

## 8. DIRECTORS' REPORT



**PENTAMASTER CORPORATION BERHAD** (572307-U)  
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### Registered Office

14A, Jalan Todak 3, Pusat Bandar,  
Bandar Seberang Jaya,  
13700 Seberang Jaya, Prai

Date : 18 June 2003

The Shareholders  
**Pentamaster Corporation Berhad**

Dear Sir/Madam,

On behalf of the Board of Directors of Pentamaster Corporation Bhd ("PMCB or the "Company"), I report after due inquiry that during the period from 31 December 2002 (being the date to which the last audited financial statements of PMCB and its subsidiary companies have been made up to the date hereof, being the date not earlier than fourteen (14) days before the issue of this Prospectus, that:-

- (a) the business of the Company and its subsidiary companies have, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Company and its subsidiary companies which have adversely affected the trading or the value of the assets of the Company or its subsidiary companies;
- (c) the current assets of the Company and its subsidiary companies appear in the books at values which are believed to be realizable in the ordinary course of business;
- (d) save as disclosed in Section 7.4 of this Prospectus, there are no contingent liabilities that have arisen by reason of any guarantee or indemnity given by the Company and its subsidiary companies; and
- (e) save as disclosed in the Accountants' Report as set out in Section 9 of this Prospectus, there have been no changes in published reserve nor any unusual factors affecting the profits of the Company and its subsidiary companies.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**PENTAMASTER CORPORATION BERHAD**

  
**Chuah Choon Bin**  
Chief Executive Officer

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**9. ACCOUNTANTS' REPORT**  
(Prepared for inclusion in this Prospectus)

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**Folks DFK & Co**  
(No. AF 0502)

Chartered Accountants



Date : 18 June 2003

The Board of Directors  
PENTAMASTER CORPORATION BERHAD  
14A, Jalan Todak 3, Pusat Bandar  
Bandar Seberang Jaya  
13700 Seberang Jaya, Prai  
Pulau Pinang

Gentlemen

## 1. INTRODUCTION

This report has been prepared by Folks DFK & Co, a firm of approved Company Auditors, for inclusion in the Prospectus to be dated 24 June 2003 in connection with the Offer for Sale of 12,340,000 ordinary shares of RM0.50 each in Pentamaster Corporation Berhad (hereinafter referred to as "PMCB" or "the Company") at a price of RM1.40 per share and the listing of and quotation for the entire issued and paid-up share capital of PMCB of 80,000,000 ordinary shares of RM0.50 each on the Second Board of the Kuala Lumpur Stock Exchange (KLSE).

This report, where applicable, is prepared based on audited financial statements which have been prepared on a basis consistent with the accounting policies normally adopted by PMCB and its subsidiaries (the "Group") and which are in accordance with applicable approved accounting standards issued or adopted by the Malaysian Accounting Standards Board (MASB).

## 2. GENERAL INFORMATION

### 2.1 Incorporation

The Company was incorporated in Malaysia as a public limited company on 26 February 2002 under its present name.

**9. ACCOUNTANTS' REPORT (Cont'd)****2.2 The Group**

The Group comprises the holding Company PMCB and the following wholly owned subsidiaries:-

- (i) Pentamaster Technology (M) Sdn Bhd (PTSB)
- (ii) Pentamaster Engineering (M) Sdn Bhd (PESB)
- (iii) Pentamaster Precision (M) Sdn Bhd (PPSB)

**2.3 Principal Activities**

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are detailed in paragraph 3.

