



KOTRƏ INDUSTRIES BERHAD
497632-P



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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of the Company will be held at Bunga Dahlia Room, Level 7, Renaissance Melaka Hotel, Jalan Bendahara, 75100 Melaka on 2 December 2002 at 6.00 p.m. to transact the following business :-

AGENDA

ORDINARY BUSINESS

- 1) To lay the Audited Financial Statements for the financial year ended 30 June 2002 together with the reports of the Directors and Auditors thereon.
- 2) To declare a final dividend of 5% per ordinary share, less income tax at 28%, in respect of the year ended 30 June 2002.
RESOLUTION 1
- 3) To approve the payment of Directors' fees for the year ended 30 June 2002.
RESOLUTION 2
- 4) To re-elect the following Directors who retire by rotation in accordance with Article 106 of the Company's Articles of Association and being eligible offer themselves for re-election :-
 - i) Chin Swee Chang
RESOLUTION 3
 - ii) Tan Choo Jow
RESOLUTION 4
- 5) To consider and, if thought fit, to pass the following resolutions pursuant to Section 129 (6) of the Companies Act, 1965:-
 - i) "That Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman, a Director who retires in accordance with Section 129 (2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."
RESOLUTION 5
 - ii) "That Piong Nam Kim @ Piong Pak Kim, a Director who retires in accordance with Section 129 (2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."
RESOLUTION 6
- 6) To re-appoint Messrs Horwath Mok & Poon as auditors of the Company and to authorise the Directors to fix their remuneration.
RESOLUTION 7

SPECIAL BUSINESS

- 7) To consider and if thought fit, to pass the following Ordinary Resolution :-

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

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue new shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all the relevant authorities being obtained for such allotment and issue."

RESOLUTION 8

Notice Of Annual General Meeting < continued >

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a Final Dividend of 5% per ordinary share, less income tax at 28% in respect of the year ended 30 June 2002 will be payable on 8 January 2003 to depositors who are registered in the Record of Depositors at the close of business on 18 December 2002, if approved by members at the Third Annual General Meeting on 2 December 2002. A Depositor shall qualify for entitlement only in respect of :-

- a) shares transferred into Depositor's Securities Account before 12.30 p.m. on 18 December, 2002 in respect of ordinary transfers; and
- b) shares bought on the MESDAQ Market on a cum entitlement basis according to the Listing of Requirements of the Kuala Lumpur Stock Exchange for the MESDAQ Market.

By order of the Board

OW PEE JUAN
(MAICSA 7013304)
Company Secretary

MAH LI CHEN
(MAICSA 7022751)
Company Secretary

MELAKA

Date : 8 November 2002

Note :

1. A member entitled to attend and vote at the general meeting is entitled to appoint a proxy/proxies who may but need not be a member of the Company to vote in his/her stead. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
2. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 535A Jalan Merdeka, Melaka Raya, 75000 Melaka, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Explanatory Note to Ordinary Resolution No. 8 under Special Business :

5. The proposed Ordinary Resolution under Special Business, if passed, will give the Directors of the Company authority to issue shares of the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Corporate Information

BOARD OF DIRECTORS

Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman
(Independent Non-Executive Chairman)

Piong Nam Kim @ Piong Pak Kim
(Deputy Chairman - Executive)

Piong Teck Onn
(Managing Director)

Piong Teck Min
(Non-Executive Director)

Piong Teck Yen
(Executive Director)

Chin Swee Chang
(Executive Director)

Omar bin Md. Khir
(Independent Non-Executive Director)

Koh Foo Ghe
(Independent Non-Executive Director)

Tan Choo Jow
(Independent Non-Executive Director)

Piong Teck They
(Alternate Director for Piong Nam Kim @ Piong Pak Kim)

Azman bin Ahmad
(Alternate Director for Omar bin Md. Khir)

COMPANY SECRETARIES

Ow Pee Juan (MAICSA 7013304)
Mah Li Chen (MAICSA 7022751)

AUDIT COMMITTEE

Koh Foo Ghe
(Independent Non-Executive Director)

Tan Choo Jow
(Independent Non-Executive Director)

Piong Teck Yen
(Executive Director)

REGISTERED OFFICE

535A, Jalan Merdeka
Melaka Raya
75000 Melaka
Tel : 06-2836620
Fax : 06-2836449

BUSINESS OFFICE

No. 1, Jalan TTC 12
Cheng Industrial Estate
75250 Melaka
Tel : 06-3362222
Fax : 06-3366122

REGISTRAR

Mega Corporate Services Sdn. Bhd.
Level 11-2, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-26924271
Fax : 03-27325399/03-27325388

AUDITORS

Horwath Mok & Poon
Level 16, Tower C
Megan Phileo Avenue
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : 03-21660000
Fax : 03-21661000

LEGAL ADVISORS

Chee Siah Le Kee & Partners
Advocates & Solicitors
105, Taman Melaka Raya
75000 Melaka
Tel : 06-2833423
Fax : 06-2847251

STOCK EXCHANGE LISTING

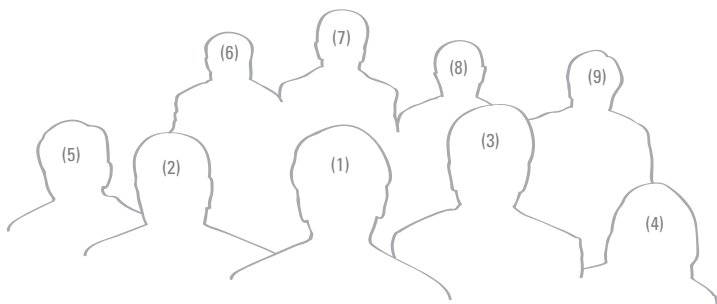
Kuala Lumpur Stock Exchange
MESDAQ Market

SPONSOR

Commerce International Merchant
Bankers Berhad
10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel : 03-2536688
Fax : 03-2535522



Board of Directors



- 1) Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman
- 2) Piong Nam Kim @ Piong Pak Kim
- 3) Piong Teck Onn
- 4) Chin Swee Chang
- 5) Piong Teck Min
- 6) Tan Choo Jow
- 7) Piong Teck Yen
- 8) Omar bin Md. Khir
- 9) Koh Foo Ghe

Directors' Profile

Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman, age 69, is a graduate in Veterinary Science from Sydney University, Australia and a Ph.D from Cambridge University, UK. He started his professional career in 1960 in veterinary research, then in 1972 moved on to academic life at Universiti Pertanian Malaysia (UPM), now Universiti Putra Malaysia where he was the Founding Dean of the Faculty of Veterinary Medicine and Animal Sciences and the first professor appointed by the university. Y. Bhg. Tan Sri Datuk Dr. Omar played major roles in the establishment phase of the university and in the founding of several faculties and academic programmes. His last position at UPM was as Deputy Vice-Chancellor Academic Affairs.

In 1984 he was appointed Science Adviser in the Prime Minister's Department, the first person to hold the position. As Science Adviser, Y. Bhg. Tan Sri Datuk Dr. Omar served on a number of national committees including The National Development Planning Committee, The National Council for Scientific Research and Development, The National Information Technology Council and the National Telecommunication Council. He initiated a number of national programmes for enhancing R & D funding for commercialization of the results of research and for overall improvement of the national S & T management processes. He is Founding Chairman of the Malaysian Technology Development Corporation (MTDC) and the Founding Chairman of Technology Park Malaysia Corporation. He is also the Founding Joint-Chairman of the Malaysian Industry-Government Group for High Technology (MIGHT) as well as the Founding President of the Academy of the Sciences Malaysia. Tan Sri Omar also established Composite Technology (Research) Malaysia Sdn. Bhd. (CTRM) which promoted composite material products manufacturing, and initiated the light aircraft of industry of Malaysia.

He is the Founding and current Chairman of the Commonwealth Partnership for Technology Management (CPTM), a Founding Fellow of the Islamic Academy of Sciences and a Fellow of the Third World Academy of Sciences. Tan Sri Datuk Dr. Omar is also the Immediate-PAST President of the newly established Science Council of Asia. He is one of the prime movers of the International Smart Partnership Dialogues regularly held in Langkawi (LID) and in Southern Africa (SAID) which promote the ethos and the practice of Smart Partnership, the win-win philosophy for all forms of cooperative undertaking and multi-stakeholder partnering.

For his contributions, Tan Sri Datuk Dr Omar has received honorary doctorates from five overseas universities (Stirling, Melbourne, Guelph, Bristol and Queensland) and three Malaysian universities (UTM, UKM and UPM). He received the Asean Achievement Award (Science) in 1993, the Fook Ying Tung South East Asia Prize in 1998 and the Tun Abdul Razak Award (international Category), in 2000. He is also the recipient of a state award (Darjah Mulia Seri Melaka) and three Federal awards : Johan Setia Mahkota, Johan Mangku Negara and Panglima Setia Mahkota.

He retired as Science Adviser in January 2001 but remains as Coordinator, Special Project, in the Office of the Prime Minister. Besides Kotra Industries Berhad ("KOTRA"), Tan Sri Datuk Dr. Omar also serves as a Director of Malaysian Industrial Development Finance Berhad ("MIDF").

Piong Nam Kim @ Piong Pak Kim, age 70, was appointed to the Board of KOTRA as the Executive Deputy Chairman on 5 June 2000. Prior to operating the business in Kwong Onn Tong Sdn. Bhd. ("KOT"), he worked as an apprentice in a Chinese drug store. In 1954, he founded KOT, a company dealing in wholesale of pharmaceutical products. His vast experience in over-the-counter sales and marketing has given him a unique role as an advisor for KOTRA. Being an experienced and knowledgeable member as well as the Secretary of the Melaka Chinese Druggist Association (1962-1992), his presence on the Board has facilitated the acceptance of the Group by the traditional Chinese druggists throughout Malaysia, who represent a significant component in the distribution system for pharmaceutical products.

Directors' Profile

Piong Teck Onn, Managing Director, age 44, graduated from the University of Wales in Cardiff, United Kingdom in 1982 with a Bachelor Degree of Science in Pharmacy. He started his career in the retail and wholesale pharmaceutical business at City Chemist & Asia Pharmacy. In January 1984, he joined Kotra Pharma (M) Sdn Bhd ("KPM") and started KOTRA's manufacturing department, which over the period of 18 years, has initiated the manufacturing of a range of conventional dosage forms ranging from tablets, capsules, creams and ointments, wet and dry syrups and lately, the injectables both aseptically and terminally filled.

He is current an Executive Council member of the Malaysian Organisation of Pharmaceutical Industries (MOPI) since 1998 and Vice President since 2001.

