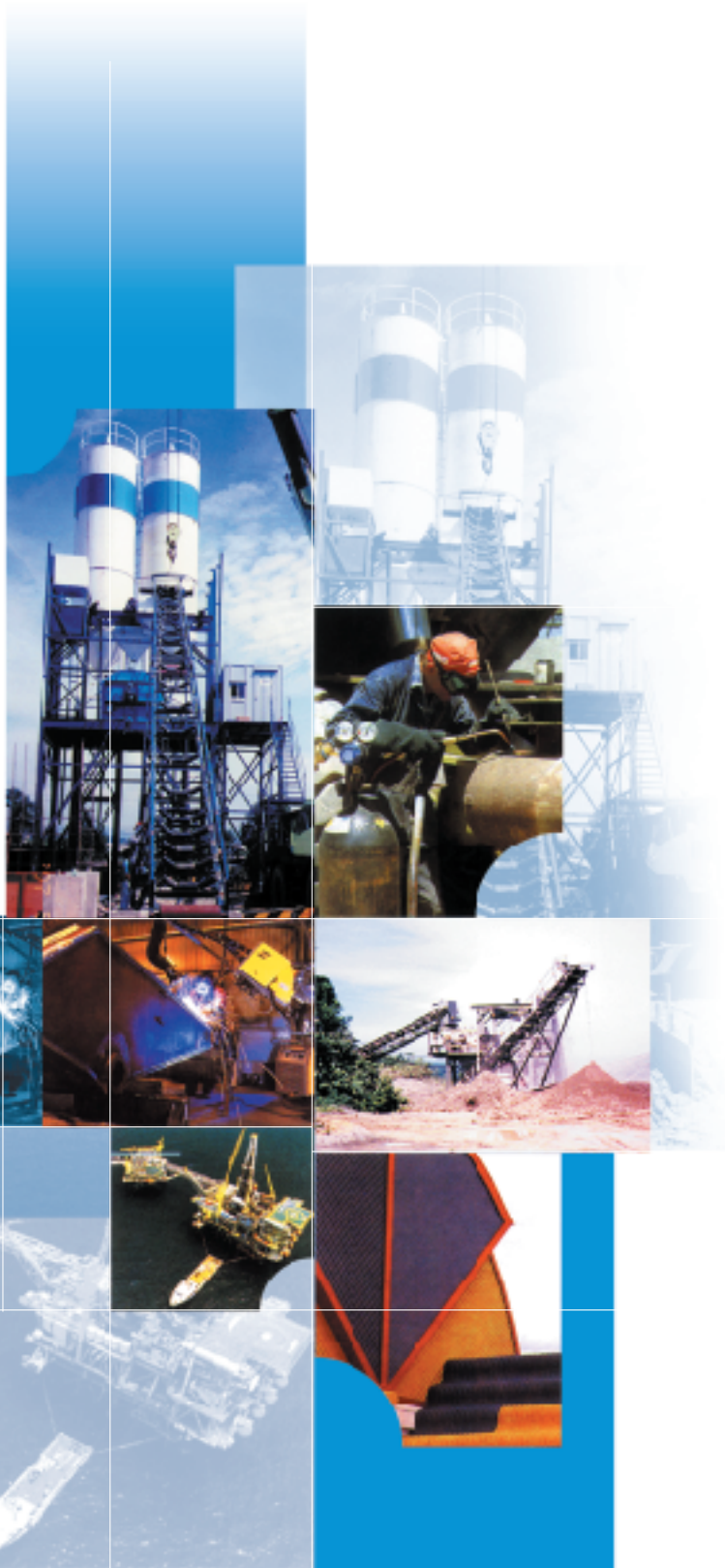




**B.I.G. INDUSTRIES BERHAD**  
(Incorporated in Malaysia)  
(195285-D)

*Annual Report*

**2001**



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**NOTICE IS HEREBY GIVEN THAT** the Twelfth Annual General Meeting of B.I.G. INDUSTRIES BERHAD will be held at The Sarawak Club, Jalan Taman Budaya, 93000 Kuching, Sarawak on Monday, 24 June 2002 at 10.00 a. m. to transact the following matters:-

#### AGENDA

- |  |                     |
|--|---------------------|
| 1. To receive and adopt the Audited Financial Statements of the Company for the year ended 31 December 2001 and the Directors' and Auditors' Reports thereon.                        | <b>Resolution 1</b> |
| 2. To approve the payment of Directors' fees amounting to RM97,833 in respect of the year ended 31 December 2001.  | <b>Resolution 2</b> |
| 3. To re-elect the following Directors who retire by rotation pursuant to Article 106 of the Company's Articles of Association and being eligible offer themselves for re-election:- |                     |
| i. Tuan Hj. Mohd Fauzi Bin Yusof @ Mohd Yusof  | <b>Resolution 3</b> |
| ii. Mr. Wong Choon Seng  | <b>Resolution 4</b> |
| 4. To re-elect En. Khairil Annas Bin Jusoh who retires pursuant to Article 114 of the Company's Articles of Association and being eligible, offers himself for re-election.          | <b>Resolution 5</b> |
| 5. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration.  | <b>Resolution 6</b> |

#### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution, with or without modifications, as an Ordinary Resolution of the Company:-

#### 6. ORDINARY RESOLUTION

##### **Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares**

"THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue new shares in the Company at any time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution in any one financial year does not exceed 10% of the total issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from the Kuala Lumpur Stock Exchange for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company".

**Resolution 7**

7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

HO CHIEW LENG (LS 006059)  
CHAN SAU LENG (MAICSA 7012211)  
Company Secretaries

Kuching, Sarawak  
Date: 31 May 2002

**Notes:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A corporation which is a member may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at the Meeting, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
3. An instrument appointing a proxy shall be in writing under the hand of the appointor or if the appointor is a corporation either under its common seal or under the hand of an attorney duly authorised. Where a member appoints two proxies, the appointments shall be invalid unless the number of shares to be represented by each proxy is specified.
4. An instrument appointing a proxy or representative must be deposited at the Registered Office of the Company, Lot 2225, Section 66, Jalan Dermaga, Pending Industrial Estate, 93450 Kuching, Sarawak, Malaysia not less than 48 hours before the time appointed for holding the meeting.

**Explanatory Note on Special Business**

**Resolution Pursuant to Section 132D of the Companies Act, 1965**

The Ordinary Resolution 7 proposed under Agenda 6, if passed, will give the Directors of the Company, authority to issue and allot shares from the unissued capital of the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider would be in the best interests of the Company. This authority, unless revoked or varied by the shareholders of the Company in a General Meeting, will expire at the conclusion of the next Annual General Meeting.

## 4 STATEMENT ACCOMPANYING NOTICE OF TWELFTH ANNUAL GENERAL MEETING

### 1. The names of retiring Directors who are standing for re-election at the Twelfth Annual General Meeting:

- (i) Tuan Hj. Mohd Fauzi Bin Yusuf @ Mohd Yusof
- (ii) Mr. Wong Choon Seng
- (iii) Encik Khairil Annas Bin Jusoh

### 2. The details of attendance of the Directors at Board Meetings

There were 6 Board Meetings held during the financial year.

The Board Meetings for the financial year ended 31 December 2001 are as tabulated below:-

Name of Directors	No. of meetings held during the year	No. of meetings attended
Y. Bhg. Datuk Haji Mazelan Bin Bugo	6	4
Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin	6	6
Y. Bhg. Dato' Long Ahmad Zainal Abidin Bin Mohd Tahir	6	3
Y. Bhg. Tan Sri Datuk Amar Chong Siew Fai	6	3
Ms. Yong Siew Kat	6	6
Mr. Wong Choon Seng	6	6
Tuan Hj. Mohd Fauzi Bin Yusuf @ Mohd Yusof	6	4
Encik Khairil Annas Bin Jusoh (Appointed on 1/4/02)	6	0
Tg. Mohd. Kamil Bin Tg. Shahrudin Shah (Resigned on 11/5/2001)	6	0

### 3. The Date, Time and Place of the Board Meetings

Date	Time	Venue
28.02.2001	3.00 p.m.	Conference Room 19D, 4 <sup>th</sup> Floor, Block 2 Worldwide Business Centre Jalan Tinju 13/50, Section 13 40675 Shah Alam, Selangor
31.05.2001	3.00 p.m.	same as above
06.08.2001	11.30 a.m.	same as above
28.11.2001	3.00 p.m.	same as above
28.12.2001	11.00 a.m.	same as above
25.06.2001	9.00 a.m.	Bilik Gombak Kelab Shah Alam Selangor Jalan Istana Kayangan Section 13, 40675 Shah Alam Selangor

**4. Further details of Directors who are standing for re-election**

(i) Name	Tuan Hj. Mohd Fauzi Bin Yusuf @ Mohd Yusof
Age	39
Nationality	Malaysian
Qualification	B.A Architecture, RIBA Part I, Hull School of Architect, U.K. (1984) and a Dip. In Architecture, RIBA Part II, Hull School of Architecture, U.K. (1987).
Position in the Company	Independent Non-Executive Director
Working experience & occupation	Tuan Hj. Mohd Fauzi Bin Yusuf @ Mohd Yusof was appointed to the Board of Directors of the Company as an Independent Non-Executive Director on 16th July 1999. He is a Corporate Member of Pertubuhan Arkitek Malaysia since 1991, the Royal Institute Of British Architects since 1989 and the Registered Architect with the Lembaga Arkitek Malaysia since 1991. He has about 15 years of working experience in Design and Architect works. Currently, he is the principal of FY Architects and F.I Architects Sdn Bhd.
Any other directorships of public companies	Ngiu Kee Corporation (M) Berhad
The securities holdings in the Company and its subsidiaries	None
The family relationship with any director and/or major shareholder of the Company	None
Any conflict of interest that he has with the Company	None
List of convictions for offences within the past 10 years other than traffic offences, if any	None

## 6 STATEMENT ACCOMPANYING NOTICE OF TWELFTH ANNUAL GENERAL MEETING

### 4. Further details of Directors who are standing for re-election (Cont'd)

(ii) Name	Mr. Wong Choon Seng
Age	52
Nationality	Malaysian
Qualification	Masters Degree in International Marketing from University of Strathclyde, Galsgow Degree in Economics from Universiti Malaya Associate of Chartered Insurance Institute, London Associate of Malayan Insurance Institute
Position in the Company	Executive Director
Working experience & occupation	Mr Wong Choon Seng joined B.I.G. Industries Berhad as a Group General Manager in 1998. He was promoted to Executive Director on 1st February 2000. Prior to that, Mr. Wong started his career in the insurance industry after graduating in 1973 and was sent overseas for training in U.K. and the U.S.A. In 1984, he joined Linggui Development Berhad, a public listed company and was seconded to Industrial and Commercial Insurance (M) Sdn Bhd as General Manager/Principal Officer. In 1989, he started his own business as a children furniture manufacturer and play equipment trading company. In year 1996, Mr Wong joined American International Assurance (M) Sdn Bhd as the head of its training and education department.
Any other directorships of public companies	None
The securities holdings in the Company and its subsidiaries	None
The family relationship with any director and/or major shareholder of the Company	None
Any conflict of interest that he has with the Company	None
List of convictions for offences within the past 10 years other than traffic offences, if any	None

**4. Further details of Directors who are standing for re-election (Cont'd)**

(iii) Name	Encik Khairil Annas Bin Jusoh
Age	31
Nationality	Malaysian
Qualification	L.L.B. (1st Class Honours) L.L.M. (Cambridge), M.B.A. APTT (IOWA) Certified Consultant MBA in Islamic Banking and Finance from International Islamic University
Position in the Company	Independent Non-Executive Director
Working experience & occupation	Encik Khairil Annas Bin Jusoh was appointed as an Independent Non-Executive Director of B.I.G. Industries Berhad in 1st April 2002. In 1996, he was admitted to the Malaysian Bar and qualified as an Advocate & Solicitor of the High Court of Malaya. Encik Khairil then subsequently obtained Master in Business Administration specializing in Islamic Banking and Finance from International Islamic University and is currently conducting his doctoral research. Encik Khairil is the principal partner of his firm and served as the Managing Consultant at KPMG Consulting Sdn. Bhd., a global Management - Consulting firm. He has held the post of Vice President of Kolej Unitek Malaysia formerly known as Emile Woolf College Malaysia. Encik Khairil has since 1996 served as a visiting lecturer in Laws and Philosophy of Science, Creativity and Syariah in various Universities and Higher Learning Institutions. He is also the Guest Speaker / Consultant Trainer and a member of the Malaysian Institute of Management (MIM).
Any other directorships of public companies	None
The securities holdings in the Company and its subsidiaries	None
The family relationship with any director and/or major shareholder of the Company	None
Any conflict of interest that he has with the Company	None
List of convictions for offences within the past 10 years other than traffic offences, if any	None