**2.4 Share Capital**

The Company was incorporated with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each. On 30 November 2002 the Company increased the authorised share capital to RM50,000,000 by the creation of 49,900,000 new ordinary shares of RM1.00 each. On 26 December 2002 the authorised share capital of RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each was converted to RM50,000,000 comprising 100,000,000 ordinary shares of RM0.50 each. The movements in the Company's issued and paid up share capital since the date of incorporation are as follows:-

<b>Date of Allotment/ Issuance</b>	<b>No of Ordinary Shares</b>	<b>Nominal Value RM</b>	<b>Consideration</b>	<b>Cumulative Total Issued and Paid-up Share Capital RM</b>
26.02.2002	2	1.00	Subscribers' shares	2
30.11.2002	6,717,925	1.00	Acquisition of PTSB at an issue price of approximately RM1.05 each	
30.11.2002	17,027,795	1.00	Acquisition of PESB at an issue price of approximately RM1.05 each	
30.11.2002	330,167	1.00	Acquisition of PPSB at an issue price of approximately RM1.05 each	
	<b>24,075,887</b>			<b>24,075,889</b>



**9. ACCOUNTANTS' REPORT (Cont'd)**

<b>Date of Allotment/ Issuance</b>	<b>No of Ordinary Shares</b>	<b>Nominal Value RM</b>	<b>Consideration</b>	<b>Cumulative Total Issued and Paid-up Share Capital RM</b>
23.12.2002	15,924,111	1.00	Rights Issue of approximately 661 new ordinary shares of RM1.00 each for every 1,000 existing ordinary shares of RM1.00 each held at an issue price of RM1.00 each and for cash	40,000,000
26.12.2002	80,000,000	0.50	Subdivision of every existing 1 ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each	40,000,000

**2.5 Restructuring Scheme**

In connection with the listing of the Company's shares on the Second Board of the Kuala Lumpur Stock Exchange the Company undertook the following restructuring scheme :-

**(I) Acquisitions**

	<b>No of New Ordinary Shares of RM1.00 each Issued</b>
(i) The acquisition by PMCB of the entire issued and paid-up share capital of PTSB, comprising 600,000 ordinary shares of RM1.00 each, for a total consideration of RM7,053,821 to be satisfied by the issuance of 6,717,925 new PMCB shares credited as fully paid-up at an issue price of approximately RM1.05 per share.	6,717,925
(ii) The acquisition by PMCB of the entire issued and paid-up share capital of PESB, comprising 600,000 ordinary shares of RM1.00 each, for a total consideration of RM17,879,185 to be satisfied by the issuance of 17,027,795 new PMCB shares credited as fully paid-up at an issue price of approximately RM1.05 per share.	17,027,795



**9. ACCOUNTANTS' REPORT (Cont'd)**

**No of New  
Ordinary  
Shares of  
RM1.00 each  
Issued**

- (iii) The acquisition by PMCB of the entire issued and paid-up share capital of PPSB, comprising 100,000 ordinary shares of RM1.00 each, for a total consideration of RM346,675 to be satisfied by the issuance of 330,167 new PMCB shares credited as fully paid-up at an issue price of approximately RM1.05 per share.

330,167

24,075,887

(hereinafter referred to as "Acquisitions")

**(II) Rights Issue**

Rights issue of 15,924,111 new ordinary shares of RM1.00 each at an issue price of RM1.00 per share, for cash on the basis of approximately six hundred sixty one (661) new ordinary shares for every one thousand (1,000) existing ordinary shares held based on the enlarged share capital of 24,075,889 ordinary shares of RM1.00 each in PMCB (after the acquisition of PTSB, PESB and PPSB)(hereinafter referred to as "Rights Issue").

**(III) Conversion of Ordinary Shares of RM1.00 each to RM0.50 each**

Pursuant to the members' resolution of 26 December 2002, the authorised share capital of RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each was converted to RM50,000,000 comprising 100,000,000 ordinary shares of RM0.50 each. Accordingly the existing issued capital of RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each was subdivided into 80,000,000 ordinary shares of RM0.50 each.

**(IV) Offer For Sale**

Offer for sale of 12,340,000 ordinary shares of RM0.50 each at an offer price of RM1.40 per ordinary share (hereinafter referred to as "Offer For Sale") comprising:-

- (i) 3,000,000 ordinary shares of RM0.50 each to the Malaysian public;
- (ii) 2,468,000 ordinary shares of RM0.50 each by way of private placement;
- (iii) 4,000,000 ordinary shares of RM0.50 each to eligible directors, employees and business associates of PMCB and its subsidiaries;
- (iv) 2,872,000 ordinary shares of RM0.50 each to approved Bumiputra investors and institutions.



