



LAPORAN TAHUNAN 2001 ANNUAL REPORT





The **Company** and Its **Business**

Advanced Packaging Technology (M) Bhd was incorporated in Malaysia under the Companies Act, 1965 on 31 March 1982 as a private limited company under the name of Goyo Corporation (M) Sdn Bhd. The Company subsequently changed its name to its present form on 09 June 1982 and was converted to a public company on 27 May 1993. It was listed on the Second Board of the KLSE on 27 May 1994.

The Company commenced operations in April 1985 at its present location at the Bangi Industrial Estate, Selangor Darul Ehsan. Its office, factory and warehouse is sited on a 8,903 square meter ("sq m.") 99-year leasehold land.

Advanced Packaging Technology (M) Bhd produces high-quality flexible packaging materials catering to a wide cross-section of industries in both the local and overseas markets such as snack foods, instant noodles, sweets and confectionery, liquid condiments, frozen foods, spices, beverages, medical/surgical products and pharmaceuticals, among others. Our range of flexible packaging material comprises both single and multi-layers that carry appealing designs. Through close consultation with clients, we tailor-make our products according to their precise specification and design in both roll and pouch form.

Flexible packaging materials are generally made of a composite of various base films, papers or foil which are laminated so that the resultant laminates have more enhanced properties than its original substrates. The basic materials used include oriented polypropylene (OPP) film, cellulosic film, polyester film, nylon film, aluminium foil, metallised films, specialty films, linear low density polyethylene (LLDPE) film,

poster paper, polyethylene and polypropylene resin.

Efficient packaging is a must for any product in this modern era. Without it, the brand image and integrity, as well as the quality built into the product during manufacturing and marketing, will be lost when it reaches the consumer. Correct packaging is the principal way of ensuring safe delivery of the product to the end-user in good condition at an economic cost. At Advanced Packaging Technology (M) Bhd, we use our specialised knowledge and skills, as well as specific machinery and facilities to deliver excellence in quality and service to each client.

To demonstrate our commitment in quality, the Company's Quality Management System has been assessed by Zurich Certification Limited, United Kingdom and found to comply with BS EN ISO 9002 : 1994 and the certificate of registration was issued on 8 December 2000. The certification scope covers "Manufacturing and Supply of Flexible Packaging Materials and Blown Film."

Advanced Packaging Technology (M) Bhd currently also produces linear low density polyethylene (LLDPE) film for its internal consumption as well as for external sales.

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of **ADVANCED PACKAGING TECHNOLOGY (M) BHD** ("Company") will be held at Metro Inn, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Friday, 28 June 2002 at 10.30 a.m. for the following purposes:-

A G E N D A

1. To receive the Audited Financial Statements for the year ended 31 December 2001 and the Directors' and Auditors' Reports thereon.

(Resolution 1)
2. To approve the payment of a tax exempt final dividend of 4.95% for the year ended 31 December 2001.

(Resolution 2)
3. To approve the payment of Directors' Fees of RM198,000.00 for the year ended 31 December 2001. (2000: RM198,000.00)

(Resolution 3)
4. To re-elect the following Directors who retire in accordance with Article 80 of the Company's Articles of Association:
 - Mr Tjin Kiat @ Tan Cheng Keat **(Resolution 4)**
 - Mr Yeo Tek Ling **(Resolution 5)**
 - Mr Ng Choo Tim **(Resolution 6)**
 - Datuk Ismail bin Haji Ahmad **(Resolution 7)**
5. To re-appoint Mr Ng Choo Phuan @ Kuan Choo Phuan pursuant to Section 129(6) of the Companies Act, 1965.

(Resolution 8)
6. To re-appoint Dato' Law Sah Lim pursuant to Section 129(6) of the Companies Act, 1965.

(Resolution 9)
7. To re-appoint Messrs Pannell Kerr Forster as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 10)
8. To transact any other ordinary business for which due notice shall have been given.

Notice of Annual General Meeting (continued) 

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders, a tax exempt final dividend of 4.95% in respect of the financial year ended 31 December 2001 will be paid on 30 July 2002 to shareholders whose names appear in the Company's Record of Depositors on 15 July 2002.

A Depositor shall qualify for the entitlement only in respect of:-

- a) Shares transferred into the Depositor's securities account before 12.30 p.m. on 15 July 2002 in respect of ordinary transfers; and
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

GOON KOK KEONG
(MAICSA 0698849)
Secretary

Petaling Jaya
Selangor Darul Ehsan
5 June 2002

NOTES:

A member of the Company entitled to attend and vote at this meeting may appoint a proxy or proxies to vote in his stead. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be either given under its common seal or under the hand of an officer or attorney duly authorised.

The instrument appointing a proxy must be deposited at the Company's Registered Office at 23B Jalan 52/1, 46200 Petaling Jaya not less than forty-eight hours before the time appointed for holding the meeting or any adjournment thereof.


Statement Accompanying the Notice of Annual General Meeting
1) NAMES OF DIRECTORS STANDING FOR RE-ELECTION

The names of the Directors standing for re-election at the forthcoming Twentieth Annual General Meeting are as follows:-

Under Article 80 of the Company's Articles of Association

- a) Tjin Kiat @ Tan Cheng Keat
- b) Yeo Tek Ling
- c) Ng Choo Tim
- d) Datuk Ismail bin Haji Ahmad

Under Section 129(6) of the Companies Act, 1965

- a) Ng Choo Phuan @ Kuan Choo Phuan
- b) Dato' Law Sah Lim

2) DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

The number of Board of Directors' Meetings held and attendance by directors during the financial year ended 31 December 2001 are as follows:-

Name OF DIRECTORS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Dato' Law Sah Lim	4	4
Tjin Kiat @ Tan Cheng Keat	4	4
Yeo Tek Ling	4	4
Chee Sam Fatt	4	4
Eu Hock Seng	4	4
Ng Choo Phuan @ Kuan Choo Phuan	4	4
Ng Choo Tim	4	4
Dato' Haji Ghazali b. Mat Ariff	4	4
Datuk Ismail bin Haji Ahmad	4	4
Mah Siew Seng	4	4
Md Marzuki bin Ahmad (resigned on 11-3-2002)	4	0

3) PLACE, DATE AND HOUR OF BOARD MEETINGS

The Directors held four meetings during the financial year ended 31 December 2001. The place, date and hour of the meetings are as follows:-

Place of Meeting	Date	Hour
Lot 2 Jalan P/2A, Kawasan MIEL, 43650 Bandar Baru Bangi	27-02-2001	11.00 a.m.
- Do -	29-05-2001	11.30 a.m.
- Do -	29-08-2001	11.00 a.m.
- Do -	28-11-2001	11.25 a.m.

4) DETAILS OF DIRECTORS STANDING FOR RE-ELECTIONS

The details of the directors standing for re-election at the forthcoming Twentieth Annual General Meeting are set out on pages 6 to 9 of the Annual Report.

Corporate Information



BOARD OF DIRECTORS

Dato' Law Sah Lim
Chairman

Tjin Kiat @ Tan Cheng Keat
Managing Director

Yeo Tek Ling
Finance Director

Chee Sam Fatt

Eu Hock Seng

Ng Choo Phuan @ Kuan Choo Phuan

Ng Choo Tim

Dato' Haji Ghazali b. Mat Ariff

Mah Siew Seng

Datuk Ismail bin Haji Ahmad

SECRETARY
Goon Kok Keong
(MAICSA 0698849)

AUDITORS

Pannell Kerr Forster
Chartered Accountants

AUDIT COMMITTEE

Dato' Haji Ghazali b. Mat Ariff
Chairman
-Independent Non-Executive Director

Mah Siew Seng
-Independent Non-Executive Director

Datuk Ismail bin Haji Ahmad
-Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Datuk Ismail bin Haji Ahmad
Chairman
-Non-Independent Non-Executive Director

Eu Hock Seng
-Independent Non-Executive Director

Ng Choo Phuan @ Kuan Choo Phuan
-Independent Non-Executive Director

REMUNERATION COMMITTEE

Chee Sam Fatt
Chairman
-Non-Independent Non-Executive Director

Dato' Haji Ghazali bin Mat Ariff
-Independent Non-Executive Director

Mah Siew Seng
-Independent Non-Executive Director

REGISTERED OFFICE

23B Jalan 52/1
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7960 0648
Fax: 03-7957 0094

REGISTRAR & SHARE TRANSFER OFFICE

MALAYSIAN SHARE REGISTRATION SERVICES SDN
BHD
7th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-2026 8099
Fax: 03-2026 3736

PRINCIPAL BANKER

Bumiputra-Commerce Bank Berhad

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange Second Board



Directors' Profile

DATO' LAW SAH LIM*

Malaysian

Chairman (Non-Independent Non-Executive Director)

Dato' Law Sah Lim, aged 71 years, is one of the founder directors of the Company and was appointed to the Board on 31 March 1982. He served as Chairman of the Company since his appointment to the Board. He has over 45 years of experience in various businesses such as the motor vehicle trade, food manufacturing, sales and assembly of electrical products, leasing, credit and financing.

