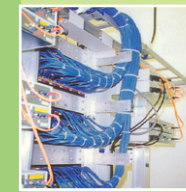


annual report 2002

 進工程建設有限公司  
**STRIKE ENGINEERING LIMITED**  
Integrated Building, Mechanical & Electrical Engineering Specialist



## CORPORATE PROFILE

Incorporated in 1983, Strike Engineering Limited (“Strike”) began its humble roots as a sub-contractor undertaking electrical installation works. In a span of less than 20 years, Strike has built an established track record as a provider of quality and reliable electrical and mechanical engineering (“M&E”) services. Today, the Group has evolved into a dynamic group of companies providing a comprehensive range of services revolving around the building, electrical and mechanical engineering.

Managing Director's Statement	02
Financial Highlights	04
Corporate Milestones	04
Group Structure	05
Corporate Information	06
Directors' Report	07
Statement by Directors	12
Auditors' Report	13
Balance Sheets	14
Profit and Loss Accounts	16
Statements of Changes in Equity	17
Consolidated Statement of Cash Flows	20
Notes to the Financial Statements	22
Group Properties	52
Corporate Governance	54
Statistics of Shareholders	56
Statistics of Warranholders	58
Notice of Annual General Meeting	62
Proxy Form	63

## CONTENTS

## **Business Review**

Strike continued to explore business opportunities in overseas markets and seek synergistic partnerships so as to establish a foothold in these markets. Strike's strategic focus on business expansion during this slow economic period is founded on garnering greater value for its shareholders and ensuring continuous growth for the Group.

Since 1999, Strike has expanded its scope of products and services to include information and technology cabling, networking, interior architectures and designs, building and construction services, and property development. In view of the need for business diversification, the Group also ventured into the banking sector and engaged in the trading of steam coal, cement and organic fertilisers.

## **Performance Review**

The outlook for the local construction industry remains bleak. The Group will continue to be selective in tendering for projects that yield reasonable returns, to minimise the risk of doubtful debts by tightening credit control, to train and upgrade the skills of our employees to produce a more productive and efficient workforce and to explore new business activities and opportunities in the region. In view of the rising global uncertainties and sluggish economic recovery, the Group does not expect a significant improvement in its financial performance for Financial Year 2003.

For the financial year in review, the annual turnover registered a 37% decline from \$91.8 million to \$57.5 million. This is mainly attributed to the non-consolidation of

sales contribution of approximately \$42.8 million from Lantrovision (S) Ltd, a principal subsidiary becoming an associated company on 2 November 2001 when it was listed on the Singapore Exchange Securities Trading Limited. However, the decline was cushioned by increased turnover from projects secured by the Group's building and mechanical engineering services business.

### **Appreciation**

On behalf of our board members, I would like to express my sincerest appreciation to all employees for their remarkable commitment and loyalty to the Group. A special word of thanks also goes to the outgoing directors, Mr Lim Soon Hock and Mr Then Khek Koon, for their contributions and services to the Company. I would also like to extend a warm welcome to Mr Tan Boon Tiong, Mr Chan Sing En, Mr Lim Chiao Hak, Clement and Mr Khoo Tiam Hock, Vernon who joined the board in September 2002.

Last but not least, I would also like to acknowledge our shareholders, clients and business partners for their invaluable support which has propelled the Group to where it is today.

**Yeo Jiew Yew**

**Managing Director**

## financial highlights

	2002	2001	2000
Turnover (\$'000)	57,474	91,839	45,007
Net Tangible Assets Per Share (Cents)	4.72	4.06	3.88
Profits Before Taxation (\$'000)	304	3,058	6,283
(Loss) earnings Per Share (Cents)	(0.12)	(0.61)	0.60
<b>Turnover by Business Activities</b>			
Electrical Engineering Services	14,438	15,148	25,349
Building, Mechanical Engineering Services and others	17,058	9,131	10,087
Information Technology Cabling	17,892	60,451	9,571
Interior Architectures & Design	5,284	6,470	-
Networking	2,802	639	-

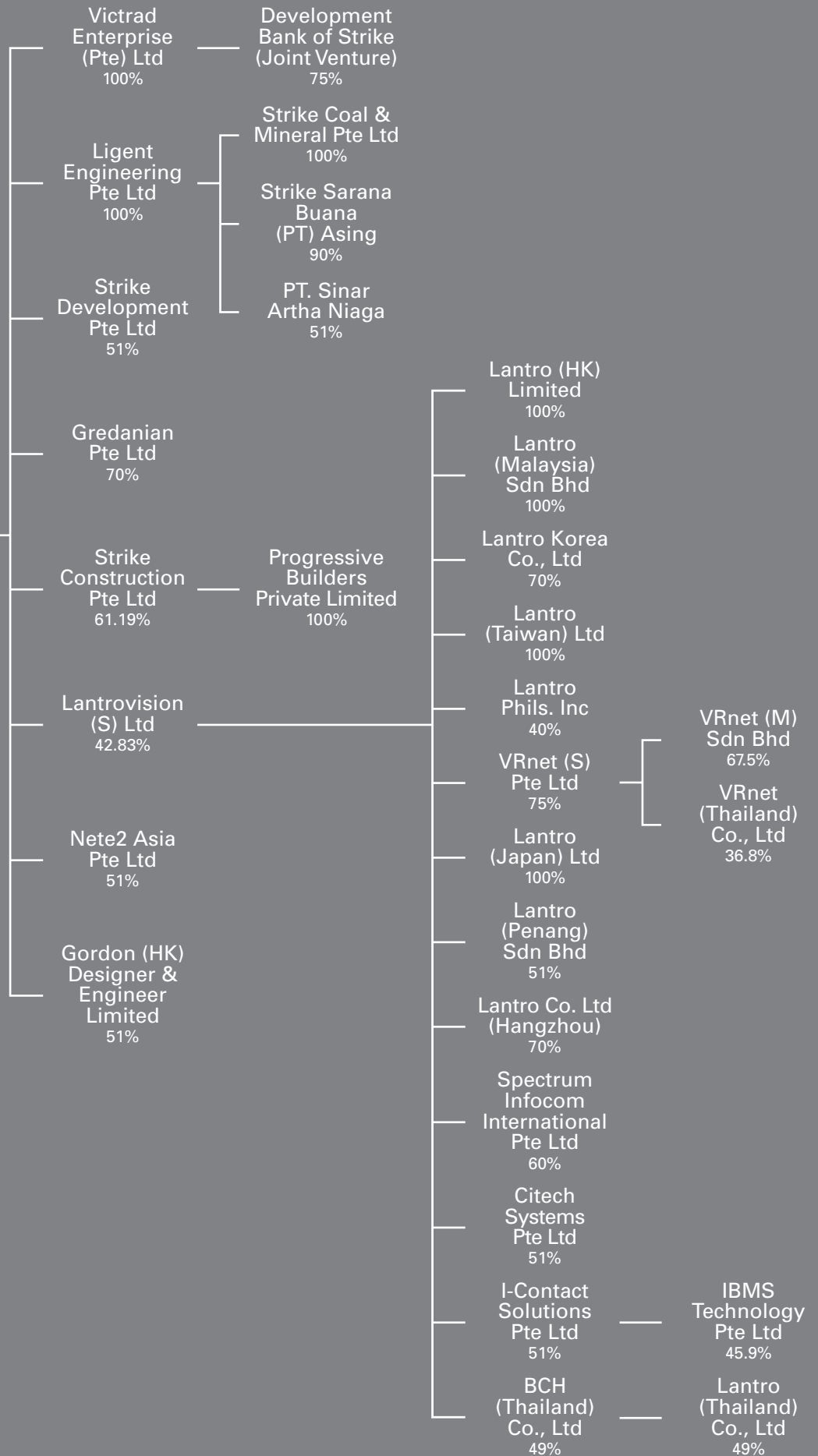
## corporate milestones

Date	Events
<b>4 August 1999</b>	The Company was admitted to the Official List of Stock Exchange of Singapore Dealing and Automated Quotation System ("SGX-Sesdaq").
<b>20 December 1999</b>	The Company made a bonus issue of 1 new ordinary share credited as fully paid for every 2 existing ordinary shares held in the Company as at 5:pm on 16 December 1999 by capitalising a maximum of \$5,200,000 and \$112,500 from the share premium account and accumulated profits of the Company respectively.
<b>22 December 1999</b>	The new ordinary shares issued pursuant to the bonus issue were listed on SGX-Sesdaq.
<b>13 December 2000</b>	The Company made a bonus issue of 1 new ordinary share credited as fully paid for every 1 existing ordinary share held in the Company as at 5:00 pm on 8 December 2000 by capitalising a sum of \$18,272,000 and \$52,600 from the share premium account and accumulated profits of the Company respectively.
<b>14 December 2000</b>	The new ordinary shares issued pursuant to the bonus issue were listed on SGX-Sesdaq.
<b>6 April 2001</b>	The Company issued 183,246,000 warrants expiring in April 2006 and carrying the right to subscribe for new ordinary shares in the capital of the Company at an issue price of \$0.022 for each warrant on the basis of 1 warrant for every 4 existing ordinary shares held in the Company as at 5:00 pm on 13 March 2001, in conjunction with a transferable loan facility in the principal amount of \$12 million.
<b>11 April 2001</b>	The issued 183,246,000 warrants expiring in April 2006 were listed on SGX-Sesdaq.
<b>2 November 2001</b>	Lantrovision (S) Ltd ("Lantrovision"), a former subsidiary of the Company, was admitted to the Official List of SGX-Sesdaq. Following the listing, the investment in Lantrovision was diluted such that it became the Company's associated company.
<b>4 June 2002</b>	The Company issued 10,024,985 new warrants expiring in April 2006 (the Adjustment Warrants") and carrying the right to subscribe for new ordinary shares of \$0.05 each in the capital of the Company (the "Share") as an adjustment based on 0.05472155 Adjustment Warrant for every outstanding warrants expiring April 2006 held by Warrantholders 2006 of the Company as at 5:00 pm on 28 May 2002 in connection with a renounceable rights issue of between a minimum of 146,600,000 and a maximum of 183,246,000 new ordinary shares of \$0.05 each (the "Rights Shares"), with between a minimum of 146,600,000 and a maximum of 183,246,000 free detachable warrants (the "Warrants"), each Warrant carrying a right to subscribe for 1 new Share at the subscription price of \$0.05 for each Right Share payable in full on acceptance and/or application on the basis of 1 Right Share with 1 free detachable Warrant for every 5 existing Shares held by shareholders of the Company as at 5:00 pm on 28 May 2002, fractional entitlements being disregarded.
<b>21 June 2002</b>	The Company issued 146,603,000 new ordinary shares of \$0.05 each (the "Rights Shares") and 146,603,000 free detachable warrants expiring in Dec 2003 (the "Warrants"), each Warrant carrying a right to subscribe for 1 new ordinary share of \$0.05 each (the "Share") at the subscription price of \$0.05 for each Right Share on the basis of 1 Right Share with 1 free detachable Warrant for every 5 existing Shares held by shareholders of the Company as at 5:00 pm on 28 May 2002, fractional entitlements being disregarded.
<b>24 June 2002</b>	The issued 146,603,000 new ordinary shares of \$0.05 were listed on SGX-Sesdaq.
<b>26 June 2002</b>	The issued 146,603,000 new warrants expiring in Dec 2003 were listed on SGX-Sesdaq.

# GROUP STRUCTURE



Strike Engineering Limited



## **BOARD OF DIRECTORS**

Mr Yeo Jiew Yew (Managing Director)  
Mr Chua Koh Ming  
Mr Umar Abdul Hamid  
Mr Lum Chue Tat  
Mr Lim Soon Hock (Resigned on 31 Aug 02)  
Mr Then Khek Koon (Resigned on 31 Aug 02)  
Mr Khoo Tiam Hock Vernon (Appointed on 26 Sep 02)  
Mr Lim Chiao Hak Clement (Appointed on 26 Sep 02)  
Mr Lew Syn Pau  
Mr Tan Kim Chew  
Mr Chan Sing En (Appointed as Independent Director on 17 Sep 02)  
Mr Tan Boon Tiong (Appointed as Independent Director on 17 Sep 02)

## **BUSINESS ADVISOR**

Dr Cham Tao Soon

## **AUDIT COMMITTEE**

Mr Lew Syn Pau (Chairman)  
Mr Chua Koh Ming  
Mr Tan Kim Chew

## **AUDITORS**

Ernst & Young  
Certified Public Accountants  
10 Collyer Quay  
#21-01 Ocean Building  
Singapore 049315  
Partner-In-Charge:  
Mr Max Loh Khum Whai  
(Appointed since financial year  
ended 30 June 1999)

## **COMPANY SECRETARY**

Wong Siew Chuan, CPA

## **REGISTERED OFFICE**

22 Tagore Lane  
Singapore 787480  
Tel : 6455 3922  
Fax : 6455 7322

## **REGISTRAR AND SHARE TRANSFER OFFICE**

Lim Associates (Pte) Ltd  
10 Collyer Quay #19-08  
Ocean Building  
Singapore 049315

## **PRINCIPAL BANKERS**

United Overseas Bank Limited  
80 Raffles Place, #12-00  
UOB Plaza 1  
Singapore 048624

RHB Bank Berhad  
90 Cecil Street #03-00  
Singapore 069531

Malayan Banking Berhad  
50 Raffles Place, 9th Floor  
Singapore Land Tower  
Singapore 048623



# REPORT OF THE DIRECTORS

The directors are pleased to present their report together with the audited financial statements of the Company and of the Group for the financial year ended 30 June 2002.

