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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the Company will be held at the Safira Country Club Lot 2769 MK1, Jalan Todak, Bandar Seberang Jaya, 13700 Seberang Perai Tengah, Penang on Wednesday, 21 November 2001 at 10.30 am for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 31 May 2001 together with the Reports of the Directors and Auditors thereon. Ordinary Resolution 1
2. To approve the payment of a first and final tax exempt dividend of 5% for the year ended 31 May 2001.
3. To approve the payment of Directors' Fees for the year ended 31 May 2001. Ordinary Resolution 3
4. To re-elect Tun Dato' Seri Dr. Lim Chong Eu, the Director retiring under Section 129 of the Companies Act, 1965.
5. To re-elect Mr. Tsai Yung Chuan, the Director retiring under Article 102(1) of the Company's Articles of Association.
6. To re-elect Mr. Tsai Yung Yu, the Director retiring under Article 102(1) of the Company's Articles of Association.
7. To re-elect Madam Tsai Chang Hsiu-Hsiang, the Director retiring under Article 102(1) of the Company's Articles of Association. Ordinary Resolution 7
8. To re-appoint Messrs. JB Lau & Associates as Auditors of the Company to hold office until conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Directors. Ordinary Resolution 8
9. As special business, to consider and, if thought fit, passing with or without modifications the following resolution as an Ordinary Resolution:

" That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares of the Company at any time until the conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares on the Kuala Lumpur Stock Exchange". Ordinary Resolution 9
10. To transact any other ordinary business of which due notice shall have been given. Ordinary Resolution 10

By Order of the Board,

LEE PENG LOON
Secretary (LS 00405)

Penang
30 October 2001



NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

Item 9

The Ordinary Resolution proposed under item 9, if passed, will give the Directors of the Company authority to issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in General Meeting will expire at the conclusion of the next Annual General Meeting.

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. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The proxy form must be deposited at the Registered Office of the Company, situated at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang, not less than 48 hours before the time for holding the meeting.
4. Where the proxy form is executed by a corporation, it must be either under its Seal or under the hand of an officer or attorney duly authorised.



NOTICE OF DIVIDEND ENTITLEMENT & PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a depositor shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred into the depositor's securities account before 12.30p.m. on 13 December 2001 in respect of ordinary transfers;
- b. Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

The dividend, if approved will be paid on 20 December 2001 to shareholders whose names appear in the Record of Depositors at the close of business on 13 December 2001.

By Order of the Board,

LEE PENG LOON
Secretary (LS 00405)

Penang
30 October 2001



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, it is my great pleasure to present the Annual Report and Audited Financial Statements of Chin Well Holdings Berhad for the year ended 31 May 2001.

Group Performance

During the year under review, the Group registered a higher turnover of RM175.01 million, representing a 6.27% increase over the previous year's turnover of RM164.68 million. However, the Group recorded a lower profit before taxation of RM19.53 million as compared to RM22.15 million in the last financial year. The lower profit before taxation was mainly attributed to the write off and the losses arising from the disposal of the plant and equipment during the financial year.

Dividend

The Board is pleased to recommend a first and final tax exempt dividend of 5% for the financial year ended 31 May 2001.

Outlook and Prospect

Barring any unforeseen circumstances, the Group anticipates the operating environment for the financial year 2002 to remain competitive and challenging due to recent domestic and global economy slowdown. However, we will continue to be prudent in our activities and to focus mainly on our fasteners business. The Group will continue to improve our operating efficiency in order to attain a satisfactory level of profitability and to enhance its shareholders' value.

Appreciation

Finally, I would like to take this opportunity to convey my sincere appreciation to my fellow board members, the management and the staff for their tremendous contribution during the year. I also wish to extend my appreciation to all our shareholders and business associates for their invaluable loyalty and continued support.

Tun Dato' Seri Dr. Lim Chong Eu
Chairman



DIRECTORS' PROFILE

YABhg. Tun Dato' Seri Dr. Lim Chong Eu (age 82, Malaysian)

Tun was appointed as the Chairman of the Board of Chin Well Holdings Berhad (CWHB) on 2 March 1999. He graduated with a Bachelor of Medicine and Bachelor of Surgery (M.B. Ch B.) from Edinburgh University of Scotland in 1944. He was the Chief Minister of Penang from 1969 to 1990 and the Chairman of the Penang Development Corporation (PDC).

He is currently the Group Advisor of Berjaya Group Berhad, the Chairman of the Board of Suiwah Corporation Berhad, Berjaya Vacation Club Berhad, Shinca Sdn Bhd, Deputy Chairman of the Board of DIGI Telecommunications Sdn Bhd and is a director of Southern Steel Berhad and UOB (M) Berhad.

Tsai Yung Chuan (aged 44, Taiwanese)

He was appointed to the Board as Managing Director on 2 March 1999. He is one of the founders of Chin Well. He graduated with a certificate in Electrical Engineering from Lienho Junior College of Technology in Taiwan in 1975. He started his career as General Manger by joining his family business, Jinn Her Enterprise Co. Ltd., a factory producing fasteners in 1980. He initiated the business expansion into Malaysia when he visited this country in 1988.

He also sits on the Board of Directors of Chin Herr Industries (M) Sdn Bhd, Tambun Indah Sdn Bhd, Menara Phoenix Sdn Bhd, Integral Splendour Sdn Bhd, Amal Pintas Sdn Bhd, Perquest Sdn Bhd, Gem-Year Industrial Co. Ltd. and Jiu Yang Metal Industries Sdn Bhd. He also sits as committee member of Taipei Investors Association of Malaysia, Penang Branch.

Tsia Yung Lung (aged 46, Taiwanese)

He was appointed to the Board on 2 March 1999. He is one of the founders of Chin Well. He started the fasteners business in Taiwan by forming Yu Siang Metal Hardward Enterprise Co. Ltd which is involved in manufacturing of fastener products in 1977 with a few partners before forming his own company, Jinn Her Enterprise Co. Ltd in 1980.

He is also a Director of Jinn Her Enterprise Co. Ltd., Winkold Industrial Ltd, Chin Chen Development Co. Ltd., Wise Engineers Industrial Co. Ltd., Chin Champ Enterprise Co. Ltd. and Gem-Year Industrial Co. Ltd. He is a Committee Member of Taiwan Fasteners Association.

Tsai Yung Yu (aged 42, Taiwanese)

He was appointed to the Board on 2 March 1999. He is one of the founders of Chin Well. He graduated from High School in Taiwan in 1978 and joined the family business of fasteners manufacturing. He started off by heading the Quality Assurance Department followed by Production Control Department. He was then promoted to the post of General Manager in 1993. He is also a director of Gem-Year Industrial Co. Ltd. and Jinn Her Enterprise Co. Ltd.

Tsai Chang Hsiu-Hsiang (aged 44, Taiwanese)

She was appointed to the Board of CWHB on 2 March 1999. She graduated from Yuan Lin Senior High School in 1973 and started her career as an Assistant Manager with Chin Ho Enterprise Company in 1976 before she joined the family business, Jinn Her Enterprise Co. Ltd. In 1980, she is in-charge of the financial affairs of Jinn Her Enterprise Co. Ltd. She came to Malaysia in 1989 and helped to form Chin Well Fasteners Co. Sdn Bhd and she is currently in charge of the financial affairs of the company.

YBhg. Datin Roquaiya Hanim Binti Hussein (aged 52, Malaysian)

Datin was appointed to the Board on 2 March 1999. She was called to the English Bar in 1973 and is a member of Lincoln' Inn. She was called to Malaysia Bar in 1974 and has practised as an advocate & solicitor in Malaysia for over 24 years. She is also a Director of DNP Holdings Bhd.



DIRECTORS' PROFILE

Lim Chien Ch'eng (aged 48, Malaysian)

He was appointed to the Board on 2 March 1999. He graduated from Universiti Sains Malaysia in 1976 with a B. Soc. Science (Hons.) degree majoring in politics. Subsequently, he pursued a law degree and graduated from Kings College, University of London in 1979 with LL.B. (Hons.) degree. He is a member of Lincoln's Inn. He was called to the English Bar in 1980 and to the Malayan Bar in 1981. He has practised as an advocate & solicitor in Malaysia since 1981. He is also a director of Chin Herr Industries (M) Sdn Bhd and Globetronics Technology Bhd.

