

Annual Report 2001/2002

Full Steam Ahead



METALOCK (SINGAPORE) LIMITED

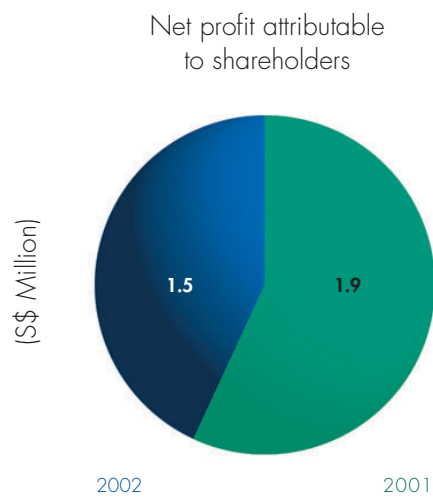
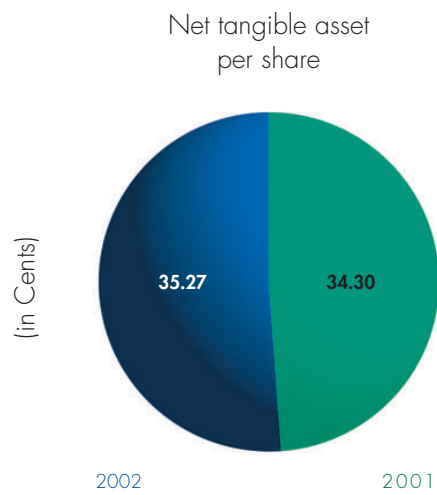
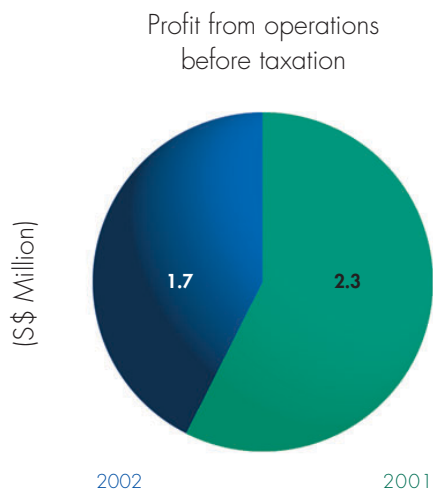
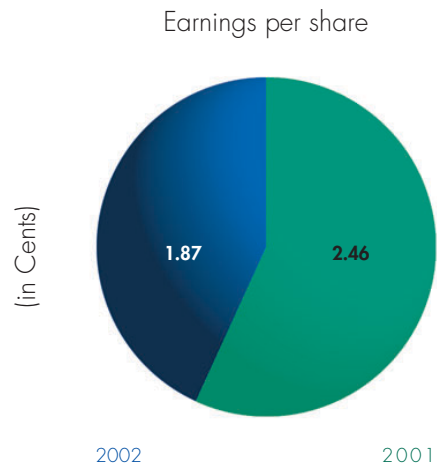
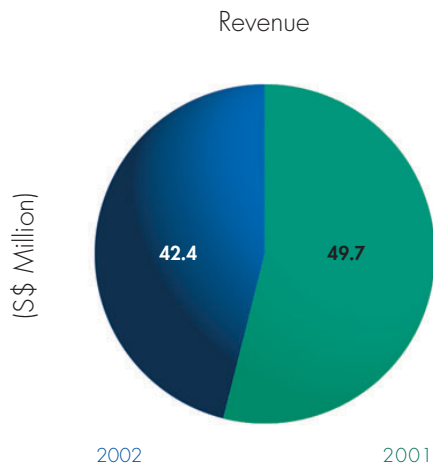
Full Steam Ahead

Charging forward with greater focus, the Group successfully divested our marine repair business along with our trading and foundry operations. We are now poised to move at full speed ahead. The Group will vigorously explore new expansion opportunities in our existing core businesses – oilfield equipment repairs, subsea robotics and turbocharger services. Concurrently, we will be seeking new investment opportunities in engineering services and the manufacturing of industrial products, particularly in the oil and gas-related industries.

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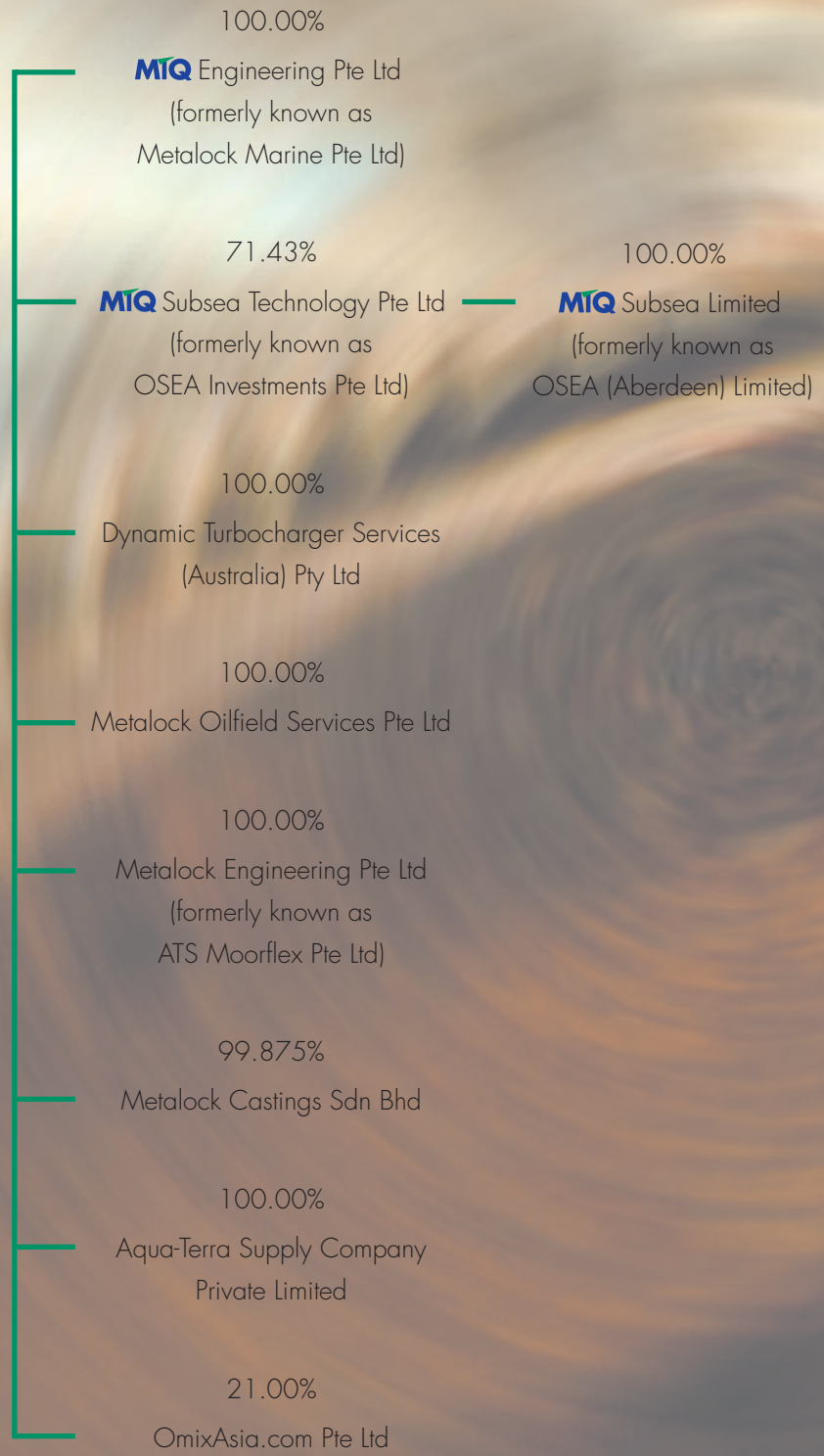
Financial Highlights



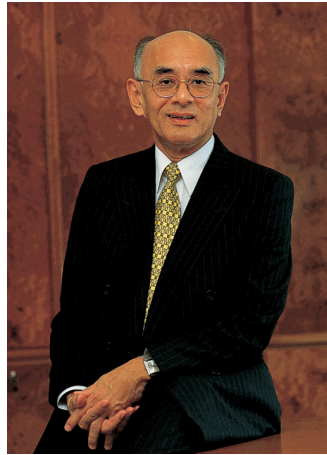
● FY 00/01 ended 31/03/01

● FY 01/02 ended 31/03/02

Corporate Structure



Chairman's Report



Barring any unforeseen circumstances, we expect a significant improvement in our Group's performance this year.

Despite the sense of uncertainty and pessimism cast over the global economy for most parts of the year under review, the Group's performance for the financial year ended 31 March 2002 was creditable. The revenue and profit of S\$ 42.4m and S\$ 1.5m were derived solely from the operating activities without any exceptional gains.

We continued our efforts to boost productivity, increase safety awareness, quality controls and better work practices in the year, which had a direct positive influence on the results achieved as evidenced in the radical improvement in the quality of our debtors. We also had an excellent safety record this year and no major disputes with any customers.

Marine Repair Services Division

The most significant event which took place in the year under review was the divestiture of our marine repair services and marine parts trading division. The decision to sell the division, albeit an extremely difficult one, was made in the best interests of the Group and the employees concerned.

We managed to secure a relatively attractive price of S\$8.6m for the division and the exceptional gain from the sale will be recognised in the current financial year. I am pleased to report that the sale was satisfactorily completed on 20 May 2002. In accordance to the agreement, S\$8.3m of the sales proceeds have been duly received to-date.

We are also pleased to have managed to procure continuous employment for all existing employees of the division.

Oilfield Repair Services Division

Our Oilfield division performed above expectations, benefiting from increased exploration activities in the oil and gas industry.

Business outlook for the division remains upbeat and will continue to be good as long as conditions in the oil and gas sector remain robust. We intend to progressively renew and upgrade our production facilities to meet an expected growth in business flows predicated on an increase in exploration activities in the oil and gas sector.

Turbocharger Division

Our subsidiary in Australia, Dynamic Turbocharger Services (Australia) Pty Ltd, maintained its outstanding contribution to the Group's results.

Leveraging on our extensive network in Australia, we intend to introduce complementary services to our existing turbocharger operations. This will steer Dynamic one step further towards providing a more comprehensive range of services to our customers.

We will also cautiously commence our plans to replicate Dynamic's business model in Asia, which was shelved in view of the regional and global downturn.

Remotely Operated Vehicles ("ROVs")

The first phase of MTQ Subsea Technology Pte Ltd's ROV building program encountered slight delays due to the late delivery of various crucial components.

