

charging
ahead
with
greater
focus

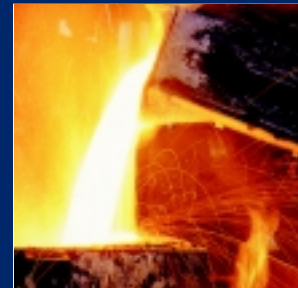


METALOCK (SINGAPORE) LIMITED

Annual Report 2000/2001



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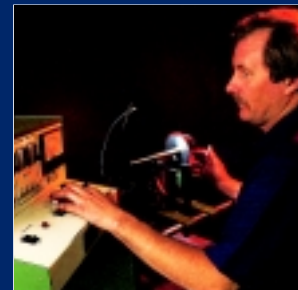


Metalock (Singapore) Limited is primarily involved in marine engineering, oilfield equipment repairs and trading of marine and industrial products. The Group owns the leading turbocharger supplier and repairer in Australia and has ventured into the design, production and operation of remotely operated vehicles.

mission statement

on tement

To provide a high level of customer and employee satisfaction, continued market leadership and long-term returns for our shareholders.



quality policy statement

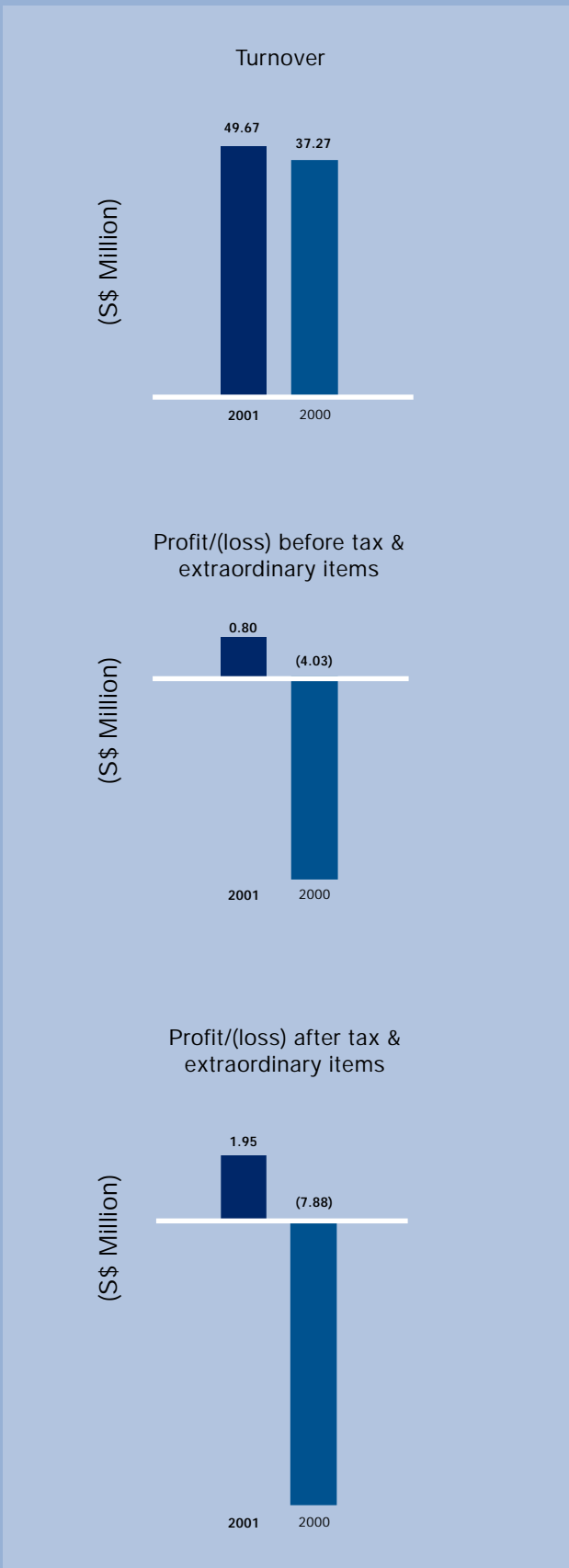
quality policy statement

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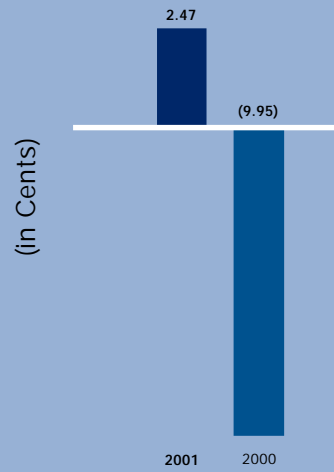
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We are committed to provide the best services to our customers for their total satisfaction.

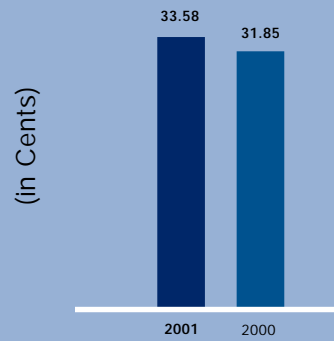
financial highlights



Earnings/(loss) per share based on profit/(loss) after tax & extraordinary items

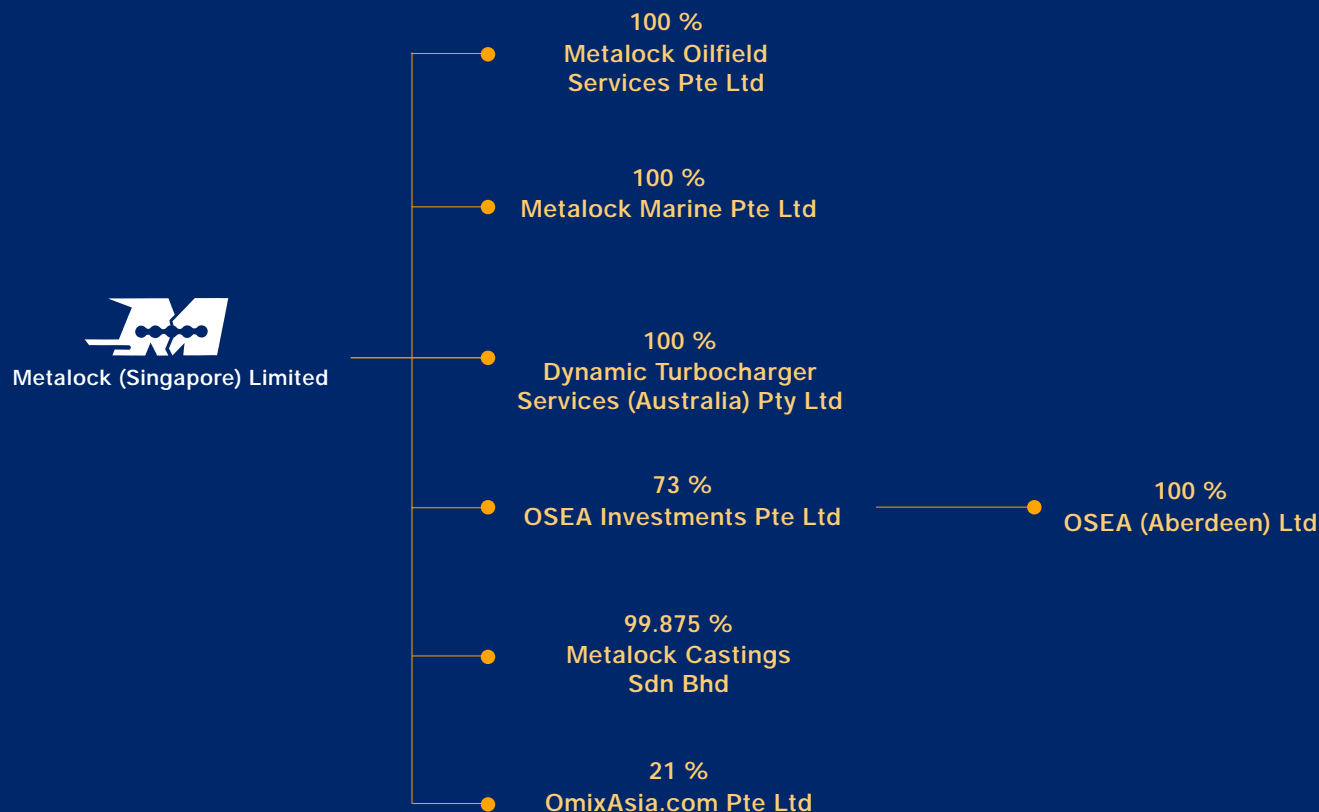


Net Tangible Asset (NTA) per share



■ FY 00/01 ended 31/03/01
■ FY 99/00 ended 31/03/00

corporate structure



corporatedata

DIRECTORS

Kuah Kok Kim, Executive Chairman
 Philip Eng Heng Nee, Director
 Ong Choo Eng, Director
 Robert Tan Kah Boh, Director

AUDIT COMMITTEE

Robert Tan Kah Boh, Chairman
 Philip Eng Heng Nee
 Ong Choo Eng

SECRETARIES

Fong Choon Seng
 Loh Shu Chun

REGISTERED OFFICE

182, Pandan Loop, Singapore 128373

AUDITORS

Ernst & Young
 Public Accountants, Singapore
 10 Collyer Quay #21-01
 Ocean Building, Singapore 049315
 Partner-in-charge : Ng Tiak Soon

REGISTRARS

B.A.C.S. Pte. Ltd.

PRINCIPAL BANKERS

Development Bank of Singapore Ltd
 Oversea-Chinese Banking
 Corporation Limited
 The Hongkong and Shanghai Banking
 Corporation Limited



“Turnover for the Group increased by 33% to S\$49.7 million from S\$37.3 million previously. We posted a net profit of S\$1.95 million, reversing a loss of S\$7.88 million in FY 1999/00.”

chairman's statement

Our improved performance for the fiscal year ended 31 March 2001 signals that we have indeed put the worst behind us. Turnover for the Group increased by 33% to S\$49.7 million from S\$37.3 million previously. Our earnings improved significantly. We posted a net profit of S\$1.95 million, reversing a loss of S\$7.88 million in FY1999/00.

The exceptional turnaround is largely due to the full-year earnings contribution from our wholly-owned subsidiary, Dynamic Turbocharger Services (Australia) Pty Ltd, the increase in contributions from our core oilfield services, which benefited from the recovery of oilfield industries led by higher oil prices; as well as extraordinary gains.

In our continuing efforts to streamline our operations, we divested the business operations of our wholly-owned subsidiary, Aqua-Terra Supply Company Pte Ltd, as well as sold off its building facility. Given the prevailing business environment, we assessed that Aqua-Terra would have to make substantial investments especially in its IT infrastructure and to increase its size significantly if it were to be competitive.