**B.I.G. INDUSTRIES BERHAD**  
(195285-D)

100%	<b>B.I.G. Industrial Gas Sdn. Bhd.</b>	
100%	<b>Uni-Mix Sdn. Bhd.</b>	
100%	<b>Lumanai Sdn. Bhd.</b>	
100%	<b>Kinalaju Supply Sdn. Bhd.</b>	
100%	<b>Hypervictory Sdn. Bhd.</b>	100% <b>Besitek Konsortium Sdn. Bhd.</b>
100%	<b>Linear Excellent Sdn. Bhd.</b>	
100%	<b>B.I.G. Construction Sdn. Bhd.</b>	
100%	<b>B.I.G. Communications Sdn. Bhd.</b>	
100%	<b>Alpha Billion Sdn. Bhd.</b>	
100%	<b>B.I.G. Marketing Sdn. Bhd.</b> (f.k.a. Unique Billion Sdn Bhd)	
30%	<b>B.I.G. Oil &amp; Gas Sdn. Bhd.</b>	

**BOARD OF DIRECTORS**

Y. Bhg. Datuk Haji Mazelan Bin Bugo  
(Independent Non-Executive Chairman)

Wong Choon Seng  
(Executive Director)

Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin  
(Non-Independent & Non-Executive Director)

Y. Bhg. Tan Sri Datuk Amar Chong Siew Fai  
(Independent Non-Executive Director)

Y. Bhg. Dato' Long Ahmad Zainal Bin Mohd Tahir  
(Independent Non-Executive Director)

Yong Siew Kat  
(Independent Non-Executive Director)

Tuan Haji Mohd Fauzi Bin Yusof @ Mohd Yusof  
(Independent Non-Executive Director)

Khairil Annas Bin Jusoh  
(Independent Non-Executive Director)

**AUDIT COMMITTEE**

Y. Bhg. Datuk Haji Mazelan Bin Bugo (Chairman)  
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin (Member)  
Yong Siew Kat (Member)

**NOMINATION COMMITTEE**

Y. Bhg. Datuk Haji Mazelan Bin Bugo (Chairman)  
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin (Member)  
Y. Bhg. Tan Sri Datuk Amar Chong Siew Fai (Member)  
Yong Siew Kat (Member)

**REMUNERATION COMMITTEE**

Y. Bhg. Datuk Haji Mazelan Bin Bugo (Chairman)  
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin (Member)  
Yong Siew Kat (Member)

**COMPANY SECRETARIES**

Ho Chiew Leng (LS 006059)  
Chan Sau Leng (MAICSA 7012211)

**REGISTERED & PRINCIPAL OFFICE**

Lot 2225, Section 66, Jalan Dermaga  
Pending Industrial Estate, 93450 Kuching, Sarawak  
Tel: 082-486 321, 082-487 151 Fax: 082-336 933

**SHARE REGISTRAR**

Signet Share Registration Services Sdn Bhd  
11<sup>th</sup> Floor, Tower Block, Kompleks Antarabangsa  
Jalan Sultan Ismail, 50250 Kuala Lumpur  
Tel: 03-2145 4337 Fax: 03-2142 1353

**AUDITORS**

Ernst & Young  
Public Accountants  
Room 300-303, 3rd Floor, Wisma Bukit Mata Kuching  
Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak  
Tel: 082-243 233 Fax: 082-421 287

**PRINCIPAL BANKERS**

Malayan Banking Berhad

**PANEL OF SOLICITORS**

AI Nathan Associates

**STOCK EXCHANGE LISTING**

The Kuala Lumpur Stock Exchange (Second Board)

## 10 PROFILE OF THE BOARD OF DIRECTORS

### **Y. BHG. DATUK HAJI MAZELAN BIN BUGO** *Independent Non-Executive Chairman*

**Y. BHG. DATUK HAJI MAZELAN BIN BUGO**, aged 48, a Malaysian, was appointed to the Board of the Company since 10 April 2001. Datuk Haji Mazelan is the Independent Non-Executive Chairman of the Company and he is also the Independent Non-Executive Chairman of Ngiu Kee Corporation (M) Berhad, which is listed on the Second Board of Kuala Lumpur Stock Exchange.

Y. Bhg. Datuk Haji Mazelan graduated with a Bachelor of Science in Business Administration. He started his own business in 1974 by supplying building materials to various Government bodies. In 1976, he formed a small construction company called Jurudaya Construction Sdn.Bhd. and nurture it into one of the largest in Sarawak. His vast working experience and technical expertise enable him to execute and manage contracts of various sizes. Today, he is one of the prominent few Sarawakian who has curved his name in the Corporate World. He has also ventured out into other business outside the construction industry like tourism. He owns a travel agent and a well known resort in Sarawak. He is also the Deputy Chairman of MATA Sarawak and Council Member of Sarawak Tourist Association Sarawak. Y. Bhg. Datuk Haji Mazelan was awarded the DMSM which carries the title 'Datuk' by his Excellency Yang Di Pertua Negeri Melaka in October, 2001.

Y. Bhg. Datuk Haji Mazelan is also a Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He has attended four (4) out of Six (6) Board Meetings held during the financial year ended 31 December 2001.

Y. Bhg. Datuk Haji Mazelan does not have any family relationship with any Director and/or Substantial Shareholder of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.

### **MR WONG CHOON SENG** *Executive Director*

**MR WONG CHOON SENG**, aged 52, a Malaysian, joined the Company as Group General Manager in 1998 and was appointed to the Board of the Company on 30 April 1999 and subsequently was promoted as an Executive Director on 1 February 2000. He graduated from University Malaya with a degree in Economics in 1973. In 1977, he became an Associate of the Chartered Insurance Institute, London. Subsequently he was elected an Associate of the Malayan Insurance Institute. In 1991, he earned his masters degree in International Marketing from the University of Strathclyde, Glasgow.

Mr. Wong started his career in the insurance industry after graduating in 1973 and was sent for training at Lloyds of London as well as the Cornhill Insurance Company and at Minet James Insurance Broker. He gained further experience when he was sent for training at RFC Intermediaries Incorporated, a reinsurance company in San Francisco, U.S.A. By 1981, he was promoted to Assistant General Manager.

In 1984, he joined Linggui Development Berhad, a public listed company and was seconded to Industrial and Commercial Insurance (M) Sdn Bhd as General Manager/Principal Officer. Simultaneously, he was also appointed to the Board of Linggui subsidiary companies, which were engaged in property management, plantation and financial services.

In 1989, he started Lakeshore (M) Sdn Bhd, a children furniture manufacturer and play equipment trading company. Lakeshore (M) Sdn Bhd was subsequently bought over by the Taiping Super Group of companies and he was appointed Managing Director of the Taiping Super Group's

furniture subsidiary. The Taiping Super Group has two companies listed on the Second Board of the Kuala Lumpur Stock Exchange. In 1996, Mr. Wong joined American International Assurance (M) Sdn Bhd as the head of its training and education department.

Mr. Wong has attended all the Six (6) Board Meetings held during the financial year ended 31 December 2001. He does not have any family relationship with any Director and/or Substantial Shareholder of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.

**Y. BHG. TAN SRI DATO' DR LAU BAN TIN** *Non-Independent & Non-Executive Director*

**Y. BHG. TAN SRI DATO' DR. LAU BAN TIN**, aged 46, a Malaysian, was appointed to the Board of the Company on 18 November 1998. He is a Fellow member of several institutions which include the Malaysian Institute of Accountants, the Malaysian Institute of Taxation and the Chartered Institute of Management Accountants, the Association of International Accountants. He obtained his Doctor of Business Administration and MBA from the Southern Cross University of Australia.

Y. Bhg. Tan Sri Dato' Dr. Lau was the pioneer in the setting up of the Tawakal Hospital in Kuala Lumpur and was the financial consultant for the Bandar Tun Razak Project under DBKL. Currently, he is the Chairman of Malaysia Red Crescent Society Chapter Klang and the President of Kolej Tunku Abdul Rahman School of Business Studies Ex-Students Association. Other public listed companies in which he is a Director are Ngiu Kee Corporation (M) Berhad and Yong Tai Berhad.

Y. Bhg. Tan Sri Dato' Dr. Lau is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He has attended all the six (6) Board Meetings held during the financial year ended 31 December 2001.

Y. Bhg. Tan Sri Dato' Dr. Lau is a substantial shareholder of the Company by virtue of his interest in Pristine Corporation Sdn Bhd, which is also a substantial shareholder of the Company. Save for the aforesaid, he does not have any family relationship with any Director and/or Substantial Shareholder of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.

**Y. BHG. TAN SRI DATUK AMAR CHONG SIEW FAI** *Independent Non-Executive Director*

**Y. BHG. TAN SRI DATUK AMAR CHONG SIEW FAI**, aged 67, a Malaysian, was appointed to the Board of the Company on 16 February 2001. Y. Bhg. Tan Sri Datuk Amar Chong was admitted to the Lincoln's Inn, London in 1962 to pursue his studies in Law. In 1965, he was successfully called to the English Bar and the Sarawak Bar.

Y. Bhg. Tan Sri Datuk Amar Chong started his legal career as a practising Advocate in Sarawak. He was appointed a Judge of the High Court in Sabah and Sarawak and served in the High Court in Kuching, Kota Kinabalu and Sibul from 1980 to 1994. In 1994, Y. Bhg. Tan Sri Datuk Amar Chong was elevated to the Federal Court of Malaysia. In 1995, he was appointed the Chief Judge of the High Court in Sabah and Sarawak and a Judge of the Special Court established under Article 182(1) of the Federal Constitution of Malaysia until his retirement in July 2001.

Whilst practicing as an Advocate, Y. Bhg. Tan Sri Datuk Amar Chong was the President of the Sarawak Advocates' Association from 1975 to 1979. During his tenure of office as the Chief Judge, he served as a Member of the Judicial and Legal Service Commission, Malaysia and also as a Member of the Law Revision Committee, Malaysia. His international judicial experiences overseas include participation in the International Appellate Judges' Conference & the Commonwealth Chief Justices' Conference in Ottawa, Canada and the Asia Law Conference in Manila, Philippine.

Y. Bhg. Tan Sri Datuk Amar Chong was awarded the PANGLIMA NEGARA BINTANG SARAWAK (P.N.B.S.) which carries the title 'Datuk' by his Excellency T.Y.T. Yang Di-Pertua Negeri Sarawak in 1984. He was also awarded PANGLIMA SETIA MAHKOTA (P.S.M.) which carries the title 'Tan Sri' by the DYMM Seri Paduka Baginda Yang Dipertuan Agong in June 1999. In September 1999, Y. Bhg. Tan Sri Datuk Amar Chong was awarded DATUK AMAR (D.A.) which carries the title 'Datuk Amar' by His Excellency T.Y.T. Yang Di-Pertua Negeri Sarawak.

Y. Bhg. Tan Sri Datuk Amar Chong is a member of Nomination Committee of the Company. He has attended three (3) out of six (6) Board Meetings held during the financial year ended 31 December 2001.

Y. Bhg. Tan Sri Datuk Amar Chong has no family relationship with any Director and/or substantial shareholder of the Company and has no conflict of interest with the Company. He has never been charged for any offence.

**Y. BHG. DATO' LONG AHMAD ZAINAL BIN MOHD TAHIR** *Independent Non-Executive Director*

**Y. BHG. DATO' LONG AHMAD ZAINAL BIN MOHD TAHIR**, *DSAP, DIMP, SMP (Pahang)*, aged 58, a Malaysian, was appointed to the Board of the Company on 18th November 1998. He obtained a Bachelor of Arts Degree from the University of Malaya in 1967 and a Masters Degree in Business Administration, majoring in International Business and Marketing from the University of Oregon, United States of America in 1978.