**9. ACCOUNTANTS' REPORT (Cont'd)****(V) Listing and Quotation**

Listing of and quotation for the entire issued and fully paid share capital of RM40,000,000 comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the Kuala Lumpur Stock Exchange.

The Acquisitions and Rights Issue were completed on 30 November 2002 and 23 December 2002 respectively.

**3. SUBSIDIARY COMPANIES**

Details of the subsidiary companies of PMCB of which are incorporated in Malaysia as at the date of this report are as follows :-

<b>Name of Company</b>	<b>Date of Incorporation</b>	<b>Issued and Paid-Up Share Capital RM</b>	<b>Effective Equity Interest %</b>	<b>Principal Activity</b>
PTSB (336488-H)	18 March 1995	600,000	100	Design, assembly, installation of computerised automation systems and equipment.
PESB (460116-T)	30 March 1998	600,000	100	Manufacturing of automated, semi-automated machine and equipment for the semi-conductor and computer industry.
PPSB (531995-W)	14 November 2000	100,000	100	Designing and manufacturing of precision machinery components.

All of the above companies became wholly-owned direct subsidiaries of PMCB on 30 November 2002 pursuant to the restructuring scheme as detailed in Section 2.5.

**4. AUDITED FINANCIAL STATEMENTS AND AUDITORS**

We are the first auditors of the Company and PPSB and have been auditors of PESB and PTSB with effect from the financial year ended 31 December 2001.

The auditors' reports of the companies audited by us for the relevant financial periods/years under review were not subject to any qualification.



**9. ACCOUNTANTS' REPORT (Cont'd)**

The financial statements of PESB and PTSB audited by another firm of Chartered Accountants prior to our appointments were also not subject to any qualification.

**5. DIVIDENDS**

The Company has not paid or declared any dividend since its incorporation. PPSB has not paid any dividends in respect of the financial years under review. Details of dividends paid by PTSB and PESB in respect of the five financial years immediately preceding the issue of prospectus are as follows:-

**PTSB**

<b>Financial Year</b>	<b>Issued and Paid Up Share Capital RM'000</b>	<b>Net Dividend RM'000</b>	<b>Gross Dividend Rate %</b>	<b>Applicable Tax Rate %</b>
31 December 1998	300	-	-	-
31 December 1999	500	-	-	-
31 December 2000	500	2,400	480	Tax exempt
31 December 2001	600	-	-	-
31 December 2002	600	-	-	-

**PESB**

<b>Financial Year</b>	<b>Issued and Paid Up Share Capital RM'000</b>	<b>Net Dividend RM'000</b>	<b>Gross Dividend Rate %</b>	<b>Applicable Tax Rate %</b>
31 December 1998	*	-	-	-
31 December 1999	500	-	-	-
31 December 2000	500	-	-	-
31 December 2001	600	-	-	-
31 December 2002	600	3,200	533	Tax exempt

\* RM2



**9. ACCOUNTANTS' REPORT (Cont'd)****6. SUMMARISED INCOME STATEMENTS**

6.1 We set out below the summarised proforma consolidated income statements of PMCB and its subsidiaries for the five (5) years to 31 December 2002.