Ung Peng Joo (aged 55, Malaysian)

He was appointed to the Board on 2 March 1999. He is a tax consultant by profession and a fellow of the Malaysian Institute of Taxation (MIT). He started his taxation career with Inland Revenue Board ("IRB") and served as a senior officer for several years before joining Arthur Andersen Tax Services in 1984. He was the head of the tax and business advisory practise in Penang and Alor Setar, holding the position of Executive Director. He left the firm in June 1995 to go private practise and is currently the executive director of Taxnet Consultants Sdn Bhd and also a director of Suasa Kristal (M) Berhad.

Ong Eng Choon (aged 49, Malaysian)

He is the promoter and first director of Chin Well Holdings Berhad on 27 December 1995. He is an accountant by profession and has been the Managing Director of Taxnet Consultants Sdn Bhd since 1 September 1996. His previous working experience includes a tenure of 3 years with the Inland Revenue Department. He is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom since 1985, an Associate Member of the Institute of Chartered Secretaries and Administrators since 1980 and a member of the Malaysian Institute of Accountants from 1981. He serves as Joint Company Secretary to the Public Packages Holding Berhad, Emico Holdings Berhad, Hunza Consolidation Berhad and Globetronics Technology Bhd.



DIRECTORS' REMUNERATION

Directors' remuneration for the financial year are as follows:

- Aggregate remuneration of directors categorised into appropriate components:

	Fees <u>RM'000</u>	Salaries <u>RM'000</u>	Bonus <u>RM'000</u>
Executive Directors	20	420	50
Non-Executive Directors	70	-	-

- Breakdown of directors' remuneration classified into the respective bands of RM50,000 are as follows:

<u>Range of remuneration</u>	Number of Directors	
	<u>Executive</u>	<u>Non-Executive</u>
Below RM50,000	-	-
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	1	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	1	-

Directors' responsibility statement

The Directors are required under the Companies Act, 1965 to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the results and cash flows of the Company and of the Group for the financial year then ended. In preparing these statements, which should be on a going concern basis unless the directors consider it inappropriate to do so, the directors are required to adopt suitable accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, and comply with all applicable accounting standards in Malaysia. In addition, the Directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Group and to prevent and detect fraud or any other irregularities.

Quarterly financial statements were reviewed by the Audit Committee and approved by the Board of Directors prior to the release to KLSE.

The Board of Directors of Chin Well Holdings Berhad is committed to direct and manage the Company towards the highest standard of corporate governance in the Group. The Board fully supports the principles of good corporate governance for Malaysia, as well as to adhere to the best practices of the Malaysian Code on Corporate Governance and to fulfill the provisions of the recently revamped listing requirements of the Kuala Lumpur Stock Exchange (KLSE).

Board Composition

The Board consists of nine members: two executive directors, two independent non-executive directors and five non-independent non-executive directors including the Chairman. Their biographical details which appear on page 6 demonstrate the range of experience and independent judgement they each bring to bear on the Board matters.

The running of the Board is undertaken by the Chairman while the Group Managing Director has the responsibility for the running of the Group's businesses. The Board is reviewing its composition and will appoint an additional independent non-executive director in line with the revamped KLSE Listing Requirements.

Board Meetings

There were four Board Meetings held during the financial year ended 31 May 2001. The attendance of each director is as follow:

<u>Name of Director</u>	<u>Attendance</u>
YABhg. Tun Dato Seri Dr Lim Chong Eu	4/4
Tsai Yung Chuan	4/4
Ung Peng Joo	4/4
Ong Eng Choon	4/4
Tsai Chang Hsiu-Hsiang	3/4
YBhg. Datin Roquaiya Hanim Binti Hussein	3/4
Lim Chien Ch'eng	3/4
Tsai Yung Lung	-/4
Tsai Yung Yu	-/4

Directors' Training

Arrangements have been made for all directors to attend the Mandatory Accreditation Programme (MAP) prescribed by the KLSE.



AUDIT COMMITTEE

TERMS OF REFERENCE

MEMBERS OF THE COMMITTEE

Name of Members	Directorships	Designation
Ung Peng Joo	Independent Non-Executive Director	Chairman of Committee
Tsai Yung Chuan	Managing Director	Committee Member
Ong Eng Choon	Independent Non-Executive Director	Committee Member

SECRETARY

Lee Peng Loon (LS 00405)

SUMMARY OF TERMS OF REFERENCE

COMPOSITION

The Audit Committee shall be appointed by the Board of Directors from amongst its members and shall consist of not less than 3 members of whom majority shall not be executive directors of the company or any related corporation. A quorum shall be 2 members. The Chairman of the Committee shall be appointed by the Board.

ATTENDANCE AT MEETINGS

In addition to the Committee members, the meetings will normally be attended by a representative from each department in the Company and by the external auditors as and when required. The Secretary to the Audit committee shall be the Company Secretary or any other person appointed by the Committee.

FREQUENCY OF MEETINGS

Meetings shall be held not less than four (4) times a year.

AUTHORITY

The Committee is authorised by the Board to investigate any activity within its term of reference. The Committee is 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:-

- to review with the auditors
 - the audit plan
 - the evaluation of the systems of internal accounting
 - the audit report on the financial statements
- to review the assistance given by the Company's officers to the auditors;
- to review the scope and results of the internal audit procedures, if any;
- to review the quarterly and annual financial statements with management and the auditors prior to them being approved by the full Board;
- to review any significant related party transactions that may arise within the Company or Group;
- to consider the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal;
- to consider any matters the auditors wish to bring to the attention of directors or shareholders; and
- such other responsibilities as may be agreed to by Audit Committee and the Board of Directors.



AUDIT COMMITTEE

(cont'd)

Audit Committee Diary 2001

The Audit Committee held four meetings during the financial year ended 31 May 2001 with the Company Secretary in attendance. Few members from the senior management were also invited to brief the Audit Committee on specific issues. Attendance of the meetings are as follows :

<u>Committee Member</u>	<u>Attendance</u>
Ong Eng Choon	4/4
Ung Peng Joo	4/4
Tsai Yung Chuan	4/4

During the financial year, the Audit Committee reviewed the financial statements of the Company, approved and ensured timely disclosure of the Quarterly and Year End Audited financial statements to the KLSE; ensured compliance with applicable approved accounting standards in Malaysia in the presentation of the financial statements; monitored the compliance with the new KLSE Listing Requirements, Securities Commission and other regulatory bodies.



CORPORATE INFORMATION

DIRECTORS	TUN DATO' SERI DR. LIM CHONG EU (Non-Executive Chairman) TSAI YUNG CHUAN (Managing Director) TSAI CHANG HSIU-HSIANG (Executive Director) TSAI YUNG LUNG (Non-Executive Director) TSAI YUNG YU (Non-Executive Director) DATIN ROQUAIYA HANIM BINTI HUSSEIN (Non-Executive Director) LIM CHIEN CH'ENG (Non-Executive Director) UNG PENG JOO (Independent Non-Executive Director) ONG ENG CHOON (Independent Non-Executive Director)
COMPANY SECRETARY	LEE PENG LOON
AUDIT COMMITTEE	TSAI YUNG CHUAN UNG PENG JOO ONG ENG CHOON
REGISTERED OFFICE	51-21-A MENARA BHL BANK JALAN SULTAN AHMAD SHAH 10050 PENANG TEL: 04-2276888 FAX : 04-2298118
BUSINESS ADDRESS	NO. 1586 MK11 LORONG PERUSAHAAN UTAMA 1 BUKIT TENGAH INDUSTRIAL PARK 14000 BUKIT MERTAJAM PENANG
REGISTRARS	BINA MANAGEMENT (M) SDN. BHD. LOT 10 THE HIGHWAY CENTRE JALAN 51/205 46050 PETALING JAYA SELANGOR DARUL EHSAN TEL : 03-77823188 FAX : 03-77815338
AUDITORS	JB LAU & ASSOCIATES PUBLIC ACCOUNTANTS
PRINCIPAL BANKERS	HSBC BANK MALAYSIA BERHAD MALAYAN BANKING BERHAD RHB BANK BERHAD SOUTHERN BANK BERHAD STANDARD CHARTERED BANK MALAYSIA BERHAD
SOLICITORS	GHAZI & LIM
STOCK EXCHANGE LISTING	MAIN BOARD OF THE KUALA LUMPUR STOCK EXCHANGE



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2001

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 May 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the course of the financial year remains unchanged and is that of investment holding.