Y. Bhg. Dato' Long has served the Government for 25 years of which the last 20 years was with the Pahang State Development Corporation ("PSDC"). He opted for early retirement from the Government services in October 1991 after 12 years as the Chief Executive of PSDC. Presently, He is the Executive Chairman of DLA Enterprise Sdn. Bhd. which is actively involved in investments in South Africa and Namibia. Y. Bhg. Dato' Long has more than 20 years experience in the public and private sectors, and has sat on the board of numerous listed public companies.

Y. Bhg. Dato' Long has attended three (3) out of six (6) Board Meetings held during the financial year ended 31 December 2001. He is a substantial shareholder of the Company by virtue of his interest in Pristine Corporation Sdn Bhd, which is also a substantial shareholder of the Company. Save for the aforesaid, he does not have any family relationship with any Director and/or Substantial Shareholder of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.

**MS YONG SIEW KAT** *Independent Non-Executive Director*

**MS YONG SIEW KAT**, aged 49, a Malaysian, was appointed to the Board of the Company on 2 August 1999. She holds a Masters in Management (Philippines) and is a graduate from the Association of Chartered Secretaries and Administrators (London). She has more than 20 years working experience in the financial and corporate sectors. Presently, she is also a Chief Executive Officer of Ngiu Kee Corporation (M) Berhad.

Ms Yong started her career with a conglomerate as an Assistant Company Secretary in 1976 after which she joined MIDF, the only Issuing House in the country then involved in the share registration of more than 25 public listed companies and in Issuing House functions of Initial Public Offerings (IPOs) and equity-linked issues. She joined a local merchant bank in 1980 as an Assistant Manager-Corporate Finance for about 10 years gaining vast experience in corporate banking, treasury and corporate finance exercises like new IPOs and other debt and equity-linked capital fund raising exercises. Ms Yong's last position prior to leaving the bank in 1990 was the Head of Corporate Finance.

Ms Yong left for the commercial sector when she joined the Lion Group as General Manager of Corporate Planning in 1990 involved in major acquisitions, joint venture projects and privatization projects in Malaysia, Singapore, Taiwan, Hong Kong, Indonesia and China. Whilst she was with Lion Group, she was involved in major corporate exercises via the Group's Public Listed Companies listed on the Kuala Lumpur Stock Exchange, The Stock Exchange of Singapore, Hong Kong Stock Exchange, Jakarta Stock Exchange and Taiwan Stock Exchange. Ms Yong also sits in the various companies as Director and management committee member of Lion Group companies involved in steel, properties, motor, stockbroking and retail industries. She was with the Lion Group for 7 years, before she left in 1997 to join Arab Malaysian Securities Sdn Bhd, a stock broking house as General Manager – Corporate Finance. Ms Yong left the broking industry in 1999.

Ms Yong is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. She has attended all the six (6) Board Meetings held during the financial year ended 31 December 2001.

Ms Yong does not have any family relationship with any Director and/or Substantial Shareholder of the Company and has no conflict of interest with the Company. She does not have any conviction for any offences within the past ten (10) years.

**TUAN HJ. MOHD FAUZI BIN YUSUF @ MOHD YUSOF** *Independent Non-Executive Director*

**TUAN HJ MOHD FAUZI BIN YUSUF @ MOHD YUSOF**, aged 39, a Malaysian, was appointed to the Board of the Company on 16 July 1999. He holds a B.A Architecture, RIBA Part 1, Hull School of Architect, U.K. (1984) and a Dip. In Architecture, RIBA Part II, Hull School of Architecture, U.K (1987). Tuan Hj. Mohd Fauzi has 15 years of working experience in this field. Presently, he is also an Independent Non-Executive Director of Ngiu Kee Corporation (M) Berhad.

Tuan Hj. Mohd Fauzi is a Corporate Member of Pertubuhan Arkitek Malaysia since 1991 and the Royal Institute Of British Architects since 1989. He is also a Registered Architect with the Lembaga Arkitek Malaysia since 1991.

## 14 PROFILE OF THE BOARD OF DIRECTORS

Tuan Hj. Mohd Fauzi's work of art include the design of the International Youth Centre, Bandar Tun Razak, Kuala Lumpur in 1984 when he was with Architect Andasar, Subang Jaya. He joined Hadfield Cawkwell Davidson and partners, Sheffield, UK in 1987 and Blackmore Sons and Co, Hull, UK in 1989. Today his work can be seen in many parts of England including Hull, Leicestershire, Sheffield, Rotherham, Grimsby, and Lincolnshire.

Tuan Hj. Mohd Fauzi came back to Malaysia in 1990 to join Azza Associate Architects in Kuala Lumpur. Among his works of creative designs are; Water Recreation Centre, Pudu, Kuala Lumpur; Casa Pedena Development in Taman Bunga Negara with its Kelab Pedena, in Shah Alam; Hicom's Multi Purpose Hall and many others. Among the established developers that he had worked with were Perumahan Kinrara Berhad, Sime UEP Development, Negara Properties, Hicom Properties Sdn Bhd and Island and Peninsular. Tuan Hj Mohd Fauzi is currently the principal of FY Architects and F.I Architects Sdn Bhd.

Tuan Hj Mohd Fauzi has attended four (4) out of six (6) Board Meetings held during the financial year ended 31 December 2001. He does not have any family relationship with any Director and/or Substantial Shareholder of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.

### **ENCIK KHAIRIL ANNAS BIN JUSOH** *Independent Non-Executive Director*

**ENCIK KHAIRIL ANNAS BIN JUSOH**, aged 31, a Malaysian, was appointed to the Board of the Company on 1 April 2002. Encik Khairil is a promising entrepreneur with impeccable academic credentials. He was awarded the Silver Jubilee Gold Medal as the Overall Best Student of Sekolah Alam Shah Kuala Lumpur in 1989. Later upon graduation with a 1st Class Honors Law Degree in 1994, he was conferred the Highest Award as the International Islamic University's Overall Best Student. Between 1985 to 1992, Encik Khairil made national headlines as National Champion, Overall Best Speaker and Overall Best Orator in debates and elocutionary contest both at school and varsity levels.

Thus, in recognition of his outstanding academic and curricular achievements, he was conferred the curricular achievements the Anugerah Pelajaran Di Raja (Pingat Jaya Cemerlang) by the Council of Malay Rulers and awarded a Cambridge Commonwealth Trust Scholarship which enabled him to secure a Masters in International Laws from Cambridge University in 1995. Also in 1995, he received the Tunku Abdul Rahman Putra Gold Medal as Malaysia's Most Outstanding Student of the year and made a Fellow of the Cambridge Commonwealth Society by Prince of Wales. In 1996, he was admitted to the Malaysian Bar and qualified as an Advocate & Solicitor of the High Court of Malaya. Encik Khairil then subsequently obtained Master in Business Administration specializing in Islamic Banking and Finance from International Islamic University and is currently conducting his doctoral research.

Encik Khairil is the principal partner of his firm and served as the Managing Consultant at KPMG Consulting Sdn. Bhd., a global Management - Consulting firm. He has held the post of Vice President of Kolej Unitek Malaysia formerly known as Emile Woolf College Malaysia. Encik Khairil has since 1996 served as a visiting lecturer in Laws and Philosophy of Science, Creativity and Syariah in various Universities and Higher Learning Institutions. He is also the Guest Speaker / Consultant Trainer and a member of the Malaysian Institute of Management (MIM).

Encik Khairil does not have any family relationship with any Director and/or Substantial Shareholder of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.

The Board of Directors recognises the importance of practicing the high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

In preparing this report, the Board has considered the manner in which it has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

## **BOARD OF DIRECTORS**

### **Board Balance & Responsibilities**

The Board comprises Eight (8) members of which Six (6) are Independent Non-Executive Directors, One (1) is Non-Independent and Non-Executive Director and One (1) Executive Director. The size of Independent Non-Executive Directors forms third quarters (3/4) of the entire Board structure and the biographical details of the members of the Board on Page 10 to Page 14 demonstrate the range of experience and independent judgement they each bring to bear on Board matters. The running of the Board is undertaken by the Chairman while the Executive Director has the responsibility for the running of the Group's business and resources.

The members of the Board comprises professionals and entrepreneurs with diverse skills and expertise with wide ranging experiences in management, economics, accounting, legal, business administration, marketing and architecture. Their diverse backgrounds and versatility provide invaluable perspective to overseeing the management of the Company.

The Board recognises the crucial role and contribution played by Independent Non-Executive Directors. They represent the element of objectivity and independent judgement of the Board. This ensures that there is sufficient check and balance so that no one particular group dominates the Board.

During the financial year, Y. Bhg. Datuk Haji Mazelan Bin Bugo, Mr Wong Choon Seng, Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin, Y. Bhg. Dato' Long Ahmad Zainal Bin Mohd Tahir, Y. Bhg. Tan Sri Datuk Amar Chong Siew Fai, Ms Yong Siew Kat and Tuan Haji Mohd Fauzi Bin Yusuf @ Mohd Yusof attended the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analysis Malaysia (RIIAM); an affiliate company of the Kuala Lumpur Stock Exchange. Encik Khairil Annas Bin Jusoh is expected to attend the MAP by July 2002.

The Board meets on a scheduled basis, at least four (4) times a year and meets additionally when necessary. For the financial year ended 31 December 2001, the Board has met a total of six (6) times. At the end of every quarter, the Company's financial statements and results are tabled and deliberated by the Board. During the Board Meetings, the Board reviews all matters relating to financial results, operation and performance of the Company, Board appointments, corporate exercise and other strategic issues that may affect the Company's business. The number of meetings attended by each member of the Board is set out in Page 4.

The Board is primarily entrusted with the responsibility of charting the direction of the Group. It focuses mainly on strategies, financial performance and critical business issues, including the following areas:

- Group's strategic action plans and policies
- Financial performance and key performance indicators
- Principal risks and their management
- Investor relations programme and shareholders communication policy
- Internal control system

## SUPPLY OF INFORMATION

Prior to the Board meeting, all Directors receive an agenda and a board report containing information relevant to the business of the meeting, including information on major financial, operational and corporate matters as well as activities and performance of the Company. This is issued in sufficient time to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

The Directors are also informed of the impending restriction in dealing with the securities of the Company at least one month prior to the release of the quarterly financial announcement.

Directors have access to all information within the company whether as full board or in their individual capacity, in furtherance of their duties.

All directors have access to the advice and services of the Company Secretary and may seek independent advice should the need arise.

## BOARD COMMITTEES

### • **Nomination Committee – Appointments to the Board**

In compliance with the Listing Requirements, a Nomination Committee was established by the Board on 27 November 2001. The Board has delegated to the Nomination Committee the responsibility for considering the appointment of Directors, for identifying and selecting potential new Directors and for proposing to the Board, the appointment of new Directors. The Nomination Committee is composed exclusively of Non-Executive Director, a majority of whom is independent and is chaired by Y. Bhg. Datuk Haji Mazelan Bin Bugo and its members are Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin, Y. Bhg. Tan Sri Datuk Amar Chong Siew Fai and Ms. Yong Siew Kat.

The Committee identifies and reviews all nominations for appointments to the Board. It critically reviews the set of criteria for appointments to the Board to ensure that only capable individuals with the appropriate expertise and experience, and who are able to independently discharge their responsibilities are appointed to the Board.

### • **Remuneration Committee – Directors' Remuneration**

#### (a) **Level and make-up of remuneration**

In compliance with the Listing Requirements, a Remuneration Committee was established by the Board on 27 November 2001. The remuneration of each Director reflects the level of responsibility and commitment, which goes with Board membership. The Remuneration Committee determines the remuneration of each Director. It is the Committee's duty to ensure that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The Executive Directors play no part in deciding their own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

Fees payable to Non-Executive Directors is determined by the Board and will be tabled to the Company's shareholders for approval at the Company's Annual General Meeting prior to payment to the Directors.

The Remuneration Committee is chaired by Y. Bhg. Datuk Haji Mazelan Bin Bugo and its members are Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin and Ms. Yong Siew Kat.

**(b) Procedure**

The Remuneration Committee meets as and when required, has responsibility for determining all aspects of remuneration and terms and conditions of service of all the Directors.

The Remuneration Committee reviews and recommends the remuneration packages for each Executive Director in all its forms, drawing from outside advice whenever necessary prior to making the relevant recommendations to the Board such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully. In case of Independent Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned and is determined by the Board.