He sits on the Board of several private limited companies and is not a director of any other public company. He does not have any family relationship with any director but is the husband of Datin Lee Kim Mua @ Lim Kim Moi, a major shareholder of the Company.

Dato' Law does not have any conflict of interest with the Company and has not been convicted of any offence within the past ten years. He holds 8,373 ordinary shares of RM1.00 each in the Company.

TJIN KIAT @ TAN CHENG KEAT*

Malaysian

Managing Director (Non-Independent Executive Director)

Mr Tan Cheng Keat, aged 62 years and one of the founder directors of the Company, was appointed to the Board on 31 March 1982. He was appointed a full time Executive Director on 1 May 1986 and served as Managing Director of the Company since his appointment on 29 June 1989. His previous marketing experience included serving as Sales Manager of Advanced Electronics (M) Sdn Bhd ("AE") for thirteen years. He was appointed as a director of AE in 1980. He is in charge of the overall management of the Company's business and is responsible for spearheading its direction.

Mr Tan does not hold any other directorships in public companies and does not have any family relationship with any director and/or major shareholder of the Company.

He has not been convicted of any offence in the past ten years and has no conflict of interest with the Company. He currently holds 1,180,057 ordinary shares of RM1.00 each in the Company.

YEO TEK LING*

Malaysian

Finance Director (Non-Independent Executive Director)

Mr Yeo, aged 43 years joined the Company in October 1985 as an Accountant and subsequently assumed the positions of Finance & Administration Manager and Corporate Planner. He was appointed to the Board on 6 January 1994 and became Finance Director in January 1996. He is a member of the Chartered Institute of Management Accountants (CIMA) U.K. and the Malaysian Institute of Accountants (MIA). He takes charge over the accounting, financial, taxation, corporate and administrative matters of the Company. He was instrumental in assisting the Company obtain the ISO9002 certification in year 2000. He further assists the Managing Director in management and other operational matters.

Prior to joining the Company, he worked as Assistant Accountant at Associated Pan Malaysia Cement Sdn Bhd for three years.

He is currently a council member of MIA, Chairman of the Financial & Management Accounting Committee of MIA and a council member of CIMA, Malaysia Division.

Mr Yeo does not have any family relationship with any director and/or major shareholder of the Company. He is not a director of any other public companies.

There is no conflict of interest between him and the Company and he has not been convicted of any offence within the past ten years. He is a registered holder of 10,817 ordinary shares in the Company.


CHEE SAM FATT

Singaporean

Director (Non-Independent Non-Executive Director)

One of the founder directors of the Company, Mr Chee Sam Fatt, aged 65 years, became a director on 31 March 1982. He is the Chairman of the Remuneration Committee. He held directorships in several private limited companies which were involved in construction and building materials, property development, importation and installation of marble, machine joinery works and assembly and retailing of electrical goods.

Mr Chee does not have any family relationship with any director. He is the husband of Madam Lee Ng Mah @ Lee Wai Chan and father of Mr Chee Chin Tsai and Mr Chee Chin Hung who are major shareholders of the Company. He is not a director of any other public Companies.

He does not have any conflict of interest with the Company and has no record of conviction for any offence within the past ten years. He presently holds 9,000 ordinary shares in the Company.

EU HOCK SENG

Singaporean

Director (Independent Non-Executive Director)

Mr Eu Hock Seng, aged 62 years and a founder director of the Company, became a Board member on 31 March 1982. He graduated from Waseda University of Japan with a Bachelor of Science (Electronic Engineering) degree. He was Head of Manufacturing Department of Setron (S) Ltd, factory manager of East Coast Electronics Sdn Bhd in Malaysia and a director of Fukushima Construction (S) Pte Ltd. He also taught the Japanese language at the Singapore National Trade Union Co-operative.

Mr Eu also serves as a member of the Nomination Committee. He does not have any family relationship with any director and/or major shareholder of the Company and is not a director of any other public companies.

He has not been convicted of any offence within the past ten years and has no conflict of interest with the Company. He currently holds 59,965 ordinary shares in the Company.

NG CHOO PHUAN @ KUAN CHOO PHUAN*

Malaysian

Director (Independent Non-Executive Director)

Mr Ng Choo Phuan, aged 74 years, joined the Board 1 July 1982. He has more than 47 years of experience in motorcycle trading, retailing and repairing business, parts manufacturing and property development and sits on the Board of several private limited companies. He also serves as a member of the Nomination Committee.

He is the cousin of Mr Ng Choo Tim and does not have any family relationship with any major shareholder. He is not a director of any other public companies.

He does not have any conflict of interest with the Company and has not been convicted of any offences in the past ten years. He holds 232,885 ordinary shares in the Company.

NG CHOO TIM*

Malaysian

Director (Non-Independent Non-Executive Director)

Mr Ng Choo Tim is 49 years old and was appointed to the Board on 29 June 1989. He has been a partner of Syarikat Guan Seng for many years, a company trading in electrical products and furniture.

He is the cousin of Mr Ng Choo Phuan and does not have any family relationship with any major shareholder. He does not hold any other directorships in any other public companies.

There is no conflict of interest between him and the Company. He has not been convicted of any offences within the past ten years. He holds 576,264 ordinary shares in the Company.



Directors' Profile (continued)

DATO' HAJI GHAZALI B. MAT ARIFF DPPJ

Malaysian

Director (Independent Non-Executive Director)

Dato' Haji Ghazali, aged 60 years and an Advocate & Solicitor by profession, was appointed to the Board on 23 March 1994. He qualified as a Barrister-at-Law from Lincoln's Inn, London and was called to the English Bar on 21 November 1978. He was admitted as an Advocate & Solicitor of the High Court Malaya on 27 September 1979. He set up a legal firm under the name of Messrs Ghazali Ariff & Partners in March 1980 and is currently the Senior Partner of the firm.

From 1979 to 1980 he worked as a legal assistant at Messrs Nik Hussain, Ibrahim & Abdullah, Kuala Lumpur. Prior to that he was a college trained teacher from 1962 to 1968 and a lecturer from 1968 to 1974.

He is the Chairman of the Audit Committee and also serves as a member of the Remuneration Committee. He does not have any family relationship with any director and/or major shareholder of the Company. He is not a director of any other public companies but sits on the Board of several private limited companies.

He is the Honorary Legal Adviser to the Malaysian Thai Association and Vice President of Majlis Dato'-Dato' Perlis. He has not been convicted of any offence within the past ten years and has no conflict of interest with the Company. He does not hold any shares in the Company.

DATUK ISMAIL BIN HAJI AHMAD* PSD, JSM, PMK, ASDK, AMN

Malaysian

Director (Non-Independent Non-Executive Director)

Datuk Ismail, aged 65 years, was appointed to the Board on 30 December 1998 as a nominee Director of Permodalan Nasional Berhad. He received his B.A. (Hons) degree from the University of Malaya in 1963 and M.A. in Public Policy & Administration from the University of Wisconsin, USA in 1975.