The principal activities of the subsidiary companies are set out in Note 5 to the financial statements.

There were no significant changes in the principal activities of the Company and its subsidiary companies during the financial year.

RESULTS

	<u>GROUP</u> RM	<u>COMPANY</u> RM
Profit after taxation for the year	15,927,195	4,518,604
Retained profits brought forward	35,869,189	494,430
	<hr/>	<hr/>
Profits available for appropriation	51,796,384	5,013,034
Proposed first and final tax exempt dividend of 5 sen per share	(4,500,000)	(4,500,000)
	<hr/>	<hr/>
Retained profits carried forward	<u>47,296,384</u>	<u>513,034</u>

DIVIDENDS

Since the end of the previous financial year, the Company had declared and paid a first and final tax exempt dividend of 5 sen per share amounting to RM4,500,000 in respect of the previous financial year, as proposed in the directors' report of that year.

The directors now recommend the payment of a first and final tax exempt dividend of 5 sen per share amounting to RM4,500,000 for the financial year ended 31 May 2001.

RESERVES AND PROVISIONS

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



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2001 (cont'd)

SHARE CAPITAL

During the financial year, the Company did not issue any share or debenture and did not grant any option to anyone to take up unissued shares of the Company.

EMPLOYEE SHARE OPTION SCHEME

The Company's Employee Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 23 November 2000.

The principal features of the ESOS are as follows :

- i. The total maximum number of new shares shall not exceed 10% of the total number of issued and paid-up share capital of the Company at any point in time during the existence of the ESOS;
- ii. Eligible persons are full time employees and executive directors of the Group who have been confirmed with at least 12 months of continuous service in the Group prior to the date of offer, the date when an offer is made in writing to an employee to participate in the ESOS;
- iii. No option shall be granted for less than 1,000 new shares nor for more than 500,000 new shares to any eligible employee;
- iv. The option price for each ordinary share shall be set at a discount of not more than 10% from the 5-day weighted average market price of the shares at the date the option is granted. Notwithstanding this, the exercise price per share shall in no event be less than its par value;
- v. The new shares to be allotted upon any exercise of option will upon allotment rank pari passu in all respects with the then existing issued shares except that the new shares so allotted will not rank for any dividends or other distributions declared, made or paid to shareholders prior to the date of exercise of the option and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise; and
- vi. The ESOS shall continue to be in force for a period of five years commencing 12 January 2001.

The movements of the options over unissued shares of the Company granted under the ESOS during the financial year are as follows :

<u>Date of offer</u>	<u>Option price</u> RM	<u>Balance at 22.1.2001</u>	<u>Offered and accepted</u>	<u>Lapsed due to resignation</u>	<u>Exercised</u>	<u>Balance at 31.5.2001</u>
22.1.2001	1.47	-	5,688,000	(250,000)	-	5,438,000



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2001 (cont'd)

DIRECTORS

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

Tun Dato' Seri Dr. Lim Chong Eu
Tsai Yung Chuan
Tsai Yung Lung
Tsai Yung Yu
Tsai Chang Hsiu-Hsiang
Datin Roquaiya Hanim Binti Hussein
Lim Chien Ch'eng
Ung Peng Joo
Ong Eng Choon

In accordance with the Company's Articles of Association, Messrs. Tsai Yung Chuan , Tsai Yung Yu and Mrs. Tsai Chang Hsiu-Hsiang retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Tun Dato' Seri Dr. Lim Chong Eu, being over seventy years of age, retires in accordance with Section 129 of the Companies Act, 1965 and offers himself for re-appointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting of the Company.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the directors in office at the end of the financial year who held shares in the Company and its subsidiary companies are as follows :

	-----No. of ordinary shares of RM1 each-----			
	Balance at <u>1.6.2000</u>	<u>Bought</u>	<u>Sold</u>	Balance at <u>31.5.2001</u>
<u>The Company</u>				
<u>Direct Interest</u>				
Tun Dato' Seri Dr. Lim Chong Eu	10,000	-	-	10,000
Tsai Yung Chuan	10,491,012	-	-	10,491,012
Tsai Yung Lung	13,080,291	-	-	13,080,291
Tsai Yung Yu	10,119,616	-	-	10,119,616
Tsai Chang Hsiu-Hsiang	3,703,138	-	-	3,703,138
Datin Roquaiya Hanim Bt. Hussein	7,000	-	(7,000)	-
Lim Chien Ch'eng	160,000	-	-	160,000
Ung Peng Joo	10,000	-	-	10,000
Ong Eng Choon	10,000	-	-	10,000
<u>Deemed Interest</u>				
Tsai Yung Chuan	3,703,138	-	-	3,703,138
Datin Roquaiya Hanim Bt. Hussein	17,651,534	-	-	17,651,534



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2001 (cont'd)

By virtue of their shareholdings in the Company, Mr. Tsai Yung Chuan and Datin Roquaiya Hanim Bt. Hussein are also deemed interested in the shares of all the subsidiary companies of the Company, to the extent that the Company has interests.

There have been no changes in the directors' shareholdings within 21 days after the financial year ended 31 May 2001.

DIRECTORS' BENEFITS

Since the end of the previous financial year no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related company with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest other than those transactions entered into in the ordinary course of business by its subsidiary companies with companies in which certain directors have substantial financial interests.

During and at the end of the year, no arrangements subsisted to which the Company is a party, with the objects 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 ESOS granted to certain directors.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the directors are not aware of any circumstances :

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, other than those already dealt with in this report and in the relevant financial statements, or
- iv) 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.

At the date of this report there does not exist :

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



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2001(cont'd)

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended 31 May 2001 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, JB LAU & ASSOCIATES, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors :

.....
Tsai Yung Chuan
Managing Director

.....
Tsai Chang Hsiu-Hsiang
Director

Penang,

Date : 21 August 2001



CONSOLIDATED BALANCE SHEET

AS AT 31 MAY 2001

	NOTE	<u>2001</u> RM	<u>2000</u> RM
PROPERTY, PLANT AND EQUIPMENT	4	99,619,330	87,088,698
INVESTMENT IN ASSOCIATED COMPANY	6	418,158	-
CURRENT ASSETS			
Inventories	7	52,968,733	50,844,542
Trade debtors	8	26,872,495	34,154,623
Other debtors, deposits and prepayments		484,296	437,931
Amount due from associated company	10	3,515,917	-
Fixed deposit with a licensed bank	11	31,705	31,236
Cash and bank balances		2,537,171	1,518,230
		<u>86,410,317</u>	<u>86,986,562</u>
CURRENT LIABILITIES			
Trade creditors		6,988,178	8,012,401
Other creditors and accruals		1,558,692	2,758,350
Amount due to directors	12	500,000	530,317
Bank borrowing	13	23,378,000	22,122,000
Provision for taxation		274,933	831,385
Proposed dividend		4,500,000	4,500,000
		<u>37,199,803</u>	<u>38,754,453</u>
NET CURRENT ASSETS		<u>49,210,514</u>	<u>48,232,109</u>
		<u>149,248,002</u>	<u>135,320,807</u>
FINANCED BY :			
SHARE CAPITAL	14	90,000,000	90,000,000
SHARE PREMIUM	15	5,207,618	5,207,618
RETAINED PROFITS	16	<u>47,296,384</u>	<u>35,869,189</u>
SHAREHOLDERS' FUNDS		142,504,002	131,076,807
DEFERRED TAXATION	17	<u>6,744,000</u>	<u>4,244,000</u>
		<u>149,248,002</u>	<u>135,320,807</u>