**Proforma Consolidated Income Statements**

	<----- Year Ended 31 December ----->				
	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	9,309	18,057	40,820	47,676	54,146
Profit before interest, depreciation and taxation	633	3,029	10,152	14,041	14,921
Interest expense	(22)	(60)	(144)	(268)	(195)
Interest income	-	-	-	32	55
Depreciation	(115)	(296)	(654)	(810)	(1,346)
Profit before taxation	496	2,673	9,354	12,995	13,435
Taxation	(173)	(83)	(1,087)	(1,785)	(838)
Profit after taxation	323	2,590	8,267	11,210	12,597
Proforma number of shares in issue ('000)	80,000	80,000	80,000	80,000	80,000
Earnings per share (sen)					
- Gross	0.62	3.34	11.69	16.24	16.79
- Net	0.40	3.24	10.33	14.01	15.75
Effective tax rate (%)	35	3	12	14	6

**Notes :-**

- (i) *The proforma consolidated income statements are prepared for illustrative purposes only and are based on the audited financial statements of PMCB, PTSB, PESB and PPSB and on the assumption that the Group had existed throughout the years under review. The Group came into existence on 30 November 2002 and under the circumstances the audited consolidated income statement of PMCB to 31 December 2002 will not provide a meaningful comparison if used.*
- (ii) *There were no minority interests in all the years under review.*
- (iii) *The results of PPSB for the period from 14 November 2000 (date of incorporation) to 31 December 2001 have been reflected entirely in the year ended 31 December 2001 as the results for the period from 14 November 2000 to 31 December 2000 were not significant.*





**9. ACCOUNTANTS' REPORT (Cont'd)**

- (iv) *The significant increase in revenue for 1999 and 2000 was due to the higher demand from existing customers for locally designed and assembled automated machines in the semiconductor and computer industries and diversification of PTSB's product range. The growth in revenue for 2001 was due to higher demand for the supply and installation of intelligent conveyor system from a major customer of PESB as a result of an expansion of the said customer's manufacturing operations. The increase in revenue for 2002 was mainly due to the continued expansion of the customer base.*
- (v) *The profit before tax over the last five years generally increased with the growth in revenue.*
- (vi) *The effective rate of taxation was higher than the statutory tax rate for the year ended 31 December 1998 principally due to certain expenses not being deductible for tax purposes. No current Malaysian taxation was provided on the profit for the year ended 31 December 1999 in view of the tax waiver on business income earned during that year. The taxation amount for the year ended 31 December 1999 represented the provision for deferred taxation of PTSB. The effective rate of taxation for the proforma group was lower than the statutory tax rate for the years ended 31 December 2000, 2001 and 2002 principally due to claims for reinvestment allowance by PTSB and the pioneer status granted by the Ministry of International Trade and Industry under the Promotion of Investments Act, 1986 which exempts 70% of the statutory income of PESB and PPSB from Malaysian taxation for a period of five years.*
- There were no material over or underprovision for taxation during the years under review.*
- (vii) *There were no exceptional or extraordinary items during the years under review.*
- (viii) *The proforma number of shares in issue represents the enlarged number of issued and paid-up share capital of PMCB based on the assumption that the Acquisitions and Rights Issue and the sub-division of every one (1) ordinary share of PMCB of RM1.00 each into two (2) ordinary shares of RM0.50 each had been effected on 1 January 1998.*
- (ix) *The gross earnings per share is calculated based on the profit before taxation and on the proforma number of shares in issue.*
- (x) *The net earnings per share is calculated based on the profit after taxation and on the proforma number of shares in issue.*
- (xi) *The Company did not pay any dividend during the years under review. Accordingly, the disclosure of the gross dividend rate is not applicable.*
- (xii) *All inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only.*



**9. ACCOUNTANTS' REPORT (Cont'd)**

6.2 We set out below the summarised audited income statements of PMCB and each of its subsidiaries for the relevant periods/years under review.