Piong Teck Min, age 50, was elected to the Board of KPM in September 1982. He holds a Malaysia Certificate of Education which he obtained in 1970. He joined KOT in 1970 and gained much experience in the pharmaceutical industry after assisting his father, Mr. Piong Nam Kim, in handling KOT's pharmaceutical wholesale business. With more than 25 years in the pharmaceutical trade industry, he has ventured independently into the traditional medicine business and is currently running Welip (M) Sdn. Bhd., which produces traditional medicine. As a result of his many years in the industry, he is well versed with the intricacies of the pharmaceutical trade and his vast network with Malaysian wholesalers is an important marketing asset for the Group. He was elected to the Board of KOTRA as a Non-Executive Director on 5 June 2000.

Piong Teck Yen, age 35, was elected to the Board of KPM in July 1993. He did his studies at Lewisham College in United Kingdom. He started his career in sales and marketing with KOT in 1989 and was involved mainly in the wholesale of pharmaceuticals, before joining the Group in November 1989 as the Sales Manager. He is responsible for the marketing of the Group's Appeton range of products. By the mid 1995, he was promoted to the present post of Marketing Director and was instrumental in formulating and implementing several large scale promotions aimed at creating brand awareness. He was elected to the Board of KOTRA as an Executive Director on 5 June 2000.

Omar bin Md. Khir, age 65, was appointed to the Board of KOTRA as a Non-Executive Director on 5 June 2000. After obtaining his Cambridge School Certificate in 1955, Encik Omar joined the Estate Management Course sponsored by MARA (formerly known as RIDA) for a two-year course from 1956 to 1957. He joined SOCFIN as an Assistant Estate Manager in 1958 and after serving his post in various rubber and palm oil estates, he was promoted to an Acting Manager in 1973. He left the company in 1992 while serving as Manager 1 (Senior Group Manager) in charge of over approximately 10,000 acres of rubber and oil palm estates in Batang Berjuntai. While serving the company, he was given the honour to become the company's representative for the Malaysian Employers Federation from 1978 to 1979. In 1980, he was appointed as a member of Employers Panel in the Industrial Court. He relinquished the position in 1981. From 1987 to 1990, Encik Omar was appointed as the chairman of the Selangor State Malaysian Agriculture Producers Association Advisory Panel and in 1988 to 1989, he was the Chairman of the Selangor Planters Association. Currently, he sits on the Board of Sumber Modal Satu Berhad.

Koh Foo Ghe, age 48, was appointed to the Board of KOTRA as an Independent Non-Executive Director on 5 June 2000. Mr. Koh is a fellow member of the Association of Chartered Certified Accountants, a member of the Malaysian Institute of Taxation, a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. He started his career with Othman Hew & Co., a chartered accountants' firm (now known as Moores Rowland Chartered Accountants) as an auditor in 1977. In 1982, Mr. Koh started his own practice under the name of Owen Koh & Associates. In 1989, he was appointed by the Association of Chartered Certified Accountants (Malaysian Center) as the founder Co-ordinator for Melaka State, a position he held for approximately 10 years. He was also one of the founder committee member of the Negeri Sembilan and Melaka Branch of the Malaysian Institute of Accountants when the Branch was first set up in 1994. He served in the committee for four years until he was elected as the Vice-Chairman of the Branch in 1998, a position he held for one year. Mr Koh presently also holds directorship in Formosa Culture and Education Bhd..

Directors' Profile < continued >

Chin Swee Chang, age 45, graduated from University of Leeds, United Kingdom in 1982 and holds a Bachelor of Science (Hons) in Data Processing. She is presently in charge of KOTRA's Information Technology ("IT") Department. She started her career as an analyst programmer in a software house, Systems Automation Sdn. Bhd., in Kuala Lumpur in 1982. Ms. Chin was part of a team of systems analysts and programmers responsible for the development and customisation of an insurance software package for a particular client. In 1984, she joined Eastern Systems Design Sdn. Bhd., a computer vendor company marketing mini computers and peripherals, and application packages. Here, Ms. Chin gained experience in the development and implementation of other types of software packages and in the marketing discipline. In 1987, she joined a German multinational company, Robert Bosch (South East Asia) Pte. Ltd. heading the Electronic Data Processing Department where she was responsible for supporting user requirements and setting up the dial-up connection for on-line access. In 1991, she helped to co-ordinate, convert and transfer the data from an old Nixdorf system to an IBM AS/400 system which was completed and running by September 1992. In 1993, she joined the Group as the IT Manager overseeing the computerisation of the business from a stand-alone personal computer ("PC") environment to a local area network PC multi-user system, with fully integrated material requirements planning, financial and distribution software, using an American ERP package called Symix SyteLine running on PROGRESS database. She was elected to the Board of KOTRA as an Executive Director on 5 June 2000.

Tan Choo Jow, age 59, was appointed to the Board of KOTRA as an Independent Non-Executive Director on 5 June 2000. Mr. Tan graduated from the University of Singapore in 1966 with a Bachelor of Pharmacy. He carried out his housemanship in a retail pharmacy in Ipoh and was registered by the Pharmacy Board in 1967. From 1970 to 1987, he was joined Malayan Pharmaceutical Sdn. Bhd. as a marketing manager. He then continued his career in Atlantic Laboratory Sdn. Bhd. as a manager in charge of marketing and manufacturing. From 1990 until his retirement in 1998, Mr. Tan served as the Production Pharmacist of Dumex Malaysia Sdn. Bhd.. Additionally, Mr. Tan was also an active member of the pharmacy profession. He was the President of Malaysian Pharmaceutical Society for about 20 years until 1995; Examiner in Forensic Pharmacy for the Pharmacy Board; External Examiner in Forensic Pharmacy for Universiti Sains Malaysia; Vice President of the Federation of Asian Pharmaceutical Associations from 1994 until now; Founder President of the Malaysian Pharmaceutical Trade and Manufacturers Association.

Piong Teck They, age 43, was elected to the Board of KPM on June 1996 as the alternate Director to Mr. Piong Nam Kim. He holds a Malaysia Certificate of Education which he obtained in 1976. He joined KOT in 1977 and gained much experience in the pharmaceutical industry after assisting his father, Mr. Piong Nam Kim, in handling KOT's pharmaceutical wholesale business. Currently, he is running KOT and his vast experience in the industry and his linkages with various other wholesalers is beneficial to the Group's current and future operations. He was elected to the Board of KOTRA as the alternate to Mr Piong Nam Kim on 5 June 2000.

Azman bin Ahmad, age 37, was appointed to the Board of KOTRA on 5 June 2000 as the alternate Director to Omar bin Md. Khir. He graduated from the University of Western Australia with a Bachelor of Commerce majoring in Accounting and Computer Science in 1985. He is an accountant by profession and is a member of the Malaysian Institute of Accountants and CPA Australia. He started his career with Coopers and Lybrand in 1986 as an audit assistant. After one and half years, he left Coopers and Lybrand and joined Hicom Holdings Berhad as Assistant Manager for seven years where he was involved in the privatisation and listing of Hicom Holdings Berhad, the preparation of feasibility reports, financial monitoring reports and annual reports. In 1994, he was seconded as the General Manager to Hicom Carriage Engineering Sdn. Bhd., a company involved in the manufacturing of buses. He was then responsible in setting up the company's operations, developing its business and achieving profit targets. In 1997, he joined EAC KIMS (Malaysia) Sdn. Bhd. as a Finance Manager, where he oversees the overall accounting, project planning and project financing functions of the company. In 1999, he joined YPJ Holdings Sdn. Bhd. as Corporate Finance consultant, responsible for corporate finance matters of the group, including evaluation of corporate exercises and restructuring. He holds directorships in Sumber Modal Satu Berhad and Man Yau Holdings Berhad.

Y. Bhg. Tan Sri Datuk
Dr. Omar bin Abdul Rahman

Chairman's Statement

On behalf of the Board of Directors of Kotra Industries Berhad, I have pleasure in presenting the Annual Report and Financial Statements of the Group and of the Company for the financial year ended 30 June 2002.

FINANCIAL REVIEW

I am pleased to report that the Group achieved a profit before tax of RM7.1 million for the year, representing a 10% increase over that for the previous year. This is achieved through an improved Group turnover from RM28.0 million in 2001 to RM31.9 million in 2002. However, due to a proportionately higher tax charge for the present year, the profit after tax of RM6.3 million in 2002 represents a proportionately lower increase of 5% compared to 2001.

The Group's profit for 2002 would have been higher had it not been for the marginally lower gross profit margin of 54.5% in 2002 compared to 55.2% in 2001. This is largely due to the higher staff headcount and depreciation on plant and machinery associated with the production of Cephalosporin injectable and other related sterile and non-sterile products which have yet to bring in substantial revenues to the Group in 2002. As such, management expects the gross profit margin to recover in the near future when production and sales of Cephalosporin and other related products achieve a higher scale.

OPERATIONS REVIEW

Domestic Sales

Domestic sales increased from RM22.1 million in 2001 to RM26.0 million in 2002. This is mainly attributable to the various strategic marketing and promotional activities undertaken since 2001 to counteract the cautious domestic spending due to the slower economic growth and increased competitor activities.

Export Sales

Export sales remained constant at RM5.9 million in both 2001 and 2002. However, this does not reflect the efforts which management has undertaken to increase

and widen the export markets. As to date, the Group has established a presence in 11 foreign countries with an average of 26 product registrations in each country. While the penetration of new export markets is a long and tedious process for pharmaceutical products, the Group's management is confident that the export markets offer vast opportunities for our growth in the long term and will sustain efforts in this area.

New Products

During the year, the Group launched 17 new products into the market. Of these products, 6 are over the counter ("OTC") products while the other 11 are prescription products. The Group will continue its focus towards the development of products for niche markets as this represents an important area in securing our long term growth.

Research and Development Activities

During the year the Group incurred RM341,000 of additional expenditures for the development of new products. These development expenditures mainly comprise emoluments of the research and development team as well as the cost of raw materials consumed in the development activities. The majority of the development expenditures incurred relate to approximately 12 groups Cephalosporin injectable and non-injectable products in 36 different variations and dosages. As at 30 June 2002, 7 of these 36 variations have achieved commercial production stage.

Having considered the number of products under development, management intends to increase the size of the research and development team in the near future.

Chairman's Statement < continued >

INDUSTRY AND GROUP PROSPECTS

With the exception of China, the economic slowdown in the United States of America coupled with the 11 September 2001 terrorist incident has caused a slowdown in most Asian economies. The development of China as a major economy also poses a challenge as foreign investments are increasingly diverted away from many smaller Asian countries.

Despite such challenges, Malaysia is expected to register a Gross Domestic Product ("GDP") growth of 4% for 2002 and a forecasted GDP growth of 6.5% for 2003 due to the measures implemented by the Malaysian Government. During the Budget 2003 speech, the honourable Prime Minister cum Finance Minister, Datuk Seri Dr Mahathir Mohamad noted that Malaysia has been highly reliant on foreign direct investment ("FDI") in the past. In view of present challenges, Malaysia's growth must be domestic driven and generated by our own resources. The Government has identified niche areas such as tourism, education, transport and health sectors as engines of growth.