In 1964, he joined the Administrative and Diplomatic Service Malaysia and had served as Assistant Secretary at the Prime Minister's Department and the Ministry of Home Affairs. He was Deputy Secretary General at the Ministry of Primary Industries from 1976 to 1980 and the Chief Executive Officer & Commissioner of the Commodities Trading Commission from 1980 to 1995.

Datuk Ismail sits on the Board of John Hancock Life Insurance (M) Berhad and Choo Bee Metal Industries Berhad besides being the Non-Executive Chairman of Bank Muamalat Malaysia Berhad. He is Chairman of the Nomination Committee and a member of the Audit Committee.

He does not have any family relationship with any director and/or major shareholder of the Company.

He has not been convicted of any offence within the past ten years, has no conflict of interest with the Company and does not hold any shares in the Company.



MAH SIEW SENG

Malaysian

Director (Independent Non-Executive Director)

An Accountant by profession, Mr Mah Siew Seng, aged 48 years, was appointed to the Board on 23 March 1994. He qualified as a Certified Accountant in 1977. Prior to setting up his own practice under the name of Messrs Mah Siew Seng & Co. in Teluk Intan in late 1982, he worked in two public accounting firms for about five years. He became a partner of Messrs Lean, Oh & Associates, Petaling Jaya in early 1994. He is a member of the Malaysian Institute of Accountants, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Malaysian Institute of Taxation and an associate member of the Malaysian Institute of Management.

Mr Mah is a member of both the Audit Committee and the Remuneration Committee. He does not have any family relationship with any director and/or major shareholder of the Company. He does not hold directorships in any other public companies but sits on the Board of several private limited companies.

He has not been convicted of any offence within the past ten years, has no conflict of interest with the Company and does not hold any shares in the Company.

* Directors standing for re-election



Statement on Corporate Governance

THE BOARD

The Board of Advanced Packaging Technology (M) Bhd subscribes totally to and supports the principles of and best practices in corporate governance as recommended in the Malaysian Code on Corporate Governance and the relevant provisions in the KLSE Listing Requirements. The Board is fully aware of the dual role of leadership and control for it to be effective. It is also conscious of the need to commit itself to practising the highest standards of corporate governance in the discharge of its stewardship responsibilities, to protect the investors' interest as a whole and the Company's assets and to enhance the Company's performance and thereby increase shareholders' value.

All the directors of the Company have attended the Mandatory Accreditation Programme conducted by the KLSE which is a training programme for directors of public listed companies.

Position descriptions and a formal schedule of matters are being established to clearly define and segregate the duties and responsibilities of the Board and management.

There are no restrictions on directors in obtaining access, where necessary, to independent professional advice at the Company's expense and access to the advice and service of the Company Secretary.

Management and the Company Secretary assist the Chairman in undertaking its responsibility of organizing and ensuring that notices of meetings, agenda papers and other relevant information are supplied on a timely basis and tabled for the Board to function effectively.

BOARD BALANCE

The Board has a balance of executive and non-executive directors with no individual director dominating decision making at Board meetings. The Board's composition is in compliance with paragraph 15.02 of the KLSE Listing Requirements which requires at least one third of the Board to comprise of independent directors.

The roles of the non-Executive Chairman and that of the Managing Director have been separated to ensure a balance of power and authority.

The Board does not have any significant shareholder and is of the opinion there is an appropriate number of directors which fairly reflects the investment in the Company.

The Board has a mix of directors with diverse backgrounds, skills and experience. The executive directors' knowledge of the business is complemented by the independent non-executive directors' objective and unbiased judgment at board deliberations taking into account at all times the best interest of the Company's investors as a whole.

Dato' Haji Ghazali bin Mat Ariff was appointed on 28 May 2002 as the senior independent non-executive director to whom all concerns regarding the Company may be conveyed.

SUPPLY OF INFORMATION

Management is aware of the need and endeavours to supply the Board with timely and quality information to enable it to discharge its duties effectively and efficiently.

The Board is given full access to both financial and other performance information pertaining to the Company and no restrictions have been placed upon the directors, individually or as a board, to take independent professional advice at the Company's expense.

The advice and services of the company secretary is and has always been made available to the directors. The Chairman has always received the positive support of the Company Secretary in ensuring the effective functioning of the Board.

APPOINTMENTS TO THE BOARD AND RE-ELECTION OF DIRECTORS

A Nomination Committee comprised of three non-executive directors, two of whom are independent directors had been established. The Nomination Committee is given the responsibility of proposing new nominees to the Board and board committees, reviewing annually the required mix of skills, experience and competencies of the non-executive directors and assessing individual director's contribution and the effectiveness of the Board as a whole.

Statement on Corporate Governance (continued)


Article 80 of the Company's Articles of Association provides that all Directors shall retire by rotation and submit themselves for re-election at least once in every three years.

The Board takes cognizance of the need to monitor and review its size to ensure that its number does not undermine its effectiveness.

BOARD AND COMMITTEE MEETINGS

At the beginning of each financial year, management prepares in advance a schedule of board and committee meetings for the entire financial year. Relevant agenda papers for each meeting are circulated at the time when notice of meetings are sent. The Board and Audit Committee meetings are held on a quarterly basis. Additional meetings are convened and held as and when deemed necessary.

When requested by the Board or Board Committees, additional information are promptly supplied to enable them to effectively discharge their responsibilities.

During the financial year in question, relevant members of the staff had been requested to attend the Audit Committee meetings when clarification was sought. Decisions and recommendations of the Committee are reported to the Board at the Board's next meeting by the Audit Committee Chairman.

DIRECTORS' REMUNERATION

Directors' Fees are paid on the recommendation of the Board and subject to the approval of shareholders at the Company's annual general meeting. Any changes in Directors' Fees are highlighted in the notice calling for the annual general meeting.

The remuneration of the executive directors, namely, the Managing Director and the Finance Director are decided by the Board without the executive directors' participation in determining their own remuneration. The Board has appointed a Remuneration Committee charged with the responsibility of recommending to the Board the remuneration of the executive directors. There is awareness that the remuneration of executive directors should be structured to link rewards to corporate and individual performance and that of the non-executive directors be reflective of their expertise and responsibilities.

The details of the director's remuneration received, receivable and inclusive of the recommended directors' fees in respect of the financial year ended 31 December 2001 are as follows:-

Category of Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)
Salary	332,400.00	-
Fees	36,000.00	162,000.00
Bonus	87,927.00	-
Benefits-in-kind	17,650.00	-
EPF & Socso	75,209.00	-
Others	22,003.00	-
Total	571,189.00	162,000.00


Statement on Corporate Governance (continued)

Band of Remuneration (RM)	Executive	Non-Executive
Below 50,000	-	9
50,001 to 100,000	-	-
100,001 to 150,000	-	-
150,001 to 200,000	1	-
200,001 to 250,000	-	-
250,001 to 300,000	-	-
300,001 to 350,000	-	-
350,001 to 400,000	-	-
400,001 to 450,000	1	-
450,001 to 500,000	-	-

Details of individual director's remuneration are not disclosed for reasons of confidentiality and sensitivity of such disclosures.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit, Nomination and Remuneration Committees with specific duties and responsibilities which are contained in their respective terms of reference. These committees assist the Board in the discharge of its duties by examining issues within their terms of reference and reporting back to the Board with recommendations, recognizing at all times that the Board is the ultimate platform for decision making.

(a) Audit Committee

The Audit Committee was set up on 23 March 1994 and its terms of reference established and subsequently revised to be in line with the revamped KLSE listing requirements and the Malaysian Code on Corporate Governance. Particulars of its terms of reference, composition and other relevant information and activities are detailed in the Audit Committee Report.

(b) Nomination Committee

In compliance with the recommendations of the Code, the Board has appointed two independent non-executive directors and one non-independent non-executive director to the Nomination Committee on 27 February 2002. The Nomination Committee members are:-

- (i) Datuk Ismail bin Haji Ahmad (Chairman) (Non-Independent Non-Executive Director);
- (ii) Mr Eu Hock Seng (independent non-executive director); and
- (iii) Mr Ng Choo Phuan @ Kuan Choo Phuan (independent non-executive director).