**(a) PMCB**

	<b>26.02.2002 (Date of incorporation) to 31.12.2002 RM'000</b>
Revenue	24
Profit before interest, depreciation and taxation	4
Interest expense	-
Interest income	-
Depreciation	-
Profit before taxation	4
Taxation	(2)
Profit after taxation	2
Weighted average number of ordinary shares of RM0.50 each in issue during the period ('000)	5,914
Earnings per share (Sen)	
- Gross	0.068
- Net	0.034
Effective tax rate (%)	50
Gross dividend rate (%)	-

**Notes :-**

- (i) PMCB which is principally involved in investment holding and provision of management services was incorporated on 26 February 2002 and acquired the entire issued and paid-up share capital of PTSB, PESB and PPSB on 30 November 2002.
- (ii) The effective rate of taxation is higher than the standard rate of tax applicable to the Company's profits because certain expenses are not deductible for income tax purposes.
- (iii) There were no exceptional or extraordinary items in the period under review.
- (iv) The gross earnings per share is calculated based on the profit before taxation and on the weighted average number of ordinary shares in issue during the period.
- (v) The net earnings per share is calculated based on the profit after taxation and on the weighted average number of ordinary shares in issue during the period.



**9. ACCOUNTANTS' REPORT (Cont'd)****(b) PTSB**

	<----- Year Ended 31 December ----->				
	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	9,309	18,057	21,358	12,946	18,038
Profit before interest, depreciation and taxation	633	3,031	3,147	3,099	4,216
Interest expense	(22)	(60)	(107)	(140)	(73)
Interest income	-	-	-	8	9
Depreciation	(115)	(278)	(471)	(537)	(824)
Profit before taxation	496	2,693	2,569	2,430	3,328
Taxation	(173)	(83)	(450)	(717)	89
Profit after taxation	323	2,610	2,119	1,713	3,417
Weighted average number of ordinary shares of RM1.00 each in issue during the year ('000)	102	301	500	532	600
Earnings per share (RM)					
- Gross	4.86	8.96	5.14	4.57	5.55
- Net	3.16	8.69	4.24	3.22	5.70
Effective tax rate (%)	35	3	18	30	N/A
Gross dividend rate (%)	-	-	480	-	-

**Notes :-**

- (i) The significant increase in revenue for 1999 and 2000 was due to the higher demand from existing customers for locally designed and assembled automated machines in the semiconductor and computer industries and diversification of PTSB's product range. The decrease in revenue in 2001 was due to the lower demand from the semiconductor and computer industries which was related to the slowdown in these sectors. Revenue increased in 2002 as a result of the continued expansion of the customer base in China.
- (ii) The profit before tax from 1998 to 2002 generally fluctuated with the growth in revenue except for 2000 where the profit before tax declined despite the increase in turnover over 1999 due mainly to a decline in gross profit margin and higher operating costs.



**9. ACCOUNTANTS' REPORT (Cont'd)**

- (iii) *The effective rate of taxation was higher than the statutory tax rate for the years ended 31 December 1998 and 2001 due to certain expenses not being deductible for tax purposes. No current Malaysian taxation was provided on the profit for the year ended 31 December 1999 in view of the tax waiver on business income earned during that year. The taxation for the year ended 31 December 1999 represented the provision for deferred taxation. The effective rate of taxation was lower than the statutory rate for the year ended 31 December 2000 because of claims for reinvestment allowance.*

*The taxation charge for the year ended 31 December 2002 which is in credit may be analysed as follows:-*

	<b>RM</b>
<i>Current Malaysian taxation</i>	(131,000)
<i>Transfer from deferred taxation</i>	220,000
<i>Underprovision for a prior year</i>	<u>(442)</u>
	<u>88,558</u>

*The low effective rate of current Malaysian taxation is due to claims for reinvestment allowance for the year.*

- (iv) *There were no exceptional or extraordinary items during the period/years under review.*
- (v) *The gross earnings per share is calculated based on the profit before taxation and on the weighted average number of ordinary shares in issue during each year.*
- (vi) *The net earnings per share is calculated based on the profit after taxation and on the weighted average number of ordinary shares in issue during each year.*