At the time of this report, our fleet of 6 ROVs, ranging from survey to work-class systems, has been successfully completed. Managed by our Aberdeen office in Scotland, they will be deployed in various oil and gas fields, principally in the North Sea region.

We are greatly encouraged by our success in establishing a presence within such a short period, particularly in such a specialised sector. The superior performance of the completed ROV systems surpassed their original design specifications, once again demonstrating the technical capabilities of our team.

With the support of a reliable fleet and a good team, we expect MTQ Subsea to make a substantial revenue contribution in the current financial year.

We will grow our existing fleet of ROVs at a prudent pace according to market forces and we intend to extend our presence to the Asian markets.

Future Direction And Immediate Prospects

Going forward, the Group will vigorously explore potential expansion plans in our existing core businesses relating to ROVs, oilfield engineering repairs as well as turbocharger services. Concurrently, the Group will be actively seeking new investment opportunities in engineering services and the manufacturing of industrial products in areas where our technical competence, experience and customer contact base can be more advantageously employed. In the immediate future, the Group will be paying particular attention to oil and gas related activities.

Barring any unforeseen circumstances, we expect a significant improvement in our Group's performance this year.

Dividends

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.

The successful completion of the sale of marine repair services division, marks a significant milestone in the history of Metalock Group and signifies the Group's leap into a new level of growth as we mature out of our traditional markets. In a gesture to reward shareholders who have been very supportive of the Group, the Directors are pleased to recommend an additional special dividend of 5% less tax, to be approved by shareholders at the Annual General Meeting.

Acknowledgements

During the year under review, our Board of Directors underwent some changes.

Regrettably, Mr Robert Tan had decided to step down as a director of the Company due to the constraints of his other commitments. We are most grateful for his invaluable services rendered during the last few difficult years. Mr Tan, especially through his office as Chairman of the Audit Committee, made a vast contribution to the current well-being of the Group.

We are honoured to have Mr Samuel Bernard Sassoon, Mr Huang Yuan Chiang and Mr Ian Wayne Spence as our newly appointed directors. With their appointment, they bring with them many years of experience in the business arena which, I have no doubt, will serve the Group well in the years to come. Mr Spence assumes the role of the Audit Committee Chairman and Mr Huang will also participate as a member. Mr Sassoon will continue to serve as the Managing Director of MTQ Subsea Technology Pte Ltd.

I would like to end my report to the shareholders with a note of thanks to my fellow Board members for their assistance and support. On behalf of the Board, we would also like to thank the management and staff of Metalock for their commitment and hard work which saw us through the challenges of the year. Finally, to all our customers, business associates and shareholders, thank you for your continued support.

Kuah Kok Kim
Chairman and CEO
3 June 2002



Board of Directors



Kuah Kok Kim,
Chairman and CEO

Philip Eng Heng Nee,
Director

Huang Yuan Chiang,
Director



Ong Choo Eng,
Director

Samuel Bernard Sassoon,
Director

Ian Wayne Spence,
Director

Corporate Data

Directors

Kuah Kok Kim,
Chairman and CEO

Philip Eng Heng Nee,
Director

Huang Yuan Chiang,
Director
(appointed on 8.8.2001)

Ong Choo Eng,
Director

Samuel Bernard Sassoon,
Director
(appointed on 8.8.2001)

Ian Wayne Spence,
Director
(appointed on 15.1.2002)

Robert Tan Kah Boh,
Director
(resigned on 15.1.2002)

Audit Committee

Ian Wayne Spence,
Chairman

Philip Eng Heng Nee

Huang Yuan Chiang

Ong Choo Eng

Secretaries

Fong Choon Seng

Loh Shu Chun

Registered Office

182 Pandan Loop
Singapore 128373

Auditor

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

Registrar

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

Principal Bankers

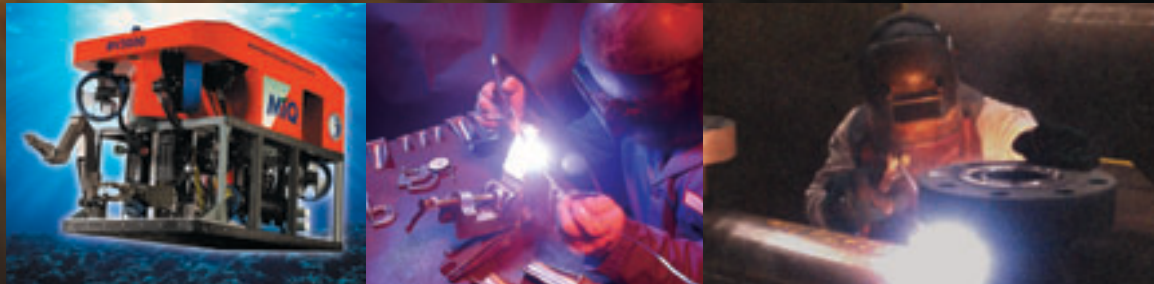
Development Bank of
Singapore Limited

Oversea-Chinese Banking
Corporation Limited

The Hongkong and Shanghai
Banking Corporation Limited

United Overseas Bank Limited

Business Review



2001 saw the divestment of our trading business in March and our foundry operation in July. This was followed by the sale of our marine repair services business in February 2002.

The hiving off of our marine segment was the culmination of our efforts to reduce our reliance on the local marine sector, while our exit from the foundry business was based on our realization that the business lacked competitiveness and did not enjoy economies of scale due to its small operations.

Going forward at full steam ahead will be our key areas of business – the design, manufacturing and leasing of remotely-operated vehicles (ROVs); oilfield engineering repairs, and turbocharger services.

We will also concurrently tap on new investment opportunities in engineering services and manufacturing of industrial products where our technical competence, relevant experience and customer base can be further leveraged. In the immediate future, the Group will be paying particular attention to oil and gas related activities.

Remotely Operated Vehicles



The highlight of the year was surely the launch of our very first workclass ROV, Phoenix 1, which was the culmination of months of development by our highly experienced team of engineers. Despite initial delays to the production schedule, our first Phoenix work-class ROV made its way to Aberdeen, Scotland, where our subsidiary MTQ Subsea Limited is based.

Aberdeen is the hub of major oil and gas activities in the North Sea, and will be the launch pad for many of our ROV activities.

At the time of this report, our fleet of 6 ROVs, ranging from survey to work-class systems, has been successfully commissioned. They will be deployed in various oil and gas fields, principally in the North Sea.

We are very encouraged by our success in establishing a presence within such a short period, particularly in a highly-specialised sector. MTQ Subsea's technical expertise was also proven when actual performance of our ROVs surpassed their original expectations.

We have reasons to believe that this business segment is poised to be one of the major growth drivers for the Group.

Turbocharger Services



During FY2001 /02, our wholly owned subsidiary, Dynamic Turbocharger Services (Australia) Pty Ltd, which we acquired in November 1999, contributed 38% of the Group's revenue.

In a bid to widen its earnings base by leveraging on its reputation and country-wide network in Australia, Dynamic intends to introduce value-added services that would complement its existing turbocharger operations.

Dynamic, the largest independent supplier of turbochargers in the Southern Hemisphere with 10 fully-equipped facilities nationally, hopes to commence its plans to replicate its business model in Asia where there is a high demand for turbochargers to boost the performance of all types of engines.

Oilfield Repair Services



During the year in review, our oilfield division performed above expectations, benefiting from increased exploration activities in the oil and gas industry.

Having established a good track record in providing engineering services for the reconditioning of oilfield equipment such as valves and blow-out preventors, our oilfield division plans to expand our offerings and give more value-added services for our customers.

During the year, we have also secured several repair works from the petrochemical plants and refineries on Jurong Island. We will continue to intensify our efforts to penetrate into such land-based industries.

Business outlook for the division remains upbeat. We intend to progressively renew and upgrade our production facilities to meet an expected increase in business flows predicated on an increase in exploration activities in the oil and gas sector.

Financial Report

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Directors' Report

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 2002.

Principal activities

The principal activities of the Group are those relating to marine and oilfield engineering; trading in marine and industrial products; sales and servicing of turbochargers; designing, manufacturing and operation of remotely operated vehicles as well as the production of ductile cast iron products.

Pursuant to a restructuring exercise on 1 April 2001, the Company became an investment holding company providing only corporate services to its subsidiary companies.

In June 2001, the Group wound down the activities of its subsidiary company, Metalock Castings Sdn Bhd, in the production of ductile cast iron products.

In February 2002, the Group entered into a conditional agreement for the sale of its marine repair services and the trading and selling of related marine spare parts and components business of a wholly owned subsidiary, MTQ Engineering Pte Ltd.

The above events are more particularly described in Note 26 to the financial statements.

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

Acquisition and disposal of subsidiary companies

The Company increased its interest in MTQ Subsea Technology Pte Ltd from 68.4% to 73.0%, through subscription for 2,145,000 ordinary shares of \$1 each in the subsidiary company. In addition to the above, MTQ Subsea Technology Pte Ltd issued 90,000 ordinary shares of \$1 each by virtue of the exercise of options granted to senior employees of the subsidiary company. Arising therefrom, the Company's effective interest in MTQ Subsea Technology Pte Ltd as at the end of the financial year became 71.4%. Correspondingly, the Group's interest in MTQ Subsea Limited, a wholly owned subsidiary company of MTQ Subsea Technology Pte Ltd, also increased from 68.4% to 71.4%.

There were no other acquisition or disposal of subsidiary companies during the financial year.

Results for the financial year

	Group \$'000	Company \$'000
Net profit/(loss) from operations	1,259	(1,275)
Minority interests	222	–
Net profit/(loss) attributable to shareholders	1,481	(1,275)
Dividends paid in respect of the previous financial year, less tax	(747)	(747)
Transferred to retained earnings	734	(2,022)

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 exceptional items and changes in accounting policies as disclosed in the notes to the financial statements.

Material movements in reserves and provisions

Movements in reserves during the year are as set out in the Statements of Changes in Equity for the Company and the Group.

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, impairment of assets and income tax as shown in the financial statements.

Dividends

Since the end of the previous financial year, the Company has paid a net dividend of \$747,450 in respect of the previous financial year as proposed in the Directors' Report of that year.

The Directors propose a first and final dividend of 5% less tax at 22%, amounting to \$772,200, to be paid for the financial year under review. The Directors further recommend the payment of an additional special dividend of 5% less tax at 22%, amounting to \$772,200.

