



**ANCOM BERHAD**  
[8440-M] (Incorporated in Malaysia)

ANNUAL REPORT 2003 LAPORAN TAHUNAN

LONG-TERM GROWTH POTENTIAL



**ANCOM BERHAD (8440-M)**  
ANNUAL REPORT 2003 LAPORAN TAHUNAN

### **Cover Rationale**

#### ***“ Long-term Growth Potential ”***

A concept evolves a balance sustainable development of Ancom's existing core business activities into its strategy and operations together with considerations of economic, social and globalization sensitivities.

The design aptly reflects the Group's commitment, strength, versatility and direction in continually retaining strong core values and securing its position in the frontline of the global market.



# CONTENTS

Corporate Information	2
Profile Of Board Of Directors	3 – 6
Statement Of Corporate Governance	7 – 11
Audit Committee Report	12 – 15
Statement On Internal Control	16 – 17
Executive Chairman's Statement	18 – 20
Kenyataan Pengerusi Eksekutif	21 – 23
Directors' Responsibilities Statement	24
Financial Statements	25 – 97
Additional Compliance Information	98 – 99
List Of Properties	100 – 104
Analysis Of Shareholding	105 – 106
Notice Of Annual General Meeting	107 – 108
Proxy Form	



## BOARD OF DIRECTORS

Y.Bhg. Dato' Ahmad Johari bin Tun Abdul Razak  
*Executive Chairman*

Y.Bhg. Dato' Siew Ka Wei  
*Group Managing Director*

Y.Bhg. Dato' Siew Nim Chee  
*Advisor/Executive Director*

Y.Bhg. Tan Sri Dato' Dr Lin See Yan  
*Independent Non-Executive Director*

Y.Bhg. Datuk Hj Mohamed Al Amin  
bin Hj Abdul Majid *JP*  
*Non-Independent Non-Executive Director*

Y.Bhg. Dato' Mohd Ismail bin Che Rus  
*Independent Non-Executive Director*

Chan Thye Seng  
*Non-Independent Non-Executive Director*

Chieng Ing Huang  
*Independent Non-Executive Director*

## AUDIT COMMITTEE

Y.Bhg. Dato' Mohd Ismail bin Che Rus  
*Chairman*

Y.Bhg. Dato' Ahmad Johari bin Tun Abdul Razak  
Chieng Ing Huang

## REMUNERATION & NOMINATION COMMITTEE

Y.Bhg. Tan Sri Dato' Dr Lin See Yan  
*Chairman*

Y.Bhg. Dato' Mohd Ismail bin Che Rus  
Chieng Ing Huang

## SECRETARIES

Nandita K K Choudhury  
Choo Se Eng

## AUDITORS

BDO Binder  
Chartered Accountants

## REGISTERED OFFICE

Suite 1005, 10th Floor  
Wisma Hamzah Kwong Hing  
No. 1, Leboh Ampang  
50100 Kuala Lumpur, Malaysia  
Tel : 603-2070 0644  
Fax : 603-2072 6503

## PRINCIPAL PLACE OF BUSINESS

102-1002 Blok A  
Pusat Dagangan Phileo Damansara I  
No 9, Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : 603-7660 0008  
Fax : 603-7660 0010  
E-mail : cosec@ancom.com.my

## SHARE REGISTRAR

Signet Share Registration Services Sdn Bhd  
10th & 11th Floor  
Tower Block  
Kompleks Antarabangsa  
Jalan Sultan Ismail  
50250 Kuala Lumpur, Malaysia  
Tel : 603-2145 4337  
Fax : 603-2141 5757

## PRINCIPAL BANKERS

Alliance Merchant Bank Berhad  
Bumiputra-Commerce Bank Berhad  
Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad  
United Overseas Bank (Malaysia) Berhad

## INVESTORS' AND SHAREHOLDERS' CONCERNS ON THE COMPANY

To be directed to :

Y Bhg Dato' Mohd Ismail bin Che Rus  
*Senior Independent Non-Executive Director*

C/O Ancom Berhad  
102-1002 Blok A  
Pusat Dagangan Phileo Damansara I  
No 9, Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Fax : 603-7660 1151  
E-mail : corp@ancom.com.my