## DIRECTORS

The Directors of the Company in office at the date of this report are:

Yeo Jiew Yew  
Chua Koh Ming  
Umar Abdul Hamid  
Lum Chue Tat  
Lim Chiao Hak Clement (appointed on 26 September 2002)  
Khoo Tiam Hock Vernon (appointed on 26 September 2002)  
Lew Syn Pau  
Tan Kim Chew  
Chan Sing En (appointed on 17 September 2002)  
Tan Boon Tiong (appointed on 17 September 2002)

## PRINCIPAL ACTIVITIES

The principal activities of the Company are those of provision of mechanical and electrical engineering services and dealing in electrical products. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## RESULTS FOR THE FINANCIAL YEAR

	Group	Company
	\$	\$
(Loss) profit for the year	(883,774)	39,266
Accumulated profits (losses) brought forward	2,713,306	(131,247)
Accumulated profits (losses) carried forward	1,829,532	(91,981)

## TRANSFER TO OR FROM RESERVES OR PROVISIONS

Except as shown in the financial statements, there were no material transfers to or from reserves or provisions during the year.

## ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the financial year, the Group acquired the following subsidiaries:

Name of subsidiary	Country of incorporation and place of business	Equity interest acquired	Purchase consideration	Net tangible assets acquired
		%	Rp	Rp
<u>Acquired by a subsidiary</u>				
Strike Sarana Buana (PT) Asing#	Indonesia	90	540,000,000	540,000,000
PT Sinar Artha Niaga*	Indonesia	51	408,000,000	408,000,000

# Incorporated on 29 August 2001

\* Acquired on 28 December 2001

# REPORT OF THE DIRECTORS

## ISSUE OF SHARES AND DEBENTURES

### The Company

During the financial year, the Company issued 146,603,000 ordinary shares of \$0.05 each at \$0.05 per share for cash via a rights issue. The proceeds from the share issue were used to repay bank borrowings, to meet general working capital requirements and for expansion of the Group's businesses. The Company also issued 15,000 ordinary shares of \$0.05 each upon the exercise of warrants at \$0.11 per share. These new shares rank pari passu in all respects with the existing ordinary shares of the Company.

### The Subsidiaries

The following shares were issued by subsidiaries during the financial year:

- (i) Gordon (HK) Designer and Engineer Limited, made a bonus issue of 25,000,000 ordinary shares of HK\$1 each at par credited as fully paid, by way of capitalisation of its accumulated profits.
- (ii) Strike Construction Pte Ltd issued 211,780 ordinary shares of \$1 each at par for cash.

No other shares or debentures of the Company and its subsidiaries were issued during the financial year.

There is currently no option scheme on unissued shares.

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except for the rights shares issued with warrants during the financial year, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## SHARE OPTIONS OR WARRANTS

During the previous financial year, the Company issued 183,246,000 warrants ("Warrants 2006") in conjunction with the transferable loan facility granted to the Company. Each Warrant 2006 entitles the holder to subscribe for one new ordinary share at the exercise price of \$0.11 during the Exercise Period. The Exercise Period of Warrants 2006 refers to the period during which the Warrants 2006 may be exercised, commencing after its listing and quotation on the SGX-Sesdaq from 6 April 2001, the date of issue up to 5 April 2006. During the financial year, 15,000 Warrants 2006 were exercised and converted to ordinary shares. The number of Warrants 2006 outstanding at the end of the financial year was 183,215,000 (2001: 183,230,000).

During the financial year, 146,603,000 warrants ("Warrants 2003") were issued in conjunction with the rights issue, with one Warrant 2003 being issued for every one Rights Share subscribed for, fractional entitlements being disregarded. Each Warrant 2003 entitles the holder to subscribe for one new ordinary share at the exercise price of \$0.07 during the Exercise Period. The Exercise Period of Warrants 2003 refers to the period during which the Warrants 2003 may be exercised, commencing on and including 21 June 2002, the date of issue up to 20 December 2003. During the financial year, no Warrants 2003 were exercised and converted to ordinary shares. The number of Warrants 2003 outstanding at the end of the financial year was 146,603,000.

Except for the above, no other options or warrants to take up unissued shares of the Company or its subsidiaries were granted and no other shares were issued by virtue of the exercise of options or warrants to take up unissued shares of the Company or any subsidiary. Save as disclosed, there were no unissued shares of the Company or any subsidiary under option at the end of the financial year.

# REPORT OF THE DIRECTORS

## DIRECTOR'S INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, an interest in shares of the Company and related corporations, as stated below:

Name of Director	Direct interest			Deemed interest		
	1 July 2001	30 June 2002	21 July 2002	1 July 2001	30 June 2002	21 July 2002
<b>The Company</b>						
<b>Ordinary shares of \$0.05 each</b>						
Yeo Jiew Yew	112,200,000	134,640,000	134,640,000	-	-	-
Chua Koh Ming	61,000,000	77,203,000	77,203,200	8,600,000	720,000	720,000
Umar Abdul Hamid	91,108	91,108	91,108	88,167,000	74,606,000	59,801,000
Lew Syn Pau	-	-	-	1,198,568	1,438,281	1,438,281
Lim Soon Hock (resigned on 31 August 2002)	-	-	-	4,000	4,800	4,800
Lum Chue Tat	22,712,000	15,254,400	15,254,400	3,896,000	16,675,200	16,675,200
Then Khek Koon (resigned on 31 August 2002)	-	-	-	11,330,000	14,498,400	14,498,400
<b>Warrant 2003 to subscribe for ordinary shares of \$0.05 each</b>						
Yeo Jiew Yew	-	22,440,000	22,440,000	-	-	-
Chua Koh Ming	-	12,867,200	12,867,200	-	120,000	120,000
Umar Abdul Hamid	-	-	-	-	8,185,000	3,980,000
Lew Syn Pau	-	-	-	-	239,713	239,713
Lim Soon Hock (resigned on 31 August 2002)	-	-	-	-	800	800
Lum Chue Tat	-	2,542,400	2,542,400	-	2,779,200	2,779,200
Then Khek Koon (resigned on 31 August 2002)	-	-	-	-	1,448,400	1,400
<b>Warrant 2006 to subscribe for ordinary shares of \$0.05 each</b>						
Yeo Jiew Yew	28,050,000	-	-	-	-	-
Umar Abdul Hamid	22,777	819	819	16,175,000	3,782,231	3,782,231
Lew Syn Pau	-	-	-	299,642	316,038	316,038
Lim Soon Hock (resigned on 31 August 2002)	-	-	-	1,000	1,054	1,054
Lum Chue Tat	5,678,000	715,101	715,101	974,000	6,300,905	6,300,905
Then Khek Koon (resigned on 31 August 2002)	-	-	-	2,001,000	1,054	1,054

No other directors of the Company had an interest in any shares or debentures of the Company or related corporations either at the beginning or end of the financial year and on 21 July 2002.

## DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than a benefit or any fixed salary of a full-time employee of the Company included in the aggregate amount of emoluments shown in the financial statements, or any emoluments received from related corporations) 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.

# REPORT OF THE DIRECTORS

## **DIVIDENDS**

No dividends have been paid, declared or recommended since the end of the Company's previous financial year.

## **BAD AND DOUBTFUL DEBTS**

Before the profit and loss account and balance sheet of the Company were made out, the directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that no debts of the Company need to be written off as bad and that no provision for doubtful debts was required.

At the date of this report, the directors are not aware of any circumstances which would require any debts to be written off or render the amount of provision for doubtful debts in the consolidated financial statements inadequate to any substantial extent.

## **CURRENT ASSETS**

Before the profit and loss account and balance sheet of the Company were made out, the directors took reasonable steps to ascertain that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values or that adequate provision had been made for the diminution in values of such current assets.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the consolidated financial statements misleading.

## **CHARGES ON ASSETS AND CONTINGENT LIABILITIES**

Since the end of the financial year, and up to the date of this report, no charge on the assets of the Company or any corporation in the Group has arisen which secures the liabilities of any other person and no contingent liability has arisen.

## **ABILITY TO MEET OBLIGATIONS**

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

## **OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS**

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

## **UNUSUAL ITEMS**

In the opinion of the directors, the results of the operations of the Company and of the Group for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

## **UNUSUAL ITEMS AFTER THE FINANCIAL YEAR**

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made except for the subsequent events as disclosed in Note 38 to the financial statements.

## CORPORATE GOVERNANCE

The Board of Directors is responsible for the corporate governance and strategy of the Group. The Board comprises an executive chairman, five executive directors and four non-executive directors, of whom four are independent directors. The board meets regularly during the year and at other times as appropriate.

The board supports the developments to improve corporate governance and confirms compliance with the Singapore Exchange's Best Practices Guide relating to Audit Committees.

The Audit Committee comprises one executive director and two independent non-executive directors, one of whom is also the Chairman of the Committee. The members of the Committee are:

Lew Syn Pau (Chairman)  
Tan Kim Chew  
Chua Koh Ming

The Audit Committee carried out its functions in accordance with the Companies Act, Cap. 50 and the Singapore Exchange Securities Trading Limited Listing Manual. In performing those functions, the Audit Committee inter alia reviewed:

- (a) The audit plan of the company's auditors and their evaluation of the system of internal accounting controls;
- (b) the overall scope of external audits and the assistance provided by the Group's officers to the auditors;
- (c) the auditors' evaluation of the system of internal accounting controls arising from their audit;
- (d) interested party transactions for the financial year ended 30 June 2002 in accordance with Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual to satisfy themselves that the transactions are on normal commercial terms; and
- (e) the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2002 before their submission to the Board of Directors and the auditors' report on those financial statements.

The Audit Committee held 3 meetings during the financial year.

The Audit Committee recommends to the Board of Directors the nomination of Ernst & Young for re-appointment as auditors at the forthcoming annual general meeting of the Company.

## OTHER INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

No material contracts to which the Company or any subsidiary is a party and which involve directors' interests subsisted at, or have been entered into since the end of the previous financial year.

## AUDITORS

Ernst & Young have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

**Yeo Jiew Yew**  
Director

**Umar Abdul Hamid**  
Director

Singapore  
30 September 2002

# STATEMENT BY DIRECTORS

Pursuant to Section 201(15)

We, Yeo Jiew Yew and Umar Abdul Hamid, being two of the directors of Strike Engineering Limited, do hereby state that, in the opinion of the directors,

- (i) the accompanying balance sheets, profit and loss accounts, statement of changes in equity and consolidated cash flow statement together with notes thereto, set out on pages 14 to 51 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2002 and of the results and changes in equity of the business of the Company and of the Group and cash flows of the Group for the year then ended, and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors authorised these financial statements for issue on 30 September 2002.

On behalf of the Board of Directors,

**Yeo Jiew Yew**  
Director

**Umar Abdul Hamid**  
Director

Singapore  
30 September 2002

To The Members of Strike Engineering Limited

We have audited the financial statements of Strike Engineering Limited set out on pages 14 to 51. The financial statements comprise the balance sheets of the Company and of the Group as at 30 June 2002, the profit and loss accounts and the statement of changes in equity of the Company and of the Group for the year ended 30 June 2002 and statement of cash flows of the Group for the year ended 30 June 2002, and notes thereto. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended 30 June 2001 were audited by other auditors, whose report dated 5 October 2001 expressed an unqualified opinion on those financial statements.

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

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act (the "Act") and Statements of Accounting Standard in Singapore and so as to give a true and fair view of:
  - (i) the state of affairs of the Company and of the Group as at 30 June 2002 and of the results and changes in equity of the Company and of the Group and cash flows of the Group for the year then ended; and
  - (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The name of these subsidiaries are disclosed in Note 5 to the financial statements.

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

The auditor's reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under section 207(3) of the Act.

**ERNST & YOUNG**  
Certified Public Accountants

Singapore  
30 September 2002

# BALANCE SHEETS

As At 30 June 2002 (Amounts In Singapore Dollars)

	Note	Group		Company	
		2002 \$	2001 \$	2002 \$	2001 \$
<b>Fixed assets</b>	3	<b>12,210,446</b>	17,947,251	<b>7,825,724</b>	8,039,561
<b>Investment property</b>	4	<b>1,420,716</b>	777,336	-	-
<b>Investment in subsidiaries</b>	5	-	-	<b>9,760,558</b>	29,113,361
<b>Joint venture</b>	6	<b>263,875</b>	-	-	-
<b>Associated companies</b>	7	<b>12,745,978</b>	236,580	<b>15,625,000</b>	-
<b>Goodwill on consolidation</b>	8	<b>8,667,088</b>	14,408,568	-	-
<b>Quoted investments, non-current</b>	9	<b>1,798,125</b>	2,880,000	<b>1,798,125</b>	2,880,000
<b>Other investments</b>		<b>82,929</b>	-	-	-
<b>Preliminary expenses</b>		-	26,123	-	-
<b>Current assets</b>					
Development properties	10	<b>46,110,225</b>	43,235,988	-	-
Stocks	11	<b>614,840</b>	2,677,092	<b>25,505</b>	128,335
Projects-in-progress	12	<b>11,141,280</b>	15,285,659	<b>6,326,923</b>	8,706,572
Trade debtors	13	<b>5,809,996</b>	21,437,959	<b>181,602</b>	157,914
Other debtors, deposits and prepayments	14	<b>756,147</b>	1,178,669	<b>287,875</b>	94,934
Due from subsidiaries (trade)		-	-	<b>537,507</b>	2,321,149
Due from subsidiaries (non-trade)	15	-	-	<b>19,479,795</b>	15,073,407
Due from affiliated companies (trade)		-	310,735	-	-
Due from affiliated companies (non-trade)	16	<b>1,648</b>	191,023	<b>1,648</b>	6,932
Due from an associated company (trade)		-	-	<b>73,306</b>	-
Due from an associated company (non-trade)	16	<b>29,167</b>	-	-	1,618
Quoted investments, current	17	-	18,005	-	-
Fixed deposits	18	<b>290,000</b>	1,562,680	-	-
Cash and bank balances		<b>2,229,634</b>	12,946,098	<b>1,084,464</b>	263,946
		<b>66,982,937</b>	98,843,908	<b>27,998,625</b>	26,754,807



# BALANCE SHEETS

As At 30 June 2002 (Amounts In Singapore Dollars)

	Note	Group		Company	
		2002 \$	2001 \$	2002 \$	2001 \$
<b>Current liabilities</b>					
Trade creditors		4,521,748	13,726,132	1,150,462	2,791,144
Progress billings in excess of costs	19	535,895	1,215,548	348,763	831,801
Other creditors and accruals	20	1,090,010	8,602,511	426,552	6,008,347
Due to directors	16	1,457,908	704,067	-	-
Due to an associated company (trade)		345,177	-	-	-
Provision for tax		368,175	4,520,167	83,030	1,121,408
Short term bank loans (unsecured)	21	2,000,000	3,000,000	2,000,000	3,000,000
Short term bank loans (secured)	22	8,750,000	9,700,000	-	-
Lease obligations, current portion	23	49,211	312,641	7,956	38,100
Bank term loans, current portion (secured)	24	6,012,612	7,081,784	3,551,856	343,776
Bills payable to banks (unsecured)		1,045,723	167,880	1,045,723	167,880
Bank overdrafts (unsecured)		44,102	1,852,936	17	1,852,936
		<b>26,220,561</b>	<b>50,883,666</b>	<b>8,614,359</b>	<b>16,155,392</b>
<b>Net current assets</b>		<b>40,762,376</b>	<b>47,960,242</b>	<b>19,384,266</b>	<b>10,599,415</b>
<b>Non-current liabilities</b>					
Lease obligations, non-current portion	23	161,961	906,856	13,280	59,803
Bank term loans, non-current portion (secured)	24	23,533,980	25,039,568	6,664,368	10,216,224
Deferred tax		61,202	56,049	32,800	32,800
		<b>54,194,390</b>	<b>58,233,627</b>	<b>47,683,225</b>	<b>40,323,510</b>
<b>Equity</b>					
Share capital	25	43,980,900	36,650,000	43,980,900	36,650,000
Reserves	26	6,199,380	7,554,255	3,702,325	3,673,510
		<b>50,180,280</b>	<b>44,204,255</b>	<b>47,683,225</b>	<b>40,323,510</b>
Minority interests		4,014,110	14,029,372	-	-
		<b>54,194,390</b>	<b>58,233,627</b>	<b>47,683,225</b>	<b>40,323,510</b>

The accounting policies and explanatory notes on pages 22 through 51 form an integral part of the financial statements.