The notes set out on pages 27 to 40 form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2001

	NOTE	<u>2001</u> RM	<u>2000</u> RM
REVENUE	18	175,010,298	164,680,651
COST OF SALES		<u>(137,878,668)</u>	<u>(128,514,245)</u>
GROSS PROFIT		37,131,630	36,166,406
OTHER OPERATING INCOME		323,883	132,931
ADMINISTRATIVE EXPENSES		(6,929,714)	(4,620,846)
SELLING AND DISTRIBUTION EXPENSES		<u>(10,466,292)</u>	<u>(8,779,564)</u>
OPERATING PROFIT		20,059,507	22,898,927
FINANCE COSTS		(950,515)	(752,963)
SHARE OF PROFIT OF ASSOCIATED COMPANY		<u>418,154</u>	<u>-</u>
PROFIT BEFORE TAXATION	19	19,527,146	22,145,964
TAXATION	20	<u>(3,599,951)</u>	<u>(3,363,262)</u>
PROFIT AFTER TAXATION		<u>15,927,195</u>	<u>18,782,702</u>
EARNINGS PER SHARE (SEN)	21	<u>17.70</u>	<u>20.87</u>
DIVIDEND PER SHARE (SEN)	22	<u>5</u>	<u>5</u>

The notes set out on pages 27 to 40 form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2001

	NOTE	SHARE CAPITAL RM	SHARE PREMIUM RM	RETAINED PROFITS RM	TOTAL RM
<u>2001</u>					
Balance at beginning		90,000,000	5,207,618	35,869,189	131,076,807
Profit after taxation		-	-	15,927,195	15,927,195
Dividend	22	-	-	(4,500,000)	(4,500,000)
Balance at end		<u>90,000,000</u>	<u>5,207,618</u>	<u>47,296,384</u>	<u>142,504,002</u>
<u>2000</u>					
Balance at beginning		90,000,000	5,207,618	21,586,487	116,794,105
Profit after taxation		-	-	18,782,702	18,782,702
Dividend	22	-	-	(4,500,000)	(4,500,000)
Balance at end		<u>90,000,000</u>	<u>5,207,618</u>	<u>35,869,189</u>	<u>131,076,807</u>

The notes set out on pages 27 to 40 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2001

	<u>2001</u>	<u>2000</u>
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,527,146	22,145,964
Adjustments for :		
Depreciation	5,524,445	4,551,754
Interest expense	950,515	752,963
Interest income	(208,008)	(57,153)
Loss/(Gain) on disposal of plant and equipment	1,202,676	(2,568)
Plant and equipment written off	1,094,730	-
Provision for doubtful debts	582,425	-
Share of profit of associated company	(418,154)	-
Operating profit before working capital changes	<u>28,255,775</u>	<u>27,390,960</u>
Inventories	(2,124,191)	(11,076,031)
Debtors	6,653,338	9,566,187
Creditors	(2,223,881)	3,466,463
Associated company	(3,515,917)	-
Directors' account	(30,317)	2,489
Cash generated from operations	<u>27,014,807</u>	<u>29,350,068</u>
Interest paid	(950,515)	(752,963)
Income tax paid	(1,656,403)	(1,183,793)
Net cash from operating activities	<u>24,407,889</u>	<u>27,413,312</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associated company	(4)	-
Interest received	207,539	55,981
Proceeds from disposal of plant and equipment	147,000	216,000
Purchase of property, plant and equipment	(20,499,483)	(20,523,738)
Net cash used in investing activities	<u>(20,144,948)</u>	<u>(20,251,757)</u>
Balance carried forward	4,262,941	7,161,555

The notes set out on pages 27 to 40 form an integral part of these financial statements.



CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2001 (cont'd)

	<u>2001</u>	<u>2000</u>
	RM	RM
Balance brought forward	4,262,941	7,161,555
 CASH FLOWS FROM FINANCING ACTIVITIES		
Bankers acceptances	1,256,000	12,468,000
Dividend paid	(4,500,000)	(4,500,000)
Repayment of term loan	-	(6,249,027)
Revolving credit	-	(3,000,000)
Trust receipts	-	(3,823,149)
Net cash used in financing activities	(3,244,000)	(5,104,176)
 NET INCREASE IN CASH	 1,018,941	 2,057,379
 CASH AT BEGINNING OF YEAR		
As previously reported	1,549,466	(509,085)
Fixed deposits reclassified to investing activities instead of cash equivalents	(31,236)	(30,064)
As restated	1,518,230	(539,149)
 CASH AT END OF YEAR	 2,537,171	 1,518,230

The notes set out on pages 27 to 40 form an integral part of these financial statements.

BALANCE SHEET

AS AT 31 MAY 2001

	NOTE	<u>2001</u> RM	<u>2000</u> RM
PROPERTY, PLANT AND EQUIPMENT	4	640	960
INVESTMENT IN SUBSIDIARY COMPANIES	5	71,248,245	71,248,249
INVESTMENT IN ASSOCIATED COMPANY	6	4	-
CURRENT ASSETS			
Amount due from a subsidiary company	9	25,575,539	24,374,774
Amount due from associated company	10	3,515,917	-
Dividend receivable		-	4,700,000
Cash and bank balances		34,945	56,840
		<u>29,126,401</u>	<u>29,131,614</u>
CURRENT LIABILITIES			
Sundry creditors and accruals		154,638	139,058
Amount due to directors	12	-	30,317
Provision for taxation		-	9,400
Proposed dividend		4,500,000	4,500,000
		<u>4,654,638</u>	<u>4,678,775</u>
NET CURRENT ASSETS		<u>24,471,763</u>	<u>24,452,839</u>
		<u>95,720,652</u>	<u>95,702,048</u>
FINANCED BY :			
SHARE CAPITAL	14	90,000,000	90,000,000
SHARE PREMIUM	15	5,207,618	5,207,618
RETAINED PROFITS	16	513,034	494,430
		<u>95,720,652</u>	<u>95,702,048</u>

The notes set out on pages 27 to 40 form an integral part of these financial statements.



INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2001

	NOTE	<u>2001</u> RM	<u>2000</u> RM
REVENUE	18	4,725,000	4,733,790
OTHER OPERATING INCOME		275	-
ADMINISTRATIVE EXPENSES		<u>(211,372)</u>	<u>(154,223)</u>
PROFIT BEFORE TAXATION	19	4,513,903	4,579,567
TAXATION	20	<u>4,701</u>	<u>(9,400)</u>
PROFIT AFTER TAXATION		<u>4,518,604</u>	<u>4,570,167</u>
DIVIDEND PER SHARE (SEN)	22	<u>5</u>	<u>5</u>

The notes set out on pages 27 to 40 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2001

	NOTE	<u>SHARE CAPITAL</u> RM	<u>SHARE PREMIUM</u> RM	<u>RETAINED PROFITS</u> RM	<u>TOTAL</u> RM
<u>2001</u>					
Balance at beginning		90,000,000	5,207,618	494,430	95,702,048
Profit after taxation		-	-	4,518,604	4,518,604
Dividend	22	-	-	(4,500,000)	(4,500,000)
Balance at end		<u>90,000,000</u>	<u>5,207,618</u>	<u>513,034</u>	<u>95,720,652</u>
<u>2000</u>					
Balance at beginning		90,000,000	5,207,618	424,263	95,631,881
Profit after taxation		-	-	4,570,167	4,570,167
Dividend	22	-	-	(4,500,000)	(4,500,000)
Balance at end		<u>90,000,000</u>	<u>5,207,618</u>	<u>494,430</u>	<u>95,702,048</u>

The notes set out on pages 27 to 40 form an integral part of these financial statements.