## SOLICITORS

Shearn Delamore & Co  
Lee Hishammuddin

## WEBSITE

[www.ancom.com.my](http://www.ancom.com.my)

## STOCK EXCHANGE LISTING

The Main Board of the  
Kuala Lumpur Stock Exchange ("KLSE")



**Name** – Y Bhg Dato' Ahmad Johari bin Tun Abdul Razak

**Age** – 48

**Nationality** – Malaysian

**Qualification** – Bachelor of Law (Hons), University of Kent, United Kingdom.

**Position in the Company** – Group Managing Director. Redesignated as Executive Chairman on 30 July 2003

**Working experience and occupation** – He was called to the Bar of England and Wales in November 1976. Was admitted as an Advocate and Solicitor of the High Court of Malaya in July 1977. Practised as an Advocate and Solicitor with Shearn Delamore & Co. from 1979 and was a partner of the firm from 1981 to 1994. Was Group Managing Director of Ancom from July 1994 to July 2003. He is currently Chairman of Courts Mammoth Berhad and Daiman Development Berhad and Executive Vice-Chairman of

Nylex (Malaysia) Berhad.

**Date first appointed to the Board** – 27 November 1992

**Board Meeting attendance** – 6 / 6

**Other Board Committee** – Audit Committee (Member)

**Other directorship of public companies** – Nylex (Malaysia) Berhad; Daiman Development Berhad; Hong Leong Industries Berhad; Courts Mammoth Berhad; Daiman Golf Berhad.

**Securities holdings in the Company and its subsidiaries** – Refer Directors' Report of this Annual Report

**Family relationship with any director / substantial shareholder of the Company** – None

**Conflict of interest with the Company** – None

**List of convictions for offences within the past 10 years other than traffic offences** – None



**Name** – Y Bhg Dato' Siew Ka Wei

**Age** – 47

**Nationality** – Malaysian

**Qualifications** – Bachelor of Science (Hons) in Chemical Engineering and Master of Science in Operational Research, Imperial College of Science, Technology and Medicine, London, United Kingdom.

**Position in the Company** – Deputy Group Managing Director/Chief Operating Officer. Redesignated as Group Managing Director/Chief Operating Officer on 30 July 2003

**Working experience and occupation** – He has local and international working experience and is well-versed in the field of petrochemicals having been in the business for more than 20 years. Was Chairman of the Malaysian Charter of the Young Presidents Organisation ("YPO"), an international grouping of over 8,500 chief executive officers of

major companies over the world, and was a director of the International Board of Directors of YPO. Was appointed as the Deputy Group Managing Director of Ancom in October 1995. He is currently the Group Managing Director of Nylex (Malaysia) Berhad.

**Date first appointed to the Board** – 23 October 1985

**Board Meeting attendance** – 6 / 6

**Other Board Committee** – None

**Other directorship of public companies** – Nylex (Malaysia) Berhad; Eastern & Oriental Berhad; Kamunting Corporation Berhad; Tamco Corporate Holdings Berhad.

**Securities holdings in the Company and its subsidiaries** – Refer Directors' Report of this Annual Report

**Family relationship with any director /substantial shareholder of the Company** – Son of Y Bhg Dato' Siew Nim Chee, a Director of the Company.

**Conflict of interest with the Company** – He is deemed to have an indirect interest in 41.8% equity not already owned by the Company in MSTI Corporation Sdn Bhd ("MSTI"), a 50.1%-owned subsidiary of the Company.

**List of convictions for offences within the past 10 years other than traffic offences** – None



**Name** – Y Bhg Dato' Siew Nim Chee

**Age** – 78

**Nationality** – Malaysian

**Qualifications** – Bachelor of Arts (Hons) in Economics, University of Malaya, Malaysia; Master of Science in Industrial Labour Relations, Cornell University, USA.

**Position in the Company** – Advisor/Executive Director

**Working experience and occupation** – He was a lecturer in University of Malaya and Head of Economic Research and Chief Economist of Bank Negara Malaysia. Was an Advisor with Exxon (M) Berhad, Managing Director of Magnum Corporation Berhad and Group Consultant of Genting Berhad. Was the Founder, Fellow, President of the Malaysian Economic Association ("MEA") and Executive Council Member of the MEA Foundation; was President, currently Deputy President of the Cornell University Graduate Club of Malaysia.