Share capital

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

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

Name of subsidiary company	Description of shares issued	Purpose of issue
MTQ Subsea Technology Pte Ltd (formerly known as OSEA Investments Pte Ltd)	2,859,998 ordinary shares of \$1 each for cash	To provide additional working capital
	90,000 ordinary shares of \$1 each at \$1.05 each	Exercise of options granted under the MTQ Subsea Technology Pte Ltd Share Option Scheme
MTQ Subsea Limited (formerly known as OSEA (Aberdeen) Limited)	200,000 ordinary shares of £1 each	Capitalisation of shareholder's loan

Options on shares in the Company

The particulars of share options of the Company are as follows :

The Metalock Executives' Share Option Scheme which has been approved by the shareholders of the Company on 8 August 2000 is administered by the Remuneration Committee. The Committee comprises the following members during the year and at the date of this report :

Philip Eng Heng Nee	(Chairman)
Huang Yuan Chiang	(appointed on 28.11.2001)
Ong Choo Eng	
Ian Wayne Spence	(appointed on 15.1.2002)
Robert Tan Kah Boh	(resigned on 15.1.2002)

Under the Metalock Executives' Share Option Scheme, options to subscribe for 1,850,000 unissued shares of \$0.25 each in the Company were outstanding as at 31 March 2002.

Date of option	As at 1.4.2001	No. of options		As at 31.3.2002	Exercise price	Expiry date
		Exercised	Cancelled			
15 October 2000	2,450,000	–	800,000	1,650,000	\$0.30	15 October 2010
15 October 2000	400,000	–	200,000	200,000	\$0.30	15 October 2005

There were no options granted by the Company during the financial year. 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.

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

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

Kuah Kok Kim	
Philip Eng Heng Nee	
Huang Yuan Chiang	(appointed on 8.8.2001)
Ong Choo Eng	
Samuel Bernard Sassoon	(appointed on 8.8.2001)
Ian Wayne Spence	(appointed on 15.1.2002)

According to the register required to be kept under Section 164 of the Companies Act, Cap. 50, the following Directors who held office at the end of the financial year had interests in the Company and its subsidiary companies as stated below :

	Holdings registered in the name of Directors			Holdings in which Directors are deemed to have interests		
	At 1.4.2001/ date of appointment	At 31.3.2002	At 21.4.2002	At 1.4.2001/ date of appointment	At 31.3.2002	At 21.4.2002
	The Company					
(Ordinary shares of \$0.25 each)						
Kuah Kok Kim	75,000	115,000	–	17,577,000	18,005,000	18,120,000
Samuel Bernard Sassoon	169,000	199,000	199,000	2,205,000	3,449,000	3,449,000
(Options to subscribe for ordinary shares of \$0.25 each)						
Philip Eng Heng Nee	100,000	100,000	100,000	–	–	–
Ong Choo Eng	100,000	100,000	100,000	–	–	–
Subsidiary company						
MTQ Subsea Technology Pte Ltd						
(Ordinary shares of \$1 each)						
Samuel Bernard Sassoon	840,000	840,000	840,000	–	–	–

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 2002.

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.

Mr Samuel Bernard Sassoon is deemed to have an interest in shares of the subsidiary company of MTQ Subsea Technology Pte Ltd, MTQ Subsea Limited, by virtue of his interest in more than 20% of the issued share capital of MTQ Subsea Technology Pte Ltd.

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.

Audit Committee

The Audit Committee held two meetings since the last Directors' Report and performed the functions 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 2002 as well as the external auditor's report thereon.

The Committee recommends to the Board of Directors that the auditor, Ernst & Young, be nominated for re-appointment as external auditor 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

Ian Wayne Spence

Director

Singapore
3 June 2002

Report On Corporate Governance

Board of Directors

At the date of this report, the Board of Metalock (Singapore) Limited comprises two executive and four non-executive Directors as follows :

Executive Directors :

Kuah Kok Kim (Chairman and Chief Executive Officer)

Samuel Bernard Sassoon

Non-executive Directors :

Philip Eng Heng Nee

Huang Yuan Chiang

Ong Choo Eng

Ian Wayne Spence

The Directors take a keen interest in the overall strategy and direction of the Group. 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 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 is also committed to increase the level of corporate governance in the Company. Currently, the Board is reviewing the Code of Corporate Governance issued by the Corporate Governance Committee and will endeavour to comply with the requirements as soon as practicable.

Audit Committee

The Audit Committee comprises four members, three of whom are Independent Directors. The members of the Audit Committee during the year and at the date of this report are :

Ian Wayne Spence (Chairman; Independent Director - appointed on 15.1.2002)

Philip Eng Heng Nee (Independent Director)

Huang Yuan Chiang (Independent Director - appointed on 28.11.2001)

Ong Choo Eng

Robert Tan Kah Boh (Chairman; Independent Director - resigned on 15.1.2002)

The Company adopted the Best Practices Guide (the "Guide") issued by the Singapore Exchange Securities Trading Limited ("SGX-ST") 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 them 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, the Guide and 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 members of the Investment Committee explore potential areas of diversification and source new investment opportunities as well as initiate feasibility studies and make their recommendations to the Board.

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

Kuah Kok Kim	(Chairman)
Ong Choo Eng	
Ian Wayne Spence	(appointed on 15.1.2002)
Robert Tan Kah Boh	(resigned on 15.1.2002)

Remuneration Committee

The Remuneration Committee comprises four 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 Metalock Executives' Share Option Scheme. The members of the Remuneration Committee during the year and at the date of this report are :

Philip Eng Heng Nee	(Chairman)
Huang Yuan Chiang	(appointed on 28.11.2001)
Ong Choo Eng	
Ian Wayne Spence	(appointed on 15.1.2002)
Robert Tan Kah Boh	(resigned on 15.1.2002)

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

Ian Wayne Spence

Director

Singapore
3 June 2002

Statement By Directors

Pursuant to Section 201(15), Companies Act, Cap. 50

We, Kuah Kok Kim and Ian Wayne Spence, 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 flows 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 2002 and of the results of the business, 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

Ian Wayne Spence

Director

Singapore

3 June 2002

Auditor's Report

to the Members of Metalock (Singapore) Limited

We have audited the financial statements of Metalock (Singapore) Limited set out on pages 23 to 66. These financial statements comprise the balance sheets of the Company and the Group as at 31 March 2002, the profit and loss accounts and the statements of changes in equity of the Company and of the Group and statement of cash flows of the Group for the year ended 31 March 2002, and notes thereto. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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 2002, 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 24 to the financial statements.

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
3 June 2002

Profit And Loss Accounts

for the year ended 31 March 2002

(In Singapore Dollars)

	Note	Continuing Operations		Discontinuing Operations		Total Consolidated	
		2002 \$'000	2001 \$'000 restated	2002 \$'000	2001 \$'000 restated	2002 \$'000	2001 \$'000 restated
GROUP							
Revenue	3	30,119	35,655	12,293	14,015	42,412	49,670
Other revenue	4	395	292	70	291	465	583
		30,514	35,947	12,363	14,306	42,877	50,253
Cost of sales		(17,473)	(22,860)	(9,583)	(10,182)	(27,056)	(33,042)
		13,041	13,087	2,780	4,124	15,821	17,211
Staff costs		(6,208)	(7,017)	(1,523)	(2,863)	(7,731)	(9,880)
Other operating expenses		(3,395)	(2,162)	(2,646)	(2,476)	(6,041)	(4,638)
Profit/(loss) from operating activities	5	3,438	3,908	(1,389)	(1,215)	2,049	2,693
Finance costs	6	(331)	(353)	(26)	(60)	(357)	(413)
Gain on disposition	26	-	-	1	-	1	-
Profit/(loss) from operations before taxation		3,107	3,555	(1,414)	(1,275)	1,693	2,280
Taxation	7	(434)	(417)	-	(1)	(434)	(418)
Net profit/(loss) from operations		2,673	3,138	(1,414)	(1,276)	1,259	1,862
Minority interests		222	87	-	-	222	87
Net profit/(loss) attributable to shareholders		2,895	3,225	(1,414)	(1,276)	1,481	1,949
Earnings per share							
- Basic	8	3.66 cts	4.07 cts			1.87 cts	2.46 cts
- Diluted	8	3.64 cts	4.07 cts			1.86 cts	2.46 cts

The accounting policies and explanatory notes on pages 30 to 66 form an integral part of the financial statements.

Profit And Loss Accounts

for the year ended 31 March 2002

(In Singapore Dollars)

	Note	Continuing Operations		Discontinuing Operations		Total	
		2002 \$'000	2001 \$'000 restated	2002 \$'000	2001 \$'000 restated	2002 \$'000	2001 \$'000 restated
COMPANY							
Revenue	3	3,552	4,473	-	12,184	3,552	16,657
Other revenue	4	368	346	-	-	368	346
		3,920	4,819	-	12,184	3,920	17,003
Cost of sales		-	-	-	(7,875)	-	(7,875)
		3,920	4,819	-	4,309	3,920	9,128
Staff costs		(1,348)	(1,594)	-	(1,264)	(1,348)	(2,858)
Other operating expenses		(3,803)	(2,179)	-	(2,519)	(3,803)	(4,698)
(Loss)/profit from operating activities	5	(1,231)	1,046	-	526	(1,231)	1,572
Finance costs	6	(12)	(54)	-	-	(12)	(54)
(Loss)/profit from operations before taxation		(1,243)	992	-	526	(1,243)	1,518
Taxation	7	(32)	(25)	-	-	(32)	(25)
Net (loss)/profit attributable to shareholders		(1,275)	967	-	526	(1,275)	1,493

The accounting policies and explanatory notes on pages 30 to 66 form an integral part of the financial statements.

Balance Sheets

as at 31 March 2002
(In Singapore Dollars)

	Note	Group		Company	
		2002 \$'000	2001 \$'000 restated	2002 \$'000	2001 \$'000 restated
ASSETS LESS LIABILITIES					
Non-current assets					
Property, plant and equipment, net	9	21,773	17,996	4,307	6,698
Subsidiary companies	10	–	–	27,584	27,763
Investments	11	685	390	685	390
Other receivables	12	290	368	98	249
		22,748	18,754	32,674	35,100
Current assets					
Inventories and work-in-progress	13	6,510	6,336	–	2,904
Receivables	14	10,504	19,346	987	4,020
Fixed deposits		2,032	3	2,029	–
Cash at bank and in hand		5,849	1,487	1,419	37
		24,895	27,172	4,435	6,961
Current liabilities					
Payables : amounts falling due within one year	15	14,693	14,817	987	3,821
Net current assets		10,202	12,355	3,448	3,140
Non-current liabilities					
Payables : amounts falling due after one year	16	3,628	2,816	–	–
Deferred taxation	17	494	821	725	821
		(4,122)	(3,637)	(725)	(821)
Net assets		28,828	27,472	35,397	37,419
EQUITY					
Share capital	18	19,800	19,800	19,800	19,800
Reserves	19	8,134	7,363	15,597	17,619
		27,934	27,163	35,397	37,419
Minority interests		894	309	–	–
		28,828	27,472	35,397	37,419

The accounting policies and explanatory notes on pages 30 to 66 form an integral part of the financial statements.