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2001

	<u>2001</u> RM	<u>2000</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,513,903	4,579,567
Adjustments for :		
Depreciation	320	320
Dividend income	(4,725,000)	(4,700,000)
Interest income	-	(33,790)
Operating loss before working capital changes	<u>(210,777)</u>	<u>(153,903)</u>
Debtors	-	18,544,000
Creditors	15,580	(1,127,131)
Director's account	(30,317)	2,489
Subsidiary company	(1,200,765)	(17,859,255)
Associated company	<u>(3,515,917)</u>	<u>-</u>
Cash used in operations	(4,942,196)	(593,800)
Income tax paid	<u>(4,699)</u>	<u>-</u>
Net cash used in operating activities	(4,946,895)	(593,800)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary company	-	(4)
Dividend received	9,425,000	5,000,000
Interest received	-	33,790
Net cash from investing activities	<u>9,425,000</u>	<u>5,033,786</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	<u>(4,500,000)</u>	<u>(4,500,000)</u>
NET DECREASE IN CASH	(21,895)	(60,014)
CASH AT BEGINNING OF YEAR	<u>56,840</u>	<u>116,854</u>
CASH AT END OF YEAR	<u>34,945</u>	<u>56,840</u>

The notes set out on pages 27 to 40 form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

1. PRINCIPAL ACTIVITIES

The principal activity of the Company in the course of the financial year remains unchanged and is that of investment holding.

The principal activities of the subsidiary companies are set out in Note 5 to the financial statements.

There were no significant changes in the principal activities of the Company and its subsidiary companies during the financial year.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company are prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting Convention

The financial statements of the Group and of the Company are prepared under the historical cost convention.

3.2 Basis of Consolidation

The financial statements of the Group include the audited financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Inter-company balances and transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. The results of subsidiary companies acquired/disposed of during the year are included in the financial statements of the Group from their respective effective dates of acquisitions/disposals.

Where the acquisition method is adopted, the difference between the purchase price over the fair value of the net assets of the subsidiary companies at the date of acquisition is included in the consolidated financial statements as goodwill or reserve on consolidation, where appropriate. Goodwill on consolidation is not amortised.

Acquisitions of subsidiary companies which meet the criteria for merger accounting under the Malaysian Accounting Standard 2, Accounting for Acquisitions and Mergers, are accounted for using merger accounting principles. The results of the companies being merged are included for the full financial year and the consolidated financial statements are presented as if the companies had been combined throughout the previous financial years. Merger debit arising on consolidation which represents the excess of the nominal value of shares in subsidiary companies acquired and the nominal value of shares issued for the acquisition is set off against Group reserves.

The Group adopts the merger and acquisition method of consolidation.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

3.3 Investment In Subsidiary Companies

Investment in subsidiary companies, which is eliminated on consolidation, is stated at cost in the Company's financial statements.

Provision for diminution in value of investment is made when the directors are of the opinion that the diminution in value is permanent in nature.

3.4 Associated Company

An associated company is defined as one in which the Group holds a long term equity interest of between 20% to 50% and is in a position to exercise significant influence over the management of the company through board representation.

The Group's share of post-acquisition profits/losses less taxation of associated companies is included in the consolidated income statement, and the Group's share of post-acquisition reserves is added to/deducted from the cost of investment in the consolidated balance sheet.

3.5 Property, Plant And Equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Property, plant and equipment are depreciated over their estimated useful lives on the straight line method at the following annual rates :

Buildings	2% - 3.33%
Plant and machinery	6% - 20%
Tools and implements	5% - 20%
Office equipment	20%
Furniture and fittings	10%
Electrical installation	10%
Motor vehicles	20%

Long leasehold land is amortised over the leasehold period of 99 years.

Freehold land is not amortised.

3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of finished goods and work-in-progress includes direct materials, labour and attributable production overheads and is determined on the weighted average basis.

Cost of raw materials, trading goods and indirect materials is determined on the first-in first-out basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

3.7 Debtors

Known bad debts are written off and specific provision is made for any debts considered to be doubtful of collection.

3.8 Revenue Recognition

Revenue from sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Dividend income is recognized in the income statement when the right to receive payment is established.

Interest income is recognized in the income statement as it accrues, taking into account the effective yield on the asset.

3.9 Foreign Currency Translation

Assets and liabilities in foreign currencies at balance sheet date are translated into Ringgit Malaysia at the rates of exchange approximating those ruling on that date. Transactions during the year in foreign currencies are converted into Ringgit Malaysia at the rates of exchange approximating those ruling on transaction dates.

All exchange gains or losses are included in the income statement.

The closing rates of exchange of the foreign currencies used in the preparation of the financial statements are as follows :

	<u>2001</u>	<u>2000</u>
	RM	RM
1 Deutsche Mark	1.6777	1.7899
1 Euro	3.2837	3.5010
1 French Franc	0.4938	0.5229
1 Singapore Dollar	2.0962	2.1955
1 Sterling Pound	5.3671	5.6310
1 US Dollar	3.7880	3.7877

3.10 Deferred Taxation

Provision is made by the liability method for taxation deferred in respect of all timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future.

Deferred taxation benefit is not recognized in the financial statements.

3.11 Cash And Cash Equivalents

Cash comprises cash in hand and balances with banks (including bank overdrafts) while cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	----- At Cost -----				Balance at 31.5.2001 RM
	Balance at 1.6.2000 RM	Additions RM	Disposals RM	Written off RM	
Freehold land	597,276	2,433,469	-	-	3,030,745
Long leasehold land	7,629,931	-	-	-	7,629,931
Buildings	44,558,434	3,665,803	-	-	48,224,237
Plant and machinery	63,318,508	13,566,613	(3,254,168)	(1,633,465)	71,997,488
Tools and implements	3,126,952	407,047	-	-	3,533,999
Office equipment	1,191,402	280,409	-	-	1,471,811
Furniture and fittings	402,811	15,998	-	-	418,809
Electrical installation	633,579	47,016	-	-	680,595
Motor vehicles	1,246,780	83,128	(43,600)	-	1,286,308
	<u>122,705,673</u>	<u>20,499,483</u>	<u>(3,297,768)</u>	<u>(1,633,465)</u>	<u>138,273,923</u>
	----- Accumulated Depreciation -----				Balance at 31.5.2001 RM
	Balance at 1.6.2000 RM	Current charge RM	Disposals RM	Written off RM	
Freehold land	-	-	-	-	-
Long leasehold land	683,915	128,234	-	-	812,149
Buildings	3,849,768	1,173,949	-	-	5,023,717
Plant and machinery	26,779,980	3,533,865	(1,904,492)	(538,735)	27,870,618
Tools and implements	2,217,896	330,867	-	-	2,548,763
Office equipment	956,273	124,690	-	-	1,080,963
Furniture and fittings	150,828	40,949	-	-	191,777
Electrical installation	57,184	67,225	-	-	124,409
Motor vehicles	921,131	124,666	(43,600)	-	1,002,197
	<u>35,616,975</u>	<u>5,524,445</u>	<u>(1,948,092)</u>	<u>(538,735)</u>	<u>38,654,593</u>
					Net book value at 31.5.2001 RM
Freehold land					3,030,745
Long leasehold land					6,817,782
Buildings					43,200,520
Plant and machinery					44,126,870
Tools and implements					985,236
Office equipment					390,848
Furniture and fittings					227,032
Electrical installation					556,186
Motor vehicles					284,111
					<u>99,619,330</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001



	----- At Cost -----				Balance at 31.5.2000 RM
	Balance at 1.6.1999 RM	Additions RM	Disposals RM	Written off RM	
	Freehold land	597,276	-	-	
Long leasehold land	7,629,931	-	-	-	7,629,931
Buildings	39,442,936	5,115,498	-	-	44,558,434
Plant and machinery	50,573,735	13,880,715	(1,135,942)	-	63,318,508
Tools and implements	2,495,841	631,111	-	-	3,126,952
Office equipment	1,122,964	68,438	-	-	1,191,402
Furniture and fittings	390,362	12,449	-	-	402,811
Electrical installation	131,646	501,933	-	-	633,579
Motor vehicles	1,190,346	313,594	(257,160)	-	1,246,780
	<u>103,575,037</u>	<u>20,523,738</u>	<u>(1,393,102)</u>	<u>-</u>	<u>122,705,673</u>