The responsibilities of the Nomination Committee are:-

- (a) to propose new nominees for the board;
- (b) to recommend to the board, candidates for all directorships to be filled by the shareholders or directors;
- (c) to consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within bounds of practicability, by any other senior executive or any director or shareholder;
- (d) to recommend to the board, directors to fill the seats on board committees;
- (e) to assess directors on an ongoing basis.
- (f) to review annually the required mix of skills, experience and other qualities, including core competencies which non-executive directors should bring to the board and submit its recommendations to the board;
- (g) to carry out a process implemented by the board on an annual basis for assessing the effectiveness of the board as a whole, the committees of the board and for assessing the contribution of each individual director.

Statement on Corporate Governance (continued)



(c) Remuneration Committee

The Remuneration Committee was set up on 27 February 2002 comprising two independent non-executive directors and one non-independent non-executive director. It is responsible for recommending to the board the remuneration of the executive directors in all its forms, and where necessary, draw advice from outside. The following are members of the Remuneration Committee:-

- (i) Mr Chee Sam Fatt (Chairman) (non-independent non-executive director);
- (ii) Dato' Haji Ghazali b. Mat Ariff (independent non-executive director); and
- (iii) Mr Mah Siew Seng (independent non-executive director).

ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

The presentation of a balanced and understandable assessment of the Company's position and prospects is recognized by the Board as a fundamental responsibility. Towards this end, the Board is aware of its responsibility in ensuring that the Company's accounting records are properly kept in compliance with the Companies Act, 1965 and approved accounting standards and that the financial statements for the financial year are prepared to reflect a true and fair view of the state of affairs of the Company.

(b) Internal Control

The Board recognized that it has the responsibility to maintain a sound system of internal control including financial, operational and compliance controls and risk management to protect shareholders' investment and safeguard the Company's assets. It is aware of the importance of ongoing monitoring processes and control activities to identify and rectify operational deficiencies and to detect and prevent actual or suspected fraud, and other irregularities and improprieties.

PKF Management Consulting Sdn Bhd has been considered for appointment by the Company to establish a system of internal control by first identifying and assessing risks and then implementing appropriate systems to manage and control these risks and assisting the Board/Audit Committee in obtaining assurance of a regular review and appraisal adequacy, integrity and effectiveness of the system of internal control.

(c) Relationship with the Auditors

The maintenance of an appropriate and transparent relationship by the Company with its external auditors is effected through the device of the Audit Committee. Notice of each Audit Committee meeting is extended to the external auditors and the latter has to date responded by attending all of the Audit Committee meetings.

RELATIONSHIP BETWEEN THE BOARD AND SHAREHOLDERS

The Board sees the importance of maintaining effective communication with its shareholders and the public in general. Shareholders are given the opportunity to ask relevant questions pertaining to the Company. All shareholders of the Company are served with annual reports accordingly. Quarterly results are announced for dissemination through the KLSE. The Company endeavours to provide appropriate information upon requests by institutional investors, fund managers and analysts and the press.

This statement was approved by The Board on 28 May 2002.



Other Information

STATUS OF UTILISATION OF PROCEEDS

The Company did not implement any corporate proposal for the raising of funds during the financial year.

SHARE BUY-BACK

The Company did not make any share buy-back during the financial year.

OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

No options, warrants and convertible securities were exercised during the financial year.

AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year.

SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by any relevant regulatory bodies during the financial year.

NON-AUDIT FEES

There were no non-audit fees paid to the Auditors, Messrs. Pannel Kerr Forster, during the financial year.

VARIANCE IN RESULTS

There was no material variance between the Company's audited results for the financial year ended 31 December 2001 and the unaudited results previously released for the financial quarter ended 31 December 2001.

PROFIT GUARANTEE

The Company did not provide any profit guarantee and as such there is no issue of shortfall in the profit guaranteed.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving directors and major shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year.

REVALUATION POLICY ON LANDED PROPERTIES

The Company has not revalued its landed property and as such does not have a revaluation policy on its landed property.

RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

There were no recurrent related party transactions of a revenue or trading nature which require shareholders' mandate during the financial year.

This statement was approved by the Board on 28 May 2002.

Directors' Responsibility Statement



The directors of the Company are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the financial and cash flow positions and state of affairs of the Company and, where applicable, the Group as at the financial year end.

The directors has, through the Statement by Directors on page 35 of the Annual Report given their opinion that the financial statements have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Company for the financial year ended 31 December 2001.

In preparing the financial statements, the Directors are responsible for ensuring that appropriate accounting policies are adopted and applied consistently and where judgements and estimates were made, they were based on prudence and reasonableness.

The directors are further responsible for causing to be kept such accounting and other records that will explain sufficiently the transactions and financial position of the Company and enable true and fair financial statements to be prepared.

This statement was approved by the Board on 28 May 2002.



Audit Committee Report

The Board is pleased to submit its report on the Audit Committee and its activities during the financial year ended 31 December 2001 in compliance with paragraph 15.16 of the KLSE Listing Requirements.

COMPOSITION, MEETINGS AND ATTENDANCE

The composition of the Audit Committee, the number of meetings held during the financial year and particulars of attendance are as follows:-

Name	Designation	Number of Applicable Meetings	Attendance
a) Dato' Haji Ghazali b. Mat Ariff	Chairman - Independent Non-Executive	4	4
b) Mah Siew Seng	Member - Independent Non-Executive	4	4
c) Datuk Ismail bin Haji Ahmad	Member - Non-Independent Non-Executive	4	4
d) Yeo Tek Ling (resigned on 29 August 2001)	Member - Non-Independent Executive	3	3

TERMS OF REFERENCE

A. Composition

1. The Audit Committee shall be appointed from amongst the Directors of the Company and shall consists of not less than three members.
2. A majority of the Audit Committee shall be independent directors.
3. At least one member of the Audit Committee shall be a member of the Malaysian Institute of Accountants (MIA); or if he is not a member of MIA, he must have at least three years' working experience and have passed the examination specified in Part I of the First Schedule of the Accountants Act, 1967 or be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967.
4. An alternate director shall not be appointed as a member of the Audit Committee.

B. Chairman

1. The members of the Audit Committee shall elect a Chairman from among their number who shall be an independent director.

C. Meetings

1. Audit Committee meetings shall be held not less than four times a year.
2. A quorum for the meeting shall be a majority of independent directors.
3. Besides the Finance Director and representatives of the internal and external auditors who shall normally attend the Audit Committee meetings, other directors and employees may attend the meeting only at the invitation of the Audit Committee.

Audit Committee Report (continued)



4. At least once a year the Audit Committee shall meet with the external auditors without the presence of any executive board members.
5. The Chairman shall convene a committee meeting upon receipt of a request from the external auditor to consider any matter which the external auditor believes should be brought to the attention of the directors and shareholders.
6. The Company Secretary shall be the Secretary of the Audit Committee.
7. The minutes of each meeting shall be distributed to the members of the Board.

D. Retirement and Resignation

1. Any vacancy in the Audit Committee resulting in the non-compliance of paragraph 15.10(1) of the Listing Requirements shall be filled within three months.

E. Duties of the Audit Committee

1. To review the following and report the same to the Board of Directors:-
 - (a) with the external auditor, the nature and scope of the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report;
 - (d) the assistance given by the employees of the company to the external auditor;
 - (e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit program, processes, the results of the internal audit program, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
 - any changes in accounting policies and practices;
 - significant adjustments and unusual events arising from the audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements.
 - (h) any related party transactions and conflict of interest situation that may arise within the company or group including any transaction, procedure or course of conduct that raises questions of management integrity;
2. To consider the appointment of an external auditor, the audit fee and any questions of resignation or dismissal.
3. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary).
4. To review the external auditor's management letter and management's response.
5. To do the following where an in-house internal audit function exists:-
 - (a) review any appraisal or assessment of the performance of members of the internal audit function;



Audit Committee Report (continued)

- (b) approve any appointment or termination of senior staff members of the internal audit function;
 - (c) inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
6. To consider the major findings of internal investigations and management's response.
7. To consider any other topics as defined by the board.