The Malaysian pharmaceutical industry, though a relatively small industry in Malaysia's manufacturing sector, offers high value added consumer products and is related to healthcare. The industry is expected to grow at a steady pace and contribute positively to Malaysia's future economic growth. Management is of the opinion that growth will be driven by the high level of import substitution opportunities as well as the export opportunities available from the implementation of the Asean Free Trade Area ("AFTA") due to the relative competitiveness of Malaysia's pharmaceutical industry.

To benefit from such opportunities, the Group is aware that the manufacture of high quality pharmaceutical products, by itself, is not sufficient. Thus, to secure our future growth, the Group has adopted and is steadily pursuing a two-pronged strategy as follows :

- widening the Group's product range through the development of innovative products for niche markets ; and
- establishing Appeton, Axcel and Vaxcel, which represent the Group's own brand names, as respectable brands in the South East Asia region.

In view of the new products that have been recently launched and will be launched in the near future as well as the efforts being sustained by management in developing and widening the export markets, we are optimistic that the Group will continue to improve its sales and financial performance in the forthcoming financial year and increase our shareholders' value as we move forward.

DIVIDENDS

The Board is pleased to recommend for the shareholders' approval the payment of a final dividend of 5% per ordinary share less tax for the financial year ended 30 June 2002. If approved by the shareholders at the forthcoming Annual General Meeting, the final dividend will be paid on 8 January 2003. An interim tax exempt dividend of 5% per ordinary share for the same financial year was earlier announced by the Board on 26 February 2002 and paid on 22 April 2002. Together with the interim dividend, total dividends for the financial year amount to 4.3 sen per share.

CORPORATE DEVELOPMENT

During the year, there were no changes in the Group's corporate structure. The Board is presently considering the establishment of an Employee Share Option Scheme as a means of motivating our executive personnel towards better performance and reward them for their dedication to the Group. We expect this scheme to be implemented during the forthcoming financial year subject to the approval of our shareholders at an extraordinary general meeting to be convened in due course.

CORPORATE GOVERNANCE

As highlighted in my statement for the previous year's Annual Report, the Board endorses the Malaysian Code of Corporate Governance ("the Code") and has made much effort to comply with most of the recommendations in the Code although compliance is not mandatory under the Listing Requirements of the KLSE for the MESDAQ Market. The Board views that good corporate governance is important for sustainability of the Group's long term growth and increase in shareholders' value.

We have reviewed the Board composition and concluded that changes to the Board is not now required as the present board composition complies with the recommendations of the Code. The Board will continuously keep up its effort to implement further refinements in respect of compliance with the Code.

Please refer also to our statement on Corporate Governance in this report.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors and Management of Kotra Industries Berhad, I thank all our shareholders, customers and business associates for their confidence in and support for the Group. I also express my deepest appreciation to the staff of the Group for contributing to the results of the Group through their dedication and hard work.

Tan Sri Datuk Dr. Omar bin Abdul Rahman
Chairman

Corporate Governance Statement

The Board of Directors appreciates the importance of adopting high standards of corporate governance within the Group as an important factor for sustaining the Group's long term growth and increasing shareholders' value. The Group is currently moving towards compliance with the Principles and adoption of most of the Best Practices as recommended by the Malaysian Code of Corporate Governance ("The Code").

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place by the end of the financial year unless otherwise stated.

PRINCIPLES STATEMENT

The following statement sets out how the Group has applied the Principles in Part 1 of the Code :

A Board of Directors

Board Responsibilities

The Group acknowledges the importance of having an effective Board to lead and control the Group. While management is responsible for the day to day operations of the Group, the Board is ultimately responsible for the stewardship of the Group's strategic direction and development. The Board's responsibilities includes reviewing and adopting the Group's goals, objectives and strategic plans set by management, monitoring the achievement of the goals and objectives, reviewing the performance and fixing the remuneration of key management staff (including the executive directors), identifying the Group's principal risks and reviewing the adequacy of the risk management system as well as the internal control system.

The Board has a formal schedule of matters reserved to itself for decision. These matters include decisions on the Group's overall business strategy, changes in the Group's equity, capital or corporate structure, acquisition of new businesses and divestment of existing businesses, major capital expenditures, related party transactions, borrowings from financial institutions beyond certain threshold and decisions on key management staff. This schedule of reserved matters ensures that the control of the Group is in the Board's hands.

To assist the Board in executing its responsibilities, the following committees have been established :

- Audit Committee
- Remuneration Committee

The functions of these committees are detailed in the subsequent paragraphs. All committees have written terms of reference and the Board receives reports of their proceedings and deliberations which are signed by the Chairmen of the respective committees. These Committee papers form part of the Board meeting documents.

Corporate Governance Statement < continued >

Meetings

During the financial year ended 30 June 2002, the Board met on 4 occasions. The Board meetings deliberated on a variety of matters including the Group's financial results, business plans & Group budgets, significant investments as well as corporate governance issues. Details of each director's meeting attendance are as follows :

	Director	Position	Attendance of Board Meetings in 2002				Total
			Jul' 01	Oct' 01	Feb' 02	May' 02	
1.	Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman	Independent Non-Executive Chairman	.	.	.	.	4
2.	Piong Nam Kim @ Piong Pak Kim	Deputy Chairman - Executive	.	.	.	.	4
3.	Piong Teck Onn	Managing Director	.	.	.	.	4
4.	Piong Teck Yen	Executive Director	.	.	.	.	4
5.	Chin Swee Chang	Executive Director	.	.	.	.	4
6.	Piong Teck Min	Non-Executive Director	.	.	.	.	4
7.	Omar bin Md. Khir	Independent Non-Executive Director	.	.	.	.	3
8.	Koh Foo Ghe	Independent Non-Executive Director, Chairman of Audit Committee	.	.	.	.	4
9.	Tan Choo Jow	Independent Non-Executive Director	.	.	.	.	3
10.	Azman bin Ahmad	Alternate Director to Omar bin Md. Khir	.	.	.	.	1
11.	Piong Teck They	Alternate Director to Piong Nam Kim @ Piong Pak Kim	.	.	.	.	0
	Total Attendance		9	9	9	8	

Board Balance

As at the date of this statement, the Board consists of nine (9) members comprising the following :

- One (1) independent non-executive Chairman
- Four (4) executive directors
- Three (3) independent non-executive directors
- One (1) non-independent non-executive director

A clear division of responsibilities at the head of the Group exists as the Board is led by Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman while the executive management is led by Mr. Piong Teck Onn.

The presence of four (4) independent non-executive directors, including the Chairman, on the Board results in more than one third of the Board members being independent and facilitate the functioning of an effective Board. The independent non-executive directors comprise persons who are respectable, of high integrity and possess vast experience in their respective fields. The independent non-executive directors collectively bring with them a wide range of expertise in the areas of life sciences, pharmacy, finance and management. These expertise enable the independent non-executive directors to make objective and independent judgement to the decision making process of the Board and provide a sound check and balance for the executive Directors.

The Board is of the opinion that the current Board representation fairly reflects the investment of minority shareholders in the company and has incorporated a policy to consider offering Board seats to significant investors.

The Board has also appointed Mr Koh Foo Ghe as the senior independent non-executive director to whom concerns of shareholders may be addressed via the company secretaries.

Corporate Governance Statement < continued >

Supply of Information and Access to Advice

All directors have full and timely access to information required for decision making. The Board is ensured of receiving discussion papers in advance of meetings and have unhindered access to the Group's finance manager and the company secretaries for advice and information.

The Board has also put in place a procedure to be adhered to for any director or group of directors who wish to seek independent professional advice at the Company's expense in furtherance of their duties. The request will be granted if the Board is of the opinion that it is reasonable and appropriate.

Appointments to the Board

As at the date of this report, the Board has yet to formalise the procedure for the appointment of new directors to the Board. Nevertheless, the Board appreciates the importance of incorporating a formal and transparent procedure on this matter and expects this procedure to be formalised in the near future.

Re-election

The procedure for re-election of directors by rotation is set out in the Articles No 106 and 145 of Company's Articles of Association ("the Articles"). Pursuant to the Articles, one-third of the directors, excluding the Managing Director, is required to retire and stand for re-election every year so that each and every director shall retire from office at least once every three (3) years. Article No.145 provides that the Managing Director shall not be subject to retirement by rotation so long as he continues to hold that post.

The Board is aware that the above is not in accordance with the Principles stipulated in the Code and, subject to approval being obtained from the Kuala Lumpur Stock Exchange ("KLSE") and the Company's shareholders, will perform the necessary to amend the Company's articles to achieve consistency with the Code.

B Directors' Remuneration

Remuneration Committee

The Remuneration Committee was formed on 30 July 2001 and its members from the date the committee was set up to the end of the financial year are :

Y. Bhg. Tan Sri Datuk Dr. Omar Bin Abdul Rahman	Independent Non-Executive Chairman
Omar bin Md. Khir	Independent Non-Executive Director
Piong Teck Min	Non-Independent Non-Executive Director
Piong Teck Onn	Managing Director

The Remuneration Committee is responsible for reviewing and recommending the remuneration of the executive and non-executive directors as well as the remuneration of key management staff. In making its recommendations, the Remuneration Committee adheres to the principle of remunerating based on the Group's as well as the individual's performance. The Remuneration Committee's role is that of making recommendations for the Board's approval and does not have the authority to make decisions on behalf of the Board.

The Remuneration Committee met twice from the date it was set up to the end of the financial year and were attended by all members of the committee. Committees members who are executive directors did not participate in the discussion of their individual remuneration.

The annual remuneration of the directors in bands of RM50,000 is tabulated below:

Remuneration Band	Non-Executive Directors	Executive Directors
Below RM50,000	5	-
RM100,001 – RM150,000	-	2
RM150,001 – RM200,000	-	1
RM250,001 – RM300,000	-	1

Corporate Governance Statement < continued >

C Shareholders

The Company acknowledges the importance of communicating with its shareholders and does this through the Annual Reports and the Annual General Meetings. The Board encourages shareholders to participate in the question and answer session of the Annual General Meeting. The Board will try to respond to the shareholders questions during the meeting. In the event an immediate answer in the Annual General Meeting is not possible, the Chairman of the Board will arrange for a written answer to be given to the shareholder at a later date. It is the Board's policy to ensure the presence of a majority of the Board members at the Annual General Meetings to interact with the Company's shareholders.

The Board is also aware of the importance of maintaining communications and receiving feedback from institutional investors and substantial shareholders (which the Board defines as shareholders with shareholding of 5% and above in the Company). While the Board has not established any formal communications policy with its stakeholders and shareholders, the executive directors have maintained an open door policy for meeting with institutional and substantial investors and have established the commitment to meet up with substantial investors at least once per annum. The executive directors have also met up with most investment analysts when requested to do so. Any feedback of an important nature will be communicated to the Board in the following Board meeting.