Currently a member of the Cornell University Council and the Panel of Advisors, Cornell SEAP.

**Date first appointed to the Board** – 27 November 1992

**Board Meeting attendance** – 6 / 6

**Other Board Committee** – None

**Other directorship of public companies** – Johan Holdings Berhad; Malaysia Oxygen Berhad; UAC Berhad; Asiatic Development Berhad; Malaysia Smelting Corporation Berhad; Resorts World Berhad.

**Securities holdings in the Company and its subsidiaries** – Refer Directors' Report of this Annual Report. Ceased to have any interest in the shares in the Company with effect from 30 June 2003.

**Family relationship with any director / substantial shareholder of the Company** – Father of Y Bhg Dato' Siew Ka Wei, the Group Managing Director and a substantial shareholder of the Company.

**Conflict of interest with the Company** – He is deemed to have an indirect interest in 41.8% equity not already owned by the Company in MSTi Corporation Sdn Bhd ("MSTi"), a 50.1%-owned subsidiary of the Company.

**List of convictions for offences within the past 10 years other than traffic offences** – None



**Name** – Y Bhg Tan Sri Dato' Dr Lin See Yan

**Age** – 64

**Nationality** – Malaysian

**Qualifications** – Bachelor of Arts (Hons) in Economics, University of Malaya, Malaysia; Ph.D in Economics, Harvard University, USA.

**Position in the Company** – Independent Non-Executive Director

**Working experience and occupation** – He has a long and distinguished history of service to the Government of Malaysia and the private sector in various posts, the most important being Deputy Governor of Bank Negara Malaysia from 1980 to 1994. Was Executive Chairman of Pacific Bank Berhad and later its President and Chief Executive Officer from 1994 to 1997. Was also a Director and Chairman of the Executive Committee of Khazanah Nasional Berhad from 1994 to 2000. He is currently the Pro-

Chancellor of Universiti Sains Malaysia and a Professor of Economics (Adjunct) in University Utara Malaysia. He also holds various positions in international institutions such as Chairman of the Expert Group on Finance for Sustainable Development, UN Commission on Sustainable Development; Consultant of the United Nations; Chairman, Harvard's Graduate School Alumni Association Council and the Regional Director for Asia of Harvard Alumni Association at the university. He is also an Eisenhower Fellow and Member of the General Council of the Malaysian Institute of Management.

**Date first appointed to the Board** – 30 October 2000

**Board Meeting attendance** – 4 / 6

**Other Board Committee** – Remuneration and Nomination Committee (Chairman)

**Other directorship of public companies** – F & N Holdings Berhad; Genting Berhad; Resorts World Berhad.

**Securities holdings in the Company and its subsidiaries** – Refer Directors' Report of this Annual Report.

**Family relationship with any director / substantial shareholder of the Company** – None

**Conflict of interest with the Company** – None

**List of convictions for offences within the past 10 years other than traffic offences** – None



**Name** – Y Bhg Datuk Hj Mohamed Al Amin bin Hj Abdul Majid JP

**Age** – 48

**Nationality** – Malaysian

**Qualification** – Bachelor of Science in Civil Engineering, University of Aston, United Kingdom.

**Position in the Company** – Non-Independent Non-Executive Director

**Working experience and occupation** – He began his career as a project engineer with the Perak State Development Corporation in 1979. Was made the Executive Director of its subsidiary, Maju Bangun Sdn Bhd from 1981 to 1982. In 1982, he set up his own business and is currently a directors of a few private limited companies. He is currently Chairman of the Chemical Industries Council of Malaysia ("CICM") and a Corporate member of Institute of Engineers Malaysia ("MIEM"); Executive Chairman of Country View Berhad and Chairman of Nylex (Malaysia) Berhad.

**Date first appointed to the Board** – 16 June 1997

**Board Meeting attendance** – 4 / 6

**Other Board Committee** – None

**Other directorship of public companies** – I Berhad; Nylex (Malaysia) Berhad; Country View Berhad; Gabungan Pemborong Bumiputera Perak Berhad; MCIS Zurich Insurance Berhad.