F. Rights and Authority of the Audit Committee

The Audit Committee shall, wherever necessary and reasonable for the performance of its duties and in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the company.
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

G. Review of the Audit Committee

1. The Board of Directors shall review the term of office and performance of the Audit Committee and each of its members at least once in every three years.

H. Reporting of Breaches to the Exchange

1. Where the Audit Committee finds that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Kuala Lumpur Stock Exchange Listing Requirements, the Audit Committee shall promptly report the matter to the Exchange.

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

During the financial year ended 31 December 2001, the Audit Committee carried out the following activities:-

- (a) reviewed the preceding year end financial statements, the external auditors' report and discussed the audit fees;
- (b) reviewed the draft quarterly result announcements for presentation to the Board for approval and release to the Kuala Lumpur Stock Exchange;
- (c) met with representatives of PKF Management Consulting Sdn Bhd and discussed their proposals on the provision of internal audit services.

SUMMARY OF INTERNAL AUDIT FUNCTION'S ACTIVITIES

The Company is in the process of engaging a professional firm to establish an Internal Audit Function and provide internal audit services to ensure best practices are adopted in internal control. Meanwhile, the Audit Committee relies upon reports and disclosures from management, the external auditors' input and comments at meetings and quarterly financial reports in the discharge of its duties.

This statement was approved by the Board on 28 May 2002.



On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of Advanced Packaging Technology (M) Bhd for the financial year ended 31 December 2001.

OVERVIEW

The year under review presented challenging times for the Company. The business conditions during the year continued to be competitive particularly in the second half-year due largely to the weak economic environment.

However, with the expected recovery and continued growth of the Malaysian economy, improvement in the standards of living and higher disposable income of the consumers, the future of the flexible packaging materials industry is still encouraging.

FINANCIAL PERFORMANCE

The Company recorded a turnover of RM20.10 million for the year ended 31 December 2001 which was 15.29% lower when compared to the preceding year figures of RM23.73 million. Net profit before tax and exceptional items for the year under review decreased by RM1.76 million or 37.21% to RM2.98 million from RM4.74 million in year 2000. The decrease in turnover was due to weak market conditions. Lower turnover and higher cost of sales are the main reasons which contributed to the decrease in the net profit for the year.

PROSPECTS

With the Malaysian economy showing signs of recovery, the Board of Directors is of the view that trading conditions in the flexible packaging materials industry will improve as well. Barring unforeseen circumstances, the Board expects the Company to achieve satisfactory results for the current financial year.

DIVIDEND

Your Board of Directors has recommended a tax exempt final dividend of 4.95 sen per share (2000: 4.95 sen per share tax exempt) for the financial year ended 31 December 2001. The proposed dividend is subject to the approval of the shareholders at the Annual General Meeting to be held on 28 June 2002. No interim dividend was paid during the year (2000: nil).

DIRECTORATE

The Board wishes to put on record its appreciation to Encik Md Marzuki Bin Ahmad who resigned from the Board during the period under review for his invaluable contribution to the Company.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to extend our sincere thanks and appreciation to the management and staff for their hard work, dedication and commitment. I would also like to thank all our valuable customers, bankers, government authorities, business associates and shareholders for their continued support.

DATO' LAW SAH LIM
Chairman

28 May, 2002



Report of The Auditor to The Members

We have audited the accompanying financial statements of **ADVANCED PACKAGING TECHNOLOGY (M) BHD**. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Company as at 31 December 2001 and of the results and the cash flows of the Company for the year ended 31 December 2001; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.

PANNELL KERR FORSTER
AF 0911
CHARTERED ACCOUNTANTS

ANTHONY JOSEPH SKELCHY
251/03/03 (J/PH)
PARTNER
Kuala Lumpur
Dated: 23 April 2002

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the manufacturing and distribution of flexible packaging materials.

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

FINANCIAL RESULTS

	RM
Net profit for the year	2,480,347
Unappropriated profits brought forward	23,066,226

Profits available for appropriation	25,546,573
Proposed tax exempt dividend of 4.95%	(902,187)

Unappropriated profits carried forward	24,644,386

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

DIVIDEND

Since the end of the previous financial year, the Company has made full payment of the tax exempt dividend payable amounting to RM902,187.

For the financial year ended 31 December 2001, the directors recommend a first and final tax exempt final dividend of 4.95% amounting to RM902,187.

RESERVES AND PROVISIONS

There were no material transfers to and from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any shares and debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.


Directors' Report (continued)

DIRECTORS

The directors of the Company in office since the date of the last report are:-

Dato' Law Sah Lim
 Md. Marzuki bin Ahmad - Resigned on 11 March 2002
 Tjin Kiat @ Tan Cheng Keat
 Yeo Tek Ling
 Chee Sam Fatt
 Eu Hock Seng
 Ng Choo Phuan @ Kuan Choo Phuan
 Ng Choo Tim
 Dato' Haji Ghazali b. Mat Ariff
 Mah Siew Seng
 Datuk Ismail bin Haji Ahmad

DIRECTORS' INTEREST IN SHARES

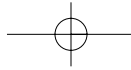
The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, an interest in shares of the Company as stated below:

	NUMBER OF ORDINARY SHARES OF RM1 EACH			Balance as at 31.12.2001
	Balance as at 1.1.2001	Bought	Sold	
Dato' Law Sah Lim	99,373	-	(70,000)	29,373
Md. Marzuki bin Ahmad	521,770	-	(456,000)	65,770
Tjin Kiat @ Tan Cheng Keat	897,057	283,000	-	1,180,057
Yeo Tek Ling	10,817	-	-	10,817
Chee Sam Fatt	9,000	-	-	9,000
Eu Hock Seng	395,965	-	(336,000)	59,965
Ng Choo Phuan @ Kuan Choo Phuan	232,885	-	-	232,885
Ng Choo Tim	444,264	132,000	-	576,264

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) 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.

There were no arrangements during or at the end of the financial year, which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.



OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

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

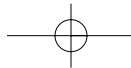
- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; and
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

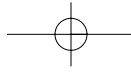
In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Company.

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

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





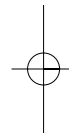
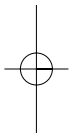
Directors' Report (continued)

AUDITORS

The auditors, Messrs Pannell Kerr Forster, have indicated their willingness to continue in office.

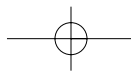
Signed on behalf of the Board
in accordance with a resolution of the directors,

TJIN KIAT @ TAN CHENG KEAT



NG CHOO TIM

Kuala Lumpur
Dated: 23 April 2002



Balance Sheet

AS AT 31 DECEMBER 2001



	Note	2001 RM	2000 RM
ASSETS			
Property, plant and equipment	8	11,074,366	12,207,503
CURRENT ASSETS			
Inventories	9	3,605,587	5,609,091
Trade receivables	10	5,589,528	5,094,366
Other receivables, deposits and prepayments	11	1,416,653	1,023,104
Fixed deposits with licensed banks		24,500,000	22,500,000
Cash and bank balances		1,535,074	1,480,884
		36,646,842	35,707,445
CURRENT LIABILITIES			
Trade payables		1,117,851	1,660,745
Amount due to directors	12	198,000	198,000
Other payables and accruals		927,463	1,560,875
Short-term borrowings	13	-	448,535
Proposed dividend		902,187	902,187
		3,145,501	4,770,342
NET CURRENT ASSETS		33,501,341	30,937,103
LONG TERM AND DEFERRED LIABILITIES			
Deferred taxation	14	1,361,000	1,549,000
Provision for staff gratuity	15	344,321	303,380
		(1,705,321)	(1,852,380)
		42,870,386	41,292,226
Represented by			
Share capital	16	18,226,000	18,226,000
Retained profits	17	24,644,386	23,066,226
SHAREHOLDERS' FUND		42,870,386	41,292,226

The accompanying notes form an integral part of the financial statements.

