	495,000	2.50
8. MAYFIN NOMINEES (TEMPATAN) SDN BHD [FOR YAP KWEE HUAT (SHAS)]	200,000	1.01
9. AHMAD KAMARUZAMAN BIN MOHAMED BARIA	186,800	0.94
10. YANG SIN TZONG	149,000	0.75
11. LIN SHU-SHUN	132,000	0.67
12. CITICORP NOMINEES (TEMPATAN) SDN BHD [FOR LAI VOON HUEY]	125,000	0.63
13. MAYFIN NOMINEES (TEMPATAN) SDN BHD [FOR YAP KWEE LIM]	107,000	0.54
14. POO CHOO @ ONG POO CHOI	92,000	0.46
15. SYED ABDULLAH BIN SYED OMAR	65,000	0.33
16. AFFIN - UOB NOMINEES (TEMPATAN) SDN BHD [FOR TAN TING HUAT]	63,000	0.32
17. M I T NOMINEES (TEMPATAN) SDN BHD [FOR CHAN CHEE MAY]	60,000	0.30
18. NG CHOOI LAN	58,000	0.29
19. TAN HAN CHUAN	51,000	0.26
20. SYARIKAT NOMINEE BUMIPUTRA (TEMPATAN) SDN BHD [AA ANTHONY & CO. SDN BHD]	50,000	0.25
TOTAL	14,548,000	73.39



LIST OF SUBSTANTIAL SHAREHOLDERS

AS AT 12TH APRIL 2001

NAME	SHAREHOLDINGS	(%)
1. HARVEST COURT HOLDINGS (M) SDN BHD	8,164,200	41.19
2. TEH, THOMAS KOK MENG	1,570,000	7.92
3. TAN CHING CHING	932,000	4.70
4. ARAB-MALAYSIAN NOMINEES (TEMPATAN) SDN BHD (ARAB-MALAYSIAN FINANCE FOR WONG WEI SHAN)	783,000	3.95
5. TENAGA KAWALAN SEJATI SDN BHD	770,000	3.88
6. NG SWEE KEONG	495,000	2.50
7. NG SWEE KIAT	495,000	2.50

LIST OF DIRECTORS' SHAREHOLDINGS

AS AT 21ST JAN 2001

SHARES HELD IN THE COMPANY

NAME	NO. OF SHARES		PERCENTAGE	
	Direct	Indirect*	Direct	Indirect
1. NG CHUAN SENG @ NG TECK HUAT	-	8,164,200	-	41.19
2. NG SWEE KIAT	495,000	8,164,200	2.50	41.19
3. NG SWEE KEONG	495,000	8,164,200	2.50	41.19
4. NG AI CHENG	1,000	-	0.01	-
5. YET KIONG SIANG	-	-	-	-
6. SUKHINDERJIT SINGH MUKER	10,000	-	0.05	-

* Held by Harvest Court Holdings (M) Sdn Bhd



GROUP'S PROPERTIES

AS AT 31ST DECEMBER 2000

Location	Description	Tenure	Area sq. m.	Approximate Age (Years)	Expiry date of Lease hold buildings/ properties	Net book value of the buildings/ properties
1. Unit B -11-1 Megan Phileo Promenade Section 43 Town of Kuala Lumpur	- Office lots	Freehold	210	4	-	601,190.58
2. Lot 450,451 & 452, Jalan Papan Pandamaran Industrial Area 42000 Port Klang Selangor Darul Ehsan	- Main office - 4 factory buildings - 6 storage yards - 1 packing area - Boiler houses & workshop	* Rented	36,000	11 11 11 11 4	} } } } }	} } } 2,823,742.43 } }
3. Mukim of Kuala Linggi District of Alor Gajah State of Melaka	- Land held for development	Leasehold 99 years (Pending issuance of title)	141,640	-	Not available	11,087,451.13
4. Geran Mukim No. GM 1320 Lot No 5902 Tempat Telok Gadong Mukim Kelang, Selangor	- Land held for development purposes	Freehold	1,686	-	-	} } } } } 7,537,559.58
5. Geran No 24162 Lot No 5993 Mukim Kelang Daerah Kelang, Selangor Darul Ehsan	- Land held for development purposes	Freehold	8,671	-	-	} } } }
6. H.S. (D) 36100 P.T.20852 Mukim Kapar 111, Pusat Perniagaan NBC, Jalan Meru, 41050 Klang Selangor Darul Ehsan	- 4 storey office buildings	Freehold	650.32	5	-	1,149,308.22
7. Lot 10568, Jalan Papan Pandamaran Industrial Area 42000 Port Klang	Warehouse -KD Plant	* Rented	4,181	2	-	3,302,419.13

* The buildings are erected on lands belonging to a director related company.

Proxy Form

No. of Shares Held	
--------------------	--

I/We NRIC No.
 (PLEASE USE BLOCK LETTER)

of
 (FULL ADDRESS)

being a member / members of Harvest Court Industries Berhad do hereby appoint

Mr/Mrs/Ms

of
 or failing him the Chairman of the Meeting as my/our proxy to attend and vote for me/us on me/our behalf at the Twenty-Third Annual General Meeting of the Company to be held at Crystal 2 (1st Floor), Crystal Crown Hotel Harbour View, 217 Persiaran Raja Muda Musa, 42000 Port Klang on 31st May 2001 at 9.30am and at any adjournment thereof.

(Please indicate with an "X" in the space provided below how you wish your votes to be casted on the resolutions specified in the Notice Of Meeting. If you do not do so, the Proxy will vote or abstain from voting at his discretion).

Ordinary Resolution	For	Against
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3		
RESOLUTION 4		
RESOLUTION 5		
RESOLUTION 6		
RESOLUTION 7		

Signed this day of2001
Signature of shareholder(s)

Notes :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A member shall not be entitled to appoint a person who is not a member as his proxy unless that person is a qualified legal practitioner or an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
2. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation, executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
3. The proxy form must be deposited at the Company's Registered Office at 111, Pusat Perniagaan NBC, Jalan Meru, 41050 Klang, Selangor Darul Ehsan not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.