Given its relatively low volume of transactions, such investments will not be cost effective. Furthermore, Aqua-Terra's principal trading activities no longer fit well with Metalock's core business and current priorities.

We have also successfully completed the restructuring of our Group by hiving off three of our operating divisions - Oilfield, Advanced Engineering, and Marine Parts Trading - to the Group's wholly owned subsidiaries with effect from 1 April 2001. This restructuring not only streamlined our operations, it also facilitates greater accountability and efficiency. Following the restructuring, Metalock (Singapore) Limited became an investment holding company with only corporate headquarter activities.

During the year in review, our insurance underwriters had agreed to a reimbursement of S\$750,000 as a global settlement principally for an insurance claim arising from an out-of-court settlement made earlier to the owners of the vessel "Bader III" which we serviced in late 1997. This, along with the gains from the divestment of Aqua-Terra, was recognised as extraordinary gains.

Our 73% stake in Osea Investments Pte Ltd — which designs, manufactures and operates remotely operated vehicles (ROVs) and cable trenching vehicles for the offshore oil and gas, and fibre-optic cable laying industries — is expected to contribute significantly to our growth in the years to come. Besides the current high demand for ROVs in the oil and gas industry, the rapid development of Internet technology around the world has led to a substantial increase in the demand for trenching operations in the burial of subsea fibre optic cables worldwide. The industry confidence in our team is highlighted by the fact that we have secured contracts from a major European oil company even before our first Mohawk “eyeball” ROV was completed.

Charging forward, our subsidiary Dynamic Turbocharger, whose operations is currently concentrated in Australia, is actively studying the feasibility of replicating its business model in Southeast Asia where there is high demand for turbochargers to boost the performance of all types of engines.

Currently, we are actively taking steps to diversify from the marine industry in Singapore by providing repair and maintenance works to the land-based industry like the petrochemical hub on Jurong Island. We are also actively exploring the possibility of leveraging on our core expertise in the oilfield services and marine industries by seeking new business opportunities in low-cost countries, besides foraging into new growth drivers such as the ROVs and turbocharger business.

We will continue to streamline and consolidate our business. In June 2001, we conducted a thorough review of our foundry business in Ipoh and concluded that the foundry lacks competitiveness and does not enjoy economies of scale due to its small operations. To increase the operations to a meaningful size would require significant investments, which we are not prepared to

commit given the low anticipated returns. We reckon that we should channel our resources and management time to other potential growth areas and have therefore decided to sell the business as a going concern or failing which to wind down the business. This exit from the foundry business will be beneficial to us in the long run despite the additional costs.

Barring any unforeseen circumstances, we expect to sustain our Group’s performance this year.

We recognise that it is the employees who will drive the business. In a series of effort to achieve a quantum leap in the way we do things, we have implemented the productivity improvement programs during the year. We have achieved some progress and we will continue our relentless effort in this direction.

We realise that teamwork is essential if we are to meet our challenges head on. As such, we have placed much emphasis and resources on staff training, particularly in the areas of increasing productivity, customer service, safety and team building. In the years to come, we will continue to invest resources in the development of our staff.

Our Directors are proposing a first and final dividend of 5% less tax to be approved by the shareholders in the forthcoming Annual General Meeting.

It leaves me now to thank the Directors, management and staff of Metalock for their hard work and continued support as we charge ahead with greater focus in growing our operations in Singapore and beyond.

Finally, to all of our shareholders and investors — thank you for your confidence in our Company. We assure you that we will do our best to enhance the value of your investment.

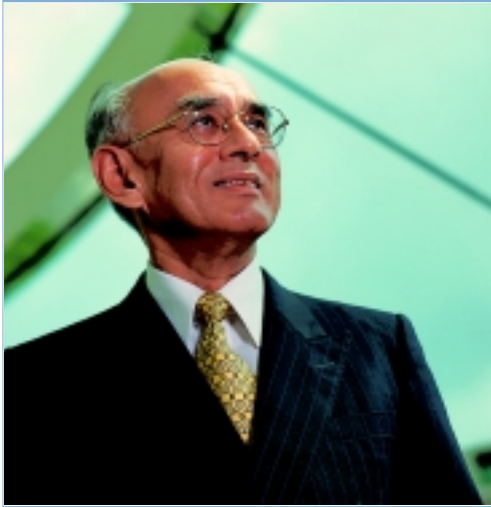


Kuah Kok Kim
Executive Chairman
28 June 2001

Our Directors are proposing a first and final dividend of 5% less tax to be approved by the shareholders in the forthcoming Annual General Meeting.



boardofdirectors



Kuah Kok Kim, Executive Chairman



Philip Eng Heng Nee, Director

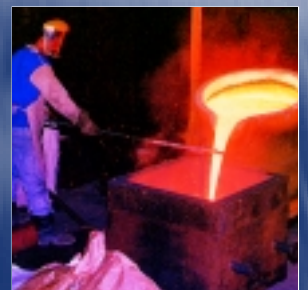
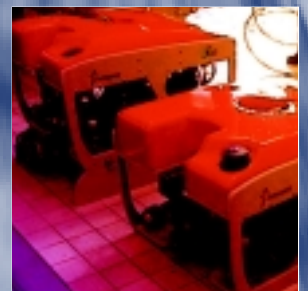


Ong Choo Eng, Director



Robert Tan Kah Boh, Director

businessreview





marine

In view of the bleak market conditions in Singapore, we are actively taking steps to reduce our reliance on the marine sector.

FY 2000/01 was a tough year for Metalock Marine Pte Ltd (MMPL). Although freight rates had improved, demand for our services remained largely unchanged. Margins eroded further due to severe competition and higher wage costs.

Attempts are being taken to further reduce our reliance on the marine sector by intensifying our penetration in providing repair and maintenance services to land-based industries, particularly the refinery and chemical sectors.



Singapore as a whole had lost a significant portion of ship-repair activities to other new low-cost centres. The outlook for the marine-related activities remains bleak, unless there is a rationalisation of the excess capacity between the various competitors and us, similar to the consolidation that has taken place among shipyards here.

We expect the operating environment for MMPL to continue to be tough.

Our relentless efforts in upgrading the quality of our services had brought about tremendous improvement of our debt receivables. Incidents of dispute with customers are now at near zero level.



oilfield

To further consolidate our oilfield activities, we are actively exploring acquisition opportunities in nearby oil producing countries.

Notwithstanding the worsening political environment in our major market place, the higher oil prices has stimulated the demand of our oilfield services in the past year.

To streamline and facilitate greater accountability, we hived off our oilfield activities into a wholly-owned subsidiary, Metalock Oilfield Services Pte Ltd.



To further consolidate our presence in this sector, we are actively exploring acquisition opportunities of companies operating in nearby oil producing countries.

We expect the positive contribution from Metalock Oilfield Services Pte Ltd to continue in the current year.



foundry

To avoid further losses, we have decided to exit from the foundry business.

During the year under review, our subsidiary, Metalock Castings Sdn Bhd continued to incur losses, albeit at a much reduced level.

Although we have eliminated the technical problems that plagued us in the past, as well as secured some forward export contracts from overseas clients, we continue to face the problem of cost competitiveness due to the lack of economies of scale in our overall production capacity.



After conducting a complete review of the business in June 2001, we decided to exit from the foundry business in view of its small contribution to the Group's turnover, limited growth potential and lack of competitiveness.



turbocharger

Despite the lacklustre economic climate in Australia, we expect DTS to continue to make positive contributions.

In FY 2000/01, the Group recognised the first full year contributions from the wholly owned subsidiary Dynamic Turbocharger Services (Australia) Pty Ltd (DTS), which was acquired in November 1999.

Despite the less than favourable economic climate in Australia, which affected the demand for its services, DTS performed well and contributed positively to the Group.

Currently, the Group is studying the feasibility of leveraging on the competencies of DTS as the largest independent supplier of turbochargers in the Southern Hemisphere and replicating its business model in South East Asia.

The economic climate in Australia is expected to remain lacklustre. However, with a tight rein on expenses, we expect DTS to continue to make positive contributions in the current year.





remotely operated vehicles

The prospect of Osea in the current year is good. It is expected to contribute significantly to the Group in FY 2002/03.

In September 2000, we acquired a majority stake in Osea Investments Pte Ltd (Osea). Osea is engaged in the design, manufacture and operation of remotely operated vehicles (ROVs).

Our first 2 Mohawk 'eyeball' ROV systems, including the launch and recovery systems and control cabins, were deployed in the North Sea and the Mediterranean in May and June 2001 respectively. We are pleased to have secured these contracts even before the completion of the first Mohawk system, highlighting the confidence that the industry has in our team.



Meanwhile, the design and building programme of our workclass ROVs is progressing ahead of schedule. The first 2 units of workclass ROVs should be ready for deployment from October 2001 onwards.

The prospect of Osea in the current year is good, and the subsidiary is expected to contribute significantly to the Group in FY 2002/03.



financialreport

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directors' report

FOR THE YEAR ENDED 31 MARCH 2001

The Directors have pleasure in presenting their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The principal activities of the Company and of the Group are those relating to marine and oilfield engineering, marine and oilfield welding and repair, manufacturing and remanufacturing, sales of oil rig tools, supplying and trading in marine and industrial products and services, production of castings of ductile cast iron products and sales and servicing of turbochargers.

During the financial year,

- (i) the Company acquired a new subsidiary company, OSEA Investments Pte Ltd. The principal activities of the new subsidiary company and its wholly-owned subsidiary, OSEA (Aberdeen) Limited include the designing, building and operation of subsea robotics.
- (ii) the Group acquired an additional 50% interest in ATS Moorflex Pte Ltd. The principal activities of ATS Moorflex Pte Ltd are the manufacturing, importing, exporting and supplying of spiral wound gaskets, clad heat exchanger gaskets and flange insulation gaskets. However, ATS Moorflex Pte Ltd was inactive during the financial year.

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

ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

During the financial year, the acquisition of additional interests in subsidiary companies are as follows :-

Name of company	Extent of interest acquired	Consideration	Attributable share of net tangible assets
<i>(Interests held by the Company)</i>			
ATS Moorflex Pte Ltd	50.00%	\$18,576	18,702
OSEA Investments Pte Ltd	68.40%	\$855,000	829,557
<i>(Interests held by a subsidiary company)</i>			
OSEA (Aberdeen) Limited	100.00%	£150,000	£150,000

During the financial year, the Company acquired a 75.00% interest in OSEA Investments Pte Ltd through subscription for 480,000 ordinary shares of \$1 each in OSEA Investments Pte Ltd. Subsequent to the acquisition, the Company subscribed for another 375,000 ordinary shares of \$1 each of the subsidiary company during the financial year. As at the end of the financial year, the Company's interest in the subsidiary company is 68.40%.