The Board has also appointed Mr Koh Foo Ghe as the senior independent non-executive director to whom concerns of shareholders may be conveyed via the company secretaries.

D Accountability and Audit

Financial Reporting

The Board aims to provide a balanced and understandable assessment of the Group's financial performance, financial position and prospects through the annual financial statements, Chairman's statements and announcement of quarterly results. In this respect, the Audit Committee assists the Board with the overseeing of the Group's financial reporting process and the quality of the financial reporting.

Internal Control

The Board is responsible for the Group's system of internal control which includes the establishment of an appropriate control environment and framework. The task of overseeing the internal control system and internal audit function is delegated to the Audit Committee which reports to the Board significant matters pertaining to the Group's internal control during the Board meetings. Further information on the Group's internal audit function is set out in the Compliance Statement as well as the Audit Committee Report in pages 15 to 17 of the Annual Report. Due to the limitations inherent to any system of internal control, the system is meant to manage, but not eliminate the risk of failure to achieve the Group's corporate objectives.

Relationship with the External Auditors

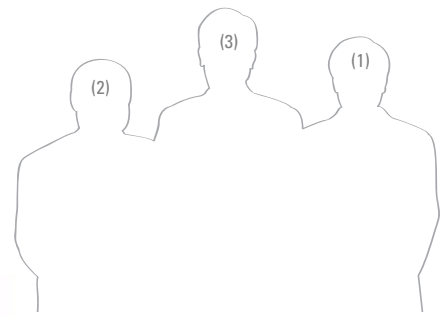
The Group has established a formal arrangement to maintain an appropriate relationship with the external auditors through the Audit Committee. Key features underlying the relationship of the Audit Committee with the external auditors are set out in the Audit Committee's terms of reference in page 17 of the Annual Report.

Corporate Governance Statement < continued >

COMPLIANCE STATEMENT

As at the end of the financial year, the Board is of the opinion that the following Principles and Best Practices of the Code have not been complied with:

Reference to the Code	Summary of the Principle/Best Practice	Board Comments
Part 1 III	Disclosure of each director's remuneration	Details of the remuneration of each director are not disclosed in the Annual Report as the Board is of the opinion this infringes on the privacy of the individual directors. As an alternative, the Annual Report discloses the annual remuneration of directors in bands of RM50,000 and the number of executive/non-executive directors receiving annual remuneration in that particular band.
Part 2 AAI Part 2 CCI	Board to develop, implement and maintain an investor relations programme and communications policy to communicate effectively with shareholders, stakeholders and the public	The Board does not have a formal investor relations programme and shareholder communications policy at present. Any important announcement is made through the KLSE which in the opinion of the Board is adequate. The Board nevertheless welcomes inquiries and feedback from shareholders and stakeholders, whether verbal or written, and these inquiries and feedback will be responded to. The Board also welcomes requests for meetings and interviews with professionals from the investment community and has accepted most of these requests or invitations. Lastly, the executive directors have established the commitment to meet up with our substantial shareholders at least once per annum for their feedback whereupon significant matters will be communicated to the Board. The Board is of the opinion that these arrangements are adequate at present.
Part 2 AAI Part 2 BBVII	Board to identify principal risks and implementation of system to manage risks Board to establish an internal audit function	The Group's internal auditor was appointed on 28 January 2002. Subsequently, the Board appointed an external consultant on 7 May 2002 to assist the Board with the identification and management of the significant business risks which the Group is exposed to. In view of the relatively small size of the Group's operations, the Board concluded that the most feasible alternative is to work with an experienced consultant on a co-sourcing basis whereby the consultant facilitates the Group on risk identification and management while the internal auditor reviews the effectiveness of and compliance with the internal control system. The Board expects the internal risk management and internal audit function to be fully effective by 30 June 2003.
Part 2 AAVIII Part 2 AAIX Part 2 AAX	Establishment of nominating committee	The Board has not established a nominating committee as it is of the opinion that the nomination of new directors, review of the board members' skills and experience and assessing the effectiveness of the Board as a whole should be a matter to be discussed at Board level. The Board is also of the opinion that the skill mix and experience possessed by the current board members is sufficient for the effective functioning of the Board
Part 2 AAXIII	Company to provide orientation and education programme for new board members	The Group does not have a formal process for the orientation of newly appointed board members as orientation is conducted on an informal basis by the executive directors. The Board is of the opinion that the activities of the group are not so complex as to require a formal training.
Part 2 AAXVII	Provision of non-quantitative information	At present, the Group's information system generates information which are predominantly financial based. Given the existing size of the Group's operations, the Board is of the opinion that financial based information is adequate for decision making purposes.



COMPOSITION AND DESIGNATION OF AUDIT COMMITTEE

1. Koh Foo Ghe
(Chairman)
2. Tan Choo Jow
3. Piong Teck Yen

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Constitution

The Audit Committee was formed pursuant to a resolution passed by the Board of Directors on 12 September 2000 in accordance with Chapter 13 of the Listing Requirements of the Kuala Lumpur Stock Exchange for the MESDAQ Market. The terms of reference was subsequently amended on 14 October 2002 to achieve consistency with the Malaysian code of Corporate Governance.

Membership

The Audit Committee shall be appointed by the Board of Directors from among their members and shall comprise no fewer than 3 members of whom a majority shall be Independent Non-Executive Directors. A quorum shall be 2 members.

The members of the Audit Committee shall elect a Chairman from among their member who is not an executive director or employee of the Company or any related corporation. The Chairman elected shall be subject to endorsement by the Board.

If a member of the Audit Committee retires, resigns, passes away or for any other reason ceases to be a member with the result that the number is reduced below 3, the Board of Directors shall, within 2 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

Notice of Meeting and Attendance

The agenda for Audit Committee meetings shall be circulated before each meeting to members of the Committee. The Committee may require the external auditors and any officer of the Company to attend any of its meetings as it deems fit. 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 finance manager and internal auditor shall normally attend meetings at the invitation of the Audit Committee.

The Company Secretary of the Company shall be the Secretary of the Committee.

Audit Committee < continued >

Authority

The Audit Committee is authorised by the Board to investigate any activity of the Company and its subsidiaries within its terms of reference and all employees shall be directed to co-operate with any request made by the Committee. The Committee shall have full access to any information within the Company and its subsidiaries which the Committee requires in the course of performing its duties and shall also have unrestricted access to the management staff. The Committee shall have all the resources it needs to perform its duties at the cost of the Company including the right to appoint independent professionals to advise the Committee.

Duties and Responsibilities

The duties and responsibilities of the Audit Committee shall be :-

- to consider the appointment of the external auditors, the audit fee and any issue of resignation or dismissal;
- to review with the external auditors, their audit plan, their evaluation of the effectiveness of the system of internal controls and their audit reports as well as any problems or reservations arising from the audit process which the external auditors wish to highlight;
- to review with the management and the external auditors, the financial statements of the Company and its subsidiaries as well as the Group's financial statements;
- to review the effectiveness of the risk management and internal audit function ;
- to review the effectiveness of internal control systems and in particular, to review with management all areas of significant financial risks and the systems in place to contain those risks to acceptable levels;
- to review all related party transactions and situations that may give rise to potential conflict of interests.

Audit Committee Attendance Record

The Audit Committee met 5 times during the financial year ended 30 June 2002 and the attendance record is as follows :

	Director	Position	Attendance of Audit Committee Meetings in 2002					Total
			Jul' 01	Aug' 01	Nov' 01	Feb' 02	May' 02	
1.	Koh Foo Ghe	Independent Non-Executive Director & Chairman of Audit Committee	.	.	.	.	.	5
2.	Tan Choo Jow	Independent Non-Executive Director	.	.	.	.	.	4
3.	Piong Teck Onn	Managing Director	.	.	.	.	.	4
4.	Piong Teck Yen	Executive Director					.	1

Piong Teck Onn resigned from the audit committee effective from 3 May 2002 and the vacancy was filled by Piong Teck Yen.

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2002.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and the provision of management services. The principal activity of the subsidiary company is set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after taxation for the financial year	<u>6,345,675</u>	<u>3,295,377</u>

DIVIDENDS

Since the end of the previous financial year, the Company paid the following dividends:-

- (i) a final dividend of 5% less 28% tax amounting to RM1,012,354 in respect of the previous financial year as proposed in the directors' report of that financial year; and
- (ii) an interim tax-exempt dividend of 5% amounting to RM1,406,047 in respect of the current financial year.

The directors now recommend the payment of a final dividend of 5% less 28% tax amounting to RM1,012,354 in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

Directors' Report

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company 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 allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance for doubtful debts has been made.

At the date of this report, the directors are not aware of any circumstances that would further require the writing off of bad debts, or additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value 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 financial statements 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

The contingent liabilities are set out in Note 34 to the financial statements. At the date of this report, there does not exist:-

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

No contingent 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 when they fall due.

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 financial statements of the Group and of the Company, which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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 except as disclosed in Note 28 to the financial statements.

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 and of the Company for the financial year.

Directors' Report

HOLDING COMPANY

The holding company is Piong Nam Kim Holdings Sdn. Bhd., a company incorporated in Malaysia.

DIRECTORS

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

Y. BHG. TAN SRI DATUK DR. OMAR BIN ABDUL RAHMAN

PIONG NAM KIM @ PIONG PAK KIM

PIONG TECK MIN

PIONG TECK ONN

PIONG TECK YEN

CHIN SWEE CHANG

KOH FOO GHE

OMAR BIN MD KHIR

TAN CHOO JOW

PIONG TECK THEY (ALTERNATE DIRECTOR TO PIONG NAM KIM @ PIONG PAK KIM)

AZMAN BIN AHMAD (ALTERNATE DIRECTOR TO OMAR BIN MD KHIR)

Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman and Piong Nam Kim @ Piong Pak Kim retire at the forthcoming annual general meeting in accordance with Section 129(2) of the Companies Act, 1965 and offer themselves for re-election. The Board recommend that Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman and Piong Nam Kim @ Piong Pak Kim be re-appointed as directors of the Company pursuant to Section 129(6) of the Companies Act, 1965, to hold office until the conclusion of the next Annual General Meeting.