Statements Of Changes In Equity

for the year ended 31 March 2002

(In Singapore Dollars)

	Ordinary shares \$'000	Share premium \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total share- holders' equity \$'000
GROUP					
Balance at 1 April 2000	19,800	1,944	346	3,139	25,229
- effect of adopting SAS 17	-	-	-	(175)	(175)
Balance at 1 April 2000 - as restated	19,800	1,944	346	2,964	25,054
Exchange difference on translation of overseas subsidiary companies	-	-	185	-	185
Discount on consolidation	-	-	-	63	63
Change in group structure	-	-	-	(88)	(88)
Net profit attributable to shareholders - as previously reported	-	-	-	1,954	1,954
- effect of adopting SAS 17	-	-	-	(5)	(5)
Net profit attributable to shareholders - as restated	-	-	-	1,949	1,949
Balance at 31 March 2001	19,800	1,944	531	4,888	27,163
Balance at 1 April 2001	19,800	1,944	531	4,321	26,596
- effect of adopting SAS 10	-	-	-	747	747
- effect of adopting SAS 17	-	-	-	(180)	(180)
Balance at 1 April 2001 - as restated	19,800	1,944	531	4,888	27,163
Exchange difference on translation of overseas subsidiary companies	-	-	37	-	37
Net profit attributable to shareholders	-	-	-	1,481	1,481
Dividends paid in respect of the previous financial year, less tax	-	-	-	(747)	(747)
Balance at 31 March 2002	19,800	1,944	568	5,622	27,934

The accounting policies and explanatory notes on pages 30 to 66 form an integral part of the financial statements.

Statements Of Changes In Equity

for the year ended 31 March 2002
(In Singapore Dollars)

	Ordinary shares \$'000	Share premium \$'000	Retained earnings \$'000	Total share- holders' equity \$'000
COMPANY				
Balance at 1 April 2000	19,800	1,944	14,223	35,967
- effect of adopting SAS 17	-	-	(41)	(41)
Balance at 1 April 2000	19,800	1,944	14,182	35,926
- as restated				
Net profit attributable to shareholders				
- as previously reported	-	-	1,494	1,494
- effect of adopting SAS 17	-	-	(1)	(1)
Net profit attributable to shareholders				
- as restated	-	-	1,493	1,493
Balance at 31 March 2001	19,800	1,944	15,675	37,419
Balance at 1 April 2001	19,800	1,944	14,970	36,714
- effect of adopting SAS 10	-	-	747	747
- effect of adopting SAS 17	-	-	(42)	(42)
Balance at 1 April 2001	19,800	1,944	15,675	37,419
- as restated				
Net loss for the year	-	-	(1,275)	(1,275)
Dividends paid in respect of the previous financial year, less tax	-	-	(747)	(747)
Balance at 31 March 2002	19,800	1,944	13,653	35,397

The accounting policies and explanatory notes on pages 30 to 66 form an integral part of the financial statements.

Consolidated Statement Of Cash Flows

for the year ended 31 March 2002

(In Singapore Dollars)

	2002 \$'000	2001 \$'000
Cash flows from operating activities :		
Profit from operations before taxation	1,693	2,280
(Less)/add :		
Dilution of minority interests in a subsidiary company, net	(3)	–
Depreciation of property, plant and equipment	2,134	2,420
Impairment loss of property, plant and equipment	170	238
Profit on sale of property, plant and equipment, net	(82)	(408)
Profit on sale of quoted investments	(2)	(56)
Investment and interest income	(62)	(38)
Interest expense	357	413
Write back of provision for diminution in quoted investments	–	(9)
Profit on sale of business assets by a subsidiary company	–	(1,103)
Write back of provision for amounts due from an associated company	–	(34)
	4,205	3,703
Operating income before reinvestment in working capital		
Decrease/(increase) in receivables	2,644	(479)
(Increase)/decrease in inventories and work-in-progress	(174)	1,486
Decrease in payables	(656)	(1,024)
Decrease in amounts receivable from an associated company	–	18
Currency realignment	91	(212)
	6,110	3,492
Cash generated from operations		
Investment and interest income	62	38
Interest expense	(357)	(413)
Income taxes paid	(601)	(703)
	5,214	2,414
Net cash provided by operating activities		

Consolidated Statement Of Cash Flows

for the year ended 31 March 2002

(In Singapore Dollars)

	2002 \$'000	2001 \$'000
Cash flows from investing activities :		
Proceeds from sale of business assets by a subsidiary company in prior year	5,970	–
Purchase of property, plant and equipment	(10,747)	(4,609)
Proceeds from sale of property, plant and equipment	4,969	935
Proceeds from sale of quoted investments	43	162
Additional investment in unquoted investment	(336)	(349)
Subscription for shares in a subsidiary company by minority shareholders	810	235
Repayment of staff loans, net	146	259
Acquisition of business assets by a subsidiary company	–	(65)
Net cash provided by/(used in) investing activities	855	(3,432)
Cash flows from financing activities :		
Dividends paid	(747)	–
Repayment of finance leases	(124)	(52)
Proceeds from finance leases	38	96
(Repayment)/proceeds from bank overdraft, secured	(94)	463
Proceeds from bank loans	3,820	900
Repayment of bank loans	(1,615)	(618)
Net cash provided by financing activities	1,278	789
Net change in cash and cash equivalents	7,347	(229)
Cash and cash equivalents at beginning of financial year (Note 21)	534	763
Cash and cash equivalents at end of financial year (Note 21)	7,881	534

The accounting policies and explanatory notes on pages 30 to 66 form an integral part of the financial statements.

Notes To The Financial Statements

31 March 2002

(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 Group are those relating to marine and oilfield engineering; trading in marine and industrial products; sales and servicing of turbochargers; designing, manufacturing and operation of remotely operated vehicles as well as the production of ductile cast iron products.

Pursuant to a restructuring exercise on 1 April 2001, the Company became an investment holding company providing only corporate services to its subsidiary companies.

In June 2001, the Group wound down the activities of its subsidiary company, Metalock Castings Sdn Bhd, in the production of ductile cast iron products.

In February 2002, the Group entered into a conditional agreement for the sale of its marine repair services and the trading and selling of related marine spare parts and components business of a wholly owned subsidiary company, MTQ Engineering Pte Ltd.

The above events are more particularly described in Note 26.

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

The Company and the Group employed 14 and 291 (2001 : 112 and 351) employees as at 31 March 2002, 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) Changes in accounting policies

The Company and the Group adopted the following new or revised standards in the current financial year :

SAS 8 (revised 2000) - Net Profit or Loss for the period, Fundamental Errors and Changes in Accounting Policies

The adoption of SAS 8 (revised 2000) has resulted in the Company and the Group reclassification of extraordinary items which do not meet the definition of extraordinary item to exceptional items. The revised policy has been applied retrospectively by reclassifying the comparatives in the profit and loss accounts to conform with the current year's presentation.

(In Singapore Dollars)

(b) Changes in accounting policies (cont'd)***SAS 10 (revised 2000) - Events after the Balance Sheet Date***

The adoption of SAS 10 (revised 2000) has resulted in the Company and the Group reversing the liability for proposed final dividends. The new accounting policy is to recognise proposed final dividends only after they have been formally declared payable by shareholders (Note 20). The change has been applied retrospectively by adjusting the opening retained earnings of the Company and the Group by \$747,450; comparatives have been restated.

SAS 17 (2000) - Employee Benefits

The adoption of SAS 17 (2000) has resulted in the Company and the Group making accrual for unconsumed annual leave on an earned basis instead of on a consumed basis. This change in accounting policy has the effect of reducing the Company and the Group profit from operations by \$18,000 and \$117,000 respectively for the current financial year and \$1,000 and \$5,000 respectively for the financial year ended 31 March 2001. The cumulative charge for prior years has been made against the opening retained earnings of the Company and the Group by \$42,000 and \$180,000 respectively for the current financial year and by \$41,000 and \$175,000 respectively for the financial year ended 31 March 2001.

SAS 22 (revised 2000) - Business Combinations

On adoption of SAS 22 (revised 2000), the Group has changed the accounting policy on the treatment of goodwill arising on acquisition of businesses. The Group has adopted the transitional provision of not restating the goodwill that has previously been written off against reserves, with the view of including the attributable goodwill in the determination of profit or loss when the businesses are disposed of or discontinued. The result of adopting this choice of transitional provision is that the adoption of SAS 22 (revised 2000) has no effect on the comparatives or the opening retained earnings; the effect of this change in accounting policy on the net profit for the year arising from current year's acquisition of businesses is a charge of \$12,000 for the Group.

SAS 32 (2000) - Financial Instruments***SAS 35 (2000) - Discontinuing Operations******SAS 36 (2000) - Impairment of Assets***

The adoption of the above standards have not given rise to any adjustments to the opening retained earnings of the current and prior period or to changes in comparatives.

c) 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. All intra-group balances and transactions are eliminated on consolidation.

(In Singapore Dollars)

(c) Basis of consolidation (cont'd)

The results of the subsidiary companies are included in the financial statements of the Group from the date they became subsidiary companies. Acquisition of subsidiary companies 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.

(d) Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary company or an associated company at the date of acquisition. Goodwill is amortised using the straight-line method over the period that benefits are expected to be received.

(e) Subsidiary companies

At each balance sheet date, the Company assesses whether there is any indication of impairment of the investment in subsidiary companies. If any such indication exists, the recoverable amount is estimated and provision for impairment loss is made, if any.

(f) Revenue recognition

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

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

Revenue from subsea services is recognised in the year in which the services are provided.

Management fees are recognised on an accrual basis upon which corporate services are rendered and billed.

(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.

The carrying amounts of the property, plant and equipment are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount, and if carrying values exceed this recoverable amount, the assets are written down.

(In Singapore Dollars)

(h) Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments at the inception of the lease term and disclosed as leased property, plant and equipment. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

(i) Investments

Investments are held on a long term basis and at each balance sheet date, the Company assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated and provision for impairment loss is made, if any.

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

(j) 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 and assets under construction. 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 and subseas equipment	- 4 to 10 years
Furniture and fixtures	- 5 to 10 years
Motor vehicles	- 4 to 5 years
Office equipment	- 3 to 5 years

Assets under construction are stated at cost. Expenditure relating to assets under construction are capitalised when incurred. Depreciation will commence when the development is completed.