OSEA (Aberdeen) Limited is a wholly-owned subsidiary of OSEA Investments Pte Ltd. As at the end of the financial year, the Group's interest in OSEA (Aberdeen) Limited is 68.40%.

During the financial year, the Company disposed the business of a subsidiary company, Aqua-Terra Supply Company Private Limited for a total consideration of \$5,970,165.

There were no disposals of subsidiary companies during the financial year.

RESULTS FOR THE FINANCIAL YEAR

	Group \$	Company \$
Net profit after tax and minority interests	472,661	1,092,809
Extraordinary items, net	1,481,480	401,200
Net profit attributable to shareholders	1,954,141	1,494,009
Dividends proposed for the financial year, net	(747,450)	(747,450)
Transferred to revenue reserve	1,206,691	746,559

In the opinion of the Directors, the results of the operations of the Company and the Group during the financial year have not been affected by any item, transaction or event of a material and unusual nature other than the extraordinary items as disclosed in the notes to the financial statements.

MATERIAL MOVEMENTS IN RESERVES AND PROVISIONS

The following amounts have been debited/(credited) to :-

	Group \$	Company \$
Revenue reserve		
Discount arising on consolidation	(62,695)	-
Change in group structure	87,990	-
Foreign exchange translation reserve		
Exchange difference on translation of overseas subsidiary companies	(184,843)	-

Apart from these movements, there have been no material transfers to or from provisions during the financial year except for normal amounts recognised as an expense for items such as depreciation of non-current assets and provisions for doubtful debts, inventory obsolescence and income tax as shown in the financial statements.

DIVIDENDS

No dividend was paid in respect of the previous year as proposed in the Directors' Report of that year.

The Directors proposed a first and final dividend of 5% less tax, amounting to \$747,450, to be paid for the financial year under review.

SHARE CAPITAL

No shares were issued by the Company during the financial year.

SHARE CAPITAL (cont'd)

Shares issued by subsidiary companies during the financial year were as follows :-

Name of subsidiary company	Description of shares issued	Purpose of issue
OSEA Investments Pte Ltd	1,250,000 ordinary shares of \$1 each for cash	To provide initial working capital
OSEA (Aberdeen) Limited	150,000 ordinary shares of £1 each for cash	To provide initial working capital

OPTIONS ON SHARES IN THE COMPANY

The particulars of options on shares in the Company are as follows :-

The Metalock Executives' Share Option Scheme for Non-executive Directors and Senior Executives was approved on 8 August 2000.

During the financial year, in consideration of the payment of \$1.00 for each offer accepted, offers of options were granted pursuant to the share option scheme in respect of 3,770,000 unissued shares of \$0.25 each in the Company at an exercise price of \$0.30 per share.

At the end of the financial year, options to take up 2,850,000 unissued shares of \$0.25 each in the Company were outstanding.

Date of option	At date of grant	No. of options		As at 31.3.2001	Exercise price	Expiry date
		Exercised	Cancelled			
15 October 2000	3,370,000	-	920,000	2,450,000	\$0.30	15 October 2010
15 October 2000	400,000	-	-	400,000	\$0.30	15 October 2005

OTHER INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE

Pursuant to Clause 947 (Practice Note No. 911) of the Listing Manual of the Singapore Exchange, in addition to information disclosed elsewhere in the report, it is reported that during the financial year :-

- (i) The Committee administering the share option scheme comprise the following members :-
Philip Eng Heng Nee
Ong Choo Eng
Robert Tan Kah Boh
- (ii) No options have been granted to controlling shareholders or their associates, parent group employees and no employee has received 5% or more of the total options available under the scheme; and
- (iii) Except for the above, no other options were granted by the Company during the financial year and there were no other unissued shares under option at the end of the financial year.

directors' report

DIRECTORS

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

Kuah Kok Kim
Philip Eng Heng Nee
Ong Choo Eng
Robert Tan Kah Boh

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 164, of the Companies Act, Cap. 50, interests in shares of the Company, as stated below :-

Name of Directors	Holdings registered in the name of Directors			Holdings in which Directors are deemed to have interests		
	At 1.4.2000	At 31.3.2001	At 21.4.2001	At 1.4.2000	At 31.3.2001	At 21.4.2001
(Ordinary shares of \$0.25 each)						
Kuah Kok Kim	-	75,000	-	17,440,000	17,577,000	17,652,000
Robert Tan Kah Boh	1,163,000	1,163,000	1,163,000	330,000	330,000	330,000
(Option to subscribe for ordinary shares of \$0.25 each)						
Philip Eng Heng Nee	-	100,000	100,000	-	-	-
Ong Choo Eng	-	100,000	100,000	-	-	-
Robert Tan Kah Boh	-	125,000	125,000	-	-	-

Except as described above, there were no other changes in any of the abovementioned interests between the end of the financial year and 21 April 2001.

Mr Kuah Kok Kim is deemed to have an interest in shares of the Company's subsidiary companies by virtue of his interest in more than 20% of the issued share capital of the Company.

Except as described above, neither at the end of the financial year, nor at any time during that year, did there subsist any arrangements, to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by means 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.

ASSET VALUES

Before the profit and loss account and balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that :-

- (a) actions 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 all known bad debts had been written-off and that adequate provision had been made for doubtful debts; and
- (b) 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 adequate provision had been made for the difference between those values.

At the date of this report, the Directors are not aware of any circumstances which would render :-

- (a) any amount written-off or provided for bad and doubtful debts in the Group inadequate to any substantial extent; and
- (b) the values attributed to current assets in the consolidated financial statements misleading.

CHARGES AND CONTINGENT LIABILITIES

Since the end of the financial year no charge on the assets of the Company or any companies in the Group has arisen which secures the liabilities of any other person.

Since the end of the financial year no contingent liability of the Company or any companies in the Group has arisen.

No contingent or other liabilities of the Company or any companies in the Group have 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 of 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 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 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 or of the Group for the financial year in which this report is made except for those disclosed in Note 27 to the financial statements.

directors' report

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this report are :-

Robert Tan Kah Boh (Chairman; Independent Director)

Philip Eng Heng Nee (Independent Director)

Ong Choo Eng

The Audit Committee held two meetings since the last Directors' Report and performed the function specified in the Companies Act. In performing its functions, the Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The Committee met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of accounting and internal control. The Committee also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the year ended 31 March 2001 as well as the external auditor's report thereon.

The Committee recommends to the Board of Directors the nomination of Ernst & Young as external auditors at the forthcoming Annual General Meeting of the Company.

AUDITOR

The auditor, Ernst & Young, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board,

Kuah Kok Kim

Director

Robert Tan Kah Boh

Director

Singapore

11 June 2001

corporategovernance

THE BOARD OF DIRECTORS

The Board of Metalock (Singapore) Limited comprises four executive and non-executive directors as follows :-

Executive Directors :

Kuah Kok Kim (Executive Chairman)

Non-executive Directors :

Philip Eng Heng Nee

Ong Choo Eng

Robert Tan Kah Boh

While the Directors take a keen interest in the overall strategy and direction of the Group, they are also committed to increase the level of corporate governance in the Company. The Board supervises the management of the business and affairs of the Group. Apart from its statutory responsibilities, the Board approves the Group's strategic plans, key operational initiatives, major investments and funding decisions; reviews the Group's financial performance, and evaluates the performance and determines the compensation of the senior management personnel. These functions are carried out either directly or through Board committees such as the Audit Committee, Investment Committee and Remuneration Committee as well as by means of a system of delegation of authority to senior management personnel in the various companies of the Group.

The Board of Directors complied fully the measures and practices set out in the Best Practices Guide (the "Guide") relating to Corporate Governance which was issued by the Singapore Exchange Securities Trading Limited ("SGX-ST").

AUDIT COMMITTEE

The Audit Committee comprises three members, two of whom are independent Directors.

Robert Tan Kah Boh (Chairman; Independent Director)

Philip Eng Heng Nee (Independent Director)

Ong Choo Eng

The Company has adopted the Guide in relation to the roles and responsibilities of the Audit Committee.

The Audit Committee's functions are to assist the Board in fulfilling its responsibilities in relation to the Group's financial reporting and to examine the adequacy of the Group's internal control system and corporate governance. It considers the external and internal auditors' management letters and management's response to it and the audit plan. In addition, it serves as an independent party to review management financial information for the shareholders. The Audit Committee also performs other functions specified in the Companies Act, Cap. 50 and the Best Practices Guide of the Listing Manual of the SGX-ST.

The internal audit department from Ernst & Young reports functionally to the Audit Committee which has overall responsibility for the work of the department. The Audit Committee reviews with the internal auditors, the scope and results of internal audit procedures and their evaluation of the overall internal control system. In addition, the Audit Committee has full access to and the co-operation of management and the external auditors and has full discretion to invite anyone to attend its meetings.

INVESTMENT COMMITTEE

The following were appointed members of the Investment Committee to explore potential areas of diversification and source new investment opportunities :-

Kuah Kok Kim (Chairman)
Robert Tan Kah Boh
Ong Choo Eng

The Committee would initiate feasibility studies and make their recommendations to the Board.

BOARD REMUNERATION COMMITTEE

The Board Remuneration Committee comprises three members and reviews remuneration packages of senior executives and existing incentive schemes and/or introduces new schemes. The Committee is also responsible for the administration of the share option scheme.

Philip Eng Heng Nee (Chairman)
Robert Tan Kah Boh
Ong Choo Eng

SECURITIES TRANSACTIONS

The Company has clear policies on trading of its shares by the Board of Directors and employees which are in conformity with the guidelines of SGX-ST.

On behalf of the Board,

Kuah Kok Kim

Director

Robert Tan Kah Boh

Director

Singapore
11 June 2001

statementbydirectors

PURSUANT TO SECTION 201(15), COMPANIES ACT, CAP.50

We, Kuah Kok Kim and Robert Tan Kah Boh, being two of the Directors of Metalock (Singapore) Limited, do hereby state that, in the opinion of the Directors :-

- (a) the accompanying balance sheets, profit and loss accounts, statements of changes in equity and consolidated statement of cash flow together with the notes thereto 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 31 March 2001, 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
- (b) 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.

On behalf of the Board,

Kuah Kok Kim

Director

Robert Tan Kah Boh

Director

Singapore

11 June 2001

auditor's report

TO THE MEMBERS OF METALOCK (SINGAPORE) LIMITED

We have audited the financial statements of Metalock (Singapore) Limited set out on pages 24 to 51. These financial statements comprise the balance sheets of the Company and the Group as at 31 March 2001, the profit and loss accounts and the statements of changes in equity of the Company and of the Group and statement of cash flow of the Group for the year ended 31 March 2001, 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.

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 and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act ("Act") and Singapore Statements of Accounting Standard 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 31 March 2001, the results and changes in equity of the Company and of the Group and cash flows of the Group for the year ended on that date; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiary companies 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 subsidiary companies of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of those subsidiary companies audited by member firms of Ernst & Young International are stated in Note 26.