Advanced Packaging Technology (M) Bhd
 (Incorporated in Malaysia)

2001 annual report


Statement of Changes in Equity
 For the year ended 31 December 2001

	Note	Share capital RM	Retained profits RM	Total RM
At 1 January 2000		18,226,000	20,022,136	38,248,136
Net profit for the year		-	3,946,277	3,946,277
Tax exempt dividend of 4.95%	18	-	(902,187)	(902,187)
		-----	-----	-----
At 31 December 2000		18,226,000	23,066,226	41,292,226
Net profit for the year		-	2,480,347	2,480,347
Proposed tax exempt dividend of 4.95%	18	-	(902,187)	(902,187)
		-----	-----	-----
At 31 December 2001		18,226,000	24,644,386	42,870,386
		-----	-----	-----

The accompanying notes form an integral part of the financial statements.

Income Statement

For the year ended 31 December 2001



	Note	2001 RM	2000 RM
Revenue	3	20,098,138	23,726,893
Other operating income		1,413,262	1,453,166
Changes in inventories of finished goods and work-in-progress		(327,367)	(429,798)
Raw materials and consumables used		(11,741,080)	(13,126,024)
Staff costs	4	(2,926,610)	(2,969,020)
Depreciation	8	(1,277,788)	(1,044,940)
Other operating expenses		(2,240,883)	(2,829,200)
PROFIT FROM OPERATIONS		2,997,672	4,781,077
Finance costs		(22,654)	(42,800)
PROFIT BEFORE TAX	5	2,975,018	4,738,277
Income tax expense	6	(494,671)	(792,000)
NET PROFIT FOR THE YEAR		2,480,347	3,946,277
Basic earnings per share (sen)	7	13.61	21.65

The accompanying notes form an integral part of the financial statements.

Advanced Packaging Technology (M) Bhd
 (Incorporated in Malaysia)

2001 annual report


Cash Flow Statement

For the year ended 31 December 2001

	2001 RM	2000 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	2,975,018	4,738,277
Adjustments for:		
Bad debts written off	15,916	123,414
Depreciation	1,277,788	1,044,940
Gain on disposal of property, plant and equipment	(43,866)	-
Interest income	(1,066,236)	(1,067,030)
Inventories written off	89,812	147,521
Plant and equipment written off	31,572	5,900
Provision for doubtful debts - net	(185,556)	232,404
Provision for staff gratuity	48,429	50,030
Unrealised loss/(gain) on foreign exchange - net	6,692	(1,731)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,149,569	5,273,725
Decrease in inventories	1,913,692	1,097,512
(Increase)/Decrease in trade and other receivables	(509,336)	2,102,072
Decrease in trade and other payables	(1,176,220)	(580,913)
CASH GENERATED FROM OPERATIONS	3,377,705	7,892,396
Income tax paid	(899,184)	(1,353,427)
Staff gratuity paid	(7,488)	(3,666)
NET CASH FROM OPERATING ACTIVITIES	2,471,033	6,535,303
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	1,066,236	1,067,030
Proceeds from disposal of property, plant and equipment	47,000	-
Purchase of property, plant and equipment	(179,357)	(4,460,653)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	933,879	(3,393,623)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividend paid to shareholders of the Company	(902,187)	(1,448,967)
Proceeds from short-term borrowings	-	448,535
Repayment of short-term borrowings	(448,535)	(91,207)
NET CASH USED IN FINANCING ACTIVITIES	(1,350,722)	(1,091,639)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,054,190	2,050,041
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	23,980,884	21,930,843
CASH AND CASH EQUIVALENTS AT END OF YEAR	26,035,074	23,980,884
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:		
Cash and bank balances	1,535,074	1,480,884
Fixed deposits with licensed banks	24,500,000	22,500,000
	26,035,074	23,980,884

The accompanying notes form an integral part of the financial statements.

Note to the Financial Statements

31 December 2001


1. PRINCIPAL ACTIVITIES

The Company is principally engaged in the manufacturing and distribution of flexible packaging materials.

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 1965, and the applicable approved accounting standards of the Malaysian Accounting Standards Board.

3. SIGNIFICANT ACCOUNTING POLICIES
(a) Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised below.

(b) Revenue

Revenue represents invoiced value of goods supplied less returns and discounts.

(c) Interest income

Interest income is recognised on accrual basis.

(d) Foreign currencies

Transactions in foreign currencies are translated into Ringgit Malaysia at rates of exchange ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

(e) Property, plant and equipment and depreciation

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

Leasehold land is amortised over the leased period of 99 years expiring in 2086.

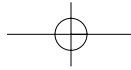
Depreciation of other property, plant and equipment is calculated on a straight line basis at the following annual rates based on their estimated useful lives:

Building	2% - 10%
Plant, machinery and tools	7 1/2% - 10%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%

(f) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost is determined on the first-in first-out basis. Costs of raw materials and consumables comprise the cost of purchase plus the cost of bringing the inventories to their present location and condition. Costs of finished goods and work-in-progress comprise the costs of raw materials, direct labour and an appropriate proportion of fixed and variable production overheads.



Note to the Financial Statements (continued)
31 December 2001

(g) Receivables

Provision for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivables while debts considered to be non-collectible are written off.

(h) Deferred taxation

Deferred taxation is provided on the liability method on all timing differences except where it is considered reasonably probable that the timing differences will continue in the foreseeable future.

Deferred tax benefits are recognised only where there is reasonable assurance of their realisation.

(i) Provision for staff gratuity

The Company has a staff gratuity scheme for employees who are eligible under their employment contracts. Gratuity for employees is provided for in the financial statements taking into consideration the length of service and basic salary earnings of eligible employees.

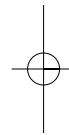
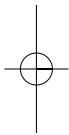
(j) Cash flow statement

The Company adopts the indirect method for the preparation of cash flow statement.

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

4. STAFF COSTS

Staff costs include salaries, wages, bonus and allowances, statutory contributions for employees and other employee related expenses.



Note to the Financial Statements (continued)
 31 December 2001
**5. PROFIT BEFORE TAX**

	2001 RM	2000 RM
Profit before tax is stated after charging/(crediting):		
Auditors' remuneration	18,000	18,000
Bad debts written off	15,916	123,414
Depreciation	1,277,788	1,044,940
Directors' remuneration		
- fees - executive	36,000	36,000
- non-executive	162,000	162,000
- others - executive	517,539	536,477
- non-executive	-	-
Estimated cash value of benefits-in-kind for directors (executive)	17,650	19,525
Inventories written off	89,812	147,521
Loss on foreign exchange		
- realised	13,864	-
- unrealised	6,692	-
Plant and equipment written off	31,572	5,900
Provision for doubtful debts		
- current year's provision	73,723	329,441
- provision no longer required	(259,279)	(97,037)
Provision for staff gratuity	48,429	50,030
Bad debt recovered	-	(27,500)
Gain on disposal of property, plant and equipment	(43,866)	-
Gain on foreign exchange		
- realised	-	(876)
- unrealised	-	(1,731)
Interest income	(1,066,236)	(1,067,030)
	<u> </u>	<u> </u>

6. INCOME TAX EXPENSE

	2001 RM	2000 RM
Current year's provision	711,000	557,000
Over provision in previous year	(28,329)	-
Deferred tax (Note 14)		
- Current year's provision	-	235,000
- Over provision in previous year	(188,000)	-
	<u> </u>	<u> </u>
	494,671	792,000
	<u> </u>	<u> </u>

The effective rate of taxation is lower than the statutory rate applicable to the Company's profit due to reinvestment allowances claimed.


Note to the Financial Statements (continued)
 31 December 2001

7. EARNINGS PER ORDINARY SHARE

Basic earnings per share for the current year is based on the net profit attributable to ordinary shareholders of RM2,480,347 (2000: RM3,946,277) and the issued share capital of 18,226,000 (2000:18,226,000) ordinary shares.