(k) 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.

(In Singapore Dollars)

(l) Trade and other receivables

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

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

(m) Trade and other payables

Liabilities for trade and other payables which are normally settled on 60-day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Payables to related parties are carried at cost.

(n) Provisions

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

A provision for warranty is recognised for all products under warranty at the balance sheet date based on past experience on the level of repairs and returns.

(o) Loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received and including acquisition charges associated with the loans and borrowings.

(p) Deferred taxation

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiary companies, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

(In Singapore Dollars)

(p) Deferred taxation (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised. For deductible temporary differences associated with investments in subsidiary companies, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

(q) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and contributions to the Singapore State Pension Scheme, the Central Provident Fund ("CPF"), the Malaysia State Pension Scheme, the Employee Provident Fund ("EPF"), and contributions to the MTQ Subsea Limited Group Personal Pension Plan ("PPP").

Employee benefits arising in respect of wages and salaries, annual leave, CPF, EPF and PPP are charged against the profit and loss account.

Equity compensation plan

The Group has in place the Metalock Executives' Share Option Scheme and the MTQ Subsea Technology Pte Ltd Share Option Scheme for granting of share options to Directors and executives. There are no charges to the profit and loss account upon the grant or exercise of the options. The exercise price approximates the market value of the share at the date of grant.

(r) 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.

(In Singapore Dollars)

(s) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to profit and loss account unless it reverses a previous revaluation in which case it will be charged to equity.

(t) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

(u) Cash and cash equivalents

Cash and cash equivalents consist of fixed deposits, cash at bank and in hand less unsecured bank overdrafts.

(v) Discontinuing operations

A discontinuing operation is a clearly distinguishable component of the Company's or the Group's business that is or will be abandoned or terminated pursuant to a single plan, and which represents a separate major line of business or geographical area of operations.

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.

Revenue for the Company represents management fees invoiced for corporate services rendered to its subsidiary companies.

4. OTHER REVENUE

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Rental income	296	265	296	238
Interest income	62	31	42	8
Profit on sale of quoted investments	2	56	2	–
Commission received	32	–	–	–
Gross dividend income from quoted equity investments	–	7	–	2
Other income	73	224	28	98
	465	583	368	346

(In Singapore Dollars)

5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Profit/(loss) from operating activities is stated after charging/(crediting) :				
(a) Manpower costs				
- Salaries and wages	12,389	12,912	1,033	4,064
- CPF, EPF and PPP fund contribution	1,404	1,260	104	334
- Increase in short term accumulating compensated absences	297	156	18	1
- Others	1,266	1,512	76	221

Manpower costs for the Company and the Group amounting to \$nil and \$7,748,000 (2001 : \$2,006,000 and \$6,040,000) have been included in cost of sales respectively.

(b) Exceptional items

- Gain on disposition of discontinuing operation (Note 26)	(1)	-	-	-
- Severance pay arising from streamlining of operations	222	-	-	-
- Provision for diminution in value of investments in subsidiary companies, net	-	-	1,591	279
- (Gain)/loss on sale of business of a subsidiary company	-	(1,103)	-	1
- Settlement of insurance claim, net	-	(664)	-	(664)
- Write back of closure costs of a subsidiary company	-	(16)	-	(16)
- Impairment loss of property, plant and equipment	-	238	-	-
- Accrual for operating costs arising from sale of leasehold land and building	-	64	-	-

(In Singapore Dollars)

5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES (CONT'D)

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(c) Other expenses				
- Auditors' remuneration :				
Auditor of the Company				
- Current year	89	100	28	48
- Under provision in respect of prior year	9	-	2	-
Other auditors				
- Current year	54	31	-	-
- Under provision in respect of prior year	6	-	-	-
Non-audit fees paid to				
- Auditor of the Company	41	86	17	62
- Other auditors	53	42	-	-
- Depreciation of property, plant and equipment	2,134	2,420	688	1,389
- Impairment loss of property, plant and equipment	170	-	170	-
- Directors' remuneration :				
Directors of the Company				
- Directors' fees	104	80	104	80
- Other remuneration	406	385	406	385
Other Directors of subsidiary companies	1,074	537	-	-
- Fees paid to firms in which Directors of subsidiary companies have interests	462	462	-	-
- Gain on exchange, net	(87)	(13)	(13)	(13)
- Inventories written off	47	20	-	20
- Provision for/(write back of) obsolescence of inventories, net	379	543	(24)	250
- Loss/(profit) on sale of property, plant and equipment, net	13	(408)	-	(26)

(In Singapore Dollars)

5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES (CONT'D)

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(c) Other expenses (cont'd)				
- Write back of provision for diminution in value of quoted investments	-	(9)	-	(9)
- Bad debts written off	69	18	68	15
- Provision for/(write back of) doubtful debts, net :				
- Specific	96	(268)	(112)	(341)
- General	59	(28)	(24)	-
- Write back of provision for amounts due from an associated company	-	(34)	-	-

Depreciation of property, plant and equipment for the Company and the Group amounting to \$180,000 and \$1,315,000 (2001 : \$692,000 and \$1,355,000) 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	
	2002	2001
\$500,000 and above	-	-
\$250,000 to \$499,999	1	1
Below \$250,000		
- Present	5	3
- Ex-Director	1	-
Total	7	4

(In Singapore Dollars)

6. FINANCE COSTS

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Interest on bank loans and overdrafts	340	399	12	54
Interest on finance leases	17	14	–	–
	357	413	12	54

7. TAXATION

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Provision for taxation in respect of profit for the year :				
Current taxation	724	385	128	–
Deferred taxation	(296)	(7)	(96)	–
	428	378	32	–
Adjustments in respect of previous years :				
Current taxation	37	40	–	25
Deferred taxation	(31)	–	–	–
	434	418	32	25

(In Singapore Dollars)

7. TAXATION (CONT'D)

A reconciliation of the statutory tax rate to the Company's and the Group's effective tax rate applicable to pre-tax profits is as follows :

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) from operations before taxation	1,693	2,280	(1,243)	1,518
Tax at statutory tax rate of 24.5% (2001 : 24.5%)	415	559	(305)	372
Expenses not deductible for tax purposes	276	249	386	65
Income not subject to tax	(21)	(391)	(1)	–
Tax benefits not recognised	227	276	–	–
Utilisation of carried forward tax losses and capital allowances previously not recognised	(482)	(437)	–	(437)
Difference in tax rate	7	116	(48)	–
Under provision of tax expense in relation to prior year	6	40	–	25
Others	6	6	–	–
	434	418	32	25

As at 31 March 2002, certain subsidiary companies had unutilised tax losses of approximately \$4,390,000 (2001 : \$5,415,000) and unabsorbed capital allowances of approximately \$4,335,000 (2001 : \$2,077,000) available for setoff against future taxable income, subject to agreement with the relevant authorities.

(In Singapore Dollars)

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year (adjusted for the effects of dilutive potential ordinary shares being the share options granted to employees).

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	
	2002 \$'000	2001 \$'000
Net profit attributable to shareholders		
- continuing operations	2,895	3,225
- total consolidated	1,481	1,949
	Number of shares	
	'000	'000
Weighted average number of ordinary shares in issue applicable to basic earnings per share	79,200	79,200
Effect of dilutive securities:		
Share options	310	106
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	79,510	79,306
	Cents	Cents
Earnings per share - continuing operations		
- Basic	3.66	4.07
- Diluted	3.64	4.07
Earnings per share - total consolidated		
- Basic	1.87	2.46
- Diluted	1.86	2.46

(In Singapore Dollars)

9. PROPERTY, PLANT AND EQUIPMENT, NET

Group	Freehold land \$'000	Freehold buildings \$'000	Leasehold land and buildings \$'000	Workshop and subseas equipment \$'000	Furniture, office equipment and motor vehicles \$'000	Assets under construction \$'000	Total \$'000
Cost							
At 1 April 2001	409	445	15,708	23,395	4,171	2,742	46,870
Currency realignment	35	38	24	128	89	–	314
Additions	–	–	–	3,091	360	7,296	10,747
Disposals/written off	–	–	(5,812)	(6,147)	(417)	–	(12,376)
Impairment loss	–	–	–	(170)	–	–	(170)
Transfers	–	–	–	362	(11)	(351)	–
At 31 March 2002	444	483	9,920	20,659	4,192	9,687	45,385
Accumulated depreciation							
At 1 April 2001	–	29	6,311	20,225	2,309	–	28,874
Currency realignment	–	3	4	66	20	–	93
Depreciation	–	23	354	1,075	682	–	2,134
Disposals/written off	–	–	(1,404)	(5,782)	(303)	–	(7,489)
Transfers	–	–	–	2	(2)	–	–
At 31 March 2002	–	55	5,265	15,586	2,706	–	23,612
Depreciation for 2001	–	22	561	1,132	705	–	2,420
Net book value							
At 31 March 2002	444	428	4,655	5,073	1,486	9,687	21,773
At 31 March 2001	409	416	9,397	3,170	1,862	2,742	17,996

(In Singapore Dollars)

9. PROPERTY, PLANT AND EQUIPMENT, NET (CONT'D)

The above property, plant and equipment include plant and equipment located in Shanghai with net book value of \$11,000 (2001 : \$14,000).

As at the end of the financial year, the net book value of property, plant and equipment under finance leases amounted to \$243,000 (2001 : \$163,000).

The impairment loss represents the write down of certain property, plant and equipment to recoverable amount due to the restructuring of the Group's operations and have been charged against the profit and loss account. The recoverable amount was determined based on the estimated value in use.