We are satisfied that the financial statements of the subsidiary companies 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 auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and in respect of subsidiary companies incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

ERNST & YOUNG

Certified Public Accountants

Singapore

11 June 2001

profit & loss accounts

FOR THE YEAR ENDED 31 MARCH 2001 (IN SINGAPORE DOLLARS)

	Note	Group		Company	
		2001 \$	2000 \$	2001 \$	2000 \$
Revenue	3	49,670,424	37,267,491	12,184,239	7,475,057
Other revenue	4	583,344	454,895	2,223,141	2,162,737
		50,253,768	37,722,386	14,407,380	9,637,794
Cost of sales		(33,042,063)	(24,110,580)	(8,563,496)	(4,428,303)
		17,211,705	13,611,806	5,843,884	5,209,491
Staff costs		(9,875,444)	(8,272,922)	(2,614,383)	(2,712,524)
Other operating expenses		(6,119,937)	(9,208,263)	(2,057,573)	(4,928,078)
Profit/(loss) from continuing operating activities	5	1,216,324	(3,869,379)	1,171,928	(2,431,111)
Finance costs	6	(412,910)	(163,961)	(54,085)	(611)
Profit/(loss) from continuing operating activities before taxation		803,414	(4,033,340)	1,117,843	(2,431,722)
Taxation	7	(417,809)	320,138	(25,034)	878,466
Profit/(loss) from continuing operating activities after taxation		385,605	(3,713,202)	1,092,809	(1,553,256)
Minority interests		87,056	-	-	-
Profit/(loss) before extraordinary items		472,661	(3,713,202)	1,092,809	(1,553,256)
Extraordinary items, net	8	1,481,480	(4,165,510)	401,200	(3,590,362)
Net profit/(loss) attributable to shareholders		1,954,141	(7,878,712)	1,494,009	(5,143,618)
Earnings/(loss) per share					
Before extraordinary items					
- Basic	9	0.60¢	(4.69)¢		
- Diluted	9	0.60¢	N/A		
After extraordinary items					
- Basic	9	2.47¢	(9.95)¢		
- Diluted	9	2.46¢	N/A		

The accounting policies and explanatory notes on pages 30 to 51 form an integral part of the financial statements.

balancesheets

AS AT 31 MARCH 2001 (IN SINGAPORE DOLLARS)

	Note	Group		Company	
		2001	2000	2001	2000
		\$	\$	\$	\$
ASSETS LESS LIABILITIES					
Non-current assets					
Property, plant and equipment, net	10	17,996,492	17,163,379	6,697,974	7,766,687
Subsidiary companies	11	-	-	27,762,693	26,778,513
Associated company	12	-	4,620	-	-
Investments	13	389,610	136,320	389,610	31,320
Other receivable	14	367,364	626,709	249,474	259,731
		18,753,466	17,931,028	35,099,751	34,836,251
Current assets					
Inventories and work-in-progress	15	6,336,492	11,879,943	2,904,384	3,886,376
Receivable	16	18,877,402	12,357,057	3,359,946	2,910,206
Cash at bank and in hand		1,490,132	1,195,312	36,884	123,588
		26,704,026	25,432,312	6,301,214	6,920,170
Current liabilities					
Payable : amounts falling due within one year	17	15,736,938	14,158,914	4,687,040	5,789,055
Net current assets		10,967,088	11,273,398	1,614,174	1,131,115
Non-current liabilities					
Payable : amounts falling due after one year	18	2,816,131	3,968,275	-	-
Deferred taxation	19	-	6,767	-	-
		(2,816,131)	(3,968,275)		
Net assets		26,904,423	25,229,384	36,713,925	35,967,366
EQUITY					
Share capital	20	19,800,000	19,800,000	19,800,000	19,800,000
Reserves	21	6,795,623	5,429,384	16,913,925	16,167,366
		26,595,623	25,229,384	36,713,925	35,967,366
Minority interests		308,800	-	-	-
		26,904,423	25,229,384	36,713,925	35,967,366

The accounting policies and explanatory notes on pages 30 to 51 form an integral part of the financial statements.

statements of changes in equity

FOR THE YEAR ENDED 31 MARCH 2001 (IN SINGAPORE DOLLARS)

	Ordinary shares \$	Share premium \$	Foreign currency translation \$	Retained earnings \$	Total shareholders' equity \$
GROUP					
Balance at 31 March 1999	19,800,000	1,944,050	366,912	17,041,385	39,152,347
Exchange difference on translation of overseas subsidiary companies	-	-	(20,627)	-	(20,627)
Goodwill on consolidation	-	-	-	(6,023,624)	(6,023,624)
Net loss attributable to shareholders	-	-	-	(7,878,712)	(7,878,712)
Balance at 31 March 2000	19,800,000	1,944,050	346,285	3,139,049	25,229,384
Exchange difference on translation of overseas subsidiary companies	-	-	184,843	-	184,843
Discount on consolidation	-	-	-	62,695	62,695
Change in group structure	-	-	-	(87,990)	(87,990)
Net profit attributable to shareholders	-	-	-	1,954,141	1,954,141
Dividends proposed during the financial year, less tax (Note 22)	-	-	-	(747,450)	(747,450)
Balance at 31 March 2001	19,800,000	1,944,050	531,128	4,320,445	26,595,623

	Ordinary shares \$	Share premium \$	Retained earnings \$	Total shareholders' equity \$
COMPANY				
Balance at 31 March 1999	19,800,000	1,944,050	19,366,934	41,110,984
Net loss attributable to shareholders	-	-	(5,143,618)	(5,143,618)
Balance at 31 March 2000	19,800,000	1,944,050	14,223,316	35,967,366
Net profit attributable to shareholders	-	-	1,494,009	1,494,009
Dividends proposed during the financial year, less tax (Note 22)	-	-	(747,450)	(747,450)
Balance at 31 March 2001	19,800,000	1,944,050	14,969,875	36,713,925

The accounting policies and explanatory notes on pages 30 to 51 form an integral part of the financial statements.

consolidated statement of cash flow

FOR THE YEAR ENDED 31 MARCH 2001 (IN SINGAPORE DOLLARS)

	2001 \$	2000 \$
Cash flows from operating activities :		
Profit/(loss) from continuing operating activities before taxation	803,414	(4,033,340)
Add/(less) :		
Write back of closure costs of a subsidiary company	15,647	14,000
Settlement of insurance claims	750,000	-
Provision for settlement of litigation including legal costs	-	(3,754,706)
Severance pay arising from streamlining of operations	-	(424,804)
	1,569,061	(8,198,850)
Adjustments for :		
Depreciation of property, plant and equipment	2,419,582	3,131,988
Property, plant and equipment written-off	-	632,622
Profit on sale of property, plant and equipment	(407,859)	(36,707)
Write back of deferred government grant	-	(783,539)
Write back of provision for diminution in quoted investments	(9,620)	(4,460)
Minority interest's losses shared by the Group	-	(1,950)
Investment and interest income	(38,330)	(55,784)
Interest expense	412,910	163,961
Profit on sale of quoted investment	(56,500)	-
Write back of provision for amounts due from associated company	(33,719)	-
	3,855,525	(5,152,719)
Operating income/(loss) before reinvestment in working capital	3,855,525	(5,152,719)
(Increase)/decrease in receivable	(478,973)	1,279,436
Decrease in inventories and work-in-progress	1,486,236	1,382,201
(Decrease)/increase in payable	(1,178,628)	5,337,617
Decrease/(increase) in amounts due from associated company	17,629	(4,620)
Currency re-alignment	(211,104)	49,142
	3,490,685	2,891,057
Cash generated from operations	3,490,685	2,891,057
Investment and interest income	38,330	55,784
Interest expense	(412,910)	(163,961)
Income taxes paid	(703,565)	(967,177)
	2,412,540	1,815,703
Net cash provided by operating activities	2,412,540	1,815,703

consolidated statement of cash flow

	2001 \$	2000 \$
Cash flows from investing activities :		
Acquisition of subsidiary companies from minority interest	-	(28,800)
Acquisition of business assets by a subsidiary company	(64,928)	(9,382,575)
Purchase of property, plant and equipment	(4,608,750)	(1,506,071)
Proceeds from sale of quoted investment	161,500	-
Proceeds from sale of property, plant and equipment	934,777	1,907,057
Purchase of unquoted investment	(348,670)	-
Subscription for shares in a subsidiary company by minority shareholders	235,000	-
Other long-term receivable	259,345	(347,863)
Net cash used in investing activities	(3,431,726)	(9,358,252)
Cash flows from financing activities :		
Dividends paid	-	(1,465,200)
Repayment of finance leases	(52,215)	(6,152)
Proceeds from new finance leases	96,313	154,671
Proceeds from bank overdraft, secured	463,335	-
Proceeds from bank term loan	900,000	-
Proceeds from long term loans	-	4,200,000
Repayment of long term loans	(617,579)	(170,393)
Net cash provided by financing activities	789,854	2,712,926
Net change in cash and cash equivalents	(229,332)	(4,829,623)
Cash and cash equivalents at beginning of financial year (Note 23)	762,656	5,592,279
Cash and cash equivalents at end of financial year (Note 23)	533,324	762,656

The accounting policies and explanatory notes on pages 30 to 51 form an integral part of the financial statements.

consolidated statement of cashflow

The effect of the disposal of business by a subsidiary company on the individual assets and liabilities is set out below :-

	\$
Property, plant and equipment	454,098
Inventories	4,166,067
Accruals for staff related costs	247,153
	<hr/>
	4,867,318
Proceeds receivable from disposal	(5,970,165)
	<hr/>
Gain on sale of business of a subsidiary company (Note 8)	(1,102,847)
	<hr/>

The proceeds receivable as well as payments for the related staff costs in relation to the disposal were both received and paid respectively after the end of the financial year.

The effect of the acquisition of interests in subsidiary companies on the assets and liabilities during the financial year is set out below :

	\$
Property, plant and equipment	168,998
Inventories	108,852
Other receivable	71,207
Amounts due from associated company	10,588
Cash at bank	498,576
Trade payable	(77,864)
Sundry payable	(99,268)
Finance lease payable	(47,830)
	<hr/>
Fair value of net assets	633,259
Minority interest	(160,000)
	<hr/>
	473,259
Goodwill arising from acquisition	25,317
	<hr/>
Considerations paid in cash	498,576
Cash at bank of subsidiary companies	(498,576)
	<hr/>
Net cash movement on acquisition of subsidiary companies	-
	<hr/>

The accounting policies and explanatory notes on pages 30 to 51 form an integral part of the financial statements.

notestothefinancialstatements

31 MARCH 2001 (IN SINGAPORE DOLLARS)

1. CORPORATE INFORMATION

Metalock (Singapore) Limited is a public listed company which is incorporated in Singapore.