# PROFIT AND LOSS ACCOUNTS

For The Year Ended 30 June 2002 (Amounts In Singapore Dollars)

	Note	Group		Company	
		2002 \$	2001 \$	2002 \$	2001 \$
Turnover	27	<b>57,473,960</b>	91,838,671	<b>15,090,128</b>	15,188,323
Cost of sales		<b>(46,048,463)</b>	(61,634,810)	<b>(13,765,501)</b>	(13,594,457)
Gross profit		<b>11,425,497</b>	30,203,861	<b>1,324,627</b>	1,593,866
Other operating income		<b>253,599</b>	508,087	<b>1,312,257</b>	464,349
Distribution & selling expenses		<b>(2,087,920)</b>	(2,937,870)	<b>(61,553)</b>	(133,833)
Administrative expenses		<b>(10,435,348)</b>	(15,585,260)	<b>(1,942,263)</b>	(2,374,724)
Other operating expenses		<b>(890,398)</b>	(2,618,547)	<b>(8,333)</b>	(93,203)
<b>(Loss) profit from operations</b>	28	<b>(1,734,570)</b>	9,570,271	<b>624,735</b>	(543,545)
Financial income	31	<b>65,170</b>	103,403	<b>642,003</b>	449,270
Financial expenses	31	<b>(408,398)</b>	(620,268)	<b>(929,685)</b>	(793,978)
Exceptional item	32	<b>(359,625)</b>	(6,120,000)	<b>(359,625)</b>	(6,120,000)
		<b>(2,437,423)</b>	2,933,406	<b>(22,572)</b>	(7,008,253)
Share of results of associated companies		<b>2,741,542</b>	124,209	-	-
<b>Profit (loss) before tax</b>		<b>304,119</b>	3,057,615	<b>(22,572)</b>	(7,008,253)
Tax	33	<b>(1,516,273)</b>	(3,372,670)	<b>61,838</b>	-
<b>(Loss) profit after tax</b>		<b>(1,212,154)</b>	(315,055)	<b>39,266</b>	(7,008,253)
Minority interests		<b>328,380</b>	(4,168,000)	-	-
<b>(Loss) profit attributable to shareholders</b>		<b>(883,774)</b>	(4,483,055)	<b>39,266</b>	(7,008,253)
Loss per share (cents)	34				
- Basic		<b>(0.12)</b>	(0.61)		
- Diluted		<b>(0.12)</b>	(0.61)		

The accounting policies and explanatory notes on pages 22 through 51 form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 30 June 2002 (Amounts In Singapore Dollars)

Group	Share capital	Share premium	Capital reserve	Asset revaluation reserve	Translation reserve	Revenue reserve	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at</b>							
<b>1 July 2000</b>	18,324,600	18,272,026	-	520,114	1,142	7,248,935	44,366,817
Foreign currency translation differences	-	-	-	-	514,936	-	514,936
Bonus issue of 366,492,000 ordinary shares of \$0.05 each via capitalisation of accumulated profits and share premium	18,324,600	(18,272,026)	-	-	-	(52,574)	-
Renounceable rights issue of 183,246,000 Warrants 2006 at \$0.022 each for cash	-	-	4,031,412	-	-	-	4,031,412
Issue of 16,000 ordinary shares of \$0.05 each upon exercise of Warrants 2006 at \$0.11 per share	800	1,312	(352)	-	-	-	1,760
Expenses in connection with the Warrants 2006 issue	-	-	(227,615)	-	-	-	(227,615)
Net loss for the year	-	-	-	-	-	(4,483,055)	(4,483,055)
<b>Balance at</b>							
<b>30 June 2001 c/f</b>	36,650,000	1,312	3,803,445	520,114	516,078	2,713,306	44,204,255

# STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2002 (Amounts In Singapore Dollars)

Group	Share capital	Share premium	Capital reserve	Asset revaluation reserve	Translation reserve	Revenue reserve	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at</b>							
<b>1 July 2001 b/f</b>	36,650,000	1,312	3,803,445	520,114	516,078	2,713,306	44,204,255
Rights issue of 146,603,000 ordinary shares of \$0.05 each with 146,603,000 detachable free Warrants 2003 at \$0.05 each for cash	7,330,150	-	-	-	-	-	7,330,150
Issue of 15,000 ordinary shares of \$0.05 each upon exercise of Warrants 2006 at \$0.11 per share	750	1,230	(330)	-	-	-	1,650
Expenses in connection with the Warrants 2006 issue	-	-	(11,351)	-	-	-	(11,351)
Net loss for the year Arising from allotment of additional shares in a subsidiary at nil consideration	-	-	-	-	-	(883,774)	(883,774)
Foreign currency translation differences	-	-	129,561	-	-	-	129,561
	-	-	-	-	(590,211)	-	(590,211)
<b>Balance at</b>							
<b>30 June 2002</b>	43,980,900	2,542	3,921,325	520,114	(74,133)	1,829,532	50,180,280

# STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2002 (Amounts In Singapore Dollars)

Company	Share capital	Share premium	Capital reserve	Revenue reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2000</b>	18,324,600	18,272,026	-	6,929,580	43,526,206
Bonus issue of 366,492,000 ordinary shares of \$0.05 each via capitalisation of accumulated profits and share premium	18,324,600	(18,272,026)	-	(52,574)	-
Renounceable rights issue of 183,246,000 Warrants 2006 at \$0.022 each for cash	-	-	4,031,412	-	4,031,412
Issue of 16,000 ordinary shares of \$0.05 each upon exercise of Warrants 2006 at \$0.11 per share	800	1,312	(352)	-	1,760
Expenses in connection with the Warrants 2006 issue	-	-	(227,615)	-	(227,615)
Net loss for the year	-	-	-	(7,008,253)	(7,008,253)
<b>Balance at 30 June 2001</b>	36,650,000	1,312	3,803,445	(131,247)	40,323,510
Rights issue of 146,603,000 ordinary shares of \$0.05 each with 146,603,000 detachable free Warrants 2003 at \$0.05 each for cash	7,330,150	-	-	-	7,330,150
Issue of 15,000 ordinary shares of \$0.05 each upon exercise of Warrants 2006 at \$0.11 per share	750	1,230	(330)	-	1,650
Expenses in connection with the Warrants 2006 issue	-	-	(11,351)	-	(11,351)
Net profit for the year	-	-	-	39,266	39,266
<b>Balance at 30 June 2002</b>	43,980,900	2,542	3,791,764	(91,981)	47,683,225

The accounting policies and explanatory notes on pages 22 through 51 form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 June 2002 (Amounts In Singapore Dollars)

	Note	2002	2001
		\$	\$
<b>Cash flow from operating activities</b>			
Profit before tax		304,119	3,057,615
Adjustments:			
Amortisation of goodwill on consolidation		1,006,807	1,250,452
Bad trade debts written off		-	67,206
Bad trade debts recovered		(50,334)	-
Depreciation of fixed assets		749,659	1,087,376
Fixed assets written off		355	13,323
Goodwill written off		-	900
Loss on disposal of subsidiary		-	838
Loss on disposal of quoted investments		94,263	-
Loss (gain) on disposal of fixed assets		15,838	(171,223)
Preliminary expenses written off		26,123	24,210
Provision for doubtful trade debts		1,051,774	908,371
Provision for foreseeable project losses		-	9,883
Provision for lower of cost and market value of quoted and other investments		359,625	6,127,000
Share of results of associated companies		(2,741,542)	(124,209)
Write back of provision for doubtful trade debts		-	(160,753)
Interest expense		379,002	504,320
Interest income		(65,170)	(103,403)
Translation adjustment		(542,679)	366,445
Operating profit before working capital changes		587,480	12,858,351
(Increase) decrease in:			
Preliminary expenses		-	(31,176)
Development properties		(2,874,236)	(30,160,097)
Stocks		448,629	1,447,540
Projects-in-progress, net of progress billings		3,164,585	(1,317,498)
Trade debtors		2,308,747	(183,734)
Other debtors, deposits and prepayments		(1,836,438)	2,908,188
Increase (decrease) in:			
Trade creditors		(4,843,990)	1,340,773
Other creditors and accruals		(1,651,743)	6,745,128
Intercompany balances, net		1,655,385	679,309
Due to directors		724,977	(3,439,290)
Bills payable to bank		1,343,079	(1,224,178)
Cash used in operations		(973,165)	(10,376,684)
Interest income received		65,170	103,403
Interest paid		(379,002)	(504,320)
Income taxes paid		(2,377,501)	(4,281,553)
Net cash used in operating activities		(3,664,498)	(15,059,154)
<b>Cash flow from investing activities</b>			
Proceeds from sale of fixed assets		399,132	2,683,870
Purchase of fixed assets	B	(786,340)	(2,012,323)
Purchase of interest in joint venture		(263,875)	-
Purchase of investment properties		(643,380)	-
Purchase of transferable licenses		(67,929)	-
Net proceeds from disposal of an associated company		-	40,220
Net proceeds from sale of quoted investments		638,488	-
Net dividend received from an associated company		865,215	-
Net cash flow from acquisition of subsidiaries	C	151,944	(8,551,868)
Net cash used in investing activities		293,255	(7,840,101)

# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 June 2002 (Amounts In Singapore Dollars)

	Note	2002	2001
		\$	\$
<b>Cash flow from financing activities</b>			
Proceeds from term loans		340,935	32,510,000
Net proceeds from issue of shares, net of expenses		7,331,800	2,112
Net proceeds from issue of warrants, net of expenses		(11,351)	3,803,445
Contributions from minority shareholders of subsidiaries		79,852	435,000
Repayment of hire purchase liabilities		(13,038)	(327,910)
Repayment of term loans		(3,500,262)	(6,867,303)
Net cash generated from financing activities		<b>4,227,936</b>	29,555,344
<b>Net increase in cash and cash equivalents</b>		<b>856,693</b>	6,656,089
<b>Cash and cash equivalents at beginning of year</b>		<b>12,655,842</b>	5,999,753
<b>Less: Cash and cash equivalents at beginning of year attributable to a subsidiary, now an associated company</b>		<b>(11,037,003)</b>	-
<b>Cash and cash equivalents at end of year</b>	A	<b>2,475,532</b>	12,655,842

## A. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

Cash and bank balances	2,229,634	12,946,098
Fixed deposits	290,000	1,562,680
Bank overdrafts, unsecured	(44,102)	(1,852,936)
Cash and cash equivalents	<b>2,475,532</b>	12,655,842

## B. Fixed assets

During the financial year, the Group acquired fixed assets with an aggregate cost of \$841,960 (2001: \$3,108,834) of which \$55,620 (2001: \$1,096,511) was acquired by means of finance leases. Cash payments of \$786,340 (2001: \$2,012,323) were made to purchase fixed assets.

## C. Acquisition of subsidiaries

The attributable net assets of subsidiaries acquired during the year are as follows:

Fixed assets	56,786	2,207,658
Other investment	13,500	-
Cash and bank balances	78,944	1,165,387
Fixed deposit	144,000	-
Trade debtors	132,251	7,340,620
Stocks	156,870	-
Other debtors, deposits and prepayments	3,417	185,889
Trade creditors	(420,970)	(1,052,375)
Other creditors and accruals	(2)	(431,320)
Due to directors, net	(37,437)	676,324
Provision for taxation	-	(540,454)
Intercompany balances, net	-	586,742
Term loans	-	(1,120,214)
Net assets acquired	<b>127,359</b>	9,018,257
Add goodwill on consolidation	6,047	4,967,210
Minority interests	(62,406)	(4,268,212)
Total purchase consideration satisfied via cash	<b>71,000</b>	9,717,255
Less: cash and bank balances of subsidiaries	<b>(222,944)</b>	(1,165,387)
Net cash flow from acquisition of subsidiaries	<b>151,944</b>	(8,551,868)

The accounting policies and explanatory notes on pages 22 through 51 form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 1. CORPORATION INFORMATION

The financial statements of Strike Engineering Limited for the year ended 30 June 2002 were authorised for issue in accordance with a resolution of the Directors on 30 September 2002. Strike Engineering Limited is a limited liability company which is incorporated in Singapore.