Pursuant to Article 106 of the Articles of Association of the Company, Chin Swee Chang and Tan Choo Jow retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Directors' Report

DIRECTORS' INTERESTS

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

THE COMPANY	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	AT 1.7.2001	BOUGHT	SOLD	AT 30.6.2002
Direct Interests				
Piong Nam Kim @ Piong Pak Kim	350,000	846,042	-	1,196,042
Omar Bin Md Khir	114,000	101,500	15,900	199,600
Tan Choo Jow	100,000	-	25,000	75,000
Azman Bin Ahmad	114,000	-	-	114,000
Y. Bhg Tan Sri Datuk Dr. Omar Bin Abdul Rahman	-	2,200	-	2,200
Piong Teck Min	-	580,100	-	580,100
Piong Teck They	-	505,994	-	505,994
Indirect Interests				
Piong Nam Kim @ Piong Pak Kim	29,374,710	-	-	29,374,710
Piong Teck Min	29,374,710	-	-	29,374,710
Piong Teck Onn	29,374,710	-	-	29,374,710
Piong Teck Yen	29,374,710	-	-	29,374,710
Piong Teck They	29,374,710	-	-	29,374,710
Deemed Indirect Interest				
Chin Swee Chang	29,374,710	-	-	29,374,710

HOLDING COMPANY	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	AT 1.7.2001	BOUGHT	SOLD	AT 30.6.2002
Piong Nam Kim Holdings Sdn. Bhd.				
Direct Interests				
Piong Nam Kim @ Piong Pak Kim	11,375	-	-	11,375
Piong Teck Min	10,000	-	-	10,000
Piong Teck Onn	51,000	-	-	51,000
Piong Teck Yen	10,000	-	-	10,000
Piong Teck They	6,250	-	-	6,250
Deemed Interest				
Chin Swee Chang	51,000	-	-	51,000

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

None of the other directors holding office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

By virtue of their interests in the holding company, Piong Nam Kim @ Piong Pak Kim, Piong Teck Min, Piong Teck Onn, Piong Teck Yen, Piong Teck They and Chin Swee Chang are deemed to have interests in shares in the Company and its subsidiary company to the extent of the holding company's interest in accordance with Section 6A of the Companies Act, 1965.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director 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 directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 32 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Horwath Mok & Poon, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

Y. BHG. TAN SRI DATUK DR. OMAR BIN ABDUL RAHMAN

PIONG NAM KIM @ PIONG PAK KIM

Melaka
28 October 2002

Statement by Directors

STATEMENT BY DIRECTORS

We, Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman and Piong Nam Kim @ Piong Pak Kim, being two of the directors of Kotra Industries Berhad, state that, in the opinion of the directors, the financial statements set out on pages 25 to 42 are 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 30 June 2002 and of their results and cash flows for the financial year ended on that date.

**Y. BHG. TAN SRI DATUK
DR. OMAR BIN ABDUL RAHMAN**
28 October 2002

**PIONG NAM KIM @
PIONG PAK KIM**

STATUTORY DECLARATION

I, Piong Teck Onn, I/C No. 571223-04-5361, being the director primarily responsible for the financial management of Kotra Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 25 to 42 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 Piong Teck Onn, I/C No. 571223-04-5361, at Melaka in the state of Melaka on 28 October 2002

Before me:

PIONG TECK ONN

Choo Yong Chuan
Commissioner for Oaths
Melaka, Malaysia.

Report of the Auditors to the Members of Kotra Industries Berhad

We have audited the financial statements set out on pages 25 to 42. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements 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 that the financial statements are free of material misstatement. Our audit included examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit also included an assessment of the accounting principles used and significant estimates made by the directors, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe 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:-
 - (i) the state of affairs of the Group and of the Company at 30 June 2002 and their results and cash flows for the financial year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiary company of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiary company that have been consolidated with the Company's financial statements are in the 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 report on the financial statements of the subsidiary company was not subject to any qualification and did not include any comment made under Section 174(3) of the said Act.

HORWATH MOK & POON

Firm No. : AF 0995

Chartered Accountants

Kuala Lumpur

28 October 2002

ONN KIEN HOE

Approval No : 1772/11/02 (J)

Partner of Firm

Balance Sheets

AT 30 JUNE 2002

	NOTE	THE GROUP		THE COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM (As restated)
ASSETS					
Investment in a subsidiary company	6	-	-	23,020,926	23,020,926
Property, plant and equipment	7	23,042,673	22,541,524	-	-
Development expenditure	8	646,212	386,741	-	-
		<u>23,688,885</u>	<u>22,928,265</u>	<u>23,020,926</u>	<u>23,020,926</u>
CURRENT ASSETS					
Inventories	9	9,226,607	6,713,208	-	-
Trade receivables	10	13,062,271	11,275,427	-	-
Other receivables, deposits and prepayments	11	440,607	228,151	47,722	-
Amount owing by subsidiary company	12	-	-	10,699,972	9,418,572
Fixed deposits with licensed banks	13	2,359,208	4,652,951	-	377,000
Cash and bank balances		424,195	481,449	25,232	125,240
		<u>25,512,888</u>	<u>23,351,186</u>	<u>10,772,926</u>	<u>9,920,812</u>
LESS: CURRENT LIABILITIES					
Trade payables	14	2,482,774	3,360,454	-	-
Other payables and accruals	15	1,818,888	1,845,306	18,187	29,049
Amount owing to a director	16	7,336	7,336	-	-
Provision for taxation		-	463,991	-	14,000
Bank overdraft	17	163,137	-	-	-
		<u>4,472,135</u>	<u>5,677,087</u>	<u>18,187</u>	<u>43,049</u>
NET CURRENT ASSETS		<u>21,040,753</u>	<u>17,674,099</u>	<u>10,754,739</u>	<u>9,877,763</u>
		<u>44,729,638</u>	<u>40,602,364</u>	<u>33,775,665</u>	<u>34,898,689</u>
FINANCED BY:-					
Share capital	18	28,120,928	28,120,928	28,120,928	28,120,928
Share premium reserve (Non-distributable)	19	2,804,631	2,804,631	2,804,631	2,804,631
Retained profits	20	11,191,725	7,264,451	1,837,752	960,776
Dividend proposed		1,012,354	1,012,354	1,012,354	1,012,354
SHAREHOLDERS' EQUITY		<u>43,129,638</u>	<u>39,202,364</u>	<u>33,775,665</u>	<u>32,898,689</u>
DEFERRED LIABILITY					
Deferred taxation	21	1,600,000	1,400,000	-	-
		<u>44,729,638</u>	<u>40,602,364</u>	<u>33,775,665</u>	<u>32,898,689</u>
Net tangible assets per share	22	<u>75.5 Sen</u>	<u>69.0 Sen</u>		

The annexed notes form an integral part of these financial statements.

Income Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

	NOTE	THE GROUP		THE COMPANY	
		2002 RM	2001 RM	2002 RM	2001 (As restated) RM
REVENUE	23	31,853,343	27,992,941	4,198,748	4,114,121
COST OF SALES		(14,501,911)	(12,573,171)	-	-
GROSS PROFIT		17,351,432	15,419,770	4,198,748	4,114,121
OTHER OPERATING INCOME		296,877	294,263	-	-
NON-OPERATING INCOME		-	79,100	-	-
TOTAL INCOME		17,648,309	15,793,133	4,198,748	4,114,121
SELLING AND DISTRIBUTION EXPENSES		(8,437,713)	(7,613,936)	-	-
ADMINISTRATIVE EXPENSES		(1,733,822)	(1,479,824)	(308,484)	(94,481)
OTHER OPERATING EXPENSES		(342,362)	(91,743)	-	-
PROFIT FROM OPERATIONS		7,134,412	6,607,630	3,890,264	4,019,640
FINANCE COSTS		(36,280)	(159,090)	(430)	(150)
PROFIT BEFORE TAXATION	24	7,098,132	6,448,540	3,889,834	4,019,490
TAXATION	25	(752,457)	(498,000)	(594,457)	(636,222)
NET PROFIT AFTER TAXATION		6,345,675	5,950,540	3,295,377	3,383,268
Earnings per share - basic	26	11.3 sen	11.2 sen		
Earnings per share - diluted	26	Not applicable	Not applicable		

The annexed notes from an intergal part of these financial statements.

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

THE GROUP	NOTE	SHARE CAPITAL RM	SHARE PREMIUM RM	RETAINED PROFITS RM	DIVIDEND PROPOSED RM	TOTAL RM
Balance at 1.7.2000		23,020,928	-	3,732,312	-	26,753,240
Issue of shares		5,100,000	3,825,000	-	-	8,925,000
Listing expenses written off		-	(1,020,369)	-	-	(1,020,369)
Profit after taxation for the financial year		-	-	5,950,540	-	5,950,540
Dividends						
- paid	27	-	-	(1,406,047)	-	(1,406,047)
- proposed	27	-	-	(1,012,354)	1,012,354	-
Balance at 30.6.2001/1.7.2001		<u>28,120,928</u>	<u>2,804,631</u>	<u>7,264,451</u>	<u>1,012,354</u>	<u>39,202,364</u>
Profit after taxation for the financial year		-	-	6,345,675	-	6,345,675
Dividends						
- paid	27	-	-	(1,406,047)	(1,012,354)	(2,418,401)
- proposed	27	-	-	(1,012,354)	1,012,354	-
Balance at 30.6.2002		<u>28,120,928</u>	<u>2,804,631</u>	<u>11,191,725</u>	<u>1,012,354</u>	<u>43,129,638</u>

The retained profits of the Group are attributable to:-

	2002 RM	2001 RM
The Company	1,837,752	960,776
Subsidiary company	9,353,973	6,303,675
	<u>11,191,725</u>	<u>7,264,451</u>

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

THE COMPANY	NOTE	SHARE CAPITAL RM	SHARE PREMIUM RM	RETAINED PROFITS RM	DIVIDEND PROPOSED RM	TOTAL RM
Balance at 1.7.2000		23,020,928	-	(4,091)	-	23,016,837
Issue of shares		5,100,000	3,825,000	-	-	8,925,000
Listing expenses written off		-	(1,020,369)	-	-	(1,020,369)
Profit after taxation for the financial year (as previously reported)		-	-	5,161,046	-	5,161,046
Prior year adjustment	28	-	-	(1,777,778)	-	(1,777,778)
Profit after taxation for the financial year (as restated)		-	-	3,383,268	-	3,383,268
Dividends						
- paid	27	-	-	(1,406,047)	-	(1,406,047)
- proposed	27	-	-	(1,012,354)	1,012,354	-
Balance at 30.6.2001/1.7.2001		28,120,928	2,804,631	960,776	1,012,354	32,898,689
Profit after taxation for the financial year		-	-	3,295,377	-	3,295,377
Dividends						
- paid	27	-	-	(1,406,047)	(1,012,354)	(2,418,401)
- proposed	27	-	-	(1,012,354)	1,012,354	-
Balance at 30.6.2002		28,120,928	2,804,631	1,837,752	1,012,354	33,775,665

The annexed notes from an intergal part of these financial statements.