The registered office of the Company is located at 182 Pandan Loop, Singapore 128373.

The principal activities of the Company and of the Group are those relating to marine and oilfield engineering, marine and oilfield welding and repair, manufacturing and remanufacturing, sales of oil rig tools, supplying and trading in marine and industrial products and services, production of castings of ductile cast iron products and sales and servicing of turbochargers.

During the financial year,

- (i) the Company acquired a new subsidiary company, OSEA Investments Pte Ltd. The principal activities of the new subsidiary company and its wholly-owned subsidiary, OSEA (Aberdeen) Limited include the designing, building and operation of subsea robotics.
- (ii) the Group acquired an additional 50% interest in ATS Moorflex Pte Ltd. The principal activities of ATS Moorflex Pte Ltd are the manufacturing, importing, exporting and supplying of spiral wound gaskets, clad heat exchanger gaskets and flange insulation gaskets. However, ATS Moorflex Pte Ltd was inactive during the financial year.

The Company and the Group employed 112 and 351 (1999 : 101 and 367) employees as at 31 March 2001, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The financial statements of the Company and of the Group which are expressed in Singapore dollars have been prepared on a historical cost basis and in accordance with Singapore Statements of Accounting Standard ("SAS") and the applicable provisions of the Companies Act.

(b) Basis of consolidation

The financial statements of the Group incorporate the financial statements of the Company and all its subsidiary companies made up to 31 March 2001. All intra-group balances and transactions are eliminated on consolidation.

The results of the subsidiary companies are included in the financial statements of the Group from the date they became subsidiaries. Acquisitions of subsidiaries are accounted for using the purchase method of accounting.

The financial statements of subsidiary companies are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to conform any dissimilar material accounting policies that may exist.

(c) Goodwill

The difference between cost of acquisition and the value of net assets acquired represents goodwill/discount on consolidation, which is immediately taken to the Group's revenue reserve.

(d) Subsidiary companies

Investments in subsidiary companies are stated at cost unless, in the opinion of the Directors, there has been a permanent diminution in value, when they are written-down to a valuation fixed by the Directors.

(e) Associated company

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

The Group's investments in associated company is recorded at cost and adjusted to recognise the Group's share of the net assets of the associated company at the date of acquisition. The excess or deficit between the net assets of the associated company and the consideration paid is adjusted against reserves in the year of acquisition.

The Group's share of the results of the associated company is included in the consolidated profit and loss account. The Group's share of the post-acquisition reserves of the associated company is included in the investment in associated company in the consolidated balance sheet.

Shares in associated company is stated in the Company's balance sheet at cost and provision is made for any permanent diminution in value.

Dividend income is accrued on the basis of dividends declared by the associated companies up to the date of the Directors' report.

(f) Revenue recognition

Revenue from repair services is recognised upon completion of the services.

Revenue from the sale of trading stocks is recognised upon passage of title to the customer which generally coincides with their delivery and acceptance.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. 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 is capitalised and expenditure for maintenance and repairs is charged to the profit and loss account.

When assets are sold or retired, their costs 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.

(h) Investments

Investments held on a long term basis are stated at cost. Provision is made for any diminution in value which is considered to be permanent.

Dividend income is accrued on the basis of the dates dividends are declared by the investee company.

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(i) Depreciation

Depreciation is calculated on the straight-line method to write-off the cost of the property, plant and equipment over their estimated useful lives. No depreciation is provided on freehold land. The estimated useful lives of property, plant and equipment are as follows :-

Freehold buildings	-	20 years
Leasehold land and buildings	-	50 years or the remaining term of the lease, whichever is lower
Workshop equipment	-	4 to 10 years
Furniture and fixtures	-	5 to 10 years
Motor vehicles	-	4 to 5 years
Office equipment	-	3 to 5 years

(j) Inventories and work-in-progress

Inventories are stated at the lower of cost, determined by using the first-in-first-out method, and net realisable value. Net realisable value represents the estimated selling price less anticipated cost of disposal and after making allowance for damaged, obsolete and slow-moving items.

Finished goods and work-in-progress include the cost of raw materials, direct labour and attributable production overheads.

(k) Deferred taxation

Deferred taxation is accounted for under the liability method whereby the tax charge for the year is based on the disclosed book profit after adjusting for all permanent differences. The amount of taxation deferred on account of all timing differences is reflected in the deferred taxation account. Deferred tax benefits are not recognised unless there is reasonable expectation of their realisation.

(l) Foreign currencies

Transactions arising in foreign currencies during the year are converted at rates closely approximating those ruling on the transaction dates. Foreign monetary currency assets and liabilities are converted into local currency at exchange rates ruling at the balance sheet date. All exchange differences arising from conversion are included in the profit and loss account.

For inclusion in the consolidated financial statements, all assets and liabilities of foreign subsidiary companies are translated into Singapore dollars at the exchange rates ruling at the balance sheet date and the results of foreign subsidiary companies are translated into Singapore dollars at the exchange rates ruling at the balance sheet date. Exchange differences due to such currency translations are included in the Group's foreign currency translation reserve.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand less bank overdrafts.

3. REVENUE

Revenue represents invoiced trading sales and services after allowance for goods returned and trade discounts. It excludes dividends, interest income and, in respect of the Group, intra-group transactions.

4. OTHER REVENUE

	Group		Company	
	2001	2000	2001	2000
	\$	\$	\$	\$
Gross dividend income from :				
- Unquoted subsidiary company	-	-	-	238,414
- Quoted equity investments	6,854	5,252	1,820	1,502
Interest income	31,476	50,532	8,036	20,604
Commission received	-	180	-	180
Management fees from subsidiary companies	-	-	1,354,349	1,020,621
Rental income	265,242	291,891	760,572	881,416
Profit on sale of quoted investment	56,500	-	-	-
Other income	223,272	107,040	98,364	-
	583,344	454,895	2,223,141	2,162,737

5. PROFIT/(LOSS) FROM CONTINUING OPERATING ACTIVITIES

	Group		Company	
	2001	2000	2001	2000
	\$	\$	\$	\$
Profit/(loss) from continuing operating activities is stated after charging/(crediting) :				
Auditors' remuneration :				
Auditor of the Company				
- Current year	99,950	95,110	48,000	53,000
- Overprovision for prior year	(440)	(3,500)	-	(3,500)
Other auditors	30,558	34,200	-	-
Non-audit fees paid to:				
- Auditor of the Company	85,764	73,612	62,164	36,750
- Other auditors	42,448	6,146	-	-
Bad debts written-off	18,420	47,897	14,748	47,874
* Depreciation of property, plant and equipment	2,419,582	3,131,988	1,389,059	1,683,093
Directors' remuneration :				
Directors of the Company				
- Directors' fees	80,000	90,000	80,000	90,000
- Other remuneration	384,562	294,812	384,562	294,812
Other Directors of subsidiary companies	537,461	70,975	-	-

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5. PROFIT/(LOSS) FROM CONTINUING OPERATING ACTIVITIES (cont'd)

	Group		Company	
	2001	2000	2001	2000
	\$	\$	\$	\$
Fees paid to firms in which Directors of subsidiary companies have interest in	462,284	19,649	-	-
(Gain)/loss on exchange, net	(12,839)	226,508	(13,038)	74,793
Provision for obsolescence of inventories, net	543,429	68,758	250,382	-
Profit on sale of property, plant and equipment, net	(407,859)	(36,707)	(26,004)	(34,837)
Inventories written-off	20,016	326,624	20,016	-
Write back of provision for diminution in value of quoted investments	(9,620)	(4,460)	(9,620)	(9,460)
(Write back of)/provision for doubtful debts, net :				
- Specific	(267,752)	(259,242)	(341,338)	(286,137)
- General	(28,126)	17,270	-	(49,000)
(Write back of)/provision for amounts due from associated company	(33,719)	2,475	-	-
Exceptional items :				
- Property, plant and equipment written-off	-	632,622	-	632,622
- Provision for obsolescence of inventories	-	888,035	-	888,035
- Inventories written-off	-	407,883	-	-
- Write back of government grant	-	(783,539)	-	-

* Depreciation of property, plant and equipment for the Company and the Group amounting to \$691,517 and \$1,354,744 (2000 : \$967,504 and \$1,238,396) respectively have been included in cost of sales.

Directors' remuneration of the Company pursuant to the SGX-ST Listing rules is as follows :

Number of Directors in remuneration bands

	Company	
	2001	2000
\$500,000 and above	-	-
\$250,000 to \$499,999	1	1
Below \$250,000		
- Present	3	3
- Ex-Director	-	1
Total	4	5

6. FINANCE COSTS

	Group		Company	
	2001	2000	2001	2000
	\$	\$	\$	\$
Interest on bank loans and overdrafts	(398,575)	(160,188)	(54,085)	(611)
Interest on finance lease	(14,335)	(3,773)	-	-
	(412,910)	(163,961)	(54,085)	(611)

7. TAXATION

	Group		Company	
	2001	2000	2001	2000
	\$	\$	\$	\$
Provision for taxation in respect of profit for the year :-				
Current taxation	(384,605)	(398,371)	-	-
Deferred taxation	6,767	724,322	-	862,292
	(377,838)	325,951	-	862,292
Adjustments in respect of previous years :-				
Current taxation	(39,971)	47,346	(25,034)	16,174
Deferred taxation	-	(53,159)	-	-
	(417,809)	320,138	(25,034)	878,466

The current taxation charge for the Company differs from the amount determined by applying the Singapore income tax rate of 24.5% primarily because of the tax savings arising from the utilisation of tax losses and unabsorbed capital allowances brought forward.

At 31 March 2001, the Company had unutilised tax losses and unabsorbed capital allowances of approximately \$996,000 (2000 : \$4,849,000) available for offset against future taxable income, subject to the provisions of the Income Tax Act and agreement by the Comptroller of Income Tax.

The current taxation charge for the Group differs from the amount determined by applying the Singapore income tax rate of 24.5% to the pre-tax profits because of non-deductible expenses, differences in tax rates applicable to overseas subsidiary companies and losses incurred at some subsidiary companies that could not be offset against the Group's profit.

As at 31 March 2001, certain subsidiary companies had unutilised tax losses and unabsorbed capital allowances of approximately \$7,258,000 (2000 : \$5,685,000) available for offsetting against future taxable income, subject to agreement with the relevant authorities.