The registered office of Strike Engineering Limited is located at 22 Tagore Lane, Singapore 787480.

The principal activities of the Company are those of provision of mechanical and electrical engineering services and dealing in electrical products. The principal activities of the subsidiaries are as shown in Note 5 to the financial statements.

The Group and Company employed 300 and 75 employees as of 30 June 2002 (2001: 1,401 and 169 respectively).

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements of the Company and of the Group which are expressed in Singapore dollars, have been prepared under the historical cost convention in accordance with Singapore Statements of Accounting Standard (SAS) and applicable provisions of the Singapore Companies Act modified by the revaluation of freehold land and building.

### (b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The results of subsidiaries acquired or sold during the year are consolidated for the periods from or to the date of acquisition or disposal. All intercompany balances and any unrealized profit or loss on intercompany transactions are eliminated on consolidation.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method. The financial statements of foreign associated companies are translated into Singapore dollars at rates of exchange ruling at the balance sheet date. Any unrealised profit or loss arising from transactions with associated companies is eliminated to the extent of the portion attributable to the Group.

When subsidiaries or associated companies are acquired, any difference between the consideration paid and the fair values of the net assets acquired is amortised to the consolidated profit and loss account in equal instalments over a period of 5 to 10 years.

Assets and liabilities of the foreign subsidiaries are translated into Singapore dollars at the exchange rates ruling at balance sheet date. The results of foreign subsidiaries are translated into Singapore dollars at the weighted average exchange rates applicable for the financial year. Foreign currency translation adjustments arising on consolidation are accumulated as a separate component of equity.

### (c) Subsidiary companies, associated companies and joint ventures

A subsidiary is defined as a company, in which the Group has a long-term interest of more than 50% of the equity or in whose financial and operating policy decisions the Group controls.

An associated company is a company, not being a subsidiary, in which the Group has an interest of not less than 20% of the equity and in whose financial and operating policy decisions the Group exercises significant influence.

A joint venture is a company, not being a subsidiary or associate, in which the Group exercises joint control together with one or more other partners.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) **Subsidiary companies, associated companies and joint ventures (Cont'd)**

Investment in joint venture is stated in the Company's balance sheet at cost and provision is made for permanent impairment in value.

The interest in the jointly-controlled entity is accounted for by proportionate consolidation whereby the Company's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is combined on a line-by line basis with similar items in the Company's financial statements.

Investments in subsidiaries, associated company and joint venture are stated in the Company's balance sheet at cost and provision is made for impairment in values that is other than temporary.

### (d) **Affiliated company**

An affiliated company is a company, not being a subsidiary or an associate, in which one or more of the directors or shareholders of the Company have a significant equity interest or exercise significant influence.

### (e) **Foreign currencies**

Foreign currency transactions are converted into Singapore dollars at exchange rates closely approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities outstanding at the balance sheet date are converted into Singapore dollars at the rates of exchange approximating those ruling at that date. All exchange difference arising on conversion are included in the profit and loss account.

### (f) **Fixed assets**

Fixed assets are stated at cost or valuation less accumulated depreciation and any impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

### (g) **Depreciation**

Depreciation is calculated on the straight line method to write off the cost or valuation of fixed assets over their estimated useful lives. The estimated useful lives of fixed assets are as follows:

	<b>Years</b>
Freehold properties	30
Leasehold properties	Over the leasehold period
Building	50
Machinery, tools and equipment	3 - 9
Motor vehicles	5 - 6
Computers	2 - 3
Office equipment	4 - 8
Furniture and fittings	5 - 10
Renovation	5 - 6

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Depreciation (Cont'd)

Leasehold properties are depreciated over their remaining lease period of 30 to 65 years. No depreciation is charged for freehold land.

There is no fixed policy with respect to the frequency of valuation of fixed assets. Fixed assets are revalued as and when deemed appropriate by the directors.

Where fixed assets are revalued, any surplus on revaluation is credited to asset revaluation reserve. A decrease in the net carrying amount of the asset revaluation reserve arising on revaluation of fixed assets is charged to the profit and loss account to the extent that it exceeds any surplus held in reserve relating to a previous revaluation of the same class of assets.

Fully depreciated assets are retained in the accounts until they are no longer in use.

### (h) Preliminary expenses

Preliminary expenses are written off directly to the profit and loss account.

### (i) Development properties

Development properties refer to those properties that are intended for sale in the ordinary course of business. They include completed properties and properties in the course of development and are stated at the lower of cost and net realisable value less progress payments received. Development properties consist of land stated at cost and development expenditure incurred to date. Development expenditure includes finance charges and all expenditure incurred in connection with the development of the properties. Finance charges are not capitalised once the development is completed. A development is considered complete on the date of issue of the temporary occupation permit. All known or anticipated losses on the development projects are provided for in the year in which such losses are determined.

### (j) Investment property

Investment property is that which is held for its investment potential and income. Rental income is recognised on an accrual basis.

Investment property is stated at cost. Cost comprises the purchase price of the investment property. Repairs and maintenance costs are charged to the profit and loss account in the period in which they are incurred.

No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

### (k) Quoted investments

Quoted investments are stated at the lower of cost and market value determined on an aggregate portfolio basis.

Dividend income is recorded on a receipt basis.

### (l) Stocks

Stocks are stated at the lower of cost (determined on a first-in, first-out basis) and net realisable value.

Net realisable value is the estimated normal selling price, less estimated costs necessary to make the sale.

Provision is made for deteriorated, damaged, obsolete and slow-moving stocks.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (m) Cash and cash equivalents

Cash consists of cash on hand and cash with banks, including bank overdrafts.

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

### (n) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Receivables from subsidiary companies are recognised and carried at cost less an allowance for any uncollectible amounts.

### (o) Trade and other payables

Liabilities for trade and other amounts payable which are normally settled on 30 - 90 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

### (p) Impairment of assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that an asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognised for the difference between the recoverable amount and the carrying amount are included in the profit and loss amount.

### (q) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### (r) Leases

Fixed assets acquired under finance leases are capitalised and depreciated over their estimated useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to income over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account.

### (s) Employee benefits

As required by law, the Group makes contribution to the state pension scheme. These contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (t) Revenue recognition

Revenue from projects is recognised as work progresses, using the percentage-of-completion method. The percentage of completion for a given project is determined after considering the relationship of value of work done to-date to total contract revenue for the project.

Costs of projects include raw materials, direct labour and other project related expenses incurred during the project period. The project is considered complete when all significant identifiable costs attributable to the project have been incurred. Provision is made for any foreseeable losses as soon as they are known.

Revenue from sale of goods is recognised upon delivery of goods and acceptance by customers.

Maintenance revenue is recognised on a pro-rated basis over the period of the maintenance contract.

Interest income is recognised on an accrual basis. Dividend income is recognised gross on a receipt basis.

Group turnover excludes intercompany transactions.

### (u) Transferable loan facility ("TLF")

The discount on TLF is taken to the profit and loss account over the life of the TLF using the effective interest rate method.

### (v) Loans and borrowings

Loans and borrowings (other than the TLF) are recognised initially at cost net of transaction costs.

### (w) Income tax

Income tax expense is determined on the basis of tax effect accounting, using the liability method, and is applied to all temporary differences at the balance sheet date between the carrying amounts of assets and liabilities and the amounts used for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity, including a change in carrying amount arising from the revaluation of buildings and investment properties, an adjustment to the opening balance of retained earnings resulting from either a change in accounting policy that is applied retrospectively or the correction of a fundamental error and exchange differences arising on the translation of the financial statements of foreign subsidiaries.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (w) Income tax (Cont'd)

Deferred tax liabilities are not provided on undistributed earnings of foreign subsidiaries to the extent the earnings are intended to remain indefinitely invested in those entities. A deferred tax liability is recognised for all taxable temporary differences unless the deferred tax liability arises from goodwill for which amortisation is not deductible for tax purposes.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

### (x) Segments

For management purposes, the Group is organised on a world-wide basis into six major operating businesses. The divisions are the bases on which the Group reports its primary segment information.

Segment revenue, expenses and results include transfers between business segments and between geographical segments. Such transfers are accounted for on an arm's length basis.

## 3. FIXED ASSETS

Group	At cost											At valuation			
	Leasehold Properties	Machinery, tools and equipment	Motor Vehicles	Computers	Office Equipment	Furniture and fittings	Renovation	Freehold Properties	Building	Freehold land	Total				
<b>Cost or Valuation</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
As at 1.7.2001	2,414,537	426,242	3,295,959	917,959	1,205,773	383,012	513,800	2,781,423	557,600	9,491,382	21,987,687				
Reclassifications	45,412	-	-	-	(45,412)	-	-	-	-	-	-				
Attributable to a subsidiary disposed of during the year	(674,857)	(214,257)	(1,959,940)	(784,587)	(524,781)	(290,925)	(447,882)	(2,756,323)	-	-	(7,653,552)				
Attributable to a subsidiary acquired during the year	-	-	59,313	5,318	1,440	2,503	-	-	-	-	68,574				
Additions	95,157	90,534	184,118	150,182	153,921	61,879	64,569	-	-	41,600	841,960				
Disposals	(330,092)	(2,070)	(316,700)	(998)	-	-	-	-	-	-	(649,860)				
Written off	-	-	-	-	-	(355)	-	-	-	-	(355)				
Translation adjustment	(51,681)	(30)	(3,218)	(452)	(23,966)	714	159	-	-	-	(78,476)				
As at 30.6.2002	1,498,476	300,419	1,259,532	287,422	766,973	156,828	130,646	25,100	557,600	9,532,982	14,515,978				
<b>Accumulated depreciation</b>															
As at 1.7.2001	220,626	201,506	1,427,375	476,762	794,542	169,929	248,765	415,451	85,480	-	4,040,436				
Reclassifications	15,464	-	-	-	(15,464)	-	-	-	-	-	-				
Attributable to a subsidiary disposed of during the year	(73,585)	(150,501)	(776,508)	(362,890)	(151,076)	(91,975)	(180,092)	(445,524)	-	-	(2,232,151)				
Attributable to a subsidiary acquired during the year	-	-	10,407	751	232	398	-	-	-	-	11,788				
Charge for the year	89,319	71,534	314,770	117,879	59,413	27,589	26,813	41,746	596	-	749,659				
Disposals	(74,271)	-	(160,120)	(499)	-	-	-	-	-	-	(234,890)				
Translation adjustment	(3,466)	13	(5,797)	157	(20,299)	50	32	-	-	-	(29,310)				
As at 30.6.2002	174,087	122,552	810,127	232,160	667,348	105,991	95,518	11,673	86,076	-	2,305,532				
Charge for 2001	36,909	51,220	496,133	178,276	80,394	66,974	74,011	92,307	11,152	-	1,087,376				
<b>Net book value</b>															
As at 30.6.2002	1,324,389	177,867	449,405	55,262	99,625	50,837	35,128	13,427	471,524	9,532,982	12,210,446				
As at 30.6.2001	2,193,911	224,736	1,868,584	441,197	411,231	213,083	265,035	2,365,972	472,120	9,491,382	17,947,251				

30 June 2002 (Amounts in Singapore Dollars unless otherwise stated)

### 3. FIXED ASSETS (CONT'D)

The Group's freehold land and building stated at valuation were valued by the directors based on appraisals received from an independent firm of professional valuers, Orangetee.com Pte Ltd as at 21 January 2002, on the basis of open market value for existing use. Had the freehold land and building been stated at cost less accumulated depreciation, the net book value of the freehold land and building as at 30 June 2002 would have been approximately \$8,926,000 (2001: \$11,275,000).

As at 30 June 2002, the Group had motor vehicles under hire purchase with a net book value of approximately \$277,000 (2001: \$1,617,000).

The Group's leasehold properties with a net book value of approximately HK\$4,532,000 (2001: HK\$4,641,000) are mortgaged to the banks for banking facilities granted to the subsidiaries (Note 24).

The Group's freehold land and building with a net book value of approximately \$9,952,000 (2001: \$9,963,000) are mortgaged to certain banks for a transferable loan facility granted to the Company (Note 24).

Company	At Cost							At Valuation		
	Leasehold properties	Machinery, tools and equipment	Motor vehicles	Computers	Office equipment	Furniture and fittings	Renovation	Freehold land	Total	
<b>Cost</b>										
As at 1.7.2001	249,762	61,290	633,153	128,918	63,671	72,438	11,115	7,516,482	8,736,829	
Additions	-	-	28,804	-	-	-	-	-	28,804	
Disposals	-	-	(198,199)	-	-	-	-	-	(198,199)	
As at 30.6.2002	249,762	61,290	463,758	128,918	63,671	72,438	11,115	7,516,482	8,567,434	
<b>Accumulated depreciation</b>										
As at 1.7.2001	53,794	43,332	374,572	101,102	55,173	58,504	10,270	521	697,268	
Charge for the year	7,685	5,175	90,239	14,412	2,410	4,810	422	596	125,749	
Disposals	-	-	(81,307)	-	-	-	-	-	(81,307)	
As at 30.6.2002	61,479	48,507	383,504	115,514	57,583	63,314	10,692	1,117	741,710	
Charge for 2001	7,685	10,271	94,664	16,270	3,017	7,198	423	521	140,049	
<b>Net book value</b>										
As at 30.6.2002	188,283	12,783	80,254	13,404	6,088	9,124	423	7,515,365	7,825,724	
As at 30.6.2001	195,968	17,958	258,581	27,816	8,498	13,934	845	7,515,961	8,039,561	

As at 30 June 2002, the Company had motor vehicles under hire purchase with a net book value of approximately \$34,000 (2001: \$166,000).

Freehold land with a net book value of approximately \$7,491,000 (2001: \$7,491,000) is mortgaged to certain banks for a transferable loan facility granted to the Company (Note 24).