Company	Leasehold land and buildings \$'000	Workshop and subseas equipment \$'000	Furniture, office equipment and motor vehicles \$'000	Total \$'000
Cost				
At 1 April 2001	9,081	11,730	2,114	22,925
Additions	–	–	96	96
Disposals/written off	–	(10,260)	(40)	(10,300)
Impairment loss	–	(170)	–	(170)
At 31 March 2002	9,081	1,300	2,170	12,551
Accumulated depreciation				
At 1 April 2001	4,766	9,918	1,543	16,227
Depreciation	337	4	347	688
Disposals/written off	–	(8,633)	(38)	(8,671)
At 31 March 2002	5,103	1,289	1,852	8,244
Depreciation for 2001	335	720	334	1,389
Net book value				
At 31 March 2002	3,978	11	318	4,307
At 31 March 2001	4,315	1,812	571	6,698

(In Singapore Dollars)

9. PROPERTY, PLANT AND EQUIPMENT, NET (CONT'D)

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

Location	Area sq. m.	Tenure	2002 Net book value \$'000
<i>Freehold land and buildings</i>			
50 King Street Airport West Victoria 3042 Australia	766	Freehold	361
32 Raynham Street Salisbury Queensland 4107 Australia	2,200	Freehold	511
<i>Leasehold land and buildings</i>			
27 Gul Drive Singapore 629475	2,850	60 years lease from 16.11.1974	1,882
182 Pandan Loop Singapore 128373	4,460	30 years lease from 16.9.1979	2,096
3 Hala Jati 10 Taman Meru Industrial Estate Jelapang 30200 Ipoh Perak Malaysia	2,732	60 years lease from 6.9.1984	677
Total			5,527

10. SUBSIDIARY COMPANIES

	Company	
	2002 \$'000	2001 \$'000
Unquoted shares, at cost :		
At 1 April	26,864	29,526
Acquisition of new subsidiary companies	–	892
Subscription of additional shares in a subsidiary company	2,145	–
Pre-acquisition dividend setoff against cost of investment	–	(3,554)
Liquidation of a subsidiary company	(94)	–
At 31 March (Note 24)	28,915	26,864
Provision for diminution in value of investments	(8,605)	(7,051)
Net investment in unquoted shares	20,310	19,813

(In Singapore Dollars)

10. SUBSIDIARY COMPANIES (CONT'D)

	Company	
	2002	2001
	\$'000	\$'000
Inter-company indebtedness :		
Amounts owing by subsidiary companies (Trade)	201	1,447
Amounts owing by subsidiary companies (Non-trade)	18,708	8,614
Provision for amounts owing by subsidiary companies	(1,791)	(1,791)
	<hr/> 17,118	<hr/> 8,270
Amounts owing to subsidiary companies (Trade)	(103)	–
Amounts owing to subsidiary companies (Non-trade)	(9,741)	(320)
	<hr/> 7,274	<hr/> 7,950
	<hr/> 27,584	<hr/> 27,763
Analysis of provision for diminution in value of investments :		
At 1 April	(7,051)	(6,772)
Provision during the year	(1,918)	(279)
Write back during the year	327	–
Write off during the year	37	–
	<hr/> (8,605)	<hr/> (7,051)
By geographical locations :		
Singapore	20,571	20,589
Australia	6,143	5,317
Malaysia	870	1,857
	<hr/> 27,584	<hr/> 27,763

Both trade and non-trade amounts owing by/to subsidiary companies are unsecured, interest-free and have no fixed terms of repayment. Further details regarding subsidiary companies are set out in Note 24.

(In Singapore Dollars)

11. INVESTMENTS

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Unquoted investments	685	349	685	349
Quoted investments, at cost	–	54	–	54
Provision for diminution in value of quoted investments	–	(13)	–	(13)
	685	390	685	390
Analysis of provision for diminution in value of quoted investments :				
At 1 April	(13)	(92)	(13)	(22)
Write back to profit and loss account	–	9	–	9
Disposal of investments	13	70	13	–
At 31 March	–	(13)	–	(13)
Market value of quoted investments as at 31 March	–	41	–	41

12. OTHER RECEIVABLES

These are interest-free loans extended to a Director of a subsidiary company and the management staff of the Company and the Group to purchase cars. These loans shall be repaid by instalments over seven years with the last repayment due in year 2009. The Director of the subsidiary company and the management staff concerned had entered into agreements with the Company and the Group to assign all rights of ownership of the cars to the Company and the Group until full settlement of the loans. The current portion of these loans are disclosed in Note 14.

(In Singapore Dollars)

13. INVENTORIES AND WORK-IN-PROGRESS

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Finished goods	2,375	2,639	–	415
Raw materials	273	562	–	368
Work-in-progress	2,900	1,769	–	755
Engines and spares	962	1,366	–	1,366
	6,510	6,336	–	2,904
Inventories are stated after deducting provision for obsolescence of inventories of	500	1,530	–	1,386
Analysis of provision for obsolescence of inventories :				
At 1 April	1,530	1,614	1,386	1,136
Currency realignment	1	2	–	–
Charge/(write back) to profit and loss account, net	379	543	(24)	250
Inventories written off	(1,410)	(629)	(1,362)	–
At 31 March	500	1,530	–	1,386
Inventories written off directly to profit and loss account	47	20	–	20

(In Singapore Dollars)

14. RECEIVABLES

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Trade receivables	9,345	11,123	–	2,533
Advances to suppliers	28	509	–	–
Sundry deposits	58	62	19	16
Prepayments	191	229	13	52
Rental receivable	296	265	296	265
* Sundry receivables	149	6,493	5	409
Staff loans, current (Note 12)	128	196	75	85
Tax recoverable, net	309	469	579	660
	10,504	19,346	987	4,020
Trade receivables are stated after deducting provision for doubtful debts of	560	511	113	249
* Proceeds receivable from the disposal of business by a subsidiary company amounting to approximately \$5,970,000 was included in the sundry receivables for the previous financial year. This has been received in the current financial year.				
Analysis of provision for doubtful debts :				
At 1 April	511	995	249	590
Currency realignment	2	(3)	–	–
Charge/(write back) to profit and loss account, net				
- Specific	96	(268)	(112)	(341)
- General	59	(28)	(24)	–
Bad debts written off	(108)	(185)	–	–
At 31 March	560	511	113	249
Bad debts written off directly to profit and loss account	69	18	68	15

(In Singapore Dollars)

15. PAYABLES : AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Bank overdraft, secured	369	463	–	–
Bank overdrafts, unsecured	–	956	–	330
Short term bank loans, secured	1,320	–	–	–
Short term bank loans, unsecured	–	900	–	900
Long term bank loans – current portion (Note 16)	1,904	740	–	–
Trade payables	7,221	7,011	193	1,607
Finance lease payables	95	97	–	–
Sundry payables	1,591	2,693	410	448
Accruals for staff related costs	2,193	1,957	384	536
	14,693	14,817	987	3,821

The secured bank overdraft and short term bank loans relate to facilities utilised by a subsidiary company which is secured by a floating charge over its assets, corporate guarantees from its wholly owned subsidiary company as well as the Company, and personal guarantee from a minority shareholder of the subsidiary company.

The bank overdraft bears interest at 1% (2001 : nil) above the bank's prime lending rate of 5%. The secured bank overdraft in the previous financial year relates to a separate subsidiary company and has since been repaid.

The secured short term bank loans bear interest at 2% (2001 : nil) above Swap rate which ranges from 0.95% to 1.23%.

(In Singapore Dollars)

15. PAYABLES : AMOUNTS FALLING DUE WITHIN ONE YEAR (CONT'D)**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 2002 \$'000	Present value of payments 2002 \$'000	Minimum payments 2001 \$'000	Present value of payments 2001 \$'000
Group				
Within one year	106	95	111	97
After one year but not more than five years	73	66	172	150
Total minimum lease payments	179	161	283	247
Less amounts representing finance charges	(18)	–	(36)	–
Present value of minimum lease payments	161	161	247	247

16. PAYABLES : AMOUNTS FALLING DUE AFTER ONE YEAR

	Group	
	2002 \$'000	2001 \$'000
Finance lease payables (Note 15)	66	150
Long term bank loans	3,562	2,666
	3,628	2,816

The long term bank loans consist of loans of two subsidiary companies :

The loan of one subsidiary company is secured by a mortgage over the freehold land and buildings with a net book value of \$872,000 of a subsidiary company and a fixed and floating charge over its assets. The loan interest ranges from 0.5% to 1.5% above the bank's Bill Rate and is repayable in full by 29 August 2003.

(In Singapore Dollars)

16. PAYABLES : AMOUNTS FALLING DUE AFTER ONE YEAR (CONT'D)

The loans of another subsidiary company are secured by a floating charge over its assets, corporate guarantee from its wholly owned subsidiary company as well as personal guarantee from a minority shareholder of the subsidiary company. The loans bear interest at 0.25% above the bank's prime lending rate of 5% and are repayable over quarterly instalments of \$130,000 for each loan.

These loans are also secured by corporate guarantees provided by the Company.

17. DEFERRED TAXATION

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
At 1 April	821	7	821	–
Reclassification of deferred tax previously setoff against tax recoverable	–	821	–	821
Released during the year	(327)	(7)	(96)	–
At 31 March	494	821	725	821
Deferred tax liabilities				
Excess of net book value over tax written down value of property, plant and equipment	690	761	654	761
Other timing differences	113	60	71	60
	803	821	725	821
Deferred tax assets				
Unabsorbed capital allowances and tax losses	37	–	–	–
Other timing differences	272	–	–	–
	309	–	–	–
At 31 March	494	821	725	821

(In Singapore Dollars)

18. SHARE CAPITAL

	Group and Company	
	2002	2001
	\$'000	\$'000
Authorised :		
120,000,000 ordinary shares of \$0.25 each	30,000	30,000
Issued and fully-paid :		
79,200,000 ordinary shares of \$0.25 each	19,800	19,800

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

19. RESERVES

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Retained earnings	5,622	4,888	13,653	15,675
Foreign currency translation reserve	568	531	–	–
Share premium	1,944	1,944	1,944	1,944
	8,134	7,363	15,597	17,619

20. DIVIDENDS

	Group and Company	
	2002	2001
	\$'000	\$'000
As previously reported :		
- First and final dividend of 5%, less tax	–	747
Effect of adopting SAS 10 :		
- Reversal of first and final dividend proposed	–	(747)
First and final dividend paid in respect of the previous financial year, less tax	747	–
	747	–

(In Singapore Dollars)

20. DIVIDENDS (CONT'D)

After the balance sheet date, the Directors proposed the following dividends :

	Group and Company	
	2002	2001
	\$'000	\$'000
First and final dividend of 5% (2001 : 5%), less tax	772	747
Special dividend of 5% (2001 : nil), less tax	772	–
	<u>1,544</u>	<u>747</u>

The dividends have not been provided for.

21. CASH AND CASH EQUIVALENTS

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

	Group	
	2002	2001
	\$'000	\$'000
Cash at bank and in hand	5,849	1,487
Fixed deposits	2,032	3
	<u>7,881</u>	<u>1,490</u>
Bank overdrafts, unsecured (Note 15)	–	(956)
	<u>7,881</u>	<u>534</u>

(In Singapore Dollars)

22. 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	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Within one year	296	305	254	267
After one year but not more than five years	1,247	1,344	1,206	1,270
More than five years	1,244	5,804	1,244	5,804
	2,787	7,453	2,704	7,341

Other commitment

There is a non-cancellable Consultancy Agreement where a subsidiary company has to pay a fee of A\$456,000 (S\$438,000) per annum for consultancy services. The consultancy fee is to be paid by the subsidiary company half-yearly over 5 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 consultancy 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 2002 for guarantees given to banks for facilities extended to subsidiary companies amounting to \$10,780,000 (2001 : \$7,730,000) in the current year.