8. EXTRAORDINARY ITEMS, NET

	Group		Company	
	2001	2000	2001	2000
	\$	\$	\$	\$
Gain/(loss) on sale of business of a subsidiary company	1,102,847	-	(493)	-
Provision for settlement of litigation including legal costs	-	(3,754,706)	-	(3,644,706)
Provision for diminution in value of investment in a subsidiary company	-	-	(278,485)	-
Settlement of insurance claim, net	664,531	-	664,531	-
Severance pay arising from streamlining of operations	-	(424,804)	-	(206,681)
Write back of provision for amounts owing by subsidiary companies	-	-	-	261,025
Write back of closure costs of a subsidiary company	15,647	14,000	15,647	-
Write down of leasehold land and building to net realisable value	(301,545)	-	-	-
	1,481,480	(4,165,510)	401,200	(3,590,362)

9. EARNINGS/(LOSS) PER SHARE

Basic earnings per share is calculated by dividing the net profit before extraordinary items / after extraordinary items by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net profit before extraordinary items / after extraordinary items by the weighted average number of ordinary shares outstanding during the financial year (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the basic and diluted earnings per share computations for the financial years ended 31 March:

	Group	
	2001	2000
	\$	\$
Net profit/(loss) before extraordinary items	472,661	(3,713,202)
Net profit/(loss) after extraordinary items	1,954,141	(7,878,712)

notes to the financial statements

9. EARNINGS/(LOSS) PER SHARE (cont'd)

	Number of shares	
	2001	2000
Weighted average number of ordinary shares on issue applicable to basic earnings per share	79,200,000	79,200,000
Effect of dilutive securities:		
Share options	105,637	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	79,305,637	79,200,000
	Cents	Cents
Earnings/(loss) per share before extraordinary items		
- basic	0.60	(4.69)
- diluted	0.60	N/A
Earnings/(loss) per share after extraordinary items		
- basic	2.47	(9.95)
- diluted	2.46	N/A

10. PROPERTY, PLANT AND EQUIPMENT, NET

Group	Freehold land	Freehold buildings	Leasehold land and buildings	Workshop equipment	Furniture, office equipment and motor vehicles	Assets under construction	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
At 1 April 2000	486,035	528,478	15,850,184	24,315,574	4,883,137	-	46,063,408
Currency re-alignment	(76,840)	(83,550)	28,772	19,608	(118,277)	-	(230,287)
Additions	-	-	66,721	687,958	1,281,002	2,742,067	4,777,748
Disposals/written-off	-	-	(237,889)	(1,628,271)	(1,875,073)	-	(3,741,233)
At 31 March 2001	409,195	444,928	15,707,788	23,394,869	4,170,789	2,742,067	46,869,636

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10. PROPERTY, PLANT AND EQUIPMENT, NET (cont'd)

Group	Freehold land \$	Freehold buildings \$	Leasehold land and buildings \$	Workshop equipment \$	Furniture, office equipment and motor vehicles \$	Assets under construction \$	Total \$
Accumulated depreciation							
At 1 April 2000	-	8,587	5,744,730	20,171,396	2,975,316	-	28,900,029
Currency re-alignment	-	(1,358)	4,510	74,656	(1,947)	-	75,861
Charge for the year	-	21,688	561,182	1,132,153	704,559	-	2,419,582
Disposals/written-off	-	-	-	(1,152,898)	(1,369,430)	-	(2,522,328)
At 31 March 2001	-	28,917	6,310,422	20,225,307	2,308,498	-	28,873,144
Charge for 2000	-	8,587	578,914	1,986,718	557,769	-	3,131,988
Net book value							
At 31 March 2001	409,195	416,011	9,397,366	3,169,562	1,862,291	2,742,067	17,996,492
At 31 March 2000	486,035	519,891	10,105,454	4,144,178	1,907,821	-	17,163,379

The above property, plant and equipment include plant and equipment located in Shanghai with net book value of \$14,474 (2000 : \$34,051).

As at the end of the financial year, the net book value of property, plant and equipment under finance leases amounted to \$162,765 (2000 : \$nil).

Subsequent to the end of the financial year, the Group completed the sale of a leasehold property of a wholly-owned subsidiary company for a consideration of \$4,400,000. (Note 27)

Company	Leasehold land and buildings \$	Workshop equipment \$	Furniture, office equipment and motor vehicles \$	Total \$
Cost				
At 1 April 2000	9,046,701	11,693,106	2,078,369	22,818,176
Additions	34,826	327,801	71,210	433,837
Disposals/written-off	-	(291,027)	(35,550)	(326,577)
At 31 March 2001	9,081,527	11,729,880	2,114,029	22,925,436

notes to the financial statements

10. PROPERTY, PLANT AND EQUIPMENT, NET (cont'd)

Company	Leasehold land and buildings \$	Workshop equipment \$	Furniture, office equipment and motor vehicles \$	Total \$
Accumulated depreciation				
At 1 April 2000	4,431,578	9,398,779	1,221,132	15,051,489
Charge for the year	334,650	719,732	334,677	1,389,059
Disposals/written-off	-	(200,102)	(12,984)	(213,086)
At 31 March 2001	4,766,228	9,918,409	1,542,825	16,227,462
Charge for 2000	333,576	1,000,211	349,306	1,683,093
Net book value				
At 31 March 2001	4,315,299	1,811,471	571,204	6,697,974
At 31 March 2000	4,615,123	2,294,327	857,237	7,766,687

The Group's freehold and leasehold land and buildings are located at :-

Location	Area (sq. m.)	Tenure	2001 Net book value \$
Freehold land and buildings			
50, King Street Airport West Victoria 3042 Australia	766	Freehold	340,220
32 Raynham Street Salisbury Queensland 4107 Australia	2,200	Freehold	484,986
Leasehold land and buildings			
42 Loyang Drive Singapore 508962	7,818	30 year lease from 1.4.1993	4,400,000
27 Gul Drive Singapore 629475	2,850	60 year lease from 16.11.1974	1,948,934
182 Pandan Loop Singapore 128373	4,460	30 year lease from 16.9.1979	2,366,365
3 Hala Jati 10 Taman Meru Industrial Estate Jelapang, 30200 Ipoh Perak, Malaysia	2,732	60 year lease from 6.9.1984	682,067
Total			10,222,572

11. SUBSIDIARY COMPANIES

	Company	
	2001	2000
	\$	\$
Unquoted shares, at cost :-		
Balance as at 1 April	29,525,665	25,949,439
Acquisition of new subsidiary companies	892,151	5,295,000
Purchase of additional shares in subsidiary companies	-	28,800
Pre-acquisition dividend offset against cost of investment	(3,553,650)	(1,747,574)
	26,864,166	29,525,665
Provision for diminution in value of investment	(7,050,948)	(6,772,463)
	19,813,218	22,753,202
Inter-company indebtedness :-		
Amounts owing by subsidiary companies (Trade)	1,447,248	362,482
Amounts owing by subsidiary companies (Non-trade)	8,613,846	8,125,598
Provision for amounts owing by subsidiary companies	(1,790,989)	(1,790,989)
	8,270,105	6,697,091
Amounts owing to subsidiary companies (Trade)	-	(42,037)
Amounts owing to subsidiary companies (Non-trade)	(320,630)	(2,629,743)
	7,949,475	4,025,311
	27,762,693	26,778,513
Analysis of provision for diminution in value of investments :-		
Balance as at 1 April	(6,772,463)	(6,772,463)
Provision during the year	(278,485)	-
	(7,050,948)	(6,772,463)
Analysis of provision for amounts owing by subsidiary companies :-		
Balance as at 1 April	(1,790,989)	(2,052,014)
Write back during the year	-	261,025
	(1,790,989)	(1,790,989)

notes to the financial statements

11. SUBSIDIARY COMPANIES (cont'd)

	Company	
	2001	2000
	\$	\$
By geographical locations :		
Singapore	20,589,048	19,518,946
Australia	5,316,364	5,379,717
Malaysia	1,857,281	1,879,850
	27,762,693	26,778,513

Both trade and non-trade amounts owing by/to subsidiary companies are interest-free and have no fixed terms of repayment. Further details regarding subsidiary companies are set out in Note 26.

12. ASSOCIATED COMPANY

	Group	
	2001	2000
	\$	\$
Unquoted shares, at cost (Note 26)	-	150,000
Provision for diminution in value of investment	-	(150,000)
	-	-
Amounts due from associated company (Non-trade)	-	91,457
Provision for amounts due from associated company	-	(33,719)
	-	57,738
Amounts due to associated company (Trade)	-	(53,118)
	-	4,620
Analysis of provision for amounts due from associated company :-		
Balance as at 1 April	33,719	31,244
(Write back)/charge to profit and loss account	(33,719)	2,475
Balance as at 31 March	-	33,719

The amounts due from the associated company are unsecured, interest-free and with no fixed terms of repayment. Further details regarding the associated company are set out in Note 26.

13. INVESTMENTS

	Group		Company	
	2001 \$	2000 \$	2001 \$	2000 \$
Unquoted investments	348,670	–	348,670	–
Quoted investments, at cost	53,500	228,500	53,500	53,500
Provision for diminution in value of quoted investments	(12,560)	(92,180)	(12,560)	(22,180)
	389,610	136,320	389,610	31,320
Analysis of provision for diminution in value of quoted investments :-				
Balance as at 1 April	(92,180)	(96,640)	(22,180)	(31,640)
Write back to profit and loss account	9,620	4,460	9,620	9,460
Disposal of investment	70,000	–	–	–
	(12,560)	(92,180)	(12,560)	(22,180)
Market value of quoted investments as at 31 March	40,940	136,320	40,940	31,320

14. OTHER RECEIVABLE

These are interest-free loans extended to the management staff of the Group to purchase cars. These loans shall be repaid by instalments over seven years with the last repayment due in year 2008. The staff concerned had entered into agreements with the Group to assign all rights of ownership of the cars to the Group until full settlement of the loans.

15. INVENTORIES AND WORK-IN-PROGRESS

	Group		Company	
	2001 \$	2000 \$	2001 \$	2000 \$
Finished goods	2,639,026	7,808,041	415,300	504,725
Raw materials	1,027,153	1,387,379	833,440	1,085,516
Work-in-progress	1,769,333	1,212,835	754,664	824,447
Engines and spares for resale	900,980	1,471,688	900,980	1,471,688
	6,336,492	11,879,943	2,904,384	3,886,376
Inventories are stated after deducting provision for obsolescence of inventories of	1,530,353	1,613,907	1,386,417	1,136,035
Analysis of provision for obsolescence of inventories :-				
Balance as at 1 April	1,613,907	696,094	1,136,035	248,000
Currency re-alignment	1,713	(3,980)	–	–
Charge to profit and loss account, net	543,429	956,793	250,382	888,035
Inventories written-off	(628,696)	(35,000)	–	–
	1,530,353	1,613,907	1,386,417	1,136,035
Inventories written-off directly to profit and loss account	20,016	734,507	20,016	–

notes to the financial statements

16. RECEIVABLE

	Group		Company	
	2001 \$	2000 \$	2001 \$	2000 \$
Trade receivable	11,122,799	11,444,654	2,533,314	2,391,386
Advances to suppliers	508,880	39,484	-	-
Sundry deposits	62,216	57,736	15,580	34,146
Prepayments	229,407	103,826	52,133	19,421
Rental receivable	265,242	259,651	265,242	259,651
*Sundry receivable	6,492,633	313,841	408,753	138,010
Staff loans, current	196,225	137,865	84,924	67,592
	18,877,402	12,357,057	3,359,946	2,910,206
Trade receivable is stated after deducting provision for doubtful debts of	510,559	994,979	249,417	590,755

* Sundry receivable includes proceeds receivable from the disposal of business by a subsidiary company amounting to \$5,970,165.