8. PROPERTY, PLANT AND EQUIPMENT

	Long-term leasehold land	Building	Plant machinery and tools	Furniture, fittings and equipment	Motor vehicles	Total
	RM	RM	RM	RM	RM	RM
COST						
At beginning of year	739,000	4,095,109	16,401,278	435,151	799,991	22,470,529
Additions	-	-	97,894	3,245	78,218	179,357
Disposals/Written off	-	-	(111,929)	(13,134)	(67,640)	(192,703)
At end of year	739,000	4,095,109	16,387,243	425,262	810,569	22,457,183
ACCUMULATED DEPRECIATION						
At beginning of year	116,455	1,059,303	8,022,205	313,562	751,501	10,263,026
Charge for the year	7,390	82,851	1,114,792	31,516	41,239	1,277,788
Disposals/Written off	-	-	(77,749)	(12,609)	(67,639)	(157,997)
At end of year	123,845	1,142,154	9,059,248	332,469	725,101	11,382,817
NET BOOK VALUE						
At 31 December 2001	615,155	2,952,955	7,327,995	92,793	85,468	11,074,366
At 31 December 2000	622,545	3,035,806	8,379,073	121,589	48,490	12,207,503
Depreciation charge for the year ended 31 December 2000	7,390	82,332	835,233	31,233	88,752	1,044,940

9. INVENTORIES

	2001 RM	2000 RM
Raw materials	2,822,102	4,629,150
Work-in-progress	167,896	328,692
Finished goods	296,129	462,700
Consumables	319,460	188,549
	3,605,587	5,609,091
Inventories carried at net realisable value	-	-

Note to the Financial Statements (continued)
 31 December 2001
**10. TRADE RECEIVABLES**

	2001 RM	2000 RM
Amount outstanding	6,658,163	6,348,557
Less: Provision for doubtful debts	(1,068,635)	(1,254,191)
	<u>5,589,528</u>	<u>5,094,366</u>

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included under other receivables, deposits and prepayments is tax advance payment of RM1,012,940 (2000: RM796,427).

12. AMOUNT DUE TO DIRECTORS

This represents directors' fees payable.

13. SHORT-TERM BORROWINGS

	2001 RM	2000 RM
Bills payable	-	448,535
	<u>-</u>	<u>448,535</u>

Interest is charged at the banks' prevailing interest rates.

14. DEFERRED TAXATION

	2001 RM	2000 RM
At beginning of year	1,549,000	1,314,000
Transferred (to)/from income statement	(188,000)	235,000
	<u>1,361,000</u>	<u>1,549,000</u>

Deferred taxation comprises the excess of tax capital allowance claimed over the related depreciation of property, plant and equipment.

15. PROVISION FOR STAFF GRATUITY

	2001 RM	2000 RM
At beginning of year	303,380	257,016
Current year's provision	48,429	50,030
	<u>351,809</u>	<u>307,046</u>
Less: Amount paid during the year	(7,488)	(3,666)
	<u>344,321</u>	<u>303,380</u>


Note to the Financial Statements (continued)

31 December 2001

16. SHARE CAPITAL

	2001 RM	2000 RM
Ordinary shares of RM1 each:		
Authorised	25,000,000	25,000,000
Issued and fully paid	<u>18,226,000</u>	<u>18,226,000</u>

17. RETAINED PROFITS

Based on the estimated tax credits and exempt income available, and the prevailing tax rates applicable to dividend, all of the retained profits of the Company are available for distribution by way of dividend without incurring additional tax liability.

Subject to the agreement of the Inland Revenue Board, the Company has tax exempt income account of approximately RM9,419,000 (2000: RM10,321,000) available for distribution as tax exempt dividend.

18. DIVIDEND

	2001 RM	2000 RM
Proposed first and final tax exempt dividend of 4.95% (2000: First and final tax exempt dividend of 4.95%)	<u>902,187</u>	<u>902,187</u>

19. SEGMENTAL INFORMATION

No segmental information is presented as the Company is involved in a single line product.

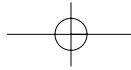
20. COMPARATIVE FIGURES

The income statement of the Company for the current financial year has been presented using the nature of expenditure method to achieve a fairer presentation, the elements of the Company's performance. Comparative information to the income statement has accordingly been represented. Certain comparative figures in the cash flow statement has also been adjusted for improved disclosure and presentation.

21. GENERAL INFORMATION

The total number of employees, inclusive of executive directors, of the Company at the end of the financial year is 123 (2000: 113).

The principal place of business is located at Lot 2, Jalan P/2A, Kawasan MIEL, Bangi Industrial Estate, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.



Directors' Statement



The directors of **ADVANCED PACKAGING TECHNOLOGY (M) BHD** state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31 December 2001 and of the results and the cash flows of the Company for the year ended on that date.

Signed on behalf of the Board,
in accordance with a resolution of the directors,

TJIN KIAT @ TAN CHENG KEAT

NG CHOO TIM

Kuala Lumpur

Dated: 23 April 2002



Statutory Declaration

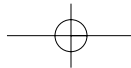
I, **TJIN KIAT @ TAN CHENG KEAT**, being the director primarily responsible for the financial management of **ADVANCED PACKAGING TECHNOLOGY (M) BHD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

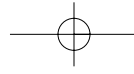
Subscribed and solemnly declared by the
abovenamed **TJIN KIAT @ TAN CHENG KEAT**
at Kuala Lumpur in Wilayah Persekutuan on
23 April 2002

)
)
)

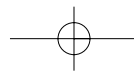
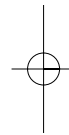
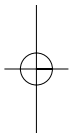
TJIN KIAT @ TAN CHENG KEAT

Before me,
S.S. CHANDRAN
Commissioner for Oaths
(NOM W-243)




List of Properties
 As at 31 December 2001

Location/Address	Description/ Existing Use	Land/ (Built-up) Area Sq. m	Tenure	Age of Building	Net Book Value RM
Location					
Lot HS(M) 9617 PT11447	Industrial Land erected with	8,903 / 5,666	99 years leasehold	18 years old	3,568,110
Mukim of Kajang Daerah Ulu Langat Selangor Darul Ehsan	office, factory and warehouse premises / Own use		Expiring on 29 September 2086		
Address					
Lot 2 Jalan P/2A Kawasan MIEL Bangi Industrial Estate 43650 Bandar Baru Bangi					



Analysis of Shareholdings
 As at 30 April 2002

SHAREHOLDERS

The company had 1,347 shareholders as at 30 April 2002. There is only one class of share, namely ordinary share of RM1.00 each. Each share entitles the holder to one vote.

ANALYSIS BY SIZE OF SHAREHOLDINGS
AS AT 30 APRIL 2002

Size of Shareholdings	No of Shareholders	Total Shareholdings	%
Less than 1,000	9	4,465	0.02
1,000 - 10,000	1,234	2,715,774	14.90
10,001 - 100,000	73	1,844,266	10.12
100,001 to less than 5% of issued shares	27	9,140,287	50.15
5% and above of issued shares	4	4,521,208	24.81
Total	1,347	18,226,000	100.00

SUBSTANTIAL SHAREHOLDERS
AS AT 30 APRIL 2002

No.	Name of Shareholders	No. of Shares	%
1.	Permodalan Nasional Berhad	1,335,000	7.32
2.	Tjin Kiat @ Tan Cheng Keat	1,180,057	6.47
3.	Lee Ng Mah @ Lee Wai Chan	1,059,151	5.81
4.	Siow Chung Peng	947,000	5.20


Analysis of Shareholdings (continued)

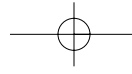
DIRECTORS' SHAREHOLDINGS
AS AT 30 APRIL 2002

No.	Name of Directors	No. of Shares	%
1.	Dato' Law Sah Lim	8,373	0.05
2.	Tjin Kiat @ Tan Cheng Keat	1,180,057	6.47
3.	Yeo Tek Ling	10,817	0.06
4.	Chee Sam Fatt	9,000	0.05
5.	Eu Hock Seng	59,965	0.33
6.	Ng Choo Phuan @ Kuan Choo Phuan	232,885	1.28
7.	Ng Choo Tim	576,264	3.16
8.	Dato' Haji Ghazali B. Mat Ariff	0	0.00
9.	Mah Siew Seng	0	0.00
10.	Datuk Ismail Bin Haji Ahmad	0	0.00