The policy of the Remuneration Committee is in line with the Group's overall practice on compensation and benefits. The Group operates a bonus and incentive scheme for all employees, including the Executive Director. The criteria for the scheme is dependent on the financial performance of the Group based on an established formula.

**(c) Disclosure of remuneration**

The remuneration paid to Executive Directors and Non-Executive Directors of the Company by category and in bands of RM50,000 are described below:-

	Number of Directors			
	Executive		Non-Executive	
Band of remuneration	2001	2000	2001	2000
Nil	-	-	2*	-
RM1 - RM50,000	-	-	8**	6
RM50,001 - RM100,000	-	1	-	-
RM100,001 - RM150,000	-	-	-	-
RM150,001 - RM200,000	1	1	-	-

\* These two Non-Executive Directors resigned during the year.

\*\* Out of these eight Non-Executive Directors, one Non-Executive Director resigned during the year.

# 18 CORPORATE GOVERNANCE STATEMENT

The remuneration paid to Executive Directors and Non-Executive Directors of the Company are disclosed as follows:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>Executive Director</b>				
Fees	12,000	23,500	12,000	12,000
Salaries, allowances and bonus	170,100	211,500	2,100	2,000
Employee Provident Fund	18,000	16,560	-	-
<b>Non-Executive Directors</b>				
Fees	85,834	84,000	85,834	95,500
Salaries, allowances and bonus	500	-	600	1,500

- **Audit Committee – Appointments to the Board**

The Audit Committee is made up of three (3) members comprising two (2) Independent Non-Executive Directors and one (1) Non-Independent and Non-Executive Director appointed by the Board of Directors and it has written terms of reference clearly setting out its authority and duties. The terms of Reference and Report of the Audit Committee are also provided in the Annual Report.

The Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily reviewing the quarterly and annual financial statements of the Group prior to their submission to the Board for approval, focusing particularly on accounting policies and compliance; reviewing the scope of external audit and audit process; and reviewing the Group's system of internal control and risk management.

The Audit Committee meets at least four (4) times annually. The Accountant and Representatives of the Internal Auditors and External Auditors are invited to attend the meetings. The committee may also invite other directors and employees to attend any of its meeting to assist in resolving and clarifying matters raised when necessary. The Company Secretary acts as secretary to the Committee.

## RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting. The Articles also provided that at least one third (1/3) of the Directors is subject to re-election at regular intervals and at least once every three (3) years.

## RELATIONS WITH SHAREHOLDERS – COMMUNICATION BETWEEN THE COMPANY AND INVESTORS

The Board and Management convey information about the Company performance, corporate strategy and other matters affecting shareholders and investors through timely dissemination of information which include distribution of annual reports and relevant circulars and issuance of press releases. Enquiries by shareholders are dealt with as promptly as practicable as possible.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and annual reports are sent out to shareholders at least 21 days before the date of the meeting. At the meeting, the Chairman makes a presentation on the year's financial results and business activities.

At each Annual General Meeting, the Board encourages shareholders to participate in the question and answer session. The Chairman, or where appropriate, the Executive Director, responds to shareholders' questions during the Meeting.

For re-election of Directors, the Board ensures that full information is disclosed through the notice of meetings regarding directors who are retiring and who are willing to serve if re-elected.

An explanatory statement to facilitate full understanding and evaluation of the issues involved will accompany items of special business included in the notice of the meeting.

## **ACCOUNTABILITY AND AUDIT - FINANCIAL REPORTING**

The Company's financial statements are prepared in accordance with the requirements of the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The Board is responsible to ensure that the financial statements of the Company present a balanced and understandable assessment of the state of affairs of the Company. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness.

## **INTERNAL CONTROL**

The Directors acknowledge their responsibility for the Group's system of internal control covering not only financial controls but also operational and compliance controls, as well as risk management. The internal control system involves each subsidiary business and is designed to meet the needs of each subsidiary, to ensure that the risks faced by the business in pursuit of its objectives are identified and managed at known acceptable levels. The group will be continuously reviewing the adequacy and integrity of its system of internal control.

## **INTERNAL AUDIT**

The Board also acknowledges the internal audit function as an integral part of an effective system of corporate governance. In this regard, the Board has taken steps to establish a proper internal audit division to undertake the internal audit functions within the Group.

## **EXTERNAL AUDIT**

The Group's independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements.

The External Auditors have an obligation to bring any significant defects in the Group's system of control and compliance to the attention of the Management; and if necessary, to the Audit Committee and the Board. This includes the communication of fraud.

#### **RELATIONSHIP WITH AUDITORS**

The role of the Audit Committee in relation to the External Auditors may be found in the Report on Audit Committee as stated on Pages 21 to 25 of the annual report. The Company has always maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

#### **STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE**

The Company will continuously review its principles and practices in corporate governance in achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

#### **DIRECTORS' RESPONSIBILITIES IN RESPECT OF AUDITED FINANCIAL STATEMENTS**

In pursuance of the Companies Act 1965, Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the financial year end and of the results and cash flows of the Group and of the Company for that period.

In preparing the financial statements of the Group and the Company for the year ended 31 December 2001, the Directors have ensured that the appropriate accounting policies have been adopted and applied consistently; reasonable and prudent judgements and estimates were made; and the applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that financial statements comply with the Companies Act, 1965.

## COMPOSITION

### Members of the Audit Committee

- Y. Bhg. Datuk Haji Mazelan Bin Bugo – Chairman  
(Independent Non-Executive Director)
- Ms. Yong Siew Kat – Member  
(Independent Non-Executive Director)
- Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin – Member (Appointed on 25.06.2001)  
(Non Independent & Non Executive Director)
- Mr. Wong Choon Seng – Member (Resigned on 25.06.2001)  
(Executive Director)

## TERMS OF REFERENCE

The terms of reference of the Audit Committee were amended following the introduction of the Revamped Listing Requirements of the Kuala Lumpur Stock Exchange. The terms of reference are as follows:-

### 1. Composition of Audit Committee

The committee shall be appointed by the Board of Directors from among its members which fulfils the following requirements:-

- (a) the Audit Committee shall consists of no fewer than three (3) members;
- (b) a majority of the Audit Committee must be Independent Non-Executive Directors
- (c) at least one (1) member of the Audit Committee:-
  - (i) must be a member of the Malaysian Institute of Accountants; or
  - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and
    - (aa) he must have passed the examinations specified in Part I of the 1<sup>st</sup> Schedule of the Accountants Act 1967; or
    - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1<sup>st</sup> Schedule of the Accountants Act 1967.
- (d) Alternate Director is not allowed to become a member of the Audit Committee

The Committee shall elect a Chairman from among its members who is an Independent Non-Executive Director.

In the event that a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum of three (3) members.

## 2. Objectives

The primary objectives of the Audit Committee are to:-

- (i) provide assistance to the Board in fulfilling its fiduciary responsibilities, particularly in the areas relating to the Company and its subsidiary companies' accounting and management controls, financial reporting and business ethics policies.
- (ii) provide greater emphasis on the audit function by serving as the focal point for communication between non-committee directors, the external auditors, internal auditors and the management and providing a forum for discussion that is independent of the management. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosure to shareholders.
- (iii) undertake such additional duties as may be appropriate and necessary to assist the Board.

## 3. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It shall have:-

- (i) full and unrestricted access to any information pertaining to the Company and its subsidiary companies.
- (ii) direct communication channels with both the external auditors and internal auditors.
- (iii) full access to any employee or member of the management.

The Committee is also authorised by the Board to obtain outside legal or other independent professional advice it considers necessary and reasonable for the performance of its duties.

## 4. Duties and Responsibilities

In fulfilling its primary objectives, the Audit Committee will need to undertake the following duties and responsibilities as summarised below:-

- (i) To review the Group's quarterly financial statements and the Group's and the Company's annual financial statements before submission to the Board.

The review shall focus on:-

- any change in accounting policies and practices
- major judgmental areas
- significant adjustments and issues arising from the audit
- the going concern assumption
- compliance with the applicable approved accounting standards
- compliance with stock exchange, legal and regulatory requirements

(ii) To review with the External Auditors the following:-

- the audit plan, scope and nature of the audit for the Company and the Group
- the evaluation of the system of internal controls
- audit report
- problems and reservations arising from their interim and final audits
- the assistance given by employees of the Company or Group to the external auditors

(iii) To review the internal audit functions on the following:-

- adequacy of the scope, function and resources of the internal audit functions and that it has the necessary authority to carry out its work
- the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function
- internal audit plan, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings

(iv) To review with management on a periodic basis, the Company's general policies, procedures and controls especially in relation to management accounting, financial reporting, risk management and business ethics.

(v) To review any related party transaction and conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(vi) To review:-

- any letter of resignation from the External Auditors of the Company or Group
- whether there is reason (support by grounds) to believe that the Company or Group's External Auditor is not suitable for re-appointment
- any recommendation on the nomination of a person or persons as External Auditors

(vii) To assess the adequacy and effectiveness of the system of internal control and accounting control procedures of the Company and the Group by reviewing the External Auditors' management letters and management response.

(viii) To undertake such other responsibilities as may be agreed to by the Committee and the Board.

(ix) To report to the Board its activities, significant results and findings.

## 5. Meetings and Reporting Procedures

### Number of Meetings

The Committee shall meet at least four (4) times a year. The Chairman shall also convene a meeting of the Committee if requested to do so by any member, the management or the Internal or External Auditors to consider any matter within the scope and responsibilities of the Committee.

### Attendance of Meetings

The Accountant and Representatives of the Internal Auditors and External Auditors shall normally be invited to attend meetings of the Committee. The committee may also invite other directors and employees to attend any of its meeting to assist in resolving and clarifying matters raised.

**Quorum**

A quorum shall consist of a majority of Independent Non-Executive Directors and shall not be less than two (2).

**6. Secretary to Audit Committee and Minutes**

The Company Secretary shall be the secretary of the Committee and as a reporting procedure, the minutes of each meeting shall be kept and circulated to the members of the Committee and also to all members of the Board for noting and action, where necessary.

**7. Activities**

The Committee met five (5) times during the financial year to review the Company and its subsidiaries' quarterly and annual financial statement prior to their approval by the Board. The Committee also acts as a forum for discussion on internal control issues and contributes to the Board's review of the Group's internal control and risk management systems.

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year include the following:-

- i reviewed the External Auditors' scope of work and their audit plan and fees structure.
- ii reviewed the External Auditors' findings, recommendations, management letter on the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.
- iii reviewed the draft audited accounts of the Company and the Group for the financial year ended 31 December 2001 before it was tabled to the Board.
- iv reviewed all the unaudited Quarterly Results for the financial year ended 31 December 2001 before tabling at the Board Meeting for release to the Kuala Lumpur Stock Exchange.
- v reviewed and endorsed the preliminary audit plan and job scope of External Auditors for the Group for year 2002.

**8. Number of Meetings & Details of Attendance**

Five (5) Audit Committee Meetings were held during the financial year ended 31 December 2001. The attendance record of each member is as follows:-

Audit Committee Members	Total number of meetings	Number of meetings attended
Y. Bhg. Datuk Haji Mazelan Bin Bugo (Chairman)	5	3
Ms. Yong Siew Kat	5	5
Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin (Appointed on 25.06.2001)	5	3
Mr. Wong Choon Seng (Resigned on 25.06.2001)	5	2

Two (2) Audit Committee Meetings were held subsequent to the financial year end to the date of Directors' Report. The attendance record of each member is as follows:-

<b>Audit Committee Members</b>	<b>Total number of meetings</b>	<b>Number of meetings attended</b>
Y. Bhg. Datuk Haji Mazelan Bin Bugo (Chairman)	2	2
Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin	2	2
Ms. Yong Siew Kat	2	2

#### **9. Internal Audit Function**

The Internal Audit Function of the Group is assumed by the Internal Auditor of the Company to assist the Audit Committee in discharging its duties and responsibilities. The role of the Internal Auditor is to provide the Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the operating units with established policies and procedures.

**O**n behalf of the Board of Directors of B.I.G. Industries Berhad, it is my pleasure to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2001.

## OPERATING ENVIRONMENT

The country's economy is recovering from the Asian financial crisis of 1997/1998 on the back of the Government's expansionary fiscal and monetary policies in 1999 and 2000. The momentum of growth was, however, affected by the US economic contraction as a result of the September 11 incident last year.