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 4. INVESTMENT PROPERTY

Investment property of a subsidiary with a book value of HK\$3,321,949 (S\$777,336) (2001: HK\$3,321,949 (S\$777,336)) is held under a long term lease and is rented out under an operating lease. The property is pledged to a bank for banking facilities granted to the subsidiary (Note 24).

## 5. INVESTMENT IN SUBSIDIARIES

(a) Investment in subsidiaries comprises:

	Company	
	2002 \$	2001 \$
Unquoted equity shares at cost	<b>9,760,558</b>	29,113,361

(b) The Company and the Group had the following subsidiaries as at 30 June 2002:

Name of Company	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		Cost of investment by the Company	
			2002 %	2001 %	2002 \$	2001 \$
<b>Held by the Company</b>						
Ligent Engineering Pte Ltd	Electrical contractors, suppliers of electrical hardware and fittings and the provision of electrical engineering services	Singapore	100	100	2,144,423	2,144,423
Victrad Enterprise (Pte) Ltd	Electrical contracting and the provision of project management services	Singapore	100	100	464,303	464,303
Lantrovision (S) Ltd	Supply, design, installation and provision of consultancy services on network integration and structured cabling and those of electrical contractors and suppliers of electrical hardware and fittings	Singapore	@	50.46	-	15,625,000



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		Cost of investment by the Company	
			2002 %	2001 %	2002 \$	2001 \$
<b>Held by the Company (Cont'd)</b>						
Strike Development Pte Ltd	Property development	Singapore	51	51	510,000	510,000
Strike Construction Pte Ltd	Building construction and installation, provision of electrical and mechanical engineering services	Singapore	61.2	61.2	260,000	260,000
Gredanian Pte Ltd	Property development	Singapore	70	70	700,000	700,000
Nete2 Asia Pte Ltd	Supply, installation and provision of consultancy services for tele-conferencing facilities and development of software and multimedia works	Singapore	51	51	51,000	51,000
Gordon (HK) Designer and Engineer Limited *	Interior architecture, design and decoration services	Hong Kong	51	51	5,630,832	9,358,635
<b>Held by a subsidiary</b>						
Strike Coal and Mineral Pte Ltd	Wholesale trading, including imports and exports	Singapore	100	100	-	-
Strike Sarana Buana (PT) Asing **	Wholesale trading, including imports and exports	Indonesia	90	-	-	-
PT Sinar Artha Niaga **	Wholesale trading, including imports and exports	Indonesia	51	-	-	-
					<b>9,760,558</b>	<b>29,113,361</b>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

- \* Audited by Deloitte & Touche, Hong Kong  
 \*\* Audited by Gafar Salim & Rekan, Indonesia  
 @ On 2 November 2001, the Company's equity stake in Lantrovision (S) Ltd ("Lantrovision") was diluted from 50.46% to 42.83% pursuant to the initial public offering of Lantrovision on the Singapore Exchange Securities Trading Limited. Accordingly, as of 30 June 2002, Lantrovision has been classified as an associated company.

## 6. JOINT VENTURE

In the current financial year, a subsidiary entered into a 20 year Joint Venture Agreement with a business partner to engage in the activities of banking. Consequently, a full licensed bank, Development Bank of Strike, was set up. The joint venture has not commenced operation during the financial year.

The amount of investment represents the subsidiary's share of cost contribution towards the joint venture.

## 7. ASSOCIATED COMPANY

(a) Investment in associated company comprises:

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Unquoted equity shares at cost	-	172,326	-	-
Quoted equity shares at cost	15,625,000	-	15,625,000	-
Goodwill on acquisition	(7,587,190)	(50,926)	-	-
	<b>8,037,810</b>	121,400	<b>15,625,000</b>	-
Share of post-acquisition reserves	4,708,168	115,180	-	-
	<b>12,745,978</b>	236,580	<b>15,625,000</b>	-

The market value of the quoted equity shares in the associated company as at the end of the financial year is \$28,840,500.

(b) Details of the associated company are as follows:

Name of associated company	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group	
			2002 %	2001 %
Lantrovision (S) Ltd	Supply, design, installation and provision of consultancy services on network integration and structured cabling and those of electrical contractors and suppliers of electrical hardware and fittings	Singapore	42.83	@

@ On 2 November 2001, the Company's equity stake in Lantrovision (S) Ltd ("Lantrovision") was diluted from 50.46% to 42.83% pursuant to the initial public offering of Lantrovision on the Singapore Exchange Securities Trading Limited. As at 30 June 2001 Lantrovision was a subsidiary of the Company (Note 5)

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 8. GOODWILL ON CONSOLIDATION

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
Goodwill on consolidation arising from acquisition of subsidiaries and associated companies, net of reserve on consolidation	<b>11,771,310</b>	15,843,979
Less attributable to a subsidiary now an associated company	<b>(2,070,096)</b>	-
Less accumulated amortisation	<b>(1,034,126)</b>	(1,435,411)
	<b>8,667,088</b>	14,408,568

Movements in accumulated amortisation during the year are as follows:

At beginning of year	<b>1,435,411</b>	363,450
Amortisation for the year	<b>1,006,807</b>	1,250,452
Attributable to acquisition of subsidiaries	<b>6,046</b>	5,292
Less Attributable to disposal of an associated company	-	(183,783)
Less Attributable to a subsidiary now an associated company	<b>(1,414,138)</b>	-
At end of year	<b>1,034,126</b>	1,435,411

## 9. QUOTED INVESTMENTS, NON-CURRENT

	<b>Group and Company</b>	
	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
Cost at beginning of year	<b>9,000,000</b>	9,000,000
Disposal during the year	<b>(2,257,031)</b>	-
Balance at end of year	<b>6,742,969</b>	9,000,000
Provision for lower of cost and market value	<b>(4,944,844)</b>	(6,120,000)
	<b>1,798,125</b>	2,880,000

Analysis of provision for lower of cost and market value of quoted investments:

Balance at beginning of year	<b>6,120,000</b>	-
Provision for the year	<b>359,625</b>	6,120,000
Provision utilised	<b>(1,534,781)</b>	-
Balance at end of year	<b>4,944,844</b>	6,120,000
Market value of quoted investments	<b>1,798,125</b>	2,880,000

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 10. DEVELOPMENT PROPERTIES

	Group	
	2002 \$	2001 \$
Cost of land	37,540,727	37,540,727
Interest capitalised	3,325,640	1,422,146
Development and related costs	5,392,546	4,273,115
	<b>46,258,913</b>	43,235,988
Less progress billings	(103,480)	-
Less attributable loss	(45,208)	-
	<b>46,110,225</b>	43,235,988
	<b>1,903,494</b>	1,422,146

## 11. STOCKS

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Finished goods, at cost	614,840	2,862,496	25,505	128,335
Less provision for stock obsolescence	-	(185,404)	-	-
	<b>614,840</b>	2,677,092	<b>25,505</b>	128,335
Analysis of provision for stock obsolescence				
Balance at beginning of year	185,404	133,560	-	-
Charge during the year	-	51,297	-	-
Translation difference	-	547	-	-
Attributable to a subsidiary now an associated company	(185,404)	-	-	-
Balance at end of year	-	185,404	-	-

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 12. PROJECTS-IN-PROGRESS

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Project costs	<b>101,044,730</b>	112,638,696	<b>67,962,635</b>	87,983,289
Attributable profits	<b>11,540,344</b>	21,893,813	<b>8,464,704</b>	13,919,653
Less provision for foreseeable project losses	<b>(509,184)</b>	(636,644)	<b>(509,184)</b>	(585,394)
	<b>112,075,890</b>	133,895,865	<b>75,918,155</b>	101,317,548
Less progress billings received and receivable	<b>(100,934,610)</b>	(118,610,206)	<b>(69,591,232)</b>	(92,610,976)
	<b>11,141,280</b>	15,285,659	<b>6,326,923</b>	8,706,572
Analysis of provision for foreseeable losses:				
Balance at beginning of year	<b>636,644</b>	955,826	<b>585,394</b>	904,576
Charge during the year	-	9,883	-	9,883
Provision utilised	<b>(127,460)</b>	(329,065)	<b>(76,210)</b>	(329,065)
Balance at end of year	<b>509,184</b>	636,644	<b>509,184</b>	585,394

Included in projects-in-progress during the year are personnel expenses of the Group and the Company amounting to \$3,194,775 and \$1,583,095 respectively (2001: \$2,772,260 and \$1,839,523 respectively) as disclosed in Note 29.

## 13. TRADE DEBTORS

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Trade debtors	<b>6,861,770</b>	22,470,522	<b>181,602</b>	157,914
Less provision for doubtful trade debts	<b>(1,051,774)</b>	(1,032,563)	-	-
	<b>5,809,996</b>	21,437,959	<b>181,602</b>	157,914

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 13. TRADE DEBTORS (CONT'D)

Analysis of provision for doubtful trade debts:

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Balance at beginning of year	1,032,563	268,585	-	-
Charge during the year	1,051,774	908,371	-	-
Write back of provision for the year	-	(160,753)	-	-
Translation difference	-	16,360	-	-
Attributable to a subsidiary now an associated company	(1,032,563)	-	-	-
Balance at end of year	1,051,774	1,032,563	-	-

## 14. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Other debtors	495,639	651,103	-	33,766
Deposits	138,787	361,920	11,625	14,998
Prepayments	20,391	103,183	4,959	7,770
Unbilled receivables	-	10,218	-	-
Advances to staff	101,330	51,655	27,256	38,400
Interest receivable	-	590	-	-
Tax recoverable	-	-	244,035	-
	756,147	1,178,669	287,875	94,934

Advances to staff are unsecured, interest free and repayable monthly via salary deduction.

## 15. DUE FROM SUBSIDIARIES (NON-TRADE)

These amounts are non-trade related, unsecured, bears interest ranging from 3.9% to 5.7% (2001: 4%) per annum and are repayable on demand.

## 16. DUE FROM AFFILIATED COMPANIES (NON-TRADE)/ AN ASSOCIATED COMPANY (NON-TRADE)/ DUE TO DIRECTORS

These amounts are unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 17. QUOTED INVESTMENTS, CURRENT

	Group	
	2002 \$	2001 \$
Quoted shares at cost	115,340	115,340
Less disposal during the year	(107,835)	-
Less attributable to a subsidiary now an associated company	(7,505)	
	-	115,340
Less provision for lower of cost and market value	-	(97,335)
	-	18,005
Market value	-	18,005
Movements in provision for the lower of cost and market value of quoted investments during the year are as follows:		
Balance at beginning of year	97,334	90,335
Provision for the year	-	7,000
Provision utilised	(97,334)	-
Balance at end of year	-	97,335

## 18. FIXED DEPOSITS

Fixed deposits have an average maturity of 90 days and bear interest ranging from 0.7315% to 17% (2001: average interest rate of 3.14%) per annum.

Fixed deposits of the subsidiaries amounting to \$250,000 (2001: \$550,000) were pledged to banks for banking facilities granted to the subsidiaries.

## 19. PROGRESS BILLINGS IN EXCESS OF COSTS

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Progress billings received and receivable	23,186,136	21,527,170	21,391,345	16,862,506
Less project costs	(19,705,848)	(18,602,212)	(18,264,779)	(14,485,009)
Less attributable profits	(2,944,393)	(1,709,410)	(2,777,803)	(1,545,696)
	535,895	1,215,548	348,763	831,801

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 20. OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Other creditors	113,949	684,655	27,605	390
Accrued operating expenses	795,597	2,148,918	398,947	414,193
Amount payable in relation to acquisition of subsidiary	-	5,593,764	-	5,593,764
Rental deposits received	13,364	13,759	-	-
Advance from customers	6,825	86,514	-	-
Deferred revenue	160,275	74,901	-	-
	<b>1,090,010</b>	<b>8,602,511</b>	<b>426,552</b>	<b>6,008,347</b>

## 21. SHORT TERM BANK LOANS (UNSECURED)

The short term bank loans are unsecured and bear interest at approximately 3.00% to 4.5076% (2001: 3.556% to 5.5625%) per annum.

## 22. SHORT TERM BANK LOANS (SECURED)

Short term bank loans of a subsidiary amounting to \$8,750,000 bear interest at 1.5% per annum above the bank's cost of funds ranging from 2.5625% to 4.0625% per annum (2001: 3.875% to 4.5% per annum) and are repayable on a monthly basis. The loans are secured by:

- (i) a first legal mortgage over the subsidiary's development property;
- (ii) a legal assignment of the last 15% of the sale proceeds of the development property; and
- (iii) a corporate guarantee from the Company.

## 23. LEASE OBLIGATIONS

	Group		
	Payments \$	Interest \$	Principal \$
<b>2002</b>			
1 year to 5 years	180,540	(21,899)	158,641
Later than 5 years	4,170	(850)	3,320
	<b>184,710</b>	<b>(22,749)</b>	<b>161,961</b>
Not later than 1 year	59,638	(10,427)	49,211
	<b>244,348</b>	<b>(33,176)</b>	<b>211,172</b>
<b>2001</b>			
1 year to 5 years	925,874	(138,774)	787,100
Later than 5 years	138,720	(18,964)	119,756
	<b>1,064,594</b>	<b>(157,738)</b>	<b>906,856</b>
Not later than 1 year	367,373	(54,732)	312,641
	<b>1,431,967</b>	<b>(212,470)</b>	<b>1,219,497</b>



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 23. LEASE OBLIGATIONS (CONT'D)

	Company		
	Payments \$	Interest \$	Principal \$
<b>2002</b>			
1 year to 5 years	15,250	(1,970)	13,280
Not later than 1 year	9,156	(1,200)	7,956
	<b>24,406</b>	<b>(3,170)</b>	<b>21,236</b>
<b>2001</b>			
1 year to 5 years	60,839	(8,642)	52,197
Later than 5 years	9,276	(1,670)	7,606
	70,115	(10,312)	59,803
Not later than 1 year	41,725	(3,625)	38,100
	<b>111,840</b>	<b>(13,937)</b>	<b>97,903</b>

Lease terms do not contain restrictions concerning dividends, additional debt or further leasing. The lease obligations bear interest ranging from 2.5% to 3.6% per annum.