## 9. ACCOUNTANTS' REPORT (Cont'd)

## (c) PESB

	30.3.1998 (Date of incorporation) <--- Year Ended 31 December ---> to				
	31.12.1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	19,462	35,268	36,108
Profit/(loss) before interest, depreciation and taxation	-	(2)	7,005	10,518	9,958
Interest expense	-	-	(37)	(123)	(109)
Interest income	-	-	-	24	45
Depreciation	-	(18)	(183)	(228)	(355)
Profit/(Loss) before taxation	-	(20)	6,785	10,191	9,539
Taxation	-	-	(637)	(941)	(852)
Profit/(Loss) after taxation	-	(20)	6,148	9,250	8,687
Weighted average number of ordinary shares of RM1.00 each in issue during the year ('000)	*	40	500	532	600
Earnings/(loss) per share (RM)					
- Gross	-	(0.49)	13.57	19.15	15.90
- Net	-	(0.49)	12.30	17.38	14.48
Effective tax rate (%)	-	-	9	9	9
Gross dividend rate (%)	-	-	-	-	533.33

\* Two (2) ordinary shares of RM1.00 each

**Notes:**

- (i) PESB commenced business operations on 17 November 1999 and started to generate revenue in year 2000 after obtaining Pioneer Status approval from the Ministry of International Trade and Industry. The significant increase in the revenue for the year ended 31 December 2001 was due to the higher demand for the supply and installation of intelligent conveyor system from a major customer as a result of an expansion of the said customer's manufacturing operations. The increase in revenue for the year ended 2002 is mainly due to expansion of foreign customer base.
- (ii) The increase in profit before taxation for the year ended 31 December 2001 was in line with the higher revenue recorded in 2001. Profit before tax decreased in the year ended 31 December 2002 mainly due to higher operating cost.



**9. ACCOUNTANTS' REPORT (Cont'd)**

- (iii) *The effective rate of taxation was lower than the statutory tax rate for the years ended 31 December 2000, 2001 and 2002 as PESB has been granted pioneer status by the Ministry of International Trade and Industry under the Promotion of Investments Act, 1986 which exempts 70% of the statutory income of PESB from Malaysian taxation for a period of five years from 1 January 2000 to 31 December 2004.*
- (iv) *There were no exceptional or extraordinary items during the period/years under review.*
- (v) *The gross earnings/(loss) per share is calculated based on the profit/(loss) before taxation and on the weighted average number of ordinary shares in issue during each period/year.*
- (vi) *The net earnings/(loss) per share is calculated based on the profit/(loss) after taxation and on the weighted average number of ordinary shares in issue during each period/year.*

**(d) PPSB**

	<b>14.11.2000</b> <b>(Date of</b> <b>incorporation)</b>	
	<b>to</b>	
	<b>31.12.2001</b>	<b>2002</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	1,341	3,422
Profit before interest, depreciation and taxation	424	775
Interest expense	(5)	(13)
Interest income	-	1
Depreciation	(45)	(167)
Profit before taxation	374	596
Taxation	(127)	(73)
Profit after taxation	247	523
Weighted average number of ordinary shares of RM1.00 each in issue during the period/year ('000)	56	100
Earnings per share (RM)		
- Gross	6.68	5.96
- Net	4.41	5.23
Effective tax rate (%)	34	12
Gross dividend rate (%)	-	-



**9. ACCOUNTANTS' REPORT (Cont'd)***Notes :-*

- (i) *PPSB commenced business operations in March 2001 and started to generate revenue in 2001. The revenue for 2001 and 2002 was entirely derived from sales to PTSB and PESB.*
- (ii) *The effective rate of taxation was higher than the statutory tax rate applicable to PPSB's profit for the period ended 31 December 2001 due to tax losses amounting to RM389,000 incurred during the pre-pioneer period from 14 November 2000 (date of incorporation) to 31 August 2001 which were not allowed for set-off against profit earned in the pioneer period. The effective rate of taxation was lower than the statutory rate for the year ended 31 December 2002 as PPSB has been granted pioneer status by the Ministry of International Trade and Industry under the Promotion of Investment Act, 1986 which exempts 70% of the statutory income of PPSB from Malaysian taxation for a period of five years from 1 September 2001 to 31 August 2006.*
- (iii) *There were no exceptional or extraordinary items during the the period/year under review.*
- (iv) *The gross earnings per share is calculated based on the profit before taxation and on the weighted average number of ordinary shares in issue during the period/year.*
- (v) *The net earnings per share is calculated based on the profit after taxation and on the weighted average number of ordinary shares in issue during the period/year.*