Nevertheless, additional pump priming measures have been taken by the Malaysian government to strengthen the economy and to boost consumer confidence and spending. With the prudent management of the economy by the Government, Malaysia is expected to see a recovery in the near future.

Despite all the uncertainties, East Malaysia is showing a reasonable growth rate in the construction sector due to the implementation of various infrastructure and mega projects in Sabah and Sarawak. As our core business are linked to these industries, B.I.G. Industries Berhad is expecting a positive growth for the coming year.

## FINANCIAL PERFORMANCE

The consolidated turnover of the Group for the financial year under review was RM52.10 million, an increase of 47.31% as compared to previous year's turnover of RM35.37 million. Profit before tax at RM2.40 million was 141.12% higher than previous year's profit of RM1.00 million.

The increase in turnover was mainly attributed to some major contracts secured by both the Sarawak and Sabah divisions for the supply of industrial gases and ready mixed concrete.

Higher profit was achieved mainly due to increase in turnover, as well as attaining considerable economy of scale in our plant utilization, which reduced the cost of production to almost half.

## DIVIDEND

The Board of Directors does not recommend any dividend to be paid for the financial year under review. We trust shareholders will appreciate the need for this prudent measure to conserve funds for the immediate future.

## SIGNIFICANT EVENTS

On 6<sup>th</sup> August 2001, the Company acquired 100% of the issued and paid-up share capital of Alpha Billion Sdn Bhd, a company incorporated in Malaysia, comprising of two ordinary share of RM1.00 each for a cash consideration of RM2.00.

On the 8<sup>th</sup> August 2001, Alpha Billion Sdn Bhd, a wholly owned subsidiary of the Company, entered into a Sale cum Development Agreement with Borneo Development Corporation (Sarawak) Sdn Bhd for a piece of land for a total cash consideration of RM4,747,230.79.

On 27<sup>th</sup> November 2001, the Company acquired 100% of the issued and paid-up share capital of B.I.G. Marketing Sdn Bhd (Formerly known as Unique Billion Sdn Bhd), a company incorporated in Malaysia, comprising of two ordinary share of RM1.00 each for a cash consideration of RM2.00.

B. I. G. Industrial Gas Sdn Bhd, a wholly owned subsidiary of the Company was officially certified to the prestigious MS ISO9000:2000 Quality Management System on 21 March 2002. The scope of certification is Manufacture and Distribution of Industrial and Medical Gases.

## FUTURE OUTLOOK

The Board of Directors sees a lot of opportunities for expansion in the industrial gas and construction divisions.

For the industrial gas division, the Company is expected to benefit from the major projects such as the Bakun Dam, Phase 2 of Unimas Campus, Malaysia LNG 3, the Borneo Pulp & Paper Mill and many other government stimulus packages that will be implemented this year.

This division will also be actively involved in the supply of medical gases and equipment and the construction of the gas-piping infrastructure for both the private and government hospitals throughout Sarawak.

The ready mixed concrete division in Sabah, being the market leader, is confident of securing a major share of the infrastructure projects that requires ready mixed concrete. Some of the major projects identified are the infrastructure implementation for the health, education, defence and works ministries.

The Group is also looking at expanding downstream into the property and construction industry, which is synergistic to our Group's ready mixed concrete operation. Our first project identified will be the development of residential houses and apartments at the Demak Laut Industrial Estate, Sarawak.

The Group is confident that there is a growing market for the trading of building materials in East Malaysia and will be actively involved in becoming a major player in this sector.

The Group has undertaken a project to supervise the completion of a fibre optic infrastructure project in Sabah. However, any income derived will only be realized upon successful implementation of the project.

With the positive contribution from the various government stimulus packages and the expectation of an economic recovery, as well as the new undertakings, the Group looks forward to an even better performance for the year 2002.

## CORPORATE DEVELOPMENT

The Company is expected to increase its issued and paid-up share capital to at least RM40 million by 31 December 2002 to comply with the minimum paid-up capital requirement imposed by the Securities Commission.

## ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to express my sincere appreciation to Y. Bhg. Tg. Mohd. Kamil Bin Tg. Shahrudin Shah who resigned during the year, for his contribution to the Group. At the same time, I also please to welcome Encik Khairil Annas Bin Jusoh to the Board.

I wish to extend my gratitude to the Management and Staff of the Group for their hard work during the year. I would also like to convey our appreciation to all our customers, suppliers, shareholders, bankers and business associates for their continued support and confidence in the Group.

**Y. BHG. DATUK HAJI MAZELAN BIN BUGO**  
Chairman

31 May 2002

## 28 DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Company and of the Group for the year ended 31st December, 2001.

### Principal activities

The principal activities of the Company are that of investment holding and the provision of management services. The principal activities of the subsidiary and associated companies are described in Note 2 to the financial statements.

There has been no significant change in the nature of these activities of the Company and of the Group during the current financial year.

### Results

	Group RM	Company RM
Profit after taxation	2,374,645	14,133,211

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

### Reserves and provisions

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

### Dividend

No dividend has been paid, declared or proposed since the end of the previous financial year.

### Directors

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Y. Bhg. Datuk Haji Mazelan Bin Bugo	
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	
Y. Bhg. Tan Sri Datuk Amar Chong Siew Fai	
Y. Bhg. Dato' Long Ahmad Zainal Abidin Bin Mohd. Tahir	
Tuan Haji Mohd. Fauzi Bin Yusuf @ Mohd. Yusof	
Wong Choon Seng	
Yong Siew Kat	
Tg. Mohd. Kamil Bin Tg. Shahrudin Shah	(Resigned on 11.5.2001)
Khairil Annas Bin Jusoh	(Appointed on 1.4.2002)

In accordance with the Article 106 of the Company's Articles of Association, Tuan Haji Mohd. Fauzi Bin Yusuf @ Mohd Yusof and Mr. Wong Choon Seng retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with the Article 114 of the Company's Articles of Association, Encik Khairil Annas Bin Jusoh retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement 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.

**Directors' interest in shares**

The following Directors who held office at the end of the financial year had according to the register required to be kept under Section 134 of the Companies Act, 1965, an interest in shares of the Company or its related corporations during the financial year as follows:

**Shareholdings in which Directors are deemed to have an interest:**

	Ordinary shares of RM1.00 each			As at 31.12.2001
	As at 1.1.2001	Bought	Sold	
<b>B.I.G. Industries Berhad</b>				
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	3,363,851	-	-	3,363,851*
Y. Bhg. Dato' Long Ahmad Zainal Abidin Bin Mohd Tahir	3,363,851	-	-	3,363,851*

\* Out of 3,363,851 ordinary shares of RM1.00 each, 329,565 ordinary shares are held for the benefit of a third party, Datuk Haji Mohd. Amin Bin Satem.

By virtue of their interest in shares of B.I.G. Industries Bhd and Section 6A (4) of the Companies Act, 1965, Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin and Y. Bhg. Dato' Long Ahmad Zainal Abidin Bin Mohd Tahir are also deemed interested in the shares of the subsidiary companies of B.I.G. Industries Bhd to the extent that B.I.G. Industries Bhd has an interest.

None of the other Directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, an interest in shares in the Company or its related corporation during the year.

**Directors' benefits**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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 required to be disclosed by Section 169(8) of the Companies Act, 1965.

**Directors' remuneration**

The remuneration paid to Executive Directors and Non-Executive Directors of the Company are disclosed as follows:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>Executive Director</b>				
Fees	12,000	23,500	12,000	12,000
Salaries, allowances and bonus	170,100	211,500	2,100	2,000
Employee Provident Fund	18,000	16,560	-	-
<b>Non-Executive Directors</b>				
Fees	85,834	84,000	85,834	95,500
Salaries, allowances and bonus	500	-	600	1,500

The remuneration paid to Executive Directors and Non-Executive Directors of the Company are further analysed as follows:

	Number of Directors			
	Executive		Non-Executive	
	2001	2000	2001	2000
<b>Band of remuneration</b>				
Nil	-	-	2*	-
RM1 - RM50,000	-	-	8**	6
RM50,001 - RM100,000	-	1	-	-
RM100,001 - RM150,000	-	-	-	-
RM150,001 - RM200,000	1	1	-	-

\* These two Non-Executive Directors resigned during the year

\*\* Out of these eight Non-Executive Directors, one Non-Executive Director resigned during the year.

**Other statutory information**

- (a) Before the income statements and balance sheets of the Company and of the Group were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business of the Company and of the Group have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the Company and of the Group inadequate to any substantial extent; and
  - (ii) the values attributed to current assets in the financial statements of the Company and of the Group misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company and of the Group which would render any amount stated in the financial statements and consolidated financial statements misleading.
- (e) As at the date of this report there does not exist:
- (i) any charge on the assets of the Company and of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Company and of the Group which has arisen since the end of the financial year.

**Other statutory information (Cont'd)**

(f) In the opinion of the Directors:

- (i) no contingent liability or other liability of the Company and of the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company and of the Group to meet its obligations as and when they fall due; and
- (ii) 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 is likely to affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

**Auditors**

The auditors, Ernst & Young, have expressed their willingness to continue in office.

On behalf of the Board,

**Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin**  
Director

**Wong Choon Seng**  
Director

23 April 2002

We, **Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin** and **Wong Choon Seng**, being two of the Directors of **B.I.G. Industries Berhad**, state that in the opinion of the Directors, the financial statements set out on pages 9 to 32 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the financial position of the Company and of the Group as at 31st December, 2001 and of the results of the Company and of the Group for the year ended on that date; and
- (ii) the cash flows of the Company and of the Group for the year ended 31st December, 2001.

On behalf of the Board,

**Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin**  
Director

**Wong Choon Seng**  
Director

23 April 2002

### DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Wong Choon Seng**, being the director primarily responsible for the financial management of **B.I.G. Industries Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 9 to 32 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

**Wong Choon Seng**

Subscribed and solemnly declared by  
the abovenamed **Wong Choon Seng**  
at Kuching in the State of Sarawak  
on 23 April 2002.

Before me,

**Chua Hian Chong (No. Q071)**  
Commissioner for Oaths

Kuching, Sarawak.

## 34 REPORT OF THE AUDITORS TO THE MEMBERS OF B.I.G. INDUSTRIES BERHAD

We have audited the financial statements set out on pages 9 to 32. 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 have conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance that 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 Directors, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

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

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 purpose of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The Auditors' Reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under Section 174 (3) of the Companies Act, 1965.

**ERNST & YOUNG**  
AF: 0039  
Chartered Accountants

**YONG VOON KAR**  
1769/04/04 (J/PH)  
Partner

Kuching, Malaysia.

23 April 2002

## INCOME STATEMENTS for the year ended 31 December 2001

# 35

	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
<b>Revenue</b>	3	52,164,400	35,367,642	15,589,861	1,965,444
Other operating income		662,357	993,323	-	-
Changes in inventories of finished goods		610,258	(464,775)	-	-
Inventories purchased and raw materials consumed		(21,202,691)	(13,582,778)	-	-
Staff costs		(5,175,998)	(4,280,511)	(698,382)	(293,195)
Depreciation of property, plant and equipment		(4,610,237)	(4,496,999)	(54,315)	(44,187)
Other operating expenses		(17,554,527)	(10,295,018)	(619,307)	(1,039,646)
<b>Profit from operations</b>		4,893,562	3,240,884	14,217,857	588,416
Finance costs		(2,452,704)	(2,244,349)	(80,449)	(147,146)
Share of results of associated company		(321)	-	-	-
<b>Profit before taxation</b>	4	2,440,537	996,535	14,137,408	441,270
Taxation	5	(65,892)	548,903	(4,197)	(195,987)
Profit after taxation		<b>2,374,645</b>	<b>1,545,438</b>	<b>14,133,211</b>	<b>245,283</b>
Minority interests		-	17,739	-	-
<b>Profit attributable to shareholders</b>		2,374,645	1,563,177	14,133,211	245,283
<b>Earnings per share (sen)</b>	6	12.3	8.1		

The notes on pages 40 to 58 form an integral part of these financial statements.