## 24. BANK TERM LOANS (SECURED)

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Bank loans	19,330,368	21,561,352	-	-
Transferable loan facility	10,216,224	10,560,000	10,216,224	10,560,000
	29,546,592	32,121,352	10,216,224	10,560,000
Due within one year	6,012,612	7,081,784	3,551,856	343,776
Due after one year or more	23,533,980	25,039,568	6,664,368	10,216,224

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 24. BANK TERM LOANS (SECURED) (CONT'D)

### BANK TERM LOANS

- (a) A bank loan of \$18,000,000 (2001: \$20,000,000) bears interest at the bank's prevailing prime lending rate of 5.0% (2001: 5.5%) per annum. During the financial year, the repayment terms of the loan was changed from repayment in 5 equal half yearly instalments of \$3,300,000 commencing October 2002 and a final instalment of \$3,500,000 to 5 equal half yearly instalments of \$1,000,000 commencing 22 October 2001 and a final instalment of \$15,000,000. The loan is secured by:
- a first legal mortgage over a subsidiary's development property;
  - legal assignment of all rights, title interest and benefits of the subsidiary in the development property; and
  - a corporate guarantee from the Company.
- (b) A bank loan of \$340,935 bears interest at 1% per annum above the bank's prime lending rate ranging from 6.5% to 7.0% per annum and is repayable on 31 January 2003. The loan is secured by:
- (i) a first legal mortgage over a subsidiary's development property;
  - (ii) a legal assignment of the last 15% of the sale proceeds of the development property; and
  - (iii) a corporate guarantee from the Company.
- (c) A bank loan of HK\$4,378,024 (2001: HK\$4,873,396) is secured by way of a fixed charge over a subsidiary's investment property and leasehold land and buildings with a net book value of approximately HK\$3,322,000 and HK\$4,532,000 respectively (2001: HK\$3,322,000 and HK\$4,641,000 respectively). The loan bears interest at 1% below the bank's prevailing prime rate and is repayable over 120 monthly instalments. The final instalment is repayable on maturity in 2010.

### TRANSFERABLE LOAN FACILITY

The transferable loan facility of \$12,000,000 was granted to the Company at a discount of 12% amounting to approximately \$1,440,000. The discount, being the difference between the principal amount of the transferable loan facility and its present value on recognition, will be expensed over 4 years (the duration of the transferable loan facility) using the effective interest rate method through the profit and loss account.

The loan is secured by way of a legal mortgage on the Group's freehold land and building with a net book value of approximately \$9,952,000 (2001: \$9,963,000).

	Group	
	2002 \$	2001 \$
Present value of the transferable loan facility	10,216,224	10,560,000
Value of interest discount	783,776	1,440,000
	<b>11,000,000</b>	<b>12,000,000</b>

The interest charged on the transferable loan facility is as follows:

Year	Rate of interest
1	Swap Offered Rate minus 1% p.a.
2	Swap Offered Rate minus 0.75% p.a.
3 & 4	Swap Offered Rate minus 0.5% p.a.

The loan is repayable in 12 equal quarterly instalments of \$1,000,000 commencing 9 May 2002.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 25. SHARE CAPITAL

	<b>Group and Company</b>	
	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>Authorised</b>		
- 2,000,000,000 (2001: 2,000,000,000) ordinary shares of \$0.05 each	100,000,000	100,000,000
<b>Issued and fully paid</b>		
- 879,618,000 (2001: 733,000,000) ordinary shares of \$0.05 each	43,980,900	36,650,000

During the financial year, the Company issued 146,603,000 ordinary shares of \$0.05 each at \$0.05 per share for cash via a rights issue. In addition, 15,000 ordinary shares of \$0.05 each were issued upon the exercise of Warrants 2006 at \$0.11 per share.

## 26. RESERVES

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Share premium	2,542	1,312	2,542	1,312
Capital reserve	3,921,325	3,803,445	3,791,764	3,803,445
Asset revaluation reserve	520,114	520,114	-	-
Translation reserve	(74,133)	516,078	-	-
Revenue reserve	1,829,532	2,713,306	(91,981)	(131,247)
	<b>6,199,380</b>	<b>7,554,255</b>	<b>3,702,325</b>	<b>3,673,510</b>

The share premium account may be applied only for the purposes specified in the Companies Act. The balance is not available for distribution of dividends except in the form of shares.

The capital reserve comprises a renounceable rights issue of Warrants 2006 carrying the right to subscribe for new ordinary shares of \$0.05 each in the capital of the Company at an issue price of \$0.022 for each Warrant 2006 on the basis of one Warrant 2006 for every four ordinary shares held by the shareholders.

Asset revaluation reserve comprises the surplus arising from revaluation of freehold land and building of a subsidiary.

In accordance with Statement of Accounting Standard No.1 (Revised 1999), movements in reserves of the Group and the Company are set out in the Statement of Changes in Equity of the Group and the Company respectively.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts in Singapore Dollars unless otherwise stated)

## 26. RESERVES (CONT'D)

	Group	
	2002 \$	2001 \$
<b>Revenue reserve retained in:</b>		
- the Company	(91,981)	(131,247)
- subsidiaries	(2,786,655)	2,729,373
- associated companies	4,708,168	115,180
	<b>1,829,532</b>	<b>2,713,306</b>

## 27. TURNOVER

Turnover comprises the following:

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Revenue from projects	43,987,358	79,648,157	13,639,655	11,938,895
Sale of goods and services	13,486,602	12,190,514	1,450,473	3,249,428
	<b>57,473,960</b>	91,838,671	<b>15,090,128</b>	15,188,323

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 28. (LOSS) PROFIT FROM OPERATIONS

This is determined after charging (crediting) the following:

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Amortisation of goodwill on consolidation	<b>1,006,807</b>	1,250,452	-	-
Auditors' remuneration				
- auditors of the Company	<b>75,477</b>	123,000	44,000	39,000
- other auditors	<b>50,686</b>	66,775	-	-
Non-audit fees				
- auditors of the Company	<b>35,800</b>	54,400	<b>26,700</b>	54,400
Bad trade debts written off	-	67,206	-	324
Bad trade debts recovered	<b>(50,334)</b>	-	-	-
Depreciation of fixed assets	<b>749,659</b>	1,087,376	<b>125,749</b>	140,049
Directors' remuneration				
- directors of the Company	<b>729,920</b>	919,886	<b>653,360</b>	732,200
- directors of subsidiaries	<b>1,340,676</b>	1,790,450	-	-
Fixed assets written off	<b>355</b>	13,323	-	6,310
Foreign exchange loss (gain) - net	<b>34,302</b>	(105,957)	<b>1,034</b>	894
Goodwill written off	-	900	-	-
Loss on disposal of a subsidiary	-	838	-	-
Loss on disposal of quoted investments	<b>94,263</b>	-	-	-
Loss (gain) on sale of fixed assets	<b>15,838</b>	(171,223)	<b>3,568</b>	(169,420)
Operating lease expenses	<b>535,989</b>	561,946	<b>1,919</b>	-
Preliminary expenses written off	<b>26,123</b>	24,210	-	-
Preliminary expenses directly charged to profit and loss account	<b>88,472</b>	-	-	-
Provision for doubtful trade debts written back	-	(160,753)	-	-
Provision for doubtful trade debts	<b>1,051,774</b>	908,371	-	-
Provision for foreseeable project losses	-	9,883	-	9,883
Provision for lower of cost and market value of quoted investments	-	7,000	-	-
Provision for stock obsolescence	-	51,297	-	-

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 29. PERSONNEL EXPENSES

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Wages, salaries and bonuses	7,310,752	10,221,959	1,937,216	2,303,742
Pension Fund contributions	643,280	1,026,628	210,294	285,354
Other personnel expenses	567,660	401,185	109,504	116,634
Directors' remuneration	2,070,596	2,710,336	653,360	732,200
	<b>10,592,288</b>	14,360,108	<b>2,910,374</b>	3,437,930

Included in personnel expenses are the following amounts included as part of projects-in-progress as disclosed in Note 12.

Wages, salaries and bonuses	2,724,004	2,393,074	1,362,576	1,580,630
Pension Fund contributions	266,845	243,836	129,022	184,456
Other project staff costs	203,926	135,350	91,497	74,437
	<b>3,194,775</b>	2,772,260	<b>1,583,095</b>	1,839,523

## 30. DIRECTORS' REMUNERATION

The remuneration of directors of the Company in the various remuneration bands is as follows:

	2002			2001		
	Executive Directors	Non-Executive Directors	Total	Executive Directors	Non-Executive Directors	Total
\$500,000 and above	-	-	-	-	-	-
\$250,000 to \$499,999	-	-	-	1	-	1
\$0 to \$249,999	4	4	8	3	4	7
	<b>4</b>	<b>4</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>8</b>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 31. FINANCIAL INCOME AND EXPENSES

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Interest expense				
- hire purchase	(31,187)	(56,450)	(5,047)	(5,472)
- term loans	(276,528)	(204,073)	(698,963)	(606,093)
- bank overdrafts	(62,624)	(202,548)	(208,081)	(81,296)
- bills payable to banks	(8,663)	(41,249)	(8,663)	(41,249)
Bank charges	(29,396)	(115,948)	(8,931)	(59,868)
	<b>(408,398)</b>	<b>(620,268)</b>	<b>(929,685)</b>	<b>(793,978)</b>
Interest income				
- bank balances	22,387	54,365	-	-
- fixed deposits	42,783	49,038	401	20,317
- subsidiaries	-	-	641,602	428,953
	<b>65,170</b>	<b>103,403</b>	<b>642,003</b>	<b>449,270</b>

## 32. EXCEPTIONAL ITEM

	Group and Company	
	2002 \$	2001 \$
Provision for lower of cost and market value of quoted investments	<b>359,625</b>	6,120,000

## 33. TAX

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Current tax				
- current year	1,704,518	3,533,642	36,693	-
- overprovision in respect of prior year	(203,567)	(152,819)	(98,531)	-
Deferred tax				
- current year	15,322	(7,046)	-	-
- overprovision in respect of prior year	-	(1,107)	-	-
	<b>1,516,273</b>	<b>3,372,670</b>	<b>(61,838)</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 33. TAX (CONT'D)

A reconciliation of the statutory tax rate to the Group and the Company's effective tax rate applicable to income from continuing operations for the year ended 30 June is as follows:

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Accounting profit (loss)	<b>304,119</b>	3,057,615	<b>(22,572)</b>	(7,008,253)
Tax at the applicable tax rate of 22% (2001: 24.5%)	<b>66,906</b>	749,116	<b>(4,966)</b>	(1,717,022)
- tax effect of expenses that are not deductible in determining taxable profit	<b>419,346</b>	2,810,157	<b>171,323</b>	1,569,217
- overprovision in respect of prior year	<b>(203,567)</b>	(153,926)	<b>(98,531)</b>	-
- deferred tax asset not recognised (recognised)	<b>100,276</b>	571,102	<b>(129,664)</b>	147,805
- effect of different tax rates in other countries	<b>86,684</b>	555,924	-	-
- tax losses from subsidiaries not available for offset	<b>1,046,628</b>	-	-	-
- Certain income of a foreign subsidiary not subjected to tax	-	(1,159,703)	-	-
	<b>1,516,273</b>	3,372,670	<b>(61,838)</b>	-

### The Company

There is no current year tax charge for the Company as it is in a tax loss position.

### The Group

The Group has unutilised tax losses and unabsorbed capital allowances of approximately \$1,331,000 (2001: \$2,112,000) available for offset against future taxable profits, subject to compliance with the relevant provisions of the tax legislation of the respective countries in which the subsidiaries operate and agreement with the tax authorities. The potential deferred tax assets arising from these unutilised tax losses and unabsorbed capital allowances have not been recognised in the financial statements in accordance with the accounting policy as stated in Note 2 to the financial statements.

## 34. LOSS PER SHARE

Basic earnings per share is calculated by dividing the Group's loss attributable to shareholders of \$883,774 (2001: \$4,483,055) by the weighted average number of shares in issue during the year of 737,017,918 shares (2001: weighted average of 732,987,249 shares).

Diluted earnings per share is the same as basic earnings per share as the effects of anti-dilutive potential ordinary shares are ignored in calculating diluted earnings per share.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 35. OPERATING LEASES COMMITMENTS

The Group leases certain property under lease agreement that is non-cancellable within a year. The lease contains renewable options and does not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing. Future minimum lease payments with initial or remaining lease terms of one year or more are as follows:

	Group	
	2002 \$	2001 \$
Within one year	209,955	449,000
After one year but not more than 5 years	67,822	375,000
	<b>277,777</b>	<b>824,000</b>

## 36. CONTINGENT LIABILITIES (UNSECURED)

Contingent liabilities not provided for in the financial statements:

	Group		Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Bankers' guarantee	-	1,411,793	-	-
Performance bonds indemnity	1,381,782	1,049,180	1,211,859	1,049,180
Corporate guarantee	16,777,380	26,093,711	16,777,380	26,093,711
	<b>18,159,162</b>	<b>28,554,684</b>	<b>17,989,239</b>	<b>27,142,891</b>

## 37. CAPITAL COMMITMENT

	Group	
	2002 \$	2001 \$
Capital expenditure not provided for in the financial statements		
- commitments in respect of joint venture agreement entered into	793,325	-

## 38. SUBSEQUENT EVENTS

Subsequent to year end, a subsidiary, Strike Construction Pte Ltd acquired the entire equity interest in Progressive Builders Private Limited for a total consideration of \$80,000, making Progressive Builders Private Limited a wholly-owned subsidiary.