**9. ACCOUNTANTS' REPORT (Cont'd)****7. SUMMARISED BALANCE SHEETS**

7.1 We set out below the summarised audited consolidated balance sheet of the Group as at 31 December 2002.

	<b>As at 31 December 2002 RM'000</b>
Property, plant and equipment	27,142
Current assets	38,892
Current liabilities	(15,180)
Net current assets	23,712
Long term and deferred liabilities	(748)
Net tangible assets	50,106
Goodwill on consolidation	(8,883)
	<u>41,223</u>
Financed by:	
Share capital	40,000
Reserves	1,223
Shareholders' funds	<u>41,223</u>
Net tangible assets per ordinary share of RM0.50 each (RM)	<u>0.63</u>

**Note :-**

- (i) *The first set of financial statements prepared by the Group was for the period from 26 February 2002 (date of incorporation) to 31 December 2002.*
- (ii) *There were no minority interests for the period under review.*





**9. ACCOUNTANTS' REPORT (Cont'd)**

7.2 We set out below the summarised audited balance sheets of PMCB and each of its subsidiaries for the relevant periods/years under review.

**(a) PMCB**

	<b>As at 31 December 2002 RM'000</b>
Subsidiary companies	25,280
Current assets	15,466
Current liabilities	(36)
Net current assets	15,430
Net tangible assets	<u>40,710</u>
Financed by:	
Share capital	40,000
Reserves	710
Shareholders' funds	<u>40,710</u>
Net tangible assets per ordinary share of RM0.50 each (RM)	<u>0.51</u>

**Note :-**

*The first set of financial statements prepared by PMCB was for the period from 26 February 2002 (date of incorporation) to 31 December 2002.*



**9. ACCOUNTANTS' REPORT (Cont'd)**
**(b) PTSB**

<----- As at 31 December ----->

	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	829	2,178	4,812	8,598	23,472
Current assets	1,860	5,819	6,857	12,865	16,452
Current liabilities	(1,845)	(3,682)	(7,492)	(13,908)	(29,326)
Net current assets/(liabilities)	15	2,137	(635)	(1,043)	(12,874)
Long term and deferred liabilities	(32)	(693)	(836)	(501)	(127)
Net tangible assets	812	3,622	3,341	7,054	10,471
Financed by:					
Share capital	300	500	500	600	600
Reserves	512	3,122	2,841	6,454	9,871
Shareholders' funds	812	3,622	3,341	7,054	10,471
Net tangible assets per ordinary share of RMI.00 each (RM)	2.71	7.24	6.68	11.76	17.45



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**9. ACCOUNTANTS' REPORT (Cont'd)**


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**(c) PESB**

	←----- As at 31 December ----->				
	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	-	1,082	1,874	2,095	2,472
Current assets	*	104	14,366	22,564	34,391
Current liabilities	(4)	(705)	(9,185)	(6,349)	(13,091)
Net current assets/(liabilities)	(4)	(601)	5,181	16,215	21,300
Long term and deferred liabilities	-	-	(426)	(431)	(405)
Net tangible assets/(liabilities)	(4)	481	6,629	17,879	23,367
Expenditure carried forward	4	-	-	-	-
	*	481	6,629	17,879	23,367
Financed by:					
Share capital	*	500	500	600	600
Reserves	-	(19)	6,129	17,279	22,767
Shareholders' funds	*	481	6,629	17,879	23,367
Net tangible assets/(liabilities) per ordinary share of RM1.00 each (RM)	(2,000)	0.96	13.26	29.80	38.95

\* RM2