Cash Flow Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

NOTE	THE GROUP		THE COMPANY	
	2002	2001	2002	2001 (As restated)
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	7,098,132	6,448,540	3,889,834	4,019,490
Adjustments for:-				
Allowance for doubtful debts	202,244	-	-	-
Bad debts written off	499	20,258	-	-
Depreciation of property, plant and equipment	1,353,771	933,866	-	-
Development expenditure				
- amortisation	48,491	8,760	-	-
- written off	32,628	-	-	-
Interest expense	1,589	118,490	-	-
Unrealised loss/(gain) on foreign exchange	24,086	(86,119)	-	-
Gain on disposal of equipment	(4,866)	(12,200)	-	-
Interest income	(106,914)	(173,360)	-	-
Operating profit before working capital changes	8,649,660	7,258,235	3,889,834	4,019,490
Increase in inventories	(2,513,399)	(2,323,998)	-	-
(Increase)/Decrease in trade and other receivables	(2,022,113)	(657,608)	(1,000)	192,102
(Decrease)/Increase in trade and other payables	(904,098)	(1,718,785)	(10,862)	25,249
CASH FROM OPERATIONS	3,210,050	2,557,844	3,877,972	4,236,841
Interest paid	(1,589)	(118,490)	-	-
Development expenditure paid	(340,590)	(234,463)	-	-
Tax paid	(1,220,464)	(2,291,663)	(655,179)	(622,222)
NET CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD	1,647,407	(86,772)	3,222,793	3,614,619

The annexed notes form an integral part of these financial statements.

Cash Flow Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

	NOTE	THE GROUP		THE COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM (As restated)
NET CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD		1,647,407	(86,772)	3,222,793	3,614,619
CASH FLOWS FOR INVESTING ACTIVITIES					
Interest received		106,914	173,360	-	-
Proceeds from disposal of equipment		5,000	22,000	-	-
Purchase of property, plant and equipment		(1,855,054)	(2,649,504)	-	-
NET CASH FLOWS FOR INVESTING ACTIVITIES		(1,743,140)	(2,454,144)	-	-
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Issue of shares		-	8,925,000	-	8,925,000
Listing expenses paid		-	(1,020,369)	-	(1,020,369)
Dividends paid		(2,418,401)	(1,406,047)	(2,418,401)	(1,406,047)
Repayment of term loans		-	(2,823,582)	-	-
Net advances to subsidiary company		-	-	(1,281,400)	(9,618,240)
NET CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		(2,418,401)	3,675,002	(3,699,801)	(3,119,656)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,514,134)	1,134,086	(477,008)	494,963
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		5,134,400	4,000,314	502,240	7,277
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29	2,620,266	5,134,400	25,232	502,240

The annexed notes from an integral part of these financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Malaysian Companies Act, 1965. The domicile of the Company is in Malaysia. The registered office and principal place of business are as follows:-

Registered office : 535A, Jalan Merdeka
Melaka Raya 75000 Melaka.

Principal place of business: No. 1, Jalan TTC 12,
Cheng Industrial Estate
75250 Melaka.

2. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and the provision of management services. The principal activity of the subsidiary company is disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANY

The holding company is Piong Nam Kim Holdings Sdn. Bhd., a company incorporated in Malaysia.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with applicable approved accounting standards in Malaysia.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary company made up to 30 June 2002.

A subsidiary company is defined as a company in which the Company holds directly or indirectly more than 50% of the equity share capital and has control over the financial and operating policies. Investment in subsidiary company is stated at cost unless in the opinion of the Directors there has been a permanent diminution in value, in which case allowance is made for the diminution in value.

The merger method is used for consolidation of the results of the subsidiary company acquired as the acquisition was by way of issue of shares which satisfies the requirements of Malaysian Accounting Standard No. 2. The resulting merger deficit arising from the difference between the acquisition cost and the normal value of share capital of the subsidiary company is set-off against the retained profits.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of the subsidiary company to ensure consistency of accounting policies with those of the Group.

(b) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation. Freehold land is stated at cost and is not depreciated.

Depreciation is calculated under the straight-line method to write off the cost of the property, plant and equipment over their estimated useful lives. The principal annual rates used for this purpose are:-

Long term leasehold land	Over the lease period of 95 years
Industrial buildings	2%
Machinery and equipment	10%
Motor vehicles	10%
Office equipment, computer, furniture and fittings	10% - 20%

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Research and Development Expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on developing new pharmaceutical products are recognised as development expenditure to the extent that such expenditure is expected to generate future economic benefits. Other development expenditure is recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Development costs that have been capitalised are amortised from the commencement of the commercial production of the product to which they relate on a straight-line basis over the period of their expected benefit, but not exceeding 5 years. Where the future benefit is uncertain or cannot be reasonably assured, the cost is written off immediately to the income statement.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and comprises the cost of materials and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the cost of direct labour and an appropriate proportion of production overheads.

In arriving at net realisable value, due allowance is made for all damaged, obsolete and slow-moving items.

(e) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(f) Deferred Taxation

Deferred taxation is provided using the liability method on all material timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefit is only recognised when there is reasonable expectation of realisation in the foreseeable future.

(g) Dividends

During the financial year, the Group changed its accounting policy with respect to the recognition of liabilities in compliance with the new MASB Standard 19 Events After the Balance Sheet Date. In previous years, dividends were accrued as a liability when proposed by the directors. The Group has now changed this accounting policy to recognise dividends in shareholders' equity in the period in which the obligation to pay is established in accordance with MASB 19. Therefore, final dividends are now accrued as a liability after approval by shareholders at the Annual General Meeting. This change has been accounted for retrospectively.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and 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.

(i) Foreign Currency Transactions

Transactions in foreign currencies are converted into Ringgit Malaysia at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated at the approximate rates ruling as of that date. All exchange differences are taken to the income statement.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Revenue Recognition

(i) Sales of goods

Sales are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Dividends

In the previous financial year, dividend income was recognised on an accrual basis. During the current financial year, the Group changed its accounting policy whereby dividend income is now recognised when the shareholders' right to receive the payment is established. The change in this accounting policy has the effect of increasing the current financial year's profit before taxation by RM1,777,778 (decreasing the previous financial year's profit before taxation by RM1,777,778).

(iii) Interest income

Interest income is recognised on an accrual basis.

(iv) Management fee

Management fee is recognised when services are rendered.

(v) Rental income

Rental income is recognised on an accrual basis.

6. SUBSIDIARY COMPANY

	THE COMPANY	
	2002 RM	2001 RM
Unquoted shares, at cost	23,020,926	23,020,926

NAME OF COMPANY	PLACE OF INCORPORATION	ORDINARY PAID-UP CAPITAL RM	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITY
			2002 %	2001 %	
Kotra Pharma (M) Sdn. Bhd.	Malaysia	2,222,222	100	100	Manufacturer of pharmaceutical and healthcare products

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

7. PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LAND RM	LONG TERM LEASEHOLD LAND RM	INDUSTRIAL BUILDINGS RM	MACHINERY AND EQUIPMENT RM	MOTOR VEHICLES RM	OFFICE EQUIPMENT, COMPUTER, FURNITURE AND FITTINGS RM	TOTAL RM
THE GROUP							
Net book value at 1.7.2001	809,984	1,889,898	12,971,509	5,474,282	723,970	671,881	22,541,524
Additions	-	-	275,104	1,392,484	-	187,466	1,855,054
Disposal	-	-	-	-	(134)	-	(134)
Depreciation charge	-	(18,833)	(294,195)	(785,867)	(138,840)	(116,036)	(1,353,771)
Net book value at 30.6.2002	809,984	1,871,065	12,952,418	6,080,899	584,996	743,311	23,042,673
At 30.6.2002							
Cost	809,984	2,012,812	14,285,933	8,955,329	1,428,400	1,481,132	28,973,590
Accumulated depreciation	-	(141,747)	(1,333,515)	(2,874,430)	(843,404)	(737,821)	(5,930,917)
Net book value	809,984	1,871,065	12,952,418	6,080,899	584,996	743,311	23,042,673
At 30.6.2001							
Cost	809,984	2,012,812	14,010,829	7,562,845	1,460,280	1,293,666	27,150,416
Accumulated depreciation	-	(122,914)	(1,039,320)	(2,088,563)	(736,310)	(621,785)	(4,608,892)
Net book value	809,984	1,889,898	12,971,509	5,474,282	723,970	671,881	22,541,524

The net book value of property, plant and equipment of the Group pledged to financial institutions for term loans extended to the subsidiary company are as follows:-

	THE GROUP	
	2002 RM	2001 RM
Freehold land	570,637	570,637
Industrial buildings	7,565,373	7,739,409
Long term leasehold land	1,871,065	1,889,898
Machinery and equipment	573,017	708,986
	<u>10,580,092</u>	<u>10,908,930</u>

The security over the above property, plant and equipment is in the process of being discharged as the term loans have been fully repaid.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

8. DEVELOPMENT EXPENDITURE

	THE GROUP	
	2002 RM	2001 RM
Cost	703,419	399,575
Accumulated amortisation	(57,207)	(12,834)
Net book value	<u>646,212</u>	<u>386,741</u>
Net book value at 1 July 2001/2000	386,741	161,038
Additional development expenditure capitalised	340,590	234,463
Development expenditure written off	(32,628)	-
Amortisation charge for the year	(48,491)	(8,760)
Net book value at 30 June	<u>646,212</u>	<u>386,741</u>

9. INVENTORIES

	THE GROUP	
	2002 RM	2001 RM
AT COST:-		
Raw materials	4,236,125	2,827,493
Work-in-progress	707,702	392,622
Finished goods	4,282,780	3,493,093
	<u>9,226,607</u>	<u>6,713,208</u>

No inventories of the Group were stated at net realisable value at the balance sheet date.

10. TRADE RECEIVABLES

	THE GROUP	
	2002 RM	2001 RM
Trade receivables	13,264,515	11,331,713
Allowance for doubtful debts		
Balance at 1 July 2001/2000	(56,286)	(98,142)
Written off	56,286	41,856
Additions	(202,244)	-
Balance at 30 June	<u>(202,244)</u>	<u>(56,286)</u>
	<u>13,062,271</u>	<u>11,275,427</u>

Included in trade receivables of the Group is RM137,882 (2001 - RM189,188) owing by a related party, details of which are disclosed in Note 32 to the financial statements.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2002 RM	2001 RM	2002 RM	2001 (As restated) RM
Other receivables	129,811	69,172	-	-
Deposits	77,267	127,741	1,000	-
Prepayments	29,513	31,238	-	-
Tax recoverable	204,016	-	46,722	-
	<u>440,607</u>	<u>228,151</u>	<u>47,722</u>	<u>-</u>

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

12. AMOUNT OWING BY SUBSIDIARY COMPANY

The amount owing by the subsidiary company is unsecured, interest-free and not subject to fixed terms of repayment.

13. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits of the Group is RM400,000 (2001 - RM400,000) pledged to a licensed bank for trade financing facilities extended to the subsidiary company.

14. TRADE PAYABLES

Included in trade payables of the Group is RM29,589 (2001 - RM40,613) owing to a related party, details of which are disclosed in Note 32 to the financial statements.

15. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Other payables	1,121,575	1,226,857	800	5,961
Payroll liabilities	653,366	567,899	11,387	17,088
Accrued expenses	43,947	50,550	6,000	6,000
	<u>1,818,888</u>	<u>1,845,306</u>	<u>18,187</u>	<u>29,049</u>

16. AMOUNT OWING TO A DIRECTOR

The amount owing by the Group to a director, Piong Teck Onn, is unsecured, interest-free and not subject to fixed terms of repayment.

17. BANK OVERDRAFT

The bank overdraft bears interest at 2% (2001 - 2%) per annum above the bank's base lending rate and is secured by a corporate guarantee extended by the Company in favour of the licensed bank.

18. SHARE CAPITAL

	THE COMPANY	
	2002 RM	2001 RM
ORDINARY SHARES OF RM0.50 EACH:-		
AUTHORISED	<u>50,000,000</u>	<u>50,000,000</u>
ISSUED AND FULLY PAID-UP		
At 1 July 2001/2000	28,120,928	23,020,928
Allotment during the financial year	-	5,100,000
At 30 June	<u>28,120,928</u>	<u>28,120,928</u>

19. SHARE PREMIUM RESERVE (NON-DISTRIBUTABLE)

	THE COMPANY	
	2002 RM	2001 RM
At 1 July 2001/2000	2,804,631	-
Arising from issue of shares by way of private placement and public offer	-	3,825,000
Listing expenses written off	-	(1,020,369)
Balance at 30 June	<u>2,804,631</u>	<u>2,804,631</u>

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

20. RETAINED PROFITS

Subject to agreement with the tax authorities, at the balance sheet date, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax-exempt income account to enable the payment of dividends out of its entire retained profits without incurring any additional tax liabilities.

21. DEFERRED TAXATION

	THE GROUP	
	2002 RM	2001 RM
At 1 July 2001/2000	1,400,000	1,216,000
Transfer from income statement (Note 25)	200,000	184,000
At 30 June	<u>1,600,000</u>	<u>1,400,000</u>

The deferred taxation principally relates to the following:-

- (i) the timing differences between depreciation and capital allowances on qualifying cost of plant and equipment; and
- (ii) the timing differences on the amortisation of the development expenditure and the corresponding tax deduction.

All significant timing differences of the Group have been accounted for as they are expected to reverse in the foreseeable future.

22. NET TANGIBLE ASSETS PER SHARE

The net tangible assets per share of the Group is calculated based on the net tangible value of RM42,483,426 (2001 - RM38,815,623) attributable to ordinary shares divided by the number of ordinary shares in issue at the balance sheet date of 56,241,856 (2001 - 56,241,856) shares of RM0.50 each.

As a result of the change in accounting policy in respect of dividends, the net tangible assets per share of the Group at 30 June 2001 has been restated from 67.2 sen to 69.0 sen.

23. REVENUE

	THE GROUP		THE COMPANY	
	2002 RM	2001 RM	2002 RM	2001 (As restated) RM
Sales of goods	31,853,343	27,992,941	-	-
Dividend income	-	-	4,000,000	4,000,000
Interest income	-	-	4,348	54,121
Management fees	-	-	194,400	60,000
	<u>31,853,343</u>	<u>27,992,941</u>	<u>4,198,748</u>	<u>4,114,121</u>

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

24. PROFIT BEFORE TAXATION

	NOTE	THE GROUP		THE COMPANY	
		2002 RM	2001 RM	2002 RM	2001 (As restated) RM
Profit before taxation is arrived at after charging/(crediting):-					
Allowance for doubtful debts		202,244	-	-	-
Audit fee					
- current financial year		28,000	26,000	6,000	6,000
- underprovision in previous financial year		-	1,050	-	1,050
Bad debts written off		499	20,258	-	-
Depreciation of property, plant and equipment		1,353,771	933,866	-	-
Development expenditure					
- amortisation charge		48,491	8,760	-	-
- written off		32,628	-	-	-
Directors' remuneration	30	793,596	693,239	79,300	46,650
Interest expense					
- bank overdraft		1,589	2,902	-	-
- term loans		-	115,588	-	-
Loss/(Gain) on foreign exchange					
- realised		71,142	(714)	-	-
- unrealised		24,086	(86,119)	-	-
Management fee		-	369,161	-	-
Rental expenses		61,000	94,000	-	-
Staff costs		4,806,413	3,755,552	109,634	19,522
Gain on disposal of equipment		(4,866)	(12,200)	-	-
Gross dividend income from subsidiary company		-	-	(4,000,000)	(4,000,000)
Interest income		(106,914)	(173,360)	(4,348)	(54,121)
Management fee received/receivable from subsidiary company		-	-	(194,400)	(60,000)
Rental income		(145,200)	(79,100)	-	-

25. TAXATION

Tax charge for the financial year

	THE GROUP		THE COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
In respect of the current financial year				
- Malaysian Income Tax	611,000	314,000	603,000	636,222
- Deferred tax (Note 21)	200,000	184,000	-	-
	<u>811,000</u>	<u>498,000</u>	<u>603,000</u>	<u>636,222</u>
In respect of the previous financial year				
- Overprovision of Malaysian Income Tax	(58,543)	-	(8,543)	-
At 30 June	<u>752,457</u>	<u>498,000</u>	<u>594,457</u>	<u>636,222</u>

The effective tax rate of the Group is lower than the statutory tax rate due to the utilisation of reinvestment allowance claimed under Schedule 7A of the Income Tax Act, 1967 and various other tax incentives in the form of double deduction for certain eligible expenses. The tax benefit derived from such utilisation amounts to approximately RM1,259,000 (2001 - RM1,268,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

26. EARNINGS PER SHARE

The basic earnings per share for the financial year is arrived at by dividing the Group's profit after taxation of RM6,345,675 (2001 - RM5,950,540) by the number of 56,241,856 ordinary shares of RM0.50 each in issue during the financial year (2001 - weighted average number of 53,251,719 ordinary shares of RM0.50 each).

27. DIVIDENDS

	THE COMPANY	
	2002 RM	2001 RM
Interim		
- interim tax-exempt dividend of 5%	1,406,047	1,406,047
Proposed		
- final dividend of 5% less 28% tax	1,012,354	1,012,354
	<u>2,418,401</u>	<u>2,418,401</u>

28. PRIOR YEAR ADJUSTMENT

In accordance with the change in the accounting policy in respect of dividends as explained in Note 5(g) to the financial statements, the policy on the recognition of dividends as income at the Company level has also been affected. The effects of the change have been taken up in the Statement of Changes in Equity.

29. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Fixed deposits with licensed banks	2,359,208	4,652,951	-	377,000
Cash and bank balances	424,195	481,449	25,232	125,240
Bank overdraft (secured)	(163,137)	-	-	-
	<u>2,620,266</u>	<u>5,134,400</u>	<u>25,232</u>	<u>502,240</u>

Cash and cash equivalents as at balance sheet date include fixed deposits with a licensed bank of RM400,000 (2001 - RM400,000) held by the Group which is pledged to the licensed bank for trade financing facilities extended to the subsidiary company as detailed in Note 13 to the financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

30. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Non-executive directors				
- fees	74,000	44,000	74,000	44,000
- estimated money value of benefits-in-kind	5,300	2,650	5,300	2,650
Executive directors				
- basic salaries, bonus, allowances and retirement benefit contribution	703,840	639,760	-	-
- estimated money value of benefits-in-kind	10,456	6,829	-	-
	<u>793,596</u>	<u>693,239</u>	<u>79,300</u>	<u>46,650</u>

The details of emoluments for the directors of the Group and of the Company received/receivable for the financial year by category and in bands of RM50,000 are as follows:-

	THE GROUP		THE COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Non-executive directors				
Below RM50,000	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Executive directors				
RM100,000 - RM150,000	2	3	-	-
RM150,000 - RM200,000	1	-	-	-
RM250,000 - RM300,000	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

31. SIGNIFICANT RELATED COMPANY TRANSACTION

	THE COMPANY	
	2002 RM	2001 RM
Management fee received/receivable from subsidiary company	<u>194,400</u>	<u>60,000</u>

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party disclosures in Note 30 to the financial statements, the other significant related party transactions are as follows:-

NAME OF RELATED PARTY	NATURE OF TRANSACTION	THE GROUP	
		2002 RM	2001 RM
Kwong Onn Tong Sdn. Bhd. ^(a)	Sales of goods	641,904	621,117
	Rental of premises	13,200	12,100
Thames Biosciense (M) Sdn. Bhd. ^(b)	Purchase of goods	207,074	131,183
	Rental of premises	14,400	14,400
Piong Nam Kim Holdings Sdn. Bhd. ^(c)	Dividends paid and payable	<u>734,368</u>	<u>1,263,113</u>

^(a) A company in which Piong Teck They, who is a director of the Company, has direct interests.

^(b) A company in which Piong Nam Kim @ Piong Pak Kim and Piong Teck Onn, who are directors of the Company, have direct interests.

^(c) Holding Company in which Piong Nam Kim @ Piong Pak Kim, Piong Teck Min, Piong Teck Onn, Piong Teck Yen and Piong Teck They have direct interests.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

The significant outstanding balances at the balance sheet date, arising from sales/purchases of goods during the financial year, are as follows:-

NAME OF RELATED PARTY	NATURE OF TRANSACTION	THE GROUP	
		2002 RM	2001 RM
Included in trade receivables (Note 10):- Kwong Onn Tong Sdn. Bhd.	Sales of goods	<u>137,882</u>	<u>189,188</u>
Included in trade payables (Note 14):- Thames Bioscience (M) Sdn. Bhd.	Purchase of goods	<u>29,589</u>	<u>40,613</u>

33. NUMBER OF EMPLOYEES

	THE GROUP		THE COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Number of employees (excluding directors) at the balance sheet date	<u>272</u>	<u>231</u>	<u>3</u>	<u>2</u>

34. CONTINGENT LIABILITIES

	THE GROUP	
	2002 RM	2001 RM
Corporate guarantee given to a licensed bank for credit facilities granted to the subsidiary company	<u>1,530,000</u>	<u>1,333,000</u>

In year 2000, a third party ("the plaintiff") initiated legal action against the subsidiary company for alleged infringement of trade marks on two products sold by the subsidiary company. As at the date of this report, the court has not completed its hearing on this litigation. Should the plaintiff succeed in this legal suit, the subsidiary company is liable to court costs and legal fees of approximately RM250,000 and to pay the plaintiff for damages, the quantum of which cannot be determined at the date of this report. The directors are of the opinion that the claims are without basis and hence no amounts have been provided for in the financial statements.