Progressive Builders Private Limited further issued 3,000,000 ordinary shares of \$1 each at par to Strike Construction Pte Ltd for a cash consideration of \$3,000,000.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 39. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party information disclosed elsewhere in the financial statements, significant transactions with related parties, on terms agreed between the parties, were as follows:

	Group	
	2002 \$	2001 \$
<b>Associated company</b>		
Sales	253,866	653,774
Purchases	488,084	305,172
Management fee income	84,586	-
<b>Affiliated company</b>		
Management fee income	8,640	6,932
<b>Related party</b>		
Rental expense to directors	-	27,860

## 40. SEGMENT INFORMATION

### (a) Business segments

The Group is organised on a worldwide basis into six main operating segments, namely:

- Electrical engineering
- Building, Mechanical engineering and others
- Information technology cabling
- Networking
- Architecture and design
- Property development

Inter-segment pricing is on an arm's length basis.

2002	Electrical engineering	Building, Mechanical engineering and others	Information technology cabling	Networking	Architecture and design	Property development	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover	14,438	16,837	17,892	2,802	5,284	221	57,474
Profit (loss)							
from operations	332	(60)	2,077	(285)	(3,705)	(94)	(1,735)
Financial expenses							
- net							(343)
Share of results							
of associated							
companies							2,742
Exceptional item							(360)
Tax							(1,516)
Minority interests							328
Loss after tax							(884)
Assets	15,664	18,265	12,746	1,162	8,174	46,016	102,027
Other investments							1,881
Joint venture							264
							104,172

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 40. SEGMENT INFORMATION (CONT'D)

(a) Business segments (Cont'd)

2002	Electrical engineering	Building, Mechanical engineering and others	Information technology cabling	Networking	Architecture and design	Property development	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities, representing total segment liabilities	(8,732)	(10,183)	-	(568)	(2,560)	(27,935)	(49,978)
Capital expenditure							842
Depreciation and amortisation							1,756
2001	Electrical engineering	Building, Mechanical engineering and others	Information technology cabling	Networking	Architecture and design	Property development	Group
Turnover	15,148	9,131	60,451	639	6,470	-	91,839
Profit (loss) from operations	(757)	(574)	10,352	(525)	1,090	(16)	9,570
Financial expenses - net							(516)
Share of results of associated companies							124
Exceptional item							(6,120)
Tax							(3,373)
Minority interests							(4,168)
Loss after tax							(4,483)
Assets	15,473	9,327	44,658	1,896	17,465	43,421	132,240
Other investments							2,880
							135,120
Liabilities, representing total segment liabilities	(17,693)	(11,048)	(14,931)	(732)	(2,963)	(29,519)	(76,886)
Capital expenditure							3,109
Depreciation and amortisation							2,338

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2002 (Amounts In Singapore Dollars unless otherwise stated)

## 40. SEGMENT INFORMATION (CONT'D)

### (b) Geographical segments

Turnover is based on the location of customers regardless of where the goods are produced. Assets and additions to property, plant and equipment are based on the location of those assets.

	Turnover		Assets		Capital expenditure	
	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	47,441	54,492	95,319	100,411	721	2,412
Malaysia	2,903	13,035	-	6,786	-	499
Hong Kong	907	8,453	-	5,324	-	49
China	5,395	7,967	8,174	18,401	121	29
Others	828	7,892	679	4,198	-	120
	57,474	91,839	104,172	135,120	842	3,109

## 41. FINANCIAL INSTRUMENTS

### Financial risk management and policies

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

### Interest rate risks

The Group's debts includes bank borrowings and leasing arrangements. The Group seeks to minimise its interest expense through interest rate swaps, where appropriate over the duration of its borrowings.

Surplus funds are placed with reputable banks which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's borrowings including leasing obligations.

### Liquidity risks

In the management of liquidity risks, the Group monitors and maintains a level of cash and bank balance deemed sufficient to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

### Credit risks

The carrying amount of cash and cash equivalents, trade debtors and other debtors represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The Group has no significant concentrations of credit risk.

## 41. FINANCIAL INSTRUMENTS (CONT'D)

### Foreign currency risks

The foreign currency risk of the Group arises mainly from subsidiaries operating in foreign countries, which generate revenue and incur costs denominated in foreign currencies. In addition to transactional exposures, the Group is also exposed to foreign exchange movement on its net investment in the foreign subsidiaries. It is not the Group's policy to enter into derivative forward foreign exchange contracts for hedging and speculative purposes.

As at balance sheet date, management does not consider the foreign currency exposure significant. Therefore, the Group did not enter into any foreign exchange contracts.

### Fair value of financial instruments

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from discounted cash flow models and option pricing models as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

#### *Cash and cash equivalents and other current receivables and payables*

The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

#### *Quoted and unquoted investments*

The fair values of quoted investments are estimated based on quoted market prices for these investments. The carrying values of quoted investments approximate the fair values. For unquoted investments, it is not practicable to determine the fair values because of the lack of quoted market prices and the assumptions used in valuation models to value these investments cannot be reasonably determined.

#### *Lease obligations*

The fair value of lease obligations is determined by discounting the relevant cash flow using the current interest rates for similar instruments at balance sheet date. There is no material difference between the fair value and carrying value.

#### *Long term borrowings*

The fair value of long-term loans is determined by discounting the relevant cash flow using current interest rates for similar instruments at balance sheet date. All the long-term loans approximates the fair value as these instruments bear interest at variable rates.

## 42. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Comparative figures were audited by another firm of certified public accountants in Singapore.

## INVESTMENT PROPERTY

Location	Description	Title	Land Area	Usage
			sq m	
<b>Hong Kong</b>				
Unit F 5th Floor CNT Tower No. 338 Hennessy Road Hong Kong	A commercial building	Leasehold (999 years from 26 Dec 1860)	137.2	Rent out for rental
<b>China</b>				
Unit F, 3rd Floor and Car Parking Space No. 220, Beijing Regent Court, No. 8B, Jian Guo Men Wai Dai Jie, Beijing, China	A residential building	Leasehold (Until 20 Nov 2062)	296.75	Vacant

## FIXED ASSETS

Location	Description	Title	Land Area	Usage
			sq m	
<b>Singapore</b>				
No 422 Tagore Industrial Avenue Singapore 787806	A single-storey detached factory building with mezzanine level	Freehold	2,100.6	Office/ Warehouse
No 22 Tagore Lane Singapore 787480	A single-storey intermediate terrace factory building with mezzanine level	Freehold	499.2	Office/ Warehouse
<b>China</b>				
Unit No 101 Building No.B1 Jin Mao District Funan, Hainan	Apartments	Leasehold	132.7	Staff Apartment
Unit No 102 Building No.B1 Jin Mao District Funan, Hainan	Apartments	Leasehold	132.7	Staff Apartment

As At 30 June 2002

**FIXED ASSETS (CONTINUED)**

Location	Description	Title	Land Area	Usage
			sq m	
<b>Hong Kong</b>				
Unit 209 2nd Floor New East Ocean Centre No 9 Science Museum Road Kowloon, Hong Kong	A commercial building	Leasehold (59 years from 29 Jul 1988)	171.84	Office
<b>Indonesia</b>				
Ketaping Padang Pariaman Sumatera Barat	Land	Freehold	10,000	Vacant

**DEVELOPMENT PROPERTIES**

Description	Address	Title	Site Area	Gross Floor Area	Interest Held in property	Approximate Percentage Completion	Expected Completion Date
			sq m	sq m	%	%	
<b>Singapore</b>							
Chiverton (Development of a block of 16-storey comprising 15 units of residential apartments)	50 Ewe Boon Road (Lots 600C and 601MTS 26 Ewe Boon Road)	Freehold	967.4	2,012.9	51	21	Dec 2003
Proposed development of a block of 12-storey comprising 34 units of residential apartments with communal facilities	40 Stevens Road (Lots 400A and 538LTS 26 Stevens Road)	Freehold	2,801.3	4,482.08	70	-	-

Strike Engineering Limited is committed to ensuring the standard of corporate governance within the Group through effective transparency and disclosure, in order to protect the interests of shareholders and to promote investors' confidence. To achieve this objective, the Company has put in place the following self-regulatory and monitoring mechanisms:

## 1 The Board

The Board currently comprises 10 members, 6 executive directors including the Chairman and 4 non-executive directors, of whom four are independent directors. The Board meets regularly during the year and at other times as appropriate

The Board assumes responsibility for corporate governance of the Group. Their principal functions include :

- a) Approving broad policies, strategies and financial objectives for the Group;
- b) Approving the nominations of board members and key managerial personnel;
- c) Approving budgets, major funding proposals, investment and divestment proposals;
- d) Reviewing the Group's financial performance; and
- e) Monitoring the performance of management

The day-to-day management of the Group's businesses and affairs, the development of various business activities and the formulation of corporate strategies have been entrusted to the executive directors. This is to facilitate effective management.

The Company is currently reviewing the setting up of the Nominating and Remuneration Committees.

The number of board meetings held in the financial year ended 30 June 2002, as well as the attendance of every board member at those meetings is given on page 55.

## 2 Audit Committee

The Audit Committee ("AC") comprises:

Lew Syn Pau (Chairman)	Independent Non-Executive Director
Tan Kim Chew	Independent Non-Executive Director
Chua Koh Ming	Executive Director

The AC held three meetings during the financial year ended 30 June 2002. The number of AC meetings will increase progressively as the Group is moving towards quarterly reporting of its financial results by January 2003. The AC carried out its functions in accordance with the Companies Act Cap. 50 and the Singapore Exchange Securities Trading Limited ("SGX") Listing Manual. In performing those functions, the Audit Committee inter alia reviewed:

- (a) the overall scope of external audits and the assistance provided by the Group's officers to the auditors;
- (b) the auditors' evaluation of the system of internal accounting controls arising from their audit;
- (c) interested party transactions in accordance with Chapter 9 of the SGX Listing Manual to satisfy themselves that the transactions are on normal commercial terms; and
- (d) the financial statements of the Company and the consolidated financial statements of the Group and the auditors' report on those financial statements before their submission to the Board of Directors.

Apart from the duties listed above, the AC has the power to conduct or authorise investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

The AC is given full access to and co-operation from management and has the full discretion to invite any director and executive officer to attend its meetings. All management resources are made available for the AC to properly function and discharge its duties.

The AC having reviewed the volume of non-audit services to the Company by the external auditors, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, are pleased to confirm their re-nomination of Ernst & Young as the Company's auditors at the forthcoming annual general meeting of the Company for the ensuing financial year ended 30 June 2003. Ernst & Young have expressed their willingness to accept re-appointment.

The AC is currently reviewing its composition and considering the options of setting up or outsourcing the internal audit function of the Group. Except for this, in the opinion of the AC, the Company complies with the SGX Best Practices Guide on Audit Committee.



### 3 Internal Controls

The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. There is a clearly defined delegation of authority from the Board of Directors to the operating companies. Procedures are in place for authorisation of contracts, capital expenditures and investments. Comprehensive budgeting systems are in place to develop budget for each project and annual budgets covering other key aspects of the business. Actual performance is compared with budgets on a regular basis for monitoring purposes.

### 4 Securities Transactions

The Company has adopted an Internal Code of Conduct to provide guidance to its directors and employees on their dealings in its securities. The Code was modelled along SGX Best Practices Guide on dealing in securities.

### 5 Corporate Disclosure

The Company believes that a high level of disclosure is essential to enhance the standard of corporate governance. Hence the Company gives full disclosure in all public announcements, press releases and annual report.

## MEETINGS COMPLIANCE

Each director attended the following meetings and board committees during the financial year ended 30 June 2002 while a member of the board:

Name	Board		Audit committees	
	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended
Yeo Jiew Yew	5	5	3	-
Chua Koh Ming	5	4	3	3
Umar Abdul Hamid	5	5	3	-
Lum Chue Tat	5	3	3	-
Lew Syn Pau	5	5	3	3
Tan Kim Chew	5	4	3	3
Lim Soon Hock	[resigned on 31.8.02]	5	-	3
Then Khek Koon	[resigned on 31.8.02]	5	2	3
Chan Sing En	[appointed on 17.9.02]	-	-	-
Tan Boon Tiong	[appointed on 17.9.02]	-	-	-
Khoo Tiam Hock Vernon	[appointed on 26.9.02]	-	-	-
Lim Chiao Hak Clement	[appointed on 26.9.02]	-	-	-

# STATISTICS OF SHAREHOLDERS

As At 29 October 2002

Authorised share capital	: \$100,000,000
Issued and fully paid-up capital	: \$43,980,900
Class of shares	: Ordinary share of \$0.05 each
Voting rights	: One vote per share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders		No. of Shares	
		%		%
1 - 999	4	0.07	2,130	0.00
1,000 - 10,000	2,279	41.26	13,275,851	1.51
10,001 - 1,000,000	3,191	57.77	241,351,640	27.44
1,000,001 and above	50	0.90	624,988,379	71.05
<b>TOTAL</b>	<b>5,524</b>	<b>100.00</b>	<b>879,618,000</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

As at 29 October 2002 as recorded in the Register of Substantial Shareholders:-

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Yeo Jiew Yew	94,640,000 <sup>(1)</sup>	10.759	-	-
Sim Yew Heng	84,000,000	9.550	-	-
Chua Koh Ming	77,923,200	8.859	-	-
UAH Investments Pte Ltd	-	-	46,379,000 <sup>(2)</sup>	5.273
Umar Abdul Hamid	91,108	0.010	49,200,000 <sup>(3)</sup>	5.593
Denis Low Siew Kheng	5,282,000	0.600	80,630,988 <sup>(4)</sup>	9.167

### Notes:

(1) All held in the name of Citibank Nominees Singapore Pte Ltd as a custodian

(2) 16,999,000 held in the name of Hong Leong Finance Nominees Pte Ltd  
 29,380,000 held in the name of Southern Nominees (S) Sdn Bhd  
46,379,000

(3) 2,821,000 held in the name of Phillip Securities Pte Ltd  
 46,379,000 held by UAH Investments Pte Ltd (Direct & Indirect Interest) \*  
49,200,000

\* Mr Umar Abdul Hamid, an Executive Director of the Company, is deemed to be interested in the shares held by UAH Investments Pte Ltd by virtue of section 7 of the Companies Act, Cap. 50 due to his 51% direct interest in UAH Investments Pte Ltd.