**Securities holdings in the Company and its subsidiaries** – None

**Family relationship with any director / substantial shareholder of the Company** – None

**Conflict of interest with the Company** – None

**List of convictions for offences within the past 10 years other than traffic offences** – None



**Name** – Y Bhg Dato' Mohd Ismail bin Che Rus

**Age** – 60

**Nationality** – Malaysian

**Qualifications** – Training Management at the Royal Institute of Public Administration, London, United Kingdom; Post Graduate Senior Management at the University of Manchester, United Kingdom.

**Position in the Company** – Independent Non-Executive Director

**Working experience and occupation** – He started his career with the Royal Malaysian Police as an Inspector in 1962. Was promoted on numerous occasions before being appointed the Chief Police Officer for three states in Malaysia and the Metropolitan Police of Kuala Lumpur. Was holding the rank of Commissioner of Police with the appointment as the Director of Criminal Investigation Department prior to retirement.

Currently an executive council member of the Malaysia Crime Prevention Foundation.

**Date first appointed to the Board** – 29 October 1999

**Board Meeting attendance** – 6 / 6

**Other Board Committees** – Audit Committee (Chairman); Remuneration and Nomination Committee (Member)

**Other directorship of public companies** – Nylex (Malaysia) Berhad; Kop Mantap Berhad; Selangor Dredging Berhad.

**Securities holdings in the Company and its subsidiaries** – None

**Family relationship with any director / substantial shareholder of the Company** – None

**Conflict of interest with the Company** – None

**List of convictions for offences within the past 10 years other than traffic offences** – None





**Name** – Chieng Ing Huong

**Age** – 46

**Nationality** – Malaysian

**Qualification** – Bachelor of Commerce (Hons) in Accounting, Finance and Information Systems, University of New South Wales, Australia.

**Position in the Company** – Independent Non-Executive Director

**Working experience and occupation** – He qualified as a Chartered Accountant and is a member of the Institute of Chartered Accountants in Australia and the Malaysian Institute of Accountants. Was the managing director of Equity & Property Investment Corporation Limited, Australia, a director of Hillgrove Gold NL, Australia and an executive director of OSK Holdings Berhad. Was the founder and currently a substantial shareholder of Nationwide Express Courier Services Berhad. He is currently the Senior

Vice-President, Business Development of Hwang-DBS Securities Berhad; Chairman of Selangor Dredging Berhad and managing director of a few private limited companies.

**Date first appointed to the Board** – 23 August 2001

**Board Meeting attendance** – 4 / 6

**Other Board Committees** – Audit Committee (Member); Remuneration and Nomination Committee (Member)

**Other directorship of public companies** – Nylex (Malaysia) Berhad; QL Resources Berhad; Nationwide Express Courier Services Berhad; Selangor Dredging Berhad.

**Securities holdings in the Company and its subsidiaries** – Refer Directors' Report of this Annual Report

**Family relationship with any director / substantial shareholder of the Company** – None

**Conflict of interest with the Company** – None

**List of convictions for offences within the past 10 years other than traffic offences** – None

**Name** – Chan Thye Seng

**Age** – 46

**Nationality** – Malaysian

**Qualification** – Bachelor of Law (Hons), University College, Cardiff, United Kingdom.

**Position in the Company** – Non-Independent Non-Executive Director

**Working experience and occupation** – He practised as an Advocate and Solicitor for more than 13 years after being called to the Bar at Middle Temple, United Kingdom, in 1980 and the Malaysian Bar in 1982. Was previously on the Boards of the Kuala Lumpur Commodities Exchange and Malaysian Futures Clearing Corporation Sdn Bhd. Presently the Chief Executive Officer of Pacific & Orient Berhad and its subsidiaries.

**Date first appointed to the Board** – 19 October 1999

**Board Meeting attendance** – 6 / 6

**Other Board Committee** – None

**Other directorship of public companies** – Pacific & Orient Berhad; Pacific & Orient Insurance Co. Berhad.

**Securities holdings in the Company and its subsidiaries** – Refer Directors' Report of this Annual Report

**Family relationship with any director / substantial shareholder of the Company** – None

**Conflict of interest with the Company** – None

**List of convictions for offences within the past 10 years other than traffic offences** – None