35. FOREIGN EXCHANGE RATES

The applicable closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of foreign currency balances at the balance sheet date are as follows:-

	THE GROUP	
	2002 RM	2001 RM
Euro	3.804	3.240
Pound Sterling	5.883	5.401
United States Dollar	3.825	3.825
Singapore Dollar	<u>2.171</u>	<u>2.128</u>

36. SEGMENTAL REPORTING

No segmental information is presented as the Group is principally engaged in the pharmaceutical business in Malaysia.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

37. COMPARATIVE FIGURES

The following comparative figures of the Group and of the Company have been reclassified to conform with the current financial year's presentation:-

	AS RESTATED		AS PREVIOUSLY REPORTED	
	THE GROUP RM	THE COMPANY RM	THE GROUP RM	THE COMPANY RM
BALANCE SHEETS (EXTRACT):-				
Current assets:				
Other receivables, deposits and prepayments	-	-	-	1,777,778
Current liabilities:				
Trade payables	3,360,454	-	2,998,384	-
Other payables and accruals	1,845,306	-	2,207,376	-
Proposed dividend	-	-	1,012,354	1,012,354
Net current assets	17,674,099	9,877,763	16,661,745	10,643,187
Financed by:				
Retained profits	-	960,776	-	2,738,554
Dividend proposed	1,012,354	1,012,354	-	-
Shareholders' equity	39,202,364	32,898,689	38,190,010	33,664,113
INCOME STATEMENTS (EXTRACT):-				
Revenue	27,992,941	4,114,121	28,047,062	5,891,899
Gross profit	15,419,770	4,114,121	15,473,891	5,891,899
Other operating income	294,263	-	240,142	-
Administrative expenses	1,479,824	-	1,571,567	-
Other operating expenses	91,743	-	-	-
Profit from operations	-	4,019,640	-	5,797,418
Profit before taxation	-	4,019,490	-	5,797,268
Net profit after taxation	-	3,383,268	-	5,161,046
CASH FLOW STATEMENT (EXTRACT):-				
Cash flows from operating activities:				
Profit before taxation	-	4,019,490	-	5,797,268
Adjustments for:				
Bad debts written off	20,258	-	-	-
Unrealised gain on foreign exchange	(86,119)	-	-	-
Operating profit before working capital changes	7,258,236	4,019,490	7,324,096	5,797,268
(Increase)/Decrease in trade and other receivables	(657,608)	192,102	(723,469)	(1,585,676)

List of Properties

Title/ Location	Description & Usage	Land area/ Existing Use	Tenure	Built-up area (sq. m.)	Approximate age of building	Net book value as at 30 June 2002 RM
H.S.(D) 35311 & H.S. (D) 35312, Lot Nos. PT4239 & PT 4240, Mukim of Cheng, District of Melaka Tengah, Malacca.	Two joining plots of land with a single storey factory and two storey office block. Warehouse and production area	17,611 sq.m. / pharmaceutical manufacturing plant. Warehouse and production area	Leasehold expiring on 14/8/2096	5,120.04 6,613.00	5 years 2 years	13,777,200
GPP 7972 & GPP 5156, Lot Nos. 43 & 45, Town Area III(3), District of Melaka Tengah, Malacca	Two plots of land with a 2 ½ storey office building, a store and a warehouse	2,252.10 sq.m./ office, store and warehouse	Freehold	1,539.31	Office & Store - 10 years Warehouse - 6 years	1,491,267
Geran 4612, Lot No. 42, Town Area III (3), District of Melaka Tengah, Malacca	Commercial site erected with a double storey shophouse cum storehouse	636.2 sq.m. / Double storey shophouse	Freehold	488.9	27 to 31 years	365,000
						15,633,467

Shareholding Statistics

AS AT 21 OCTOBER 2002

Authorised Share Capital	: RM50,000,000
Issued and Fully Paid-up Share Capital	: RM28,120,928
Class of Shares	: Ordinary shares of RM0.50 each
Voting Rights	: 1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS As at 21 October 2002

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
Less than 100 shares	10	0.72	304	0.00
100 to 999 shares	193	13.89	64,700	0.12
1,000 to 4,999 shares	895	64.43	1,619,600	2.88
5,000 to 10,000 shares	158	11.38	1,116,400	1.98
10,001 to 100,000 shares	96	6.91	2,420,250	4.30
100,001 to 1,000,000 shares	34	2.45	14,257,436	25.35
Above 1,000,000 shares	3	0.22	36,763,166	65.37
Total	1,389	100.00	56,241,856	100.00

20 LARGEST SHAREHOLDERS As at 21 October 2002 (As per the Register of members)

No.	Shareholder	No. of Shares	%
1.	Piong Nam Kim Holdings Sdn Bhd	29,374,710	52.23
2.	Malaysian Technology Venture Two Sdn Bhd	4,604,182	8.19
3.	AMMB Nominees (Asing) Sdn Bhd - AMTrustee Berhad for Galleon Asset Ltd	2,784,274	4.95
4.	Lembaga Tabung Angkatan Tentera	1,000,000	1.78
5.	Chin Ai Mei	994,828	1.77
6.	Malaysian Technology Development Corporation Sdn Bhd	969,180	1.72
7.	Lembaga Tabung Amanah Warisan Negeri Terengganu	926,270	1.65
8.	Yayasan Selangor	887,700	1.58
9.	Tan Lian See	700,000	1.24
10.	AMMB Nominees (Tempatan) Sdn Bhd - AMTrustee Berhad for Piong Nam Kim @ Piong Pak Kim	657,500	1.17
11.	AMMB Nominees (Tempatan) Sdn Bhd - AMTrustee Berhad for Yong Soon Moi	657,400	1.17
12.	AMMB Nominees (Tempatan) Sdn Bhd - AMTrustee Berhad for Lin Ah Lan	580,100	1.03
13.	AMMB Nominees (Tempatan) Sdn Bhd - AMTrustee Berhad for Piong Teck Min	580,100	1.03
14.	Ho Jonathan Lep Kee	550,000	0.98
15.	Piong Nam Kim @ Piong Pak Kim	538,542	0.96
16.	Lin Ah Lan	511,400	0.91
17.	Yong Chin Fong	490,200	0.87
18.	R-Crete Technologies Sdn Bhd	372,800	0.66
19.	AMMB Nominees (Tempatan) Sdn Bhd - AMTrustee Berhad for Piong Teck They	367,400	0.65
20.	Perbadanan Memajukan Iktisad Negeri Terengganu	363,730	0.65
	Total	47,910,316	85.19

SUBSTANTIAL SHAREHOLDERS At 21 October 2002 (as per the register of substantial shareholders)

No.	Shareholder	No. of Shares Held			
		Direct	%	Indirect	%
1.	Piong Nam Kim Holdings Sdn Bhd	29,374,710	52.23	-	-
2.	Malaysian Technology Venture Two Sdn Bhd	4,604,182	8.19	-	-
3.	Piong Nam Kim @ Piong Pak Kim*	1,196,042	2.13	29,374,710	52.23
4.	Piong Teck Onn*	-	-	29,374,710	52.23
5.	Piong Teck Min*	580,100	1.03	29,374,710	52.23
6.	Piong Teck They*	505,994	0.90	29,374,710	52.23
7.	Piong Teck Yen*	-	-	29,374,710	52.23
8.	Chin Swee Chang**	-	-	29,374,710	52.23

*Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Piong Nam Kim Holdings Sdn. Bhd.

**Deemed interested by virtue of her husband's (Piong Teck Onn) interest in Piong Nam Kim Holdings Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS At 21 October 2002 (as per the register of directors' shareholdings)

No.	Directors	No. of Shares Held			
		Direct	%	Indirect	%
1.	Y.Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman	2,200	0.01	-	-
2.	Piong Nam Kim @ Piong Pak Kim*	1,196,042	2.13	29,374,710	52.23
3.	Piong Teck Onn*	-	-	29,374,710	52.23
4.	Piong Teck Min*	580,100	1.03	29,374,710	52.23
5.	Piong Teck They*	505,994	0.90	29,374,710	52.23
6.	Piong Teck Yen*	-	-	29,374,710	52.23
7.	Chin Swee Chang**	-	-	29,374,710	52.23
8.	Omar bin Md. Khir	213,000	0.38	-	-
9.	Azman bin Ahmad	114,000	0.20	-	-
10.	Koh Foo Ghe	-	-	-	-
11.	Tan Choo Jow	101,000	0.18	-	-

*Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Piong Nam Kim Holdings Sdn. Bhd.

**Deemed interested by virtue of her husband's (Piong Teck Onn) interest in Piong Nam Kim Holdings Sdn. Bhd.

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KOTRA INDUSTRIES BERHAD
(Company No. 497632-P)
Incorporated in Malaysia

*I/We _____ NRIC No. _____
(Full Name in Capital Letters)

of _____
(Full Address in Capital Letters)

being a *member/members of Kotra Industries Berhad hereby appoint _____

_____ NRIC No. _____
(Full Name in Capital Letters)

of _____
(Full Address in Capital Letters)

or failing him, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf, at the Third Annual General Meeting of the Company to be held at Bunga Dahlia Room, Level 7, Renaissance Melaka Hotel, Jalan Bendahara, 75100 Melaka on 2 December 2002 at 6.00 p.m. for the following purposes.

The proportion of *my/our holding to be represented by *my/our proxies are as follows :
(The next paragraph must be completed if two proxies are appointed)

First Proxy -----% Second Proxy -----%

No. of Shares Held

No.	Resolution	FOR	AGAINST
ORDINARY BUSINESS			
1.	To lay the Audited Financial Statements for the financial year ended 30 June 2002 together with the reports of the Directors and Auditors thereon.		
2.	To declare a final dividend of 5% per ordinary share, less income tax at 28%, in respect of the year ended 30 June 2002.		
3.	To approve the payment of Directors' fees for the year ended 30 June 2002.		
	To re-elect the following Directors who retire by rotation in accordance with Article 106 of the Company's Articles of Association and being eligible offer themselves for re-election :-		
4.	Chin Swee Chang		
5.	Tan Choo Jow		
	To re-appoint the following Directors in accordance with Section 129 (6) of the Companies Act:-		
6.	Y. Bhg. Tan Sri Datuk Dr. Omar bin Abdul Rahman		
7.	Piong Nam Kim @ Piong Pak Kim		
8.	To re-appoint Messrs Horwath Mok & Poon as auditors of the Company and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS			
9.	Authority pursuant to Section 132D of the Companies Act, 1965 for the Directors to issue shares		

Please indicate with an "X" how you wish to cast your vote.

Signed this _____ day of _____ 2002.

Signature/Common Seal of Shareholder(s)

Note :

1. A member entitled to attend and vote at the general meeting is entitled to appoint a proxy/proxies who may but need not be a member of the Company to vote in his/her stead. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
2. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the company at 535A Jalan Merdeka, Melaka Raya, 75000 Melaka, not less than 48 hours before the time for holding the meeting or any adjournment thereof.

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AFFIX
STAMP

KOTRA INDUSTRIES BERHAD
535A, Jalan Merdeka, Melaka Raya
75000 Melaka

Mission

To emerge as a major player in research and development of life sciences.

Vision

To be a respectable multinational pharmaceutical company with international brands offering a wide range of high quality and innovative products.



KOTRƏ INDUSTRIES BERHAD

497632-P

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