# 36 BALANCE SHEETS as at 31 December 2001

	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
<b>Non-current assets</b>					
Property, plant and equipment	7	48,794,238	50,849,498	551,811	435,035
Quarry development expenditure	8	1,035,894	1,082,514	-	-
Investment in subsidiary companies	9	-	-	22,051,389	22,051,385
Investments in associated company	10	29,679	-	30,000	-
Other investments	11	688,263	635,264	-	1
<b>Current assets</b>					
Inventories	12	4,635,866	2,460,930	-	-
Trade receivables	13	21,177,607	12,592,716	-	-
Other receivables, deposits and prepayments		8,013,313	5,145,445	124,208	96,329
Amount due from related companies	14	111,254	-	21,039,637	6,292,279
Fixed deposits with licensed banks	15	196,002	220,634	-	-
Cash and bank balances		773,192	858,532	2,262	7,557
		34,907,234	21,278,257	21,166,107	6,396,165
<b>Current liabilities</b>					
Short term borrowings	16	26,060,072	23,071,454	5,014,893	4,983,369
Trade payables		9,028,458	4,190,814	-	-
Other payables and accruals		3,886,159	2,446,341	893,716	141,729
Lease payables	17	247,744	260,604	-	-
Land premium payable	18	885,696	-	-	-
Tax payable		23,728	-	-	-
		40,131,857	29,969,213	5,908,609	5,125,098
<b>Net current (liabilities)/assets</b>		(5,224,623)	(8,690,956)	15,257,498	1,271,067
		45,323,451	43,876,320	37,890,698	23,757,487
<b>Financed by:</b>					
Share capital	19	19,218,000	19,218,000	19,218,000	19,218,000
Reserves	20	17,951,377	15,576,732	18,672,698	4,539,487
<b>Shareholders' equity</b>		37,169,377	34,794,732	37,890,698	23,757,487
<b>Long term and deferred liabilities</b>					
Lease payables	17	489,335	27,756	-	-
Land premium payable	18	626,369	-	-	-
Term loans	21	6,559,485	8,615,436	-	-
Deferred taxation	22	478,885	438,396	-	-
		45,323,451	43,876,320	37,890,698	23,757,487

The notes on pages 40 to 58 form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2001

37

	Share capital RM	Non-distributable Share premium reserve RM	Reserve arising on consolidation RM	Distributable Revenue reserve RM	Total RM
<b>Group</b>					
Balance at 1st January, 2000	19,218,000	1,891,113	2,419,351	9,627,020	33,155,484
Profit for the year	-	-	-	1,563,177	1,563,177
Reserve arising from additional interest in a subsidiary	-	-	76,071	-	76,071
Balance at 31st December, 2000	19,218,000	1,891,113	2,495,422	11,190,197	34,794,732
Profit for the year	-	-	-	2,374,645	2,374,645
Balance at 31st December, 2001	19,218,000	1,891,113	2,495,422	13,564,842	37,169,377
<b>Company</b>					
Balance at 1st January, 2000	19,218,000	1,891,113	-	2,403,091	23,512,204
Profit for the year	-	-	-	245,283	245,283
Balance at 31st December, 2000	19,218,000	1,891,113	-	2,648,374	23,757,487
Profit for the year	-	-	-	14,133,211	14,133,211
Balance at 31st December, 2001	19,218,000	1,891,113	-	16,781,585	37,890,698

The notes on pages 40 to 58 form an integral part of these financial statements.

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>Cash flow from operating activities</b>				
Operating profit before taxation	2,440,537	996,535	14,137,408	441,270
Adjustments for:				
Allowance for doubtful debts written back	-	(307,970)	-	-
Amortisation of quarry development expenses	46,620	53,805	-	-
Bad debts written off	18,482	57,723	-	-
Depreciation of property, plant and equipment	4,610,237	4,496,999	54,315	44,187
Dividend income	-	-	(15,443,861)	(1,700,004)
Gain on disposal of property, plant and equipment	(16,407)	(36,737)	-	-
Intangible assets written off	-	13,713	-	-
Interest expense	1,552,583	2,256,872	78,659	432,776
Interest income	(3,691)	(39,906)	-	(286,783)
Property, plant and equipment written off	-	29,135	-	-
Share of loss in an associated company	321	-	-	-
Operating profit/(loss) before working capital changes	8,648,682	7,520,169	(1,173,479)	(1,068,554)
Changes in working capital:				
Inventories	(645,271)	470,136	-	-
Receivables	(11,725,880)	(2,026,068)	(139,133)	192,792
Payables	6,407,046	(142,788)	751,987	85,253
Related companies	-	-	(14,636,104)	76,067
Cash generated from/(used in) operations	2,684,577	5,821,449	(15,196,729)	(714,442)
Interest paid	(1,050,090)	(2,256,872)	(78,659)	(432,776)
Interest received	1,603	-	-	-
Taxation paid net of refund	(6,603)	(290,547)	(4,197)	(241,312)
Net cash generated from/(used in) operating activities	1,629,487	3,274,030	(15,279,585)	(1,388,530)

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>Cash flows from investing activities</b>				
Increase in fixed deposits pledged	(175,368)	(20,634)	-	-
Acquisition of property, plant and equipment	(2,072,705)	(3,442,134)	(171,092)	(115,082)
Proceeds from disposal of property, plant and equipment	133,064	146,148	-	1,640
Acquisition of shares in subsidiary companies	-	-	(4)	-
Acquisition of other investments	-	(1,414,263)	-	(950,000)
Investment in golf and country club membership	(53,000)	-	-	-
Acquisition of shares in an associated company	(29,999)	-	(29,999)	-
Net cash generated from/(used in) investing activities	(2,195,920)	(4,690,977)	15,242,766	923,345
<b>Cash flows from financing activities</b>				
Interest paid	(502,493)	-	-	-
Increase in bank borrowings	1,144,568	5,038,481	-	200,000
(Repayment)/drawdown of term loans	(2,010,784)	2,778,205	-	-
Repayment of lease payables	(149,081)	(2,612,175)	-	-
Net cash (used in)/generated from financing activities	(1,517,790)	5,204,511	-	200,000
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,084,223)</b>	<b>3,787,564</b>	<b>(36,819)</b>	<b>(265,185)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(7,333,312)</b>	<b>(11,120,876)</b>	<b>(4,775,812)</b>	<b>(4,510,627)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(9,417,535)</b>	<b>(7,333,312)</b>	<b>(4,812,631)</b>	<b>(4,775,812)</b>
<b>Analysis of cash and cash equivalents:</b>				
Cash and bank balances	773,192	858,532	2,262	7,557
Bank overdrafts	(10,190,727)	(8,191,844)	(4,814,893)	(4,783,369)
	(9,417,535)	(7,333,312)	(4,812,631)	(4,775,812)
<b>Analysis of acquisition of property, plant and equipment:</b>				
Cash	(2,072,705)	(3,442,134)	(171,092)	(115,082)
Lease	(598,261)	(20,000)	-	-
	(2,670,966)	(3,462,134)	(171,092)	(115,082)

The notes on pages 40 to 58 form an integral part of these financial statements.

## 1. Significant accounting policies

### (a) Basis of accounting

The financial statements of the Company and of the Group are prepared under the historical cost convention and comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board (MASB).

### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and of the Group and all its subsidiary companies for the year ended 31st December, 2001. A list of the Group's subsidiary companies is shown in Note 2. The results of subsidiary companies acquired or sold during a year are included in or excluded from the respective dates of acquisition or sale, as applicable.

Goodwill or reserve on consolidation represents the difference between the consideration paid for the shares in the subsidiary companies and the values of attributable net assets acquired, as applicable. Goodwill is not amortised but write offs are made where, in the opinion of the directors, a permanent diminution in value has occurred.

### (c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

#### (ii) *Transportation and handling fees*

Revenue is recognised upon delivery of products and customer acceptance, or performance of services, and is stated net of sales taxes and discounts, if any.

#### (iii) *Construction contracts*

Profits from construction contracts are recognised based on percentage of completion basis when construction work has progressed to a stage that profit recognition can be reasonably measured. When the outcome of a contract cannot be reasonably measured, revenue is recognised only to the extent of cost incurred that is recoverable and cost is recognised as an expense as incurred. In all cases, anticipated losses are provided in full.

Percentage of completion is measured by reference to the percentage of construction costs incurred and the estimated total construction costs.

**1. Significant accounting policies (cont'd.)****(c) Revenue (cont'd.)***(iv) Hiring of plant and machinery*

Revenue is recognised upon delivery of goods and customer acceptance, or performance of services, and are stated net of sales taxes and discounts, if any.

*(v) Dividends*

Dividends is recognised when the shareholder's right to receive the payment is established.

*(vi) Management fee*

Revenue is recognised as the management fee accrue unless collectability is in doubt.

**(d) Property, plant and equipment and depreciation**

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

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it will be charged to equity. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write down or write off not occurred.

Depreciation is calculated on the straight line method to write off the cost or valuation of property, plant and equipment over their estimated useful lives as follows:

Leasehold land	Over 39 - 100 years
Buildings	4 - 10 years
Plant and machinery	10 - 20 years
Motor vehicles	5 - 10 years
Furniture, fittings and equipment	10 years
Renovations	10 years

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

**(e) Quarry development expenditure**

Quarry development expenditure comprises direct cost of development, cost of site infrastructure and other related expenses.

Amortisation of quarry development expenditure is calculated based on the proportion of the output of stone for the year to the estimated total stone output for the period of the quarry life. The estimated quarry life is 10 years.

**1. Significant accounting policies (cont'd.)****(f) Subsidiary companies**

Investments in subsidiaries are stated at cost or valuation. Allowance is made against such investments when, in the opinion of the Directors, a permanent diminution in value has occurred.

Dividend income from subsidiary companies is accounted for in the Company's income statement when the shareholders' right to receive the payment is established.

**(g) Associated company**

An associated company is defined as a Company, not being a subsidiary, in which the Group has a long-term equity interest of not less than 20% and not exceeding 50% of the equity and in whose financial and operating policy decisions of the Group exercises significant influence.

Investment in associated company is stated at cost unless, in the opinion of the Directors, there has been a permanent diminution in value in which case provision is made for the diminution in value.

Investment in associated company is accounted for in the consolidated financial statement using equity method.

The Group's share of the results of associated company is included in the consolidated income statement. The Group's share of the post-acquisition reserves or losses of associated company is included in the investment in the consolidated balance sheet.

**(h) Investments**

Investments are stated at cost unless, in the opinion of the Directors, there has been a permanent diminution in value, in which case allowance is made for the diminution in value.

Income arising on these investments is included in the income statement when the shareholders' right to receive the payment is established.

**(i) Inventories**

Inventories are stated at the lower of cost and net realisable value. In arriving at the net realisable value, due allowance is made for all obsolete and slow-moving items.

Cost of finished goods include cost of raw materials, direct labour and attributable production overheads and are determined on the first-in-first-out basis.

**(j) Receivables**

Specific allowances are made for debts, which have been identified as bad or doubtful. Bad debts are written off during the year in which they are identified.

**1. Significant accounting policies (cont'd.)****(k) Leases**

Assets under finance leases that give rights approximating to ownership are capitalised in the financial statements and the corresponding obligation treated as a liability. The assets so capitalised are depreciated in accordance with the accounting policy on property, plant and equipment. The total interest, being the difference between the total instalments payable and the capitalised amount, is charged to the income statement over the period of the lease.

Leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statement as incurred.

**(l) Deferred taxation**

Deferred taxation is provided under the liability method in respect of all material timing differences except where it is reasonably expected that the tax effects of such deferrals will continue in the foreseeable future. No account is taken of any debit balances arising on deferred taxation account.

**(m) Foreign currency**

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded in Ringgit Malaysia at the rates of exchange ruling on the dates of transactions; monetary assets and liabilities at the balance sheet date are reported at year end rates of exchange. All gains and losses on exchange are dealt with through the income statement.

The principal exchange rates ruling at balance sheet date used are as follows:

	<b>2001</b>	<b>2000</b>
	RM	RM
Brunei Dollar	2.03	2.17
Singapore Dollar	2.03	2.17

**(n) Cash and cash equivalents**

Cash and cash equivalents in the Cash Flow Statements represent short-term, highly liquid investments that are readily convertible to cash with an insignificant risk of changes in value less short term borrowings repayable on demand.

For the purpose of the Cash Flow Statements, cash and cash equivalents include cash and bank balances net of outstanding bank overdrafts.

## 2. General

The Company is incorporated in Malaysia and its principal activities are that of investment holding and the provision of management services. There has been no significant change in the nature of these activities of the Company and of the Group during the current financial year.

The financial statements of the Company and of the Group are expressed in Ringgit Malaysia.