(4) 21,600,000 held in the name of HL Bank Nominees (S) Pte Ltd  
 12,651,988 held in the name of Southern Nominees (S) Sdn Bhd  
34,251,988  
 46,379,000 held by UAH Investments Pte Ltd (Direct & Indirect Interest) !  
80,630,988

! Mr Denis Low Siew Kheng is deemed to be interested in the shares held by UAH Investments Pte Ltd by virtue of section 7 of the Companies Act, Cap. 50 due to his 44% direct interest in UAH Investments Pte Ltd.

# STATISTICS OF SHAREHOLDERS

As At 29 October 2002

## TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Citibank Nominees Singapore Pte Ltd	96,198,281	10.94
2	Sim Yew Heng	84,000,000	9.55
3	Chua Koh Ming	77,923,200	8.86
4	United Overseas Bank Nominees Pte Ltd	42,288,600	4.81
5	Southern Nominees (S) Sdn Bhd	42,031,988	4.78
6	Ng Gek Noi	29,006,400	3.30
7	UOB Kay Hian Pte Ltd	22,977,000	2.61
8	HL Bank Nominees (S) Pte Ltd	22,606,200	2.57
9	Mayban Nominees (S) Pte Ltd	22,067,000	2.51
10	Citibank Consumer Nominees Pte Ltd	19,026,200	2.16
11	Hong Leong Finance Nominees Pte Ltd	17,690,000	2.01
12	DBS Nominees Pte Ltd	15,916,600	1.81
13	Lum Chue Tat	15,254,400	1.73
14	Chan Thye Yuan	13,334,400	1.52
15	Phillip Securities Pte Ltd	13,279,000	1.51
16	Kim Eng Ong Asia Securities Pte Ltd	10,838,000	1.23
17	KB Nominees Pte Ltd	7,764,000	0.88
18	Tan Seng Hock	6,000,000	0.68
19	Low Siew Kheng Denis	5,282,000	0.60
20	Oversea-Chinese Bank Nominees Pte Ltd	4,994,710	0.57
	<b>TOTAL</b>	<b>568,477,979</b>	<b>64.63</b>

### Public Float

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. The Company confirmed that it has complied with this requirement.

# STATISTICS OF WARRANTHOLDERS 2003

As At 29 October 2002

Warrants 2003 issued	:	146,603,000
Warrants 2003 exercised	:	0
Outstanding issued Warrants 2003	:	<u>146,603,000</u>

Issue price	:	Free
Exercise price	:	\$0.07
Subscription rights	:	One ordinary share per Warrant 2003

## DISTRIBUTION OF WARRANTHOLDINGS

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	37	2.97	23,413	0.02
1,000 - 10,000	695	55.69	3,598,800	2.45
10,001 - 1,000,000	503	40.30	28,862,910	19.69
1,000,001 and above	13	1.04	114,117,877	77.84
<b>TOTAL</b>	<b>1,248</b>	<b>100.00</b>	<b>146,603,000</b>	<b>100.00</b>

## SUBSTANTIAL WARRANTHOLDERS 2003

As at 29 October 2002 as recorded in the Register of Substantial Warrantholders 2003:-

	Direct Interest		Deemed Interest	
	No. of Warrants 2003	%	No. of Warrants 2003	%
Yeo Jiew Yew	22,440,000 <sup>(1)</sup>	15.31	-	-
Sim Yew Heng	14,000,000	9.55	-	-
Chua Koh Ming	12,987,200	8.86	-	-
UAH Investments Pte Ltd	-	-	3,980,000 <sup>(2)</sup>	2.71
Umar Abdul Hamid	-	-	3,980,000 <sup>(3)</sup>	2.71
Denis Low Siew Kheng	47,000	0.03	9,688,664 <sup>(4)</sup>	6.61

### Notes:

(1) All held in the name of Citibank Nominees Singapore Pte Ltd as a custodian

(2) 3,980,000 held in the name of Southern Nominees (S) Sdn Bhd

(3) 3,980,000 held by UAH Investments Pte Ltd (Direct & Indirect Interest) \*

\* Mr Umar Abdul Hamid, an Executive Director of the Company, is deemed to be interested in the shares held by UAH Investments Pte Ltd by virtue of section 7 of the Companies Act, Cap. 50 due to his 51% direct interest in UAH Investments Pte Ltd.

4) 3,600,000 held in the name of HL Bank Nominees (S) Pte Ltd  
2,108,664 held in the name of Southern Nominees (S) Sdn Bhd  
5,708,664  
3,980,000 held by UAH Investments Pte Ltd (Direct & Indirect Interest) !  
9,688,664

! Mr Denis Low Siew Kheng is deemed to be interested in the shares held by UAH Investments Pte Ltd by virtue of section 7 of the Companies Act, Cap. 50 due to his 44% direct interest in UAH Investments Pte Ltd.

# STATISTICS OF WARRANTHOLDERS 2003

As At 29 October 2002

## TWENTY LARGEST WARRANTHOLDERS

No.	Name	No. of Warrants	%
1	Phillip Securities Pte Ltd	30,326,800	20.69
2	Citibank Nominees Singapore Pte Ltd	22,699,713	15.48
3	Sim Yew Heng	14,000,000	9.55
4	Chua Koh Ming	12,987,200	8.86
5	United Overseas Bank Nominees Pte Ltd	6,871,500	4.69
6	Southern Nominees (S) Sdn Bhd	6,088,664	4.15
7	Ng Gek Noi	4,834,400	3.30
8	HL Bank Nominees (S) Pte Ltd	3,760,200	2.56
9	Citibank Consumer Nominees Pte Ltd	3,104,200	2.12
10	UOB Kay Hian Pte Ltd	3,093,800	2.11
11	Lum Chue Tat	2,542,400	1.73
12	Chan Thye Yuan	2,222,400	1.52
13	DBS Nominees Pte Ltd	1,586,600	1.08
14	Lee Song	1,000,000	0.68
15	Kim Eng Ong Asia Securities Pte Ltd	807,700	0.55
16	Chanduri Kalyan Srinivas	800,000	0.55
17	Lee Lin Sung	800,000	0.55
18	Ho Thiam Kiat	500,000	0.34
19	Neo Kee Tek	500,000	0.34
20	Lim Ai Hing	453,000	0.31
	<b>TOTAL</b>	<b>118,978,577</b>	<b>81.16</b>

# STATISTICS OF WARRANTHOLDERS 2006

As At 29 October 2002

Warrants 2006 issued	:	183,246,000
Warrants 2006 exercised	:	(31,000)
Outstanding issued Warrants 2006	:	183,215,000
Adjustments pursuant to Deed Poll dated 9 March 2001	:	10,024,985
Outstanding adjusted issued Warrants 2006	:	<u>193,239,985</u>
Issue price	:	\$0.02
Exercise price	:	\$0.11
Subscription rights	:	One ordinary share per Warrant 2006

## DISTRIBUTION OF WARRANTHOLDINGS

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	67	3.71	34,654	0.02
1,000 - 10,000	504	27.89	1,766,871	0.91
10,001 - 1,000,000	1,211	67.02	110,629,832	57.25
1,000,001 and above	25	1.38	80,808,628	41.82
<b>TOTAL</b>	<b>1,807</b>	<b>100.00</b>	<b>193,239,985</b>	<b>100.00</b>

## SUBSTANTIAL WARRANTHOLDERS 2006

As at 29 October 2002 as recorded in the Register of Substantial Warrantholders 2006:-

	Direct Interest		Deemed Interest	
	No. of Warrants 2006	%	No. of Warrants 2006	%
UAH Investments Pte Ltd	-	-	3,782,231 <sup>(1)</sup>	1.957
Umar Abdul Hamid	819	0.000	3,782,231 <sup>(2)</sup>	1.957
Denis Low Siew Kheng	1,201,402	0.622	4,136,439 <sup>(3)</sup>	2.141

### Notes:

(1) 3,782,231 held in the name of Southern Nominees (S) Sdn Bhd

(2) 3,782,231 held by UAH Investments Pte Ltd (Direct & Indirect Interest) \*

\* Mr Umar Abdul Hamid, an Executive Director of the Company, is deemed to be interested in the shares held by UAH Investments Pte Ltd by virtue of section 7 of the Companies Act, Cap. 50 due to his 51% direct interest in UAH Investments Pte Ltd.

(3) 354,208 held in the name of Southern Nominees (S) Sdn Bhd  
3,782,231 held by UAH Investments Pte Ltd (Direct & Indirect Interest) !  
4,136,439

! Mr Denis Low Siew Kheng is deemed to be interested in the shares held by UAH Investments Pte Ltd by virtue of section 7 of the Companies Act, Cap. 50 due to his 44% direct interest in UAH Investments Pte Ltd.

# STATISTICS OF WARRANTHOLDERS 2006

As At 29 October 2002

## TWENTY LARGEST WARRANTHOLDERS

No.	Name	No. of Warrants	%
1	United Overseas Bank Nominees Pte Ltd	17,519,977	9.07
2	Ng Gek Noi	6,373,682	3.30
3	Chan Thye Yuan	6,357,861	3.29
4	Phillip Securities Pte Ltd	5,380,582	2.78
5	G K Goh Stockbrokers Pte Ltd	5,297,070	2.74
6	Southern Nominees (S) Sdn Bhd	4,136,439	2.14
7	UOB Kay Hian Pte Ltd	3,792,384	1.96
8	Tan Seng Hock	3,459,486	1.79
9	Citibank Consumer Nominees Pte Ltd	2,771,157	1.43
10	Lee Song	2,360,350	1.22
11	Lim Peng Aun	2,251,830	1.17
12	Hong Leong Finance Nominees Pte Ltd	2,243,995	1.16
13	Ang Lim Choo	2,109,443	1.09
14	Lim & Tan Securities Pte Ltd	2,107,589	1.09
15	DBS Vickers Securities (S) Pte Ltd	2,031,597	1.05
16	OCBC Securities Private Ltd	1,966,411	1.02
17	DBS Nominees Pte Ltd	1,513,525	0.78
18	Kim Toh Lai	1,371,138	0.71
19	Deok Lai Heng	1,265,665	0.65
20	Low Siew Kheng Denis	1,201,402	0.62
	<b>TOTAL</b>	<b>75,511,583</b>	<b>39.06</b>

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Strike Engineering Ltd ('the Company') will be held at No. 422 Tagore Industrial Avenue Singapore 787806 on Tuesday, 26 November 2002 at 10.00 am for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 30 June 2002 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to Articles 96(2) and 78 of the Company's Articles of Association:-

Mr Lum Chue Tat	[Retiring under Article 96(2)]	<b>(Resolution 2)</b>
Mr Tan Kim Chew	[Retiring under Article 96(2)]	<b>(Resolution 3)</b>
Mr Khoo Tiam Hock Vernon	[Retiring under Article 78]	<b>(Resolution 4)</b>
Mr Lim Chiao Hak Clement	[Retiring under Article 78]	<b>(Resolution 5)</b>
Mr Chan Sing En	[Retiring under Article 78]	<b>(Resolution 6)</b>
Mr Tan Boon Tiong	[Retiring under Article 78]	<b>(Resolution 7)</b>

*Mr Tan Kim Chew, Mr Chan Sing En and Mr Tan Boon Tiong will, upon re-election as Directors of the Company, be considered independent for the purposes of Rule 704(8) of Listing Manual of the Singapore Exchange Securities Trading Limited.*
3. To approve the payment of Directors' fees of S\$50,000.00 for the year ended 30 June 2002 (previous year: S\$50,000.00). **(Resolution 8)**
4. To re-appoint Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

### 6. Authority to allot and issue shares up to 50 per centum (50%) of issued capital

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors be empowered to allot and issue shares in the capital of the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be allotted and issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the maximum potential issued share capital of the Company at the time of the passing of this resolution ("Maximum Share Capital"), of which the aggregate number of shares to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the Maximum Share Capital of the Company and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note] **(Resolution 10)**

By Order of the Board

Wong Siew Chuan  
Secretary

Singapore, 11 November 2002

### Explanatory Note:

The Ordinary Resolution 10 proposed in item 6 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares in the Company. The number of shares that the Directors may allot and issue under this Resolution would not exceed fifty per centum (50%) of the Maximum Share Capital of the Company at the time of the passing of this resolution. For issue of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued shall not exceed twenty per centum (20%) of the Maximum Share Capital of the Company.

The Maximum Share Capital is the maximum potential share capital of the Company at the date the proposed Ordinary Resolution is passed (taking into account the conversion or exercise of any convertible securities and employee share options on issue at the time this proposed Ordinary Resolution is passed, which were issued pursuant to previous shareholders' approval).

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a Member of the Company.
2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 22 Tagore Lane, Singapore 787480 not less than forty-eight (48) hours before the time for holding the Meeting.



## STRIKE ENGINEERING LIMITED (Incorporated in the Republic of Singapore)

### PROXY FORM

(Please see notes overleaf before completing this Form)

#### IMPORTANT

1. For investors who have used their CPF monies to buy Strike shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (address)

being a member/members of STRIKE ENGINEERING LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting (the 'Meeting') of the Company to be held on Tuesday, 26 November 2002 at 10.00 am and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting:

No.	Resolutions relating to:	For	Against
1	Directors' Report and Accounts for the year ended 30 June 2002		
2	Re-election of Mr Lum Chue Tat as a Director		
3	Re-election of Mr Tan Kim Chew as a Director		
4	Re-election of Mr Khoo Tiam Hock Vernon as a Director		
5	Re-election of Mr Lim Chiao Hak Clement as a Director		
6	Re-election of Mr Chan Sing En as a Director		
7	Re-election of Mr Tan Boon Tiong as a Director		
8	Approval of Directors' fees amounting to S\$50,000		
9	Re-appointment of Messrs Ernst & Young as Auditors		
10	Authority to allot and issue new shares		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of the Meeting.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2002

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder

# PROXY FORM

## Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 22 Tagore Lane, Singapore 787480 not less than forty-eight (48) hours before the time appointed for the Annual General Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

## General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.