Capital expenditure

As at 31 March 2002, the Group has commitment in respect of capital expenditure authorised but not committed of \$6,886,000 (2001 : \$4,097,000).

23. INFORMATION BY SEGMENT ON GROUP'S OPERATIONS

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different industries. Inter-segment sales are based on terms determined on a commercial basis.

(In Singapore Dollars)

23. INFORMATION BY SEGMENT ON GROUP'S OPERATIONS (CONT'D)**By industrial segments**

2002	Marine and oilfield \$'000	Turbo- charger \$'000	Trading \$'000	Foundry \$'000	Subsea robotics \$'000	Elimina- tions \$'000	Group \$'000
Revenue and expenses							
External sales	24,007	16,073	23	463	1,846	–	42,412
Inter-segment sales	514	–	–	79	–	(593)	–
Total sales	24,521	16,073	23	542	1,846	(593)	42,412
Segment results	2,018	1,174	564	(495)	(707)	(505)	2,049
Finance costs							(357)
Gain on disposition							1
Taxation							(434)
Minority interests							222
Net profit attributable to shareholders							1,481
Assets and liabilities							
Segment assets	19,531	11,599	10,452	(55)	10,604	(4,797)	47,334
Tax recoverable							309
Total assets							47,643
Segment liabilities	(4,734)	(2,637)	(300)	(9)	(3,325)	–	(11,005)
Deferred taxation							(494)
Bank borrowings							(7,155)
Finance lease payables							(161)
Total liabilities							(18,815)
Other segmental information							
Capital expenditure	361	289	–	–	10,097	–	10,747
Depreciation	1,451	294	–	71	409	(91)	2,134
Impairment loss	170	–	–	–	–	–	170
Other non-cash expenses	3	(6)	898	95	–	(903)	87

By geographical segments

2002	Singapore \$'000	Australia \$'000	Malaysia \$'000	United Kingdom \$'000	Total \$'000
External sales	24,030	16,073	463	1,846	42,412
Segment assets	38,441	6,871	(55)	2,077	47,334
Capital expenditure	7,425	289	–	3,033	10,747

(In Singapore Dollars)

23. INFORMATION BY SEGMENT ON GROUP'S OPERATIONS (CONT'D)***By industrial segments***

2001	Marine and oilfield \$'000	Turbo- charger \$'000	Trading \$'000	Foundry \$'000	Subsea robotics \$'000	Elimina- tions \$'000	Group \$'000
Revenue and expenses							
External sales	20,517	14,994	12,993	1,166	–	–	49,670
Inter-segment sales	3,096	36	69	173	–	(3,374)	–
Total sales	23,613	15,030	13,062	1,339	–	(3,374)	49,670
Segment results (restated)	908	1,169	394	(1)	(272)	495	2,693
Finance costs							(413)
Taxation							(418)
Minority interests							87
Net profit attributable to shareholders							1,949
Assets and liabilities							
Segment assets	21,439	10,985	12,314	1,398	3,156	(3,835)	45,457
Tax recoverable							469
Total assets							45,926
Segment liabilities	(4,539)	(2,108)	(2,365)	(355)	(2,078)	(216)	(11,661)
Deferred taxation							(821)
Bank borrowings							(5,725)
Finance lease payables							(247)
Total liabilities							(18,454)
Other segmental information							
Capital expenditure	545	543	413	181	3,138	(42)	4,778
Depreciation	1,745	253	296	213	52	(139)	2,420
Impairment loss	–	–	–	–	–	238	238
Other non-cash expenses	245	(7)	1,152	243	–	(23)	1,610

By geographical segments

2001	Singapore \$'000	Australia \$'000	Malaysia \$'000	Total \$'000
External sales	33,510	14,994	1,166	49,670
Segment assets	37,686	6,373	1,398	45,457
Capital expenditure	4,054	543	181	4,778

(In Singapore Dollars)

24. SUBSIDIARY COMPANIES

The subsidiary 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	
		2002 \$'000	2001 \$'000	2002 %	2001 %
Subsidiary companies :					
Unquoted equity shares held by the Company :					
Aqua-Terra Supply Company Private Limited (Republic of Singapore)	Inactive (Republic of Singapore)	10,715	10,715	100	100
Metsing - Fabrico De Componentes De Maquinaria Diesel E Industrial, Limitada (Portugal)	In voluntary liquidation (Portugal)	2,156	2,156	90	90
MTQ Engineering Pte Ltd (formerly known as Metalock Marine Pte Ltd) (Republic of Singapore)	Providing engineering services to marine, oil and gas industry (The business of providing marine repair services was sold subsequent to the financial year end - Note 26 (a)) (Republic of Singapore)	1,312	1,312	100	100
Metalock Oilfield Services Pte Ltd (Republic of Singapore)	Inactive (Republic of Singapore)	542	542	100	100
Metalock (Malaysia) Sdn Bhd (Malaysia)	Liquidated (Malaysia)	-	94	-	100
# Dynamic Turbocharger Services (Australia) Pty Ltd (Australia)	Sales and servicing of turbochargers (Australia)	5,295	5,295	100	100
# Metalock Castings Sdn Bhd (Malaysia)	Inactive (Malaysia)	5,858	5,858	99.9	99.9
Metalock Engineering Pte Ltd (formerly known as ATS Moorflex Pte Ltd) (Republic of Singapore)	Dormant (Republic of Singapore)	37	37	100	100
MTQ Subsea Technology Pte Ltd (formerly known as OSEA Investments Pte Ltd) (Republic of Singapore)	Designing and building of subsea robotics (Republic of Singapore)	3,000	855	71.4	68.4
		<u>28,915</u>	<u>26,864</u>		

(In Singapore Dollars)

24. SUBSIDIARY COMPANIES (CONT'D)

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost		Percentage of equity held by the Group	
		2002 \$'000	2001 \$'000	2002 %	2001 %

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

# MTQ Subsea Limited (formerly known as OSEA (Aberdeen) Limited) (United Kingdom)	Operation of subsea robotics (United Kingdom)	901	380	71.4	68.4
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Audited by member firms of Ernst & Young International.

25. EMPLOYEE BENEFITS - SHARE OPTIONS**The Company**

The Metalock Executives' Share Option Scheme for Directors and executives was approved on 8 August 2000.

Movements in the number of share options held are as follows :

	No. of options 2002	Exercise price per share as at 31.3.2002	No. of options 2001	Exercise price per share as at 31.3.2001
At 1 April	2,850,000	\$0.30	-	-
Granted	-	-	3,770,000	\$0.30
Cancelled	(1,000,000)	\$0.30	(920,000)	\$0.30
At 31 March	<u>1,850,000</u>	\$0.30	<u>2,850,000</u>	\$0.30

(In Singapore Dollars)

25. EMPLOYEE BENEFITS - SHARE OPTIONS (CONT'D)**The Company (cont'd)**

The following table summarises information about options outstanding and exercisable as at 31 March 2002 to subscribe for ordinary shares of \$0.25 each in the Company :

Date of grant	Outstanding		Exercisable		
	No. of options	Exercise price per share	Exercise period		No. of options
			From	To	
15 October 2000	1,650,000	\$0.30	16 October 2002	15 October 2010	1,650,000
15 October 2000	200,000	\$0.30	16 October 2002	15 October 2005	200,000
	<u>1,850,000</u>				<u>1,850,000</u>

Subsidiary company

The MTQ Subsea Technology Pte Ltd Share Option Scheme for Executive Directors and senior executives was approved on 21 June 2000.

Movements in the number of share options held are as follows :

	No. of options 2002	Weighted average exercise price per share as at 31.3.2002	No. of options 2001	Weighted average exercise price per share as at 31.3.2001
At 1 April	765,000	\$1.05	–	–
Granted	–	–	875,000	\$1.00
Exercised	(90,000)	\$1.05	(110,000)	\$1.00
At 31 March	<u>675,000</u>	\$1.05	<u>765,000</u>	\$1.00

Consideration received from options exercised during the year was \$94,500 (2001 : \$110,000).

(In Singapore Dollars)

25. EMPLOYEE BENEFITS - SHARE OPTIONS (CONT'D)**Subsidiary company (cont'd)**

The following table summarises information about options outstanding and exercisable as at 31 March 2002 to subscribe for ordinary shares of \$1.00 each in the subsidiary company :

Date of grant	Outstanding		Exercisable		
	No. of options	Exercise price per share	Exercise period		No. of options
			From	To	
21 June 2000	45,000	\$1.00 - \$1.20	21 June 2000	21 June 2010	45,000
1 July 2000	230,000	\$1.00 - \$1.20	1 July 2000	1 July 2010	230,000
3 July 2000	225,000	\$1.00 - \$1.20	3 July 2000	3 July 2010	225,000
10 July 2000	85,000	\$1.00 - \$1.20	10 July 2000	10 July 2010	85,000
1 August 2000	90,000	\$1.00 - \$1.20	1 August 2000	1 August 2010	90,000
	<u>675,000</u>				<u>675,000</u>

26. DISCONTINUING OPERATIONS**(a) Sale of marine repair services and trading of marine spare parts business**

In February 2002, the Group's wholly owned subsidiary company, MTQ Engineering Pte Ltd, entered into a conditional agreement for the sale of its assets relating to the marine repair services and trading of marine spare parts business ("Assets") to Ciserv Singapore Pte Ltd ("Ciserv") for a consideration of \$5,600,000. The final consideration receivable is subject to adjustments to take into account any differences in the net asset value of the Assets as at the date of completion of the sale and the net asset value of the Assets as set out in the agreement.

Concurrently, the Company also entered into a conditional agreement for the sale of its property at 27 Gul Drive, Singapore 629475 to Ciserv which currently houses the marine repair services and trading of marine spare parts business, for a consideration of \$3,000,000.

(In Singapore Dollars)

26. DISCONTINUING OPERATIONS (CONT'D)**(a) Sale of marine repair services and trading of marine spare parts business (cont'd)**

The carrying amount of the assets to be disposed of are as follows :

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Total assets	4,701	5,592	1,882	1,949

The net cash flows attributable to the marine repair and trading of marine spare parts operation are as follows :

	Group	
	2002	2001
	\$'000	\$'000
Operating	1,891	(1)
Investing	(415)	109
Financing	60	163
Net cash inflows	1,536	271

The sales were completed on 20 May 2002. 95% of the consideration for sale of the Assets, amounting to \$5,320,000 was received. The remaining \$280,000 was placed in an escrow account to be released to the subsidiary company and/or Ciserv once the adjustments are finalised. The consideration of \$3,000,000 for the sale of property has been received in full.