The details of the Group's subsidiary and associated companies, which are incorporated in Malaysia, are set out as follows:

Name of company	Principal activities	Country of incorporation	Effective group interest	
			2001	2000
B.I.G. Industrial Gas Sdn. Bhd.	Manufacture, distribution and marketing of industrial gases, marketing of welding equipment and trading in related products.	Malaysia	100%	100%
Uni-Mix Sdn. Bhd.	Manufacture and sale of ready-mix concrete and cement products and provision of related services	Malaysia	100%	100%
Hypervictory Sdn. Bhd.	Quarry operator	Malaysia	100%	100%
Lumanai Sdn. Bhd.	Operator of transportation services	Malaysia	100%	100%
Kinalaju Supply Sdn. Bhd.	Trading of cement	Malaysia	100%	100%
B.I.G. Communications Sdn. Bhd.	Inactive	Malaysia	100%	100%
B.I.G. Construction Sdn. Bhd.	Inactive	Malaysia	100%	100%
Linear Excellent Sdn. Bhd.	Inactive	Malaysia	100%	100%
Alpha Billion Sdn. Bhd.	Inactive	Malaysia	100%	-

**2. General (cont'd)**

Name of company	Principal activities	Country of incorporation	Effective group interest	
			2001	2000
<b>Subsidiary companies (contd.)</b>				
B.I.G. Marketing Sdn. Bhd. (formerly known as Unique Billion Sdn. Bhd.)	Inactive	Malaysia	100%	-
<b>Subsidiary company of Hypervictory Sdn. Bhd.</b>				
Besitek Konsortium Sdn. Bhd.	Inactive	Malaysia	100%	100%
<b>Associated company</b>				
B.I.G. Oil and Gas Sdn. Bhd.*	Inactive	Malaysia	30%	-

\* The above investment is treated as an investment in associated company effective from 1st January, 2001.

**3. Revenue**

Revenue of the Group comprises sales of goods stated after allowance for sales returns and trade discounts, transportation and handling fee, progress billings from construction contracts and hiring of plant and machinery.

Revenue of the Company comprises management fee and dividends received.

The significant categories of revenue during the year are analysed as follows:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Sales of goods	43,799,564	32,378,439	-	-
Transportation and handling fees	2,581,261	2,939,844	-	-
Progress billings from construction contracts	5,723,726	-	-	-
Hiring of plant and machinery	59,849	49,359	-	-
Dividends from subsidiary companies	-	-	15,443,861	1,700,004
Management fee charged to subsidiary companies	-	-	146,000	265,440
	52,164,400	35,367,642	15,589,861	1,965,444

4. Profit before taxation

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
(a) This is stated after charging:				
Amortisation of quarry development expenses	46,620	53,805	-	-
Auditors' remuneration:				
- statutory audits				
- current year	56,100	53,800	8,500	9,500
- under/(over)provision in prior year	4,229	(5,200)	-	-
Bad debt written off	18,482	57,723	-	-
Depreciation of property, plant and equipment	4,610,237	4,496,999	54,315	44,187
Directors' fees	132,333	107,500	97,833	107,500
Directors' emoluments	5,500	224,560	-	-
Hire of plant and equipment	877,678	13,791	-	-
Intangible assets written off	-	13,713	-	-
Interest expense	1,552,583	2,256,872	78,659	432,776
Management fee paid	5,000	-	5,000	273,340
Preliminary and pre-operating expenses written off	2,800	-	-	-
Property, plant and equipment written off	-	29,135	-	-
Rental expense	304,522	229,625	91,150	34,700
And crediting:				
Allowance for bad and doubtful debts written back	-	(307,970)	-	-
Dividend income	-	-	(15,443,861)	(1,700,004)
Rental income	(47,630)	(220,254)	-	-
Interest income	(3,691)	(39,906)	-	(286,783)
Management fee received	-	-	(146,000)	(265,440)
Gain on foreign exchange	(2,944)	(10,494)	-	-
Gain on disposal of property, plant and equipment	(16,407)	(36,737)	-	-
(b) Employee information				
Staff costs	5,175,998	4,280,511	698,382	293,195
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
Number of employees as at 31st December	258	252	4	4

**5. Taxation**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Provision for Malaysian taxation in respect of profit for the year	25,597	12,903	4,197	-
(Over)/underprovision in prior years	(194)	195,987	-	195,987
Transfer to/(from) deferred taxation (Note 22)	40,489	(757,793)	-	-
	65,892	(548,903)	4,197	195,987

Estimated tax losses and capital allowances carried forward as at 31st December, 2001 available to be set-off against the Company's future business profit amounted to RM1,464,000 (2000: RM989,000) and RM190,000 (2000: 80,000) respectively.

As at 31st December, 2001, the Group has unabsorbed tax losses, unutilised capital allowances and reinvestment allowances which are available for set-off against chargeable income amounted to approximately RM26,354,000 (2000: RM28,086,000) subject to agreement by the Inland Revenue Board.

The effective tax rate for the Group for current year is lower than the statutory rate of 28% due to the availability of tax losses, capital allowances and reinvestment allowances brought forward. The tax savings for which credit was taken during the year as a result of the utilisation of tax losses, capital allowances and reinvestments allowances brought forward amounted to RM6,798,000 (2000: RM5,234,000).

Subject to the agreement by the Revenue Authorities, the tax exempt account of the company as at 31st December, 2001 amounted to RM63,000 (2000: RM63,000).

**6. Earnings per share**

The basic and diluted earnings per share have been calculated based on the consolidated profit after taxation and minority interest of RM2,374,645 (2000: RM1,563,177) by the number of ordinary shares in issue during the year of 19,218,000 (2000: 19,218,000)

## 7. Property, plant and equipment

	Long leasehold land RM	Short leasehold land RM	Buildings RM	Plant, machinery, and motor vehicles RM	Furniture, fixtures and equipment RM	Total RM
<b>Group</b>						
<b>Cost</b>						
At 1.1.2001	7,251,688	606,111	5,950,569	52,990,533	7,118,316	73,917,217
Additions	-	161,575	180,565	1,984,245	264,226	2,590,611
Disposals	-	-	-	(190,683)	(70,733)	(261,416)
At 31.12.2001	7,251,688	767,686	6,131,134	54,784,095	7,311,809	76,246,412
<b>Accumulated depreciation</b>						
Charge for 2000	108,843	18,205	229,446	3,565,983	574,522	4,496,999
At 1.1.2001	432,160	22,835	1,403,681	20,470,087	738,956	23,067,719
Charge for the year	96,124	33,886	320,596	4,021,687	137,944	4,610,237
Disposals	-	-	-	(138,343)	(7,084)	(145,427)
At 31.12.2001	528,284	56,721	1,724,277	24,353,431	869,816	27,532,529
<b>Net book value</b>						
At 31.12.2001	6,723,404	710,965	4,406,857	30,430,664	6,441,993	48,713,883
Capital work-in-progress						80,355
						48,794,238
At 31.12.2000	6,819,528	583,276	4,546,888	32,520,446	6,379,360	50,849,498

**7. Property, plant and equipment (cont'd)**

Included in the above are assets acquired under lease instalments with net book value of RM1,023,517 (2000: RM3,889,349).

	Renovation RM	Motor vehicles RM	Furniture, fixtures and fittings RM	Total RM
<b>Company</b>				
<b>Cost</b>				
At 1.1.2001	301,660	8,441	190,408	500,509
Additions	-	109,220	61,872	171,092
At 31.12.2001	301,660	117,661	252,280	671,601
<b>Accumulated depreciation</b>				
Charge for 2000	30,166	844	13,177	44,187
At 1.1.2001	35,194	3,244	27,037	65,475
Charge for the year	30,166	3,974	20,175	54,315
At 31.12.2001	65,360	7,218	47,212	119,790
<b>Net book value</b>				
At 31.12.2001	236,300	110,443	205,068	551,811
At 31.12.2000	266,466	5,197	163,371	435,034

Certain property, plant and equipment of the Group with the following net book values are pledged to banks for banking facilities obtained.

	2001 RM	2000 RM
Leasehold land and buildings	4,515,970	4,603,757
Plant, machinery and motor vehicles	8,309,782	8,518,026
Furniture, fixture and equipment	1,327,124	1,327,124
	14,152,876	14,448,907

**7. Property, plant and equipment (cont'd.)**

Certain long leasehold land of the Group with a net book value of RM503,009 (2000: RM2,609,112) are held in trust by a third party, who was a former Director of a subsidiary company.

**8. Quarry development expenditure**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
As at 1st January	1,082,514	1,136,319	-	-
Less: Amount amortised	(46,620)	(53,805)	-	-
As at 31st December	1,035,894	1,082,514	-	-

**9. Investment in subsidiary companies**

	Company	
	2001 RM	2000 RM
Unquoted shares, at cost	22,051,389	22,051,385

**10. Investment in associated company**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Unquoted shares, at cost	30,000	-	30,000	-
Share of post-acquisition losses	(321)	-	-	-
	29,679	-	30,000	-

The Group's interest in the associated company is represented by:

	Group	
	2001 RM	2000 RM
Share of net assets	18,150	-
Premium on acquisition	11,529	-
	29,679	-

**11. Other investments**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Quoted shares, at cost	464,263	464,264	-	-
Golf and country club Membership, at cost	224,000	171,000	-	1
	688,263	635,264	-	1
Market value of quoted shares	183,384	229,810		

No allowance for diminution in the value of quoted shares as at 31st December, 2001 is made as the Directors are of the opinion that the diminution is temporary in nature.

**12. Inventories**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Industrial gases	544,859	693,748	-	-
Welding equipment and construction materials	1,438,287	629,933	-	-
Raw materials	217,141	511,106	-	-
Spare parts and consumables	349,419	346,335	-	-
Stone	546,130	279,808	-	-
Work in progress	1,529,665	-	-	-
Goods in transit	10,365	-	-	-
	4,635,866	2,460,930	-	-

The carrying amount of inventories is stated as follows:

At cost	4,635,866	2,460,930	-	-
At net realisable value	-	-	-	-
	4,635,866	2,460,930	-	-

**13. Trade receivables**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade receivables	22,952,436	14,832,115	-	-
Allowance for doubtful debts	(1,774,829)	(2,239,399)	-	-
	21,177,607	12,592,716	-	-

**14. Related companies**

Amount due from subsidiary companies	-	-	20,928,383	6,292,279
Amount due from associated company	111,254	-	111,254	-
	111,254	-	21,039,637	6,292,279

The amounts due from the related companies are unsecured, interest free and have no fixed term of repayment. The amount due from subsidiary companies earns interest at rates ranging from 1.0% to 7.10% (2000: 1.0% to 7.70%) per annum and are repayable on demand.

**15. Fixed deposits with licensed banks**

The fixed deposits are pledged to bank as security for bank overdraft and guarantee facilities granted to a subsidiary company.

**16. Short term borrowings**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>Secured:</b>				
Bank overdrafts	1,069,378	280,579	-	-
Revolving credit	-	2,800,000	-	-
Trust receipts	-	820,488	-	-
Term loans (Note 21)	2,584,748	2,413,831	-	-
<b>Unsecured:</b>				
Bank overdrafts	9,121,349	8,111,265	4,814,893	4,783,369
Bill payable	710,000	-	-	-
Revolving credit	7,300,000	4,650,000	200,000	200,000
Term loans (Note 21)	600,000	615,750	-	-
Bankers acceptances	4,674,597	3,579,541	-	-
	26,060,072	23,071,454	5,014,893	4,983,369

**16. Short term borrowings (cont'd.)**

The short term borrowings are secured by debentures over the property of the Company and of the Group and bear interest at rates ranging from 6.5% to 10.5% (2000: 6.5% to 10.5%) per annum and 1% to 2% (2000: 1% to 2%) per annum above lenders' base lending rate.