	----- Accumulated Depreciation -----				Balance at 31.5.2000 RM
	Balance at 1.6.1999 RM	Current charge RM	Disposals RM	Written off RM	
	Freehold land	-	-	-	
Long leasehold land	555,681	128,234	-	-	683,915
Buildings	2,850,471	999,297	-	-	3,849,768
Plant and machinery	24,881,954	2,820,536	(922,510)	-	26,779,980
Tools and implements	1,982,251	235,645	-	-	2,217,896
Office equipment	837,519	118,754	-	-	956,273
Furniture and fittings	110,829	39,999	-	-	150,828
Electrical installation	31,225	25,959	-	-	57,184
Motor vehicles	994,961	183,330	(257,160)	-	921,131
	<u>32,244,891</u>	<u>4,551,754</u>	<u>(1,179,670)</u>	<u>-</u>	<u>35,616,975</u>

	Net book value at 31.5.2000 RM
Freehold land	597,276
Long leasehold land	6,946,016
Buildings	40,708,666
Plant and machinery	36,538,528
Tools and implements	909,056
Office equipment	235,129
Furniture and fittings	251,983
Electrical installation	576,395
Motor vehicles	325,649
	<u>87,088,698</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

COMPANY

	<u>Office equipment</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
At cost		
Balance at beginning	1,600	1,600
Additions	-	-
Disposals	-	-
Balance at end	<u>1,600</u>	<u>1,600</u>
Accumulated depreciation		
Balance at beginning	640	320
Current charge	320	320
Disposals	-	-
Balance at end	<u>960</u>	<u>640</u>
Net book value	<u>640</u>	<u>960</u>

5. INVESTMENT IN SUBSIDIARY COMPANIES

	<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
Unquoted shares, at cost	<u>71,248,245</u>	<u>71,248,249</u>

Details of the subsidiary companies are as follows :

<u>Name of Company</u>	<u>Place of Incorporation</u>	<u>Effective Equity Interest</u>		<u>Principal Activity</u>
		<u>2001</u>	<u>2000</u>	
Chin Well Fasteners Co. Sdn. Bhd.	Malaysia	100%	100%	Manufacturing of screws, nuts, bolts and other fastening products.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

<u>Name of Company</u>	<u>Place of Incorporation</u>	<u>Effective Equity Interest</u>		<u>Principal Activity</u>
		<u>2001</u>	<u>2000</u>	
Chin Well Service Centre Sdn. Bhd.	Malaysia	100%	100%	Trading in screws, nuts, bolts and other fastening products.
Rainbow Connection Corp.	British Virgin Islands	-	100%	Investment holding.

6. INVESTMENT IN ASSOCIATED COMPANY

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Unquoted shares, at cost	4	-	<u>4</u>	<u>-</u>
Share of post acquisition profits	418,154	-		
	<u>418,158</u>	<u>-</u>		

Details of the associated company are as follows :

<u>Name of Company</u>	<u>Place of Incorporation</u>	<u>Effective Equity Interest</u>		<u>Principal Activity</u>
		<u>2001</u>	<u>2000</u>	
Rainbow Connection Corp.	British Virgin Islands	50%	-	Investment holding.

7. INVENTORIES

	<u>GROUP</u>	
	<u>2001</u> RM	<u>2000</u> RM
<u>At cost</u>		
Raw materials	8,160,557	11,808,075
Work-in-progress	1,183,302	1,923,581
Finished goods	29,727,424	24,089,952
Trading goods	50,845	41,801
Indirect materials	13,846,605	12,981,133
	<u>52,968,733</u>	<u>50,844,542</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

8. TRADE DEBTORS

	<u>GROUP</u>	
	<u>2001</u> RM	<u>2000</u> RM
Total amount	27,637,218	35,002,187
Less : Provision for doubtful debts		
Balance at beginning	847,564	857,783
Current year provision	582,425	-
Written off	(665,266)	(10,219)
Balance at end	(764,723)	(847,564)
	<u>26,872,495</u>	<u>34,154,623</u>

9. AMOUNT DUE FROM A SUBSIDIARY COMPANY

COMPANY

The amount due from a subsidiary company is non-trade related, unsecured, interest free and has no fixed terms of repayment.

10. AMOUNT DUE FROM ASSOCIATED COMPANY

GROUP AND COMPANY

The amount due from associated company is non-trade related, unsecured, interest free and has no fixed terms of repayment.

11. FIXED DEPOSIT WITH A LICENSED BANK

GROUP

The fixed deposit is pledged to a bank for bank guarantee facility granted to a subsidiary company.

12. AMOUNT DUE TO DIRECTORS

GROUP AND COMPANY

The amount due to directors is non-trade related, unsecured, interest free and has no fixed terms of repayment.

13. BANK BORROWING

GROUP

The bank borrowing of a subsidiary company comprises of bankers acceptance and is secured by way of a corporate guarantee of the Company.

Interest is charged at the lenders' prevailing bankers acceptance discount rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001



14. SHARE CAPITAL

	<u>GROUP AND COMPANY</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
Ordinary shares of RM1 each :		
Authorised	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid	<u>90,000,000</u>	<u>90,000,000</u>

15. SHARE PREMIUM

GROUP AND COMPANY

The share premium account is non-distributable by way of dividends.

16. RETAINED PROFITS

	<u>GROUP</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
<u>Distributable</u>		
Retained by :		
The Company	513,034	494,430
The subsidiary companies	46,365,196	35,374,759
The associated company	418,154	-
	<u>47,296,384</u>	<u>35,869,189</u>

COMPANY

The Company has sufficient tax exempt account and Section 108 tax credit under the Income Tax Act, 1967 subject to the agreement of the Inland Revenue Board, to frank the payment of dividends out of all its retained profits at balance sheet date.

17. DEFERRED TAXATION

	<u>GROUP</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
Balance at beginning	4,244,000	2,180,000
Transfer from income statement	2,500,000	2,064,000
	<u>6,744,000</u>	<u>4,244,000</u>

18. REVENUE

GROUP

Revenue represents the invoiced value of goods sold less returns and discounts.

COMPANY

Revenue represents gross dividend from a subsidiary company and interest income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

19. PROFIT BEFORE TAXATION

This is arrived at :

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
After charging :				
Audit fee				
- current	30,500	32,500	10,000	10,000
- over provision in prior year	(2,000)	-	-	-
Depreciation	5,524,445	4,551,754	320	320
Directors' emoluments	551,075	470,400	-	-
Directors' fee	90,000	90,000	90,000	90,000
Interest expense	950,515	752,963	-	-
Loss on disposal of plant and equipment	1,202,676	-	-	-
Plant and equipment written off	1,094,730	-	-	-
Professional fee payable to a firm of which certain directors are members	9,408	6,491	9,408	5,374
Provision for doubtful debts	582,425	-	-	-
Realised loss on foreign exchange	-	28,322	-	-
* Staff costs (excluding directors)	6,206,514	6,488,299	-	-
And crediting :				
Gain on disposal of plant and equipment	-	2,568	-	-
Gross dividend from a subsidiary company	-	-	4,725,000	4,700,000
Interest income	208,008	57,153	-	33,790
Realised gain on foreign exchange	426,374	-	-	-
Rental income	115,600	107,000	-	-
* Number of employees at balance sheet date	324	349	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

20. TAXATION

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Malaysian income tax :				
Based on profit for the year				
- Current taxation	(1,104,652)	(1,304,770)	-	(9,400)
- Transfer to deferred taxation	(2,500,000)	(2,064,000)	-	-
	<u>(3,604,652)</u>	<u>(3,368,770)</u>	<u>-</u>	<u>(9,400)</u>
Over provision in prior years	4,701	5,508	4,701	-
	<u>(3,599,951)</u>	<u>(3,363,262)</u>	<u>4,701</u>	<u>(9,400)</u>

COMPANY

There is no current taxation charge as the dividend income is tax exempt.