(In Singapore Dollars)

26. DISCONTINUING OPERATIONS (CONT'D)**(b) Winding down of foundry operation**

In June 2001, the Group wound down the activities of its wholly owned subsidiary company, Metalock Castings Sdn Bhd, in the production of castings of ductile cast iron products. The winding down was effected through the sale of individual assets of the foundry operation.

The carrying amount of the assets and liabilities to be disposed of are as follows :

	Group	
	2002	2001
	\$'000	\$'000
Total assets	803	1,734
Total liabilities	(867)	(1,290)
	<u>(64)</u>	<u>444</u>

The net cash flows attributable to the foundry operation are as follows :

Operating	173	(214)
Investing	590	383
Financing	(372)	(156)
Net cash inflows	<u>391</u>	<u>13</u>

Gain on disposition of the assets and liabilities are as follows :

Gain on sale of plant and equipment	95	–
Gain on sale of current assets	27	–
Severance payments	(121)	–
Gain on disposition of discontinuing operation (Note 5)	<u>1</u>	<u>–</u>

(c) Business restructuring exercise

On 1 April 2001, the Company undertook a business restructuring exercise. Under the restructuring exercise, three of its operating divisions (Oilfield, Advanced Engineering and Marine Parts Trading) were transferred to the Company's wholly owned subsidiary companies. 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.

The restructuring exercise was effected through the transfer of relevant assets of these divisions to the respective wholly owned subsidiary companies at their net book values.

(In Singapore Dollars)

26. DISCONTINUING OPERATIONS (CONT'D)**(c) Business restructuring exercise (cont'd)**

The carrying amount of the assets and liabilities transferred are as follows :

	Company	
	2002	2001
	\$'000	\$'000
Total assets	–	4,269
Total liabilities	–	(59)
	–	4,210

The net cash flows attributable to the operating divisions are as follows :

Operating	–	2,052
Investing	–	(622)
Financing	–	(24)
Net cash inflows	–	1,406

27. SUBSEQUENT EVENTS

On 20 May 2002, the Company completed the sale of its property at 27 Gul Drive, Singapore 629475, to Ciserv pursuant to the terms of the agreement dated 15 February 2002 made between the Company, Ciserv and Wärtsilä Singapore Pte Ltd ("Wärtsilä").

In addition, the Company's wholly owned subsidiary company, MTQ Engineering Pte Ltd ("MTQ"), completed the sale of the assets relating to its marine repair services and trading of marine spare parts business to Ciserv pursuant to the terms of the agreement dated 15 February 2002 made between MTQ, Ciserv, the Company and Wärtsilä.

Subsequent to 31 March 2002, the Company's wholly owned subsidiary company, Dynamic Turbocharger Services (Australia) Pty Ltd, signed a contract of sale on its property at Airport West in Victoria, Australia. The contract price was A\$320,000 (S\$307,000) and at 31 March 2002, the property has a net book value of A\$376,000 (S\$361,000).

(In Singapore Dollars)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Group's financial conditions and/or results.

The Group's exposure to market risk for changes in interest rate environment relates mainly to its investment in financial products and debt obligations.

The investment in financial products are mainly short term in nature and they are not held or issued for trading or speculative purposes but were mainly placed in cash at bank or fixed deposits which yield better returns than cash at bank.

The Group manages its interest rate exposure through active reviews of its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve certain level of protection against rate hikes.

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group will constantly raise committed funding from both capital markets and financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

Foreign currency risk

Foreign currency risk arises from a change in foreign currency exchange rate which is expected to have adverse effects on the Group in the current reporting period and in future years.

The Group is exposed to foreign currency exchange fluctuations, mainly in Australian dollars, Euros, Great British pounds, Japanese yen and US dollars.

The Group maintains a natural hedge, wherever possible, by matching the foreign currencies assets against its debts.

(In Singapore Dollars)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Foreign currency risk (cont'd)

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. In relation to its overseas investments in its foreign subsidiary companies whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are captured under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

Credit risk

Credit risk is the risk that companies and other parties will be unable to meet their obligations to the Group resulting in financial loss to the Group.

It is the Group's policy to enter into financial instruments with creditworthy counterparties. Surplus funds are placed with reputable financial institutions.

The trade and other receivables represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. The Group has no significant concentrations of credit risk.

Fair values

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables and short term borrowings approximate their fair values due to their short term nature.

The carrying amounts of long term unquoted equity investments are stated at cost. The fair values of these investments are expected to be above their carrying amounts.

The carrying amount of long term borrowings approximates their fair values as these instruments bear interest at floating rates.

29. COMPARATIVE FIGURES

The presentation and classification of certain items in the financial statements have been changed to comply with the requirements of revised or new SAS which became effective for the financial year ended 31 March 2002, as discussed in Note 2(b) and to provide proper comparison with the current year's presentation.

30. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of Metalock (Singapore) Limited and its subsidiary companies for the financial year ended 31 March 2002 were authorised for issue in accordance with a resolution of the Directors on 3 June 2002.

Statistics Of Shareholdings

as at 21 May 2002

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	94	7.68	91,868	0.12
1,001 - 10,000	843	68.87	4,511,548	5.70
10,001 - 1,000,000	276	22.55	13,752,932	17.36
1,000,001 & ABOVE	11	0.90	60,843,652	76.82
TOTAL	1,224	100.00	79,200,000	100.00

Top twenty shareholders	No. of shares	%
Kurt R M Lindblad	17,887,652	22.59
HSBC (Singapore) Nominees Pte Ltd	15,713,000	19.84
DBS Nominees Pte Ltd	5,548,000	7.00
Singapore Warehouse Company (Private) Limited	5,500,000	6.94
HSBC Republic Bank (Suisse) SA	4,090,000	5.16
UOB Kay Hian Pte Ltd	4,022,000	5.08
United Overseas Bank Nominees Pte Ltd	2,465,000	3.11
Raffles Nominees Pte Ltd	1,734,000	2.19
Francis James Reidy	1,375,000	1.74
Oversea Chinese Bank Nominees Pte Ltd	1,346,000	1.70
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
Lim Chye Huat @ Bobby Lim Chye Huat	669,000	0.84
Phillip Securities Pte Ltd	529,000	0.67
Lock Hong Cheong	522,492	0.66
Hong Leong Finance Nominees Pte Ltd	365,000	0.46
OCBC Securities Private Ltd	362,000	0.46
Ng Siew Luan	330,000	0.42
AMEX Nominees (S) Pte Ltd	300,000	0.38
TOTAL	65,613,144	82.85

Substantial shareholders as at 21 May 2002

	Direct interest		Deemed interest	
	No. of shares	%	No. of shares	%
Kuah Kok Kim	86,000	0.11	18,153,000	22.92
Lim Kah Tee	-	-	18,239,000	23.03
Kurt R M Lindblad	17,887,652	22.59	-	-
Singapore Warehouse Company (Private) Limited	5,500,000	6.94	-	-
Hwa Hong Corporation Limited	-	-	5,500,000	6.94
Ong Holdings (Private) Limited	-	-	5,500,000	6.94

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

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 33rd Annual General Meeting of the Company will be held at Carlton Hotel, Connaught Room, Level 2, Singapore 189558 on Friday, 5 July 2002 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 2002 together with the Auditor's Report thereon. **(Resolution 1)**

2. To declare a first and final dividend of 5% less tax (\$0.0125 per ordinary share less tax) for the year ended 31 March 2002. **(Resolution 2)**

3. To declare a special dividend of 5% less tax (\$0.0125 per ordinary share less tax) for the year ended 31 March 2002. **(Resolution 3)**

4. To re-elect the following Directors retiring pursuant to Articles 91 and 97 of the Company's Articles of Association:

Mr Philip Eng Heng Nee (Retiring under Article 91) **(Resolution 4)**

Mr Samuel Bernard Sassoon (Retiring under Article 97) **(Resolution 5)**

Mr Huang Yuan Chiang (Retiring under Article 97) **(Resolution 6)**

Mr Ian Wayne Spence (Retiring under Article 97) **(Resolution 7)**

Mr Philip Eng Heng Nee, Mr Huang Yuan Chiang and Mr Ian Wayne Spence will, upon re-election as Directors of the Company, remain as members 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.

5. To re-appoint Ernst & Young as Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

6. To transact any other business that may be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

7. To approve the payment of Directors' fees of \$103,750 (2001: \$80,000) for the year ended 31 March 2002. **(Resolution 9)**

8. To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolution:

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

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be empowered to allot and issue shares in the capital of the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be allotted and issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the existing issued share capital of the Company and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next Annual General Meeting. [See Explanatory Note (i)]

(Resolution 10)

9. To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolution:

Authority to allot and issue shares under the Metalock Executives' Share Option Scheme

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be authorised and empowered to allot and issue shares in the capital of the Company to all the holders of options granted by the Company, whether granted during the subsistence of this authority or otherwise, under the Metalock Executives' Share Option Scheme ("the Scheme") upon the exercise of such options and in accordance with the terms and conditions of the Scheme, provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the issued share capital of the Company for the time being. [See Explanatory Note (ii)]

(Resolution 11)

By Order of the Board

Fong Choon Seng
Loh Shu Chun

Secretaries

Singapore
13 June 2002

EXPLANATORY NOTES:

- (i) The Ordinary Resolution set out in item 8 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.
- ii) The Ordinary Resolution set out in item 9 above, if passed, will empower the Directors of the Company, from the date of the above Meeting until the next Annual General Meeting, to allot and issue shares in the Company of up to a number not exceeding in total fifteen per centum (15%) of the issued share capital of the Company for the time being pursuant to the exercise of the options under the Scheme.

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.



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

Proxy Form

(Please see notes overleaf before completing this form)

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 33rd Annual General Meeting (the "Meeting") of the
Company to be held at Carlton Hotel, Connaught Room, Level 2, Singapore 189558 on Friday, 5 July 2002 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 Accounts for the year ended 31 March 2002		
2	Declaration of first and final dividend		
3	Declaration of special dividend		
4	Re-election of Mr Philip Eng Heng Nee as a Director		
5	Re-election of Mr Samuel Bernard Sassoon as a Director		
6	Re-election of Mr Huang Yuan Chiang as a Director		
7	Re-election of Mr Ian Wayne Spence as a Director		
8	Re-appointment of Ernst & Young as Auditor		
9	Approval of Directors' fees		
10	Authority to allot and issue new shares		
11	Authority to allot and issue shares under the Metalock Executives' Share Option Scheme		

(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 _____ 2002

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

Total Number of Shares in	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/her. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company 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 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 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: 6777 7651 Fax: 6779 4092 Website: www.metalock.com.sg