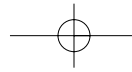
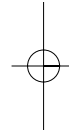
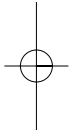
Analysis of Shareholdings (continued)

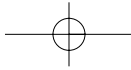
THIRTY (30) LARGEST SHAREHOLDERS
 AS AT 30 APRIL 2002

No.	Name of Shareholders	No. of Shares	%
1.	Permodalan Nasional Berhad	1,335,000	7.32
2.	Tjin Kiat @ Tan Cheng Keat	1,180,057	6.47
3.	Lee Ng Mah @ Lee Wai Chan	1,059,151	5.81
4.	Siow Chung Peng	947,000	5.20
5.	Chee Chin Tsai	906,415	4.97
6.	Chee Chin Hung	859,105	4.71
7.	Gim Bee Holdings Sdn Bhd <i>(in Members' Voluntary Liquidation)</i>	772,110	4.24
8.	Ng Choo Tim	576,264	3.16
9.	Lee Kim Mua @ Lim Kim Moi	480,582	2.64
10.	Cartaban Nominees (Asing) S/B <i>(A/C For Osterreichische Volksbanken AG)</i>	452,000	2.48
11.	Ng Chow Yok	451,464	2.48
12.	Teoh Ee Yeong @ Teoh Keat Siang	431,000	2.36
13.	Law Mong Yong	385,597	2.12
14.	Liew Say Fah	350,000	1.92
15.	Eu Chin Fen	336,866	1.85
16.	Citicorp Nominees (Tempatan) Sdn Bhd <i>(A/C For Wong Chee Weng)</i>	323,000	1.77
17.	Ng Soh Hin	316,000	1.73
18.	Tan Wooi Bee @ Nur Huda Tan	290,825	1.60
19.	Law Geok King	254,003	1.39
20.	Law Geok Beng	249,003	1.37

**Analysis of Shareholdings** (continued)

No.	Name of Shareholders	No. of Shares	%
21.	Law Ling Ling	241,189	1.32
22.	Law Geok Eng	234,003	1.28
23.	Ng Choo Phuan @ Kuan Choo Phuan	232,885	1.28
24.	Tan Kok Chiew	226,285	1.24
25.	Tan Wooi Hong	182,000	1.00
26.	Citicorp Nominees (Tempatan) Sdn Bhd <i>(A/C For Derrick E David)</i>	180,000	0.99
27.	Wong Chee Weng	145,000	0.80
28.	Jenny Siew	140,000	0.77
29.	Tan Chan Hoe	104,000	0.57
30.	Law Mong Hock	102,341	0.56





Advanced Packaging Technology (M) Bhd
(Incorporated in Malaysia)

2001 annual report



Advanced Packaging Technology (M) Bhd.
(Company No. 82982-K) (Incorporated in Malaysia)

Form of Proxy



I/We _____
(Full Name in Block Letters)

of _____
(Address)

being a member / members of ADVANCED PACKAGING TECHNOLOGY (M) BHD. hereby appoint* "the Chairman of the meeting"

or _____
(Full Name in Block Letters)

of _____
(Address)

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

of _____
(Address)

as my / our proxy to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held at Metro Inn, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Friday, 28 June 2002 at 10.30a.m. and at any adjournment thereof on the following resolutions in the manner indicated below :

RESOLUTIONS	FOR	AGAINST
1. To receive the Audited Financial Statement for the year ended 31 December 2001 and the Directors' and Auditors' Reports thereon		
2. To approve the payment of a tax exempt final dividend of 4.95%		
3. To approve the payment of Directors' Fees		
4. To re-elect Mr Tjin Kiat @ Tan Cheng Keat as Director		
5. To re-elect Mr Yeo Tek Ling as Director		
6. To re-elect Mr. Ng Choo Tim as Director		
7. To re-elect Datuk Ismail bin Haji Ahmad as Director		
8. To re-appoint Mr Mr. Ng Choo Phuan @ Kuan Choo Phuan as Director		
9. To re-appoint Dato' Law Sah Lim as Director		
10. To appoint messrs Pannell Kerr Forster as Auditors and to authorise the Directors to fix their remuneration		

(Please indicate with an "X" in the appropriate spaces provided above how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

*Delete the words " the Chairman of the meeting" if you wish to appoint some other person(s) to be your proxy.

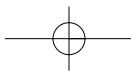
Dated this _____ day of _____ 2002

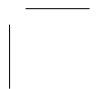
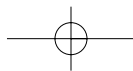
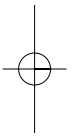
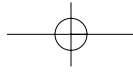
Signature

No. of Shares held

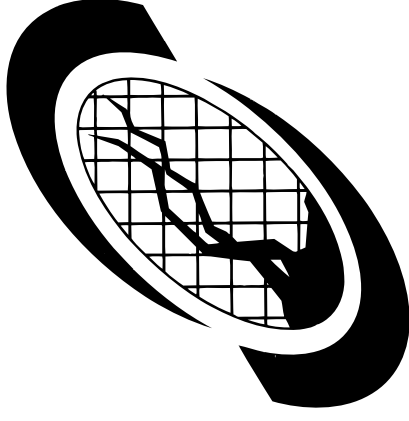
Notes:

- A member of the company entitled to attend and vote at this meeting may appoint a proxy or proxies to vote in his stead. Where member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.
- The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing and in the case of a corporation, shall be either given under its common seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Company's Registered Office at 23B Jalan 52/1, 46200 Petaling Jaya not less than forty-eight hours before the time appointed for holding the meeting or any adjournment thereof.





KUALA LUMPUR STOCK EXCHANGE



CONTACT DETAILS
Group Communications Division
Kuala Lumpur Stock Exchange
Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel : (03) 2026 7099
Fax : (03) 2026 3700

FOR KLSE'S USE:

Ref.No: _____
Date received: _____
Officer in charge: _____
Date of first contact with complainant: _____

STATUS AFTER 14 DAYS:

- Resolved
- Pending

DETAILS

**COMPLAINT AGAINST
PUBLIC LISTED COMPANY**

This form is intended to facilitate the lodgement of complaints with the KLSE by investors against Public Listed Companies (PLCs) in Malaysia. Investors are encouraged, in the first instance to amicably settle differences directly with the PLC concerned.

Q : When can you make a complaint?

A : At anytime, preferably as soon as the problems occur.
Below are some instances when a complaint may be lodged against a PLC:

- Misleading / inaccurate / insufficient disclosure of information;
- Failure to disclose material information in financial statements or annual report;
- Actions/lack of actions detrimental to the interest of shareholders;
- Directors of PLCs;
- Management of PLCs;
- Share Registrars of PLCs; and
- Others (to specify)

Q : What are the procedures to make a complaint?

A : Procedure is very simple. For clarity, it is best to be in written form and directed to the KLSE. You can use any of the following methods to submit your complaints:

- Mail the attached Complaint Form to KLSE; or
- Fax the Complaint Form to 03-2026 3700

Q : How will KLSE handle the complaint?

A : KLSE will handle the matter promptly and in any event, will contact the complainant not later than 14 days from receipt of the complaint.

DETAILS OF COMPLAINANT

Name : _____
 NRIC No. : _____
 CDS No. : _____
 Address : _____
 Tel. No. : House _____
 Business _____
 Mobile _____

DETAILS OF PUBLIC LISTED COMPANY

Name : _____
 Address : _____

DETAILS OF COMPLAINT

Have you tried to resolve this complaint with the relevant Public Listed Company?

- Yes
 No

If yes, kindly indicate the name of the person contacted and his/her department.

TYPE OF COMPLAINT

- Misleading / inaccurate / insufficient disclosure of information;
- Failure to disclose material information in financial statements or annual reports;
- Actions/lack of actions detrimental to the interest of shareholders;
- Directors of PLCs;
- Management of PLCs;
- Share Registrars of PLCs; and
- Others (to specify)

If others, please specify:

MY COMPLAINT IS AS FOLLOWS
 (Please provide a detailed account of the complaint in chronological order). You may type additional notes in a separate piece of paper.

Signature : _____

Date : _____