Analysis of provision for doubtful debts :-

Balance as at 1 April	994,979	1,236,951	590,755	925,892
Currency re-alignment	(3,545)	-	-	-
(Write back)/charge to profit and loss account, net				
- Specific	(267,752)	(259,242)	(341,338)	(286,137)
- General	(28,126)	17,270	-	(49,000)
Bad debts written-off	(184,997)	-	-	-
Balance as at 31 March	510,559	994,979	249,417	590,755
Bad debts written-off directly to profit and loss account	18,420	47,897	14,748	47,874

17. PAYABLE : AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001 \$	2000 \$	2001 \$	2000 \$
Bank overdraft, secured	463,335	-	-	-
Bank overdrafts, unsecured	956,808	432,656	330,306	-
Bank term loan, unsecured	900,000	-	900,000	-
Long term loans - current portion (Note 18)	739,401	816,584	-	-
Trade payable	7,010,827	6,418,265	1,607,041	1,318,466
Finance lease payable	96,910	39,491	-	-
Sundry payable	2,691,936	727,066	447,929	246,130
Accruals for staff related costs	1,777,204	1,552,191	493,915	590,181
Provision for taxation	353,067	784,998	160,399	246,615
Proposed dividends	747,450	-	747,450	-
Provision for settlement of litigation including legal costs	-	3,387,663	-	3,387,663
	15,736,938	14,158,914	4,687,040	5,789,055

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17. PAYABLE : AMOUNTS FALLING DUE WITHIN ONE YEAR (cont'd)

The secured bank overdraft relates to overdraft utilised by a subsidiary company which is secured by a mortgage over the freehold land and buildings with a net book value of \$825,206 of the subsidiary company, and a fixed and floating charge over its assets.

These bank overdrafts bear interest at 5.75% to 10% (2000 : 8.3% to 9.15%).

The bank term loan is unsecured and bears interest at 4.76% to 5.33%.

Finance lease commitments

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Minimum payments 2001 \$	Present value of payments 2001 \$	Minimum payments 2000 \$	Present value of payments 2000 \$
Group				
Within one year	111,310	96,910	40,045	39,491
After one year but not more than five years	171,933	149,689	116,794	115,180
More than five years	-	-	-	-
Total minimum lease payments	283,243	246,599	156,839	154,671
Less amounts representing finance charges	(36,644)	-	(2,168)	-
Present value of minimum lease payments	246,599	246,599	154,671	154,671

18. PAYABLE : AMOUNTS FALLING DUE AFTER ONE YEAR

	Group	
	2001 \$	2000 \$
Finance lease payable (Note 17)	149,689	115,180
Long term loans	2,666,442	3,853,095
	2,816,131	3,968,275

The long term loans consist of term loans of two subsidiary companies.

The first term loan is covered by a negative pledge over the current and future assets of a subsidiary company and is guaranteed by the Company. The loan bears interest at 8% to 8.2% (2000 : 8.3% to 9.15%) per annum and is repayable in 120 monthly instalments.

notes to the financial statements

18. PAYABLE : AMOUNTS FALLING DUE AFTER ONE YEAR (cont'd)

The second term loan is secured by a mortgage over the freehold land and buildings with a net book value of \$825,206 of a subsidiary company and a fixed and floating charge over its assets. The loan interest is charged at 0.5% above the bank's Bill Rate and is repayable in full by 29 November 2002.

19. DEFERRED TAXATION

	Group		Company	
	2001 \$	2000 \$	2001 \$	2000 \$
Balance as at 1 April	6,767	677,930	-	862,292
Released during the year	(6,767)	(671,163)	-	(862,292)
Balance as at 31 March	-	6,767	-	-
The deferred taxation arises as a result of :-				
Excess of net book value over tax-written-down value of property, plant and equipment	-	83,901	-	-
Other timing differences	-	(77,134)	-	-
	-	6,767	-	-

20. SHARE CAPITAL

	Group & Company	
	2001 \$	2000 \$
Authorised :- 120,000,000 ordinary shares of \$0.25 each	30,000,000	30,000,000
Issued and fully-paid :- 79,200,000 ordinary shares of \$0.25 each	19,800,000	19,800,000

21. RESERVES

	Group		Company	
	2001 \$	2000 \$	2001 \$	2000 \$
Revenue reserve	4,320,445	3,139,049	14,969,875	14,223,316
Foreign exchange translation reserve	531,128	346,285	-	-
Share premium account	1,944,050	1,944,050	1,944,050	1,944,050
	6,795,623	5,429,384	16,913,925	16,167,366

22. DIVIDENDS

	Group & Company	
	2001	2000
	\$	\$
Proposed first and final dividend of 5% (2000 : nil), less tax	747,450	-

23. CASH AND CASH EQUIVALENTS

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

	Group	
	2001	2000
	\$	\$
Cash at bank and in hand	1,486,835	991,470
Fixed deposits	3,297	203,842
	1,490,132	1,195,312
Bank overdrafts, unsecured (Note 17)	(956,808)	(432,656)
	533,324	762,656

24. COMMITMENTS AND CONTINGENCIES

Operating leases

The Group leases certain property under lease agreements that are non-cancellable within a year. The leases expire at various dates till year 2034 and contain provision for rental adjustments. Future minimum lease payments for all leases with initial or remaining terms of one year or more are as follows :-

	Group		Company	
	2001	2000	2001	2000
	\$	\$	\$	\$
Within one year	305,248	400,821	267,428	249,933
After one year but not more than five years	1,344,492	1,904,194	1,270,482	1,187,365
More than five years	5,803,460	7,316,372	5,803,460	6,154,004
	7,453,200	9,621,387	7,341,370	7,591,302

24. COMMITMENTS AND CONTINGENCIES (cont'd)

Other commitment

There is a non-cancellable Consultancy Agreement where a subsidiary company has to pay a fee of A\$456,000 (S\$403,104) per annum for consultancy services. The consultancy fee is to be paid by the subsidiary company half-yearly over five years with the last payment due on 29 May 2004. In the event where the subsidiary company sells or disposes its business, or the Company ceases to hold at least 50% of the issued shares of the subsidiary company, the whole of the balance of the consulting fee in respect of the remainder of the term of the Consultancy Agreement is payable.

Contingent liabilities

The Company has contingent liabilities as at 31 March 2001 for guarantees given to banks for facilities extended to subsidiary companies amounting to \$7,730,000 in the current year.

25. INFORMATION BY SEGMENT ON GROUP'S OPERATIONS

Industry segments

2001

	Marine and Oilfield \$	Turbocharger \$	Trading \$	Foundry \$	Subsea robotics \$	Eliminations \$	Total \$
Revenue and expenses							
External sales	20,516,799	14,994,116	12,993,312	1,166,197	-	-	49,670,424
Inter-segment sales	3,095,677	36,485	69,068	172,598	-	(3,373,828)	-
Total sales	23,612,476	15,030,601	13,062,380	1,338,795	-	(3,373,828)	49,670,424
Segment results	512,194	1,168,619	(463,925)	(387)	(272,095)	271,918	1,216,324
Finance costs	(62,183)	(287,334)	(8,089)	(52,118)	(3,186)	-	(412,910)
Taxation	(25,034)	(427,073)	62,442	(1,282)	-	(26,862)	(417,809)
Minority interests	-	-	-	-	-	87,056	87,056
Extraordinary items, net	401,200	-	858,261	-	-	222,019	1,481,480
Net profit/(loss) for the financial year	826,177	454,212	448,689	(53,787)	(275,281)	554,131	1,954,141
Assets and liabilities							
Segment assets	21,439,351	10,985,053	12,314,209	1,397,907	3,155,749	(3,834,777)	45,457,492
Segment liabilities	(6,495,603)	(5,929,952)	(2,776,675)	(954,449)	(2,180,291)	(216,099)	(18,553,069)
Other segmental information:							
Capital expenditure	545,175	543,052	413,140	180,903	3,138,172	(42,694)	4,777,748
Depreciation	1,745,202	252,812	296,205	213,078	51,917	(139,632)	2,419,582
Other non-cash expenses	244,810	(7,109)	49,143	243,288	-	(22,434)	507,698

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25. INFORMATION BY SEGMENT ON GROUP'S OPERATIONS (cont'd)

Industry segments

2000

	Marine and Oilfield \$	Turbocharger \$	Trading \$	Foundry \$	Subsea robotics \$	Eliminations \$	Total \$
Revenue and expenses							
External sales	16,898,542	5,579,196	13,457,515	1,332,238	-	-	37,267,491
Inter-segment sales	1,116,747	-	151,342	218,359	-	(1,486,448)	-
Total sales	18,015,289	5,579,196	13,608,857	1,550,597	-	(1,486,448)	37,267,491
Segment results	(4,219,860)	507,213	(203,595)	(725,795)	-	772,658	(3,869,379)
Finance costs	(2,215)	(94,160)	(2,395)	(65,191)	-	-	(163,961)
Taxation	873,425	(198,193)	(225)	(2,653)	-	(352,216)	320,138
Extraordinary items, net	(3,904,485)	-	-	-	-	(261,025)	(4,165,510)
Net (loss)/profit for the financial year	(7,253,135)	214,860	(206,215)	(793,639)	-	159,417	(7,878,712)
Assets and liabilities							
Segment assets	20,425,350	12,518,259	15,136,489	1,735,780	-	(6,452,538)	43,363,340
Segment liabilities	(8,499,324)	(7,053,400)	(2,526,147)	(1,256,635)	-	1,201,550	(18,133,956)
Other segmental information:							
Capital expenditure	4,633,582	2,377,675	64,131	81,338	-	(3,606,830)	3,549,896
Depreciation	2,569,416	83,594	345,145	235,761	-	(101,928)	3,131,988
Other non-cash expenses	(587,039)	(2,028)	(2,755)	367	-	785,489	194,034

Geographical segments

2001

	Singapore \$	Australia \$	Malaysia \$	Total \$
External sales	33,510,111	14,994,116	1,166,197	49,670,424
Segment assets	37,325,771	6,398,364	1,733,357	45,457,492
Capital expenditure	4,053,793	543,052	180,903	4,777,748