21. EARNINGS PER SHARE

GROUP

The earnings per share has been calculated based on the Group profit after taxation of RM15,927,195 (2000 : RM18,782,702) and on the weighted average number of 90,000,000 (2000 : 90,000,000) ordinary shares in issue during the year.

22. DIVIDEND

	<u>GROUP AND COMPANY</u>	
	<u>2001</u> RM	<u>2000</u> RM
Proposed first and final tax exempt dividend of 5 sen (2000 : 5 sen) per share	<u>4,500,000</u>	<u>4,500,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

23. SEGMENTAL INFORMATION

GROUP

<u>Analysis by activity</u>	<u>Revenue</u> RM	<u>Profit/(Loss)</u> <u>Before</u> <u>Taxation</u> RM	<u>Total Assets</u> <u>Employed</u> RM
<u>2001</u>			
Manufacturing	125,785,858	19,160,718	177,175,017
Trading	49,224,440	159,371	5,303,128
Investment holding	-	(211,097)	3,969,660
	<u>175,010,298</u>	<u>19,108,992</u>	<u>186,447,805</u>
Share of profit of associated company	-	418,154	-
	<u>175,010,298</u>	<u>19,527,146</u>	<u>186,447,805</u>
<u>2000</u>			
Manufacturing	116,286,761	22,104,361	166,908,702
Trading	48,360,100	162,036	7,108,754
Investment holding	33,790	(120,433)	57,804
	<u>164,680,651</u>	<u>22,145,964</u>	<u>174,075,260</u>

Segmental information on geographical locations have not been prepared as the Group's activities are all based in Malaysia.

24. CONTINGENT LIABILITY

	<u>COMPANY</u>	
	<u>2001</u> RM	<u>2000</u> RM
<u>Unsecured</u> Corporate guarantee extended to banks for credit facilities granted to subsidiary companies	<u>20,608,000</u>	<u>17,374,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

25. RELATED PARTY TRANSACTIONS

	<u>2001</u>	<u>Amount</u> <u>outstanding</u> <u>as at</u> <u>31.5.2001</u>	<u>2000</u>	<u>Amount</u> <u>outstanding</u> <u>as at</u> <u>31.5.2000</u>
	RM	RM	RM	RM
<u>COMPANY</u>				
<u>Related Company Transaction</u>				
Gross dividend from a subsidiary company				
- Chin Well Fasteners Co. Sdn. Bhd.	4,725,000	-	4,700,000	4,700,000
<u>Related Party Transactions</u>				
Professional fee payable to a firm of which certain directors of the Company are members				
- Ghazi & Lim	9,408	-	5,374	-
<u>GROUP</u>				
<u>Related Party Transactions</u>				
Sales to a company in which certain directors of the Company have controlling interests				
- Chin Herr Industries (M) Sdn. Bhd.	37,502,999	1,844,742	39,983,975	3,005,941
Purchase from a company in which certain directors and persons connected to these directors of the Company have controlling interests				
- Jinn Her Enterprise Co., Ltd.	9,902,475	1,075,930	10,126,695	1,462,427
- Gem-Year Industrial Co., Ltd.	2,442,360	1,368	10,487,103	-



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2001

	<u>2001</u>	Amount outstanding as at <u>31.5.2001</u>	<u>2000</u>	Amount outstanding as at <u>31.5.2000</u>
	RM	RM	RM	RM
<u>GROUP</u>				
<u>Related Party Transactions</u>				
Purchase of plant and equipment from a company in which certain directors and persons connected to these directors of the Company have controlling interests				
- Jinn Her Enterprise Co., Ltd.	15,957,976	364,898	18,551,558	1,101,400

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

26. SIGNIFICANT EVENT

GROUP AND COMPANY

On 23 May 2001, the Company announced its intention to acquire 100% equity interest in Chin Herr Industries (M) Sdn. Bhd.. The acquisition is pending the approval of the Securities Commission, Foreign Investment Committee, Ministry of International Trade and Industry and the shareholders of the Company.



**DIRECTORS' STATEMENT &
STATUTORY DECLARATION**

DIRECTORS' STATEMENT

We, Tsai Yung Chuan and Tsai Chang Hsiu-Hsiang, being two of the directors of Chin Well Holdings Berhad state that in the opinion of the directors, the financial statements set out on pages 18 to 40 are properly drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 May 2001 and of the results of the operations and cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the directors :

.....
Tsai Yung Chuan
Managing Director

.....
Tsai Chang Hsiu-Hsiang
Director

Date : 21 August 2001

STATUTORY DECLARATION

I, Tsai Yung Chuan , the director primarily responsible for the financial management of Chin Well Holdings Berhad do solemnly and sincerely declare that the financial statements set out on pages 18 to 40 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 at Penang, this 21st)
day of August 2001 .)

Before me,

)
.....
Tsai Yung Chuan
Managing Director

.....
Commissioner for Oaths



REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements set out on pages 18 to 40. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 May 2001 and of the results of the operations and cash flows of the Group and of the Company for the year ended on that date; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Our audit reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under subsection (3) of Section 174 of the Act.

JB LAU & ASSOCIATES
NO. AF : 0042
PUBLIC ACCOUNTANTS

JOHN LAU TIANG HUA
NO. 1107/03/02 (J)

DATE : 21 AUGUST 2001

LIST OF PROPERTIES

HELD BY CHIN WELL FASTENERS CO. SDN. BHD.

Location	Description	Tenure	Land Area	Existing Use Age of Building And built-up Area	Net Book Value 31/5/2000 RM
* Block T-3-05 to Block T-3-08 Block T-04-05 to Block T-4-12 Taman Pelangi Prai Penang erected on part of H.S.(D) No.3299 P.T.No. 2974 Mukim 11, Daerah Seberang Prai Tengah, Pulau Pinang.	3 rooms flat unit of 5 storey flat	99 years expiring on 22.04.2092	700 sq. ft. / 65.03 sq. m. per block	Hostel, 4 years 700 sq. ft. / 65.03 sq. m. per block	506,135
5,7,9,11,11A & 15 Lorong Nagasari 14, Taman Nagasari Prai, Penang erected on H.S (D) No. 460 Lot No.2617 Mukim 6, Daerah Seberang Prai Tengah, Pulau Pinang.	Double Storey Terrace House- 3 rooms	Freehold	893.08 sq. ft. / 83 sq. m. per unit	Hostel, 8 years 1,242 sq. ft / 115.38 sq. m. per unit	412,172
17, Lrg Nagasari 14 Taman Nagasari Prai Penang erected on H.S (D) No.466 Lot No.2623 Mukim 6, Daerah Seberang Prai Tengah, Pulau Pinang.	Double Storey Terrace House- 3 rooms	Freehold	1,678.56 sq. ft. / 156 sq. m. per unit	Hostel, 8 years 1,514 sq. ft. / 140.65 sq. m. per unit	94,951
16, Lebuhr Kurau 11 Chai Leng Park Prai Penang erected on H.S (D) No.1631 P.T.No. PTBM / C.005 Mukim 1, Daerah Seberang Prai Tengah, Pulau Pinang.	Double Storey Terrace House- 3 rooms	Freehold	4,000 sq. ft. / 371.6 sq. m.	Company House, 5 years, 5,250 sq. ft. 487.74 sq. m.	454,629
105, Lebuhr Turi, Off Persiaran Raja Muda Musa, Taman Chi Liung 41200 Klang, Selangor erected on H.S. (M) No.10493 P.T. No.3309 (28022) Mukim Kelang Negeri Selangor.	4 1/2 Storey Terrace Shophouse	Freehold	4,072 sq. ft. / 378.29 sq. m.	Rental for Business, 8 years, 18,897.75 sq. ft. / 1,400 sq. m.	680,606



LIST OF PROPERTIES

HELD BY CHIN WELL FASTENERS CO. SDN. BHD. (cont'd)