25. INFORMATION BY SEGMENT ON GROUP'S OPERATIONS (cont'd)

Geographical segments

2000

	Singapore \$	Australia \$	Malaysia \$	Portugal \$	Total \$
External sales	30,332,194	5,579,196	1,332,238	23,863	37,267,491
Segment assets	34,597,717	6,712,926	2,052,697	-	43,363,340
Capital expenditure	1,090,883	2,377,675	81,338	-	3,549,896

26. SUBSIDIARY AND ASSOCIATED COMPANIES

The subsidiary and associated companies as at 31 March are :-

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost		Percentage of equity held by the Group	
		2001 \$	2000 \$	2001 %	2000 %
Subsidiary companies :					
Unquoted equity shares held by the Company :-					
Aqua-Terra Supply Company Private Limited (Republic of Singapore)	Inactive (The business of supplying and trading in marine and industrial products and services was sold as at 31 March 2001) (Republic of Singapore)	10,714,577	14,268,227	100	100
Metsing - Fabrico De Componentes De Maquinaria Diesel E Industrial, Limitada (Portugal)	In voluntary liquidation (Portugal)	2,155,986	2,155,986	90	90
Metalock Marine Pte Ltd (Republic of Singapore)	Marine engineering (Republic of Singapore)	1,311,901	1,311,901	100	100
Metalock Oilfield Services Pte Ltd (formerly known as Metalock Underwater Maintenance (Pte.) Ltd.) (Republic of Singapore)	Providing engineering services to the oil and gas industry (Republic of Singapore)	542,561	542,561	100	100
Balance carried forward		14,725,025	18,278,675		

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26. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost		Percentage of equity held by the Group	
		2001 \$	2000 \$	2001 %	2000 %
Balance brought forward		14,725,025	18,278,675		
# Metalock (Malaysia) Sdn Bhd (Malaysia)	In voluntary liquidation (Malaysia)	94,240	94,240	100	100
# Dynamic Turbocharger Services (Australia) Pty Ltd (Australia)	Sales and servicing of turbochargers (Australia)	5,295,000	5,295,000	100	100
# Metalock Castings Sdn Bhd (Malaysia)	Production of castings of ductile cast iron products (Malaysia)	5,857,750	5,857,750	99.875	99.875
@ ATS Moorflex Pte Ltd (Republic of Singapore)	Dormant (Republic of Singapore)	37,151	-	100	-
OSEA Investments Pte Ltd (Republic of Singapore)	Designing and building of subsea robotics (Republic of Singapore)	855,000	-	68.4	-
		26,864,166	29,525,665		

Unquoted equity shares held by a subsidiary company of the Company :-

OSEA (Aberdeen) Limited (United Kingdom)	Operation of subsea robotics (United Kingdom)	380,414	-	68.4	-
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Associated company :

Unquoted equity shares held by a subsidiary company of the Company :-

@ ATS Moorflex Pte Ltd (Republic of Singapore)	Dormant (Republic of Singapore)	-	150,000	-	50
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Audited by member firms of Ernst & Young International.

@ During the year, the Group acquired an additional 50% interest in ATS Moorflex Pte Ltd and as at year end, ATS Moorflex Pte Ltd is a wholly-owned subsidiary company of the Company.

27. SUBSEQUENT EVENTS

On 22 January 2001, Aqua-Terra Supply Company Private Limited ("Aqua-Terra"), a wholly-owned subsidiary of the Company granted an option to BOC Technologies Singapore Pte Ltd ("BOC") in respect of the sale of its property at 42 Loyang Drive for a consideration of \$4,400,000. BOC exercised the option on 5 February 2001. The sale of the property was completed on 11 June 2001, after the financial year end.

Subsequent to 31 March 2001, the Company undertook a business restructuring exercise. Under the restructuring, three of its operating divisions (Oilfield, Advanced Engineering and Marine Parts Trading) were transferred to the Company's wholly-owned subsidiary companies with effect from 1 April 2001. This is to enable the Group to assess the performance of each business segments more accurately, as well as to achieve administrative and cost efficiency.

28. COMPARATIVE FIGURES

The presentation and classification of items in the financial statements have been changed to comply with the requirements of SAS 1 (Revised 1999) - "Presentation of financial statements", SAS 15 (Revised 1999) - "Leases" and SAS 23 (Revised 1999) - "Segmental Reporting" which became effective for the financial year ended 31 March 2001. Segmental information has also been analysed to include additional information on liabilities, capital expenditure and non-cash expenses by segments. As a result, additional line items have been included in the profit and loss account and a new statement of changes in equity has been presented as required by SAS 1 (Revised 1999). Accordingly, comparative figures have been restated to provide a proper comparison with the current year's presentation.

statistics of shareholdings

AS AT 15 JUNE 2001

Authorised Share Capital	:	120,000,000 Ordinary Shares of \$0.25 each
Issued and Fully Paid-up Capital	:	79,200,000 Ordinary Shares of \$0.25 each
Voting Rights	:	One Vote Per Share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 1,000	96	7.82	93,868	0.12
1,001 - 10,000	855	69.63	4,579,548	5.78
10,001 - 1,000,000	268	21.82	13,364,932	16.88
1,000,001 & ABOVE	9	0.73	61,161,652	77.22
Total	1,228	100.00	79,200,000	100.00

Top Twenty Shareholders	No. of Shares	%
HSBC (Singapore) Nominees Pte Ltd	21,287,000	26.88
Kurt R M Lindblad	20,684,652	26.12
Singapore Warehouse Co Pte Ltd	5,500,000	6.94
DBS Nominees Pte Ltd	5,323,000	6.72
United Overseas Bank Nominees Pte Ltd	2,591,000	3.27
HSBC Investment Bank PLC	1,757,000	2.22
Raffles Nominees Pte Ltd	1,608,000	2.03
Oversea Chinese Bank Nominees Pte Ltd	1,248,000	1.58
Tan Kah Boh Robert	1,163,000	1.47
Keppel Investment Ltd	909,000	1.15
Overseas Union Bank Nominees Pte Ltd	783,000	0.99
Francis James Reidy	647,000	0.82
Phillip Securities Pte Ltd	522,000	0.66
Lock Hong Cheong	442,492	0.56
OCBC Securities Private Ltd	363,000	0.46
Ng Siew Luan	330,000	0.42
Keppel Bank Nominees Pte Ltd	256,000	0.32
David Robertson Moody	222,000	0.28
AMEX Nominees (S) Pte Ltd	210,000	0.26
Low Swee Kiat	200,000	0.25
Total	66,046,144	83.40

SUBSTANTIAL SHAREHOLDERS AS AT 15 JUNE 2001

Name	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Kuah Kok Kim	-	-	17,652,000	22.29
Lim Kah Tee	-	-	17,652,000	22.29
Kurt R M Lindblad	20,684,652	26.12	-	-
Singapore Warehouse Co Pte Ltd	5,500,000	6.94	-	-
Hwa Hong Corporation Limited	-	-	5,500,000	6.94
Ong Holdings (Private) Limited	-	-	5,500,000	6.94
The Singapore SESDAQ Fund Limited	-	-	5,640,000	7.12

Note : Mdm Lim Kah Tee is the wife of Mr Kuah Kok Kim

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting of the Company will be held at Carlton Hotel, Empress Room A-Level 2, Singapore 189558 on Friday, 3 August 2001 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31 March 2001 together with the Auditor's Report thereon. (Resolution 1)
2. To declare a first and final dividend of 5% less tax for the year ended 31 March 2001. (Resolution 2)
3. To re-elect Mr Robert Tan Kah Boh who is retiring under Article 91 of the Company's Articles of Association. [See Explanatory Note (i)] (Resolution 3)
4. To re-appoint Ernst & Young as auditor of the Company and to authorise the Directors to fix their remuneration. (Resolution 4)
5. To transact any other business that may be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

6. To approve Directors' Fees of \$80,000 (2000 : \$90,000) (Resolution 5)
7. To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolution :

"That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company (including but not limited to the issue and allotment of shares in the capital of the Company at any time, whether during the continuance of such authority or thereafter, pursuant to offers, agreements or options made or granted by the Company while this authority remains in force) 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 issued pursuant to this Resolution shall not exceed 50% of the issued share capital of the Company for the time being and of which the aggregate number of shares issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 20% of the issued share capital of the Company for the time being." [See Explanatory Note (ii)]

(Resolution 6)

By Order of the Board

Fong Choon Seng
Loh Shu Chun

Secretaries

Singapore
12 July 2001

notice of annual general meeting

EXPLANATORY NOTES:

- (i) Resolution 3: Mr Robert Tan Kah Boh will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and will be considered independent for the purposes of Clause 902(4)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
- (ii) Resolution 6: The Ordinary Resolution set out in item 7 above, if passed, will empower the Directors of the Company, from the date of the above meeting until the conclusion of the next Annual General Meeting, to issue additional shares in the capital of the Company and/or make offers or enter into agreements or grant options in respect of shares in the capital of the Company, without seeking any further approval from members in general meeting but within the limitations imposed by the resolution, for such purposes as they consider would be in the interests of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier.

NOTES:

A member of the Company entitled to attend and vote may appoint a proxy to attend and vote in his place. A Proxy need not be a member of the Company.

A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

The instrument appointing a proxy must be deposited at 182 Pandan Loop, Singapore 128373, not less than 48 hours before the time fixed for the holding of the meeting.

proxyform

(Please see notes overleaf before completing this form)



METALOCK (SINGAPORE) LIMITED
(Incorporated in The Republic of Singapore)

I/We _____ of _____
being a member/members of Metalock (Singapore) Limited (the "Company"), hereby appoint
_____ of _____
or, failing him/ her, _____ of _____
as my/our proxy to vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held at Carlton Hotel, Empress Room A-Level 2, Singapore 189558 on Friday, 3 August 2001 at 10.00 a.m. 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 Audited Accounts for the year ended 31 March 2001		
2.	Declaration of first and final dividend		
3.	Re-election of Mr Robert Tan Kah Boh		
4.	Re-appointment of Ernst & Young as Auditor		
5.	Approval of Directors' fees		
6.	Authority to issue and allot new shares		

(Please indicate with a cross [X] in the boxes provided above 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 _____ 2001 .

Signature of Shareholder(s)/
Common Seal of Corporate Shareholder

Total No of Shares	No of Shares
a) CDP Register	
b) Register of Members	

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 a proxy or proxies to attend and vote instead of him.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his 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 182 Pandan Loop, Singapore 128373 not less than 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 Annual General 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 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Affix
Postage
Stamp

The Secretary
Metalock (Singapore) Limited
182 Pandan Loop
Singapore 128373



METALOCK (SINGAPORE) LIMITED
AND SUBSIDIARY COMPANIES

182 Pandan Loop Singapore 128373 Tel: 777 7651 Fax: 7794092