Location	Description	Tenure	Land Area	Existing Use Age of Building And built-up Area	Net Book Value 31/5/2000 RM
1586, MK 11, Lrg Perusahaan Utama 1, Bkt. Tengah Industrial Park, 14000 Bukit Mertajam, Penang erected on H.S. (D) No. 3313 P.T. No.2981 Mukim 11, Daerah Seberang Prai Utara, Pulau Pinang.	1 Block 3 Storey Office Building, 3 Block Single Storey Factory, 2 Treatment Plants and Automated Warehouse	60 years expiring on 11.06.2053	15 acres	Factory & Office 5 years, 391,963.63 sq.ft. / 36,414.32 sq.m.	47,358,542
11, Lrg Siram 1, Desa Siram 12100 Butterworth erected on H.S. (D) No. 3333 Lot No.4609 Section 3, Bandar Butterworth, Daerah Seberang Prai Utara, Pulau Pinang.	3 1/2 Storey Terrace Light Industrial Building	Freehold	1,861.48 sq. ft. / 173 sq. m.	Rental, 6 years 5,610 sq.ft / 521.18 sq. m.	465,424
11A, Lrg Siram 1, Desa Siram 12100 Butterworth erected on H.S. (D) No. 3334 Lot No.4610 Section 3, Bandar Butterworth, Daerah Seberang Prai Utara, Pulau Pinang.	Corner unit 3 1/2 Storey Terrace Light Industrial Building	Freehold	2,593.16 sq. ft. / 241 sq. m.	Rental, 6 years 8,282 sq. ft. / 769.41 sq. m.	643,120
Lot No.58, Taman Perindustrian Berjaya, Klang erected on H.S. (D) No.57959 P.T.No.57367, Lot 10, Daerah Klang, Selangor Darul Ehsan.	Land	Freehold	105,803 sq. ft.	Property held for future development	2,433,469
TOTAL					53,049,048

ANALYSIS OF SHAREHOLDINGS

STATISTIC ON SHAREHOLDERS AS AT 10 SEPTEMBER 2001

Authorised share capital	- RM100,000,000
Issued and fully paid-up capital	- RM90,000,000
Class of shares	- Ordinary shares of RM1.00 each
Voting rights	- One vote per ordinary share

Distribution of shareholdings

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued share capital
Less than 1,000	-	-	-	-
1,000 to 5,000	4,348	87.17	8,003,000	8.89
5,001 to 10,000	330	6.62	2,767,000	3.07
10,001 to 100,000	282	5.65	7,150,000	7.94
100,001 to less than 5% of issued shares	24	0.48	20,737,547	23.05
5% and above of issued shares	4	0.08	51,342,453	57.05
Total	4,988	100.00	90,000,000	100.00

Directors' shareholdings

	Direct No. of Shares	%	Deemed interests No. of shares	%
Tun Dato' Seri Dr. Lim Chong Eu	10,000	0.01	-	-
Tsai Yung Chuan	10,491,012	11.66	33,979,777 ^(a)	37.76
Tsai Yung Lung	13,080,291	14.53	31,390,498 ^(a)	34.88
Tsai Yung Yu	10,119,616	11.24	34,351,173 ^(a)	38.17
Tsai Chang Hsiu-Hsiang	3,703,138	4.11	10,491,012 ^(b)	11.66
Datin Roquaiya Hanim Binti Tun Hussein	-	-	17,651,534 ^(c)	19.61
Lim Chien Ch'eng	160,000	0.18	-	-
Ung Peng Joo	10,000	0.01	-	-
Ong Eng Choon	10,000	0.01	-	-

Notes:

- Deemed interested pursuant to Section 122A of the Companies Act, 1965 by virtue of the substantial shareholdings held by their brothers and spouses
- Deemed interested by virtue of the substantial shareholdings held by her husband, Mr. Tsai Yung Chuan
- Deemed interested by virtue of her substantial shareholdings in Kelana Jujur Sdn Bhd

Substantial Shareholders

	Direct No. of shares	%	Deemed interests No. of shares	%
Kelana Jujur Sdn Bhd	17,651,534	19.61	-	-
Tsai Yung Lung	13,080,291	14.53	31,390,498 ^(a)	34.88
Tsai Yung Chuan	10,491,012	11.66	33,979,777 ^(a)	37.76
Tsai Yung Yu	10,119,616	11.24	34,351,173 ^(a)	38.17

Notes:

- Deemed interested pursuant to Section 122A of the Companies Act, 1965 by virtue of the substantial shareholdings held by their brothers and spouses



ANALYSIS OF SHAREHOLDINGS

STATISTIC ON SHAREHOLDERS AS AT 10 SEPTEMBER 2001

The Thirty Largest Shareholders

Name of Shareholders	No. of Shares Held	%
1. Kelana Jujur Sdn Bhd	17,651,534	19.61
2. Tsai Yung Lung	13,080,291	14.53
3. Tsai Yung Chuan	10,491,012	11.66
4. Tsai Yung Yu	10,119,616	11.24
5. Tsai Chang Hsiu-Hsiang	3,703,138	4.11
6. Tsai Chen Hsi-Hui	3,538,366	3.93
7. Tsai Lin Yu-Hua	3,538,366	3.93
8. Maya Hebat Sdn Bhd	1,771,597	1.97
9. Sendi Saksama Sdn Bhd	1,230,308	1.37
10. Fortune Villa Sdn Bhd	1,049,732	1.17
11. Tan Kean Jin	994,000	1.10
12. Teh Bak Hwa	787,000	0.87
13. Eastern Impression Sdn Bhd	696,732	0.77
14. MBA Life Assurance Berhad	547,000	0.61
15. Ciptaman Sdn Bhd	530,308	0.59
16. Chen Li-Chen	438,000	0.49
17. Smith Zain Nominees (Tempatan) Sdn Bhd (Pledged securities account for Yeoh Liew Cheng)	266,000	0.30
18. Fortune Villa Sdn Bhd	215,000	0.24
19. Alliance Group Nominees (Tempatan) Sdn Bhd (Pledged securities account for Ho Mok Heng)	200,000	0.22
20. Teh Kiak Seng	195,000	0.22
21. Soh Tik Siew	187,000	0.21
22. Calyces Sdn Bhd	150,000	0.17
23. Teh Seng Chay	129,000	0.14
24. Wan Marhana Lailie Binti Wan Mahmud	125,000	0.14
25. Mayban Securities Nominees (Tempatan) Sdn Bhd (Pledged securities account for Teh Choong Weng)	116,000	0.13
26. Abdul Ghani Bin Ahmad	115,000	0.13
27. Neoh Pin Gaik	112,000	0.12
28. Ong Geok Ean	103,000	0.11
29. Citicorp Nominees (Tempatan) Sdn Bhd (Pledge securities account for Tang Yong Chew)	100,000	0.11
30. Lim Chien Ch'eng	100,000	0.11



PROXY FORM

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

I/We _____
(Full Name In Capital Letters)

of _____
(Address)

being a *member/members of abovenamed Company, hereby appoint _____
(Full Name In Block Letters)

of _____
(Address)

or failing him/her _____
(Full Name In Block Letters)

of _____
(Address)

as *my/our proxy, to vote for *me/us on *my/our behalf at the Fifth AGM of the Company to be held at Safira Country Club Lot 2769 MK1, Jalan Todak, Bandar Seberang Jaya, 13700 Seberang Perai Tengah, Penang on Wednesday, 21 November 2001 at 10.30 a.m. and at any adjournment thereof.

Ordinary Resolution	1	2	3	4	5	6	7	8	9	10
FOR										
AGAINST										

Please indicate with an 'x' in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

The propositions of my holding to be represented by my proxies are as follow

First proxy "A" %
Second proxy "B" %

100%

Signature of shareholder/s or Common Seal

In case of vote taken by a show of hands, *first proxy "A"/

*Delete, if inapplicable

Notes:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Act shall not apply to the Company.
2. To be valid, this form duly completed must be deposited at the Registered Office of the Company situated at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Meeting.
4. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the member is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

Please fold across the lines and close

stamp

The Company Secretary
CHIN WELL Holdings Berhad

51-21-A MENARA BHL BANK
JALAN SULTAN AHMAD SHAH
10050 PENANG