**17. Lease payables**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Repayable within twelve months	247,744	260,604	-	-
Repayable after twelve months	489,335	27,756	-	-
	737,079	288,360	-	-
Minimum lease payments:				
Not later than one year	312,870	276,415	-	-
Later than one year but not later than five years	540,410	31,225	-	-
	853,280	307,640	-	-
Future finance charges on finance leases	(116,201)	(19,280)	-	-
	737,079	288,360	-	-

**18. Land premium payable**

Amount due within one year	885,696	-	-	-
Amount due after one year but within five years	626,369	-	-	-
	1,512,065	-	-	-

**19. Share capital**

	<b>Group and Company</b>	
	<b>2001</b>	<b>2000</b>
	RM	RM
<b>Authorised:</b>		
100,000,000 (2000: 100,000,000) ordinary shares of RM1.00 each	100,000,000	100,000,000
<b>Issued and fully paid:</b>		
19,218,000 (2000: 19,218,000) ordinary shares of RM1.00 each	19,218,000	19,218,000

**20. Reserves**

Movements in reserves are shown in the statements of changes in equity.

Based on the estimated tax credits available, the entire revenue reserve of the Company is available for distribution by way of dividends without incurring additional tax liability. In addition, the Company has tax exempt credit estimated at RM8 million (2000: RM8 million) which is available for distribution as tax exempt dividends. These amounts are subject to agreement by the Inland Revenue Board.

**21. Term loans**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Secured:				
Bank loan repayable by 60 monthly instalments commencing August 2001	103,179	-	-	-
Bank loan repayable by 60 monthly instalments commencing October 2001	955,336	1,000,000	-	-
Bank loan repayable by 60 monthly instalments commencing January 2000	961,151	1,236,548	-	-
Bank loan repayable by 60 monthly instalments commencing January 2000	1,531,393	1,928,847	-	-
Bank loan repayable by 60 monthly instalments commencing January 2001	822,198	1,000,000	-	-
Bank loan repayable by 20 equal quarterly instalments commencing June 1997	156,357	751,112	-	-
Bank loan repayable by 20 equal quarterly instalments commencing September 1998	1,041,925	1,663,910	-	-
Bank loan repayable by 84 equal monthly instalments commencing August 1997	896,644	1,214,600	-	-
Bank loan repayable by 47 equal monthly instalments commencing July 2001	876,050	-	-	-
	7,344,233	8,795,017	-	-
Less: Repayments due within 12 months (Note 16)	(2,584,748)	(2,413,831)	-	-
	4,759,485	6,381,186	-	-
Unsecured:				
Bank loan repayable by 60 monthly instalment commencing January 2001	2,400,000	2,850,000	-	-
Less: Repayments due within 12 months (Note 16)	(600,000)	(615,750)	-	-
	1,800,000	2,234,250	-	-
	6,559,485	8,615,436	-	-

The term loans are secured by fixed and floating charges over the assets of certain subsidiary companies as described in Note 7. Interest is charged at rates between 1% and 2% (2000: 1% and 2%) per annum above the bankers' base lending rates.

**22. Deferred taxation**

	<b>Group</b>		<b>Company</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
As at 1st January	438,396	1,196,189	-	-
Transfer from/(to) income statement	40,489	(757,793)	-	-
As at 31st December	478,885	438,396	-	-

The deferred taxation provided in the financial statements is in respect of excess of capital allowances over book depreciation.

**23. Commitments**

	<b>Group</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM</b>	<b>RM</b>
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	4,347,231	323,000

**24. Contingent liabilities**

	<b>Company</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM</b>	<b>RM</b>
Corporate guarantees granted to banks in respect of the subsidiary companies' banking facilities	28,341,743	26,423,000

**25. Segmental reporting**

Analysis by activity:

	Revenue		Profit/(loss) before taxation		Total assets employed	
	2001 RM	2000 RM	2001 RM	2000 RM	2001 RM	2000 RM
Industrial gasses, welding equipment and general trading	43,923,436	19,730,784	17,275,876	2,844,210	88,745,219	71,983,094
Ready-mix concrete, cement products and stones	41,580,243	23,563,812	611,967	(96,206)	51,293,977	37,395,443
Transportation	3,202,441	2,509,078	(3,124)	(37,754)	1,373,731	1,079,260
Consolidation adjustments	88,706,120 (36,541,720)	45,803,674 (10,436,032)	17,884,719 (15,444,182)	2,710,250 (1,713,715)	141,412,927 (55,957,619)	110,457,797 (36,612,264)
	52,164,400	35,367,642	2,440,537	996,535	85,455,308	73,845,533

No geographical analysis has been presented as the Group's business interest is predominantly located in Malaysia.

**26. Significant related party transactions**

	Company	
	2001 RM	2000 RM
<b>(a) Transactions with subsidiary companies:</b>		
Management fee income from		
- B.I.G. Industrial Gas Sdn. Bhd.	99,000	265,440
- Hypervictory Sdn. Bhd.	47,000	-
Dividend income from		
- B.I.G. Industrial Gas Sdn. Bhd.	10,455,025	1,700,004
- Uni-Mix Sdn. Bhd.	4,862,836	-
- Kimalaju Supply Sdn. Bhd.	126,000	-
Interest income from		
- B.I.G. Industrial Gas Sdn. Bhd.	136,967	144,705
- Hypervictory Sdn. Bhd.	64,893	-
- B.I.G. Communication Sdn. Bhd.	34,819	-
- B.I.G. Construction Sdn. Bhd.	57,834	-
- Uni-Mix Sdn. Bhd.	-	111,112

The Directors are of the opinion that the above transactions were entered into with the subsidiary companies in the normal course of business and under normal commercial terms.

**26. Significant related party transactions (cont'd)****(b) Directors' remuneration**

The remuneration paid to Executive Directors and Non-Executive Directors of the Company are disclosed as follows:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>Executive Director</b>				
Fees	12,000	23,500	12,000	12,000
Salaries, allowances and bonus	170,100	211,500	2,100	2,000
Employee Provident Fund	18,000	16,560	-	-
<b>Non-Executive Directors</b>				
Fees	85,834	84,000	85,834	95,500
Salaries, allowances and bonus	500	-	600	1,500

The remuneration paid to Executive Directors and Non-Executive Directors of the Company are further analysed as follows:

	Number of Directors			
	Executive		Non-Executive	
	2001	2000	2001	2000
<b>Band of remuneration</b>				
Nil	-	-	2*	-
RM1 - RM50,000	-	-	8**	6
RM50,001 - RM100,000	-	1	-	-
RM100,001 - RM150,000	-	-	-	-
RM150,001 - RM200,000	1	1	-	-

\* These two Non-Executive Directors resigned during the year.

\*\*Out of these eight Non-Executive Directors, one Non-Executive Director resigned during the year.

**27. Comparative figures**

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

Authorised Capital	:	RM100,000,000.00
Issued and Paid-up Capital	:	RM19,218,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One Vote per Ordinary Share

**DISTRIBUTION OF SHAREHOLDINGS**

Size of Holdings	No. of Shareholders	No. of Shares Held	%
Less than 1,000	9	2,453	0.01
1,000 to 10,000	2,378	5,199,314	27.05
10,001 to 100,000	94	2,342,539	12.19
100,001 to 960,899 (*)	19	5,997,582	31.21
960,900 and above (**)	4	5,676,112	29.54
<b>TOTAL</b>	<b>2,504</b>	<b>19,218,000</b>	<b>100.00</b>

Remarks: \* - Less than 5% of issued shares  
 \*\* - 5% and above of issued shares

**THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 8 MAY 2002**

No.	Name of Substantial Shareholders	No. of Shares	%
1.	OSK Nominees (Tempatan) Sdn Berhad OSK Capital Sdn Bhd for Metas Holdings Sdn Bhd	1,564,032	8.14
2.	OSK Nominees (Tempatan) Sdn Berhad Pledged securities account for Har Mei Yee	1,548,000	8.05
3.	Pristine Corporation Sdn Bhd	1,470,254	7.65
4.	Ratus Alam Sdn Bhd	1,093,826	5.69
5.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Har Weng (Dealer 088-Margin)	801,344	4.17
6.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd Pledged securities account for Zainuddin Bin Yakkop	652,506	3.39
7.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd Pledged securities account for Har Mei Yee (D72)	470,887	2.45
8.	Lau Cheng Ming	468,104	2.44

**THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 8 MAY 2002 (cont'd)**

No.	Name of Substantial Shareholders	No. of Shares	%
9.	OSK Nominees (Tempatan) Sdn Berhad OSK Capital Sdn Bhd for Firmbind Sdn Bhd	387,863	2.02
10.	OSK Nominees (Tempatan) Sdn Berhad OSK Capital Sdn Bhd for Lee Sheng Fung	350,000	1.82
11.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Metas Holdings Sdn Bhd (3217)	329,565	1.71
12.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd Pledged securities account for Wong Kim Jiok (D72)	306,000	1.59
13.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Teng Dark Kwong (Dealer 088-Margin)	300,000	1.56
14.	Kalaka Sdn Bhd	292,000	1.52
15.	Ratus Alam Sdn Bhd	290,000	1.51
16.	Balia Bin Munir	281,854	1.47
17.	Hj Mohd Sepawie B Mohd Jahar	215,712	1.12
18.	Faridah Binti Satem	159,500	0.83
19.	Best Choice Marketing Sdn Bhd	145,185	0.76
20.	Firmbind Sdn Bhd	144,135	0.75
21.	Mohd Fauzi B Hj Abd Hamid	140,000	0.73
22.	Citicorp Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Noor Azman @ Noor Hizambin Mohd Nurdin (471842)	134,000	0.70
23.	Balia Bin Munir	128,927	0.67
24.	Albert Bonaventure @ Ho Siew Lung	99,657	0.52
25.	Chan Kok Hwa	98,733	0.51
26.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Leong Soo Har @ Leong Stek Fan (CLT)	90,000	0.47
27.	Abdillah Bin Yassin	88,000	0.46
28.	Sulaiman Hon Bin Abdullah	74,000	0.39
29.	Ng See Fook	72,000	0.37
30.	Foh Chong & Sons Sdn Bhd	62,000	0.32
	<b>Total</b>	<b>12,258,084</b>	<b>63.78</b>

**LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 8 MAY 2002**

No.	Name	No. of shares in which substantial shareholders have direct interest		No. of shares in which substantial are deemed to have an interest	
			%		%
1.	Pristine Corporation Sdn. Bhd.	3,363,851 (i)	17.50	-	-
2.	Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin	-	-	3,363,851 (ii)	17.50
3.	Y. Bhg. Dato' Long Ahmad Zainal Abidin Bin Mohammed Tahir	-	-	3,363,851 (iii)	17.50
4.	Balia Bin Munir	426,781	2.22	1,675,826 (iv)	8.72
5.	Har Mei Yee	41,000	0.21	2,018,887 (v)	10.51
6.	Ratus Alam Sdn. Bhd.	1,383,826	7.20	-	-

**NOTES:**

- (i) Indirect holding through OSK Nominees (Tempatan) Sdn. Bhd. (1,564,032 shares) and direct holding (1,470,254 shares), HSBC Nominees (Tempatan) Sdn. Bhd. (329,565 shares) is held for the benefit of a third party, Datuk Haji Mohd. Amin Bin Satem.
- (ii) Deemed interested by virtue of his substantial shareholding in Pristine Corporation Sdn. Bhd.
- (iii) Deemed interested by virtue of his substantial shareholding in Pristine Corporation Sdn. Bhd.
- (iv) Deemed interested by virtue of his substantial shareholding in Ratus Alam Sdn. Bhd. (1,383,826 shares) and Kalaka Sdn. Bhd. (292,000 shares)
- (v) Indirect holding through Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. (470,887 shares), OSK Nominees (Tempatan) Sdn. Bhd. (1,548,000 shares) and direct holding (41,000 shares).

**DIRECTORS' INTEREST**  
As At 8 May 2002

No.	Name of Directors	No. of Shares			
		Direct Interest	%	Deemed Interest	%
1.	Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin	-	-	3,363,851 (i)	17.50
2.	Y. Bhg. Dato' Long Ahmad Zainal Abidin Bin Mohammed Tahir	-	-	3,363,851 (i)	17.50

- (i) Indirect interest by virtue of Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin and Y. Bhg. Dato' Long Ahmad Zainal Abidin Bin Mohammed Tahir's individual 50% equity interest in Pristine Corporation Sdn. Bhd.

## 62 LIST OF PROPERTIES HELD BY GROUP

Location	Description	Age of Building	Land (Sq. m)	Approximately Area Tenure (Expiring Date)	Net Book Value	Acquisition Date
1. Lot 759, Block 4 Miri Concession Land District Piasau Industrial Estate Jalan Kilang, Miri	An Oxygen Plant and Office Building	18 years & 9 years	3,310	2044	207,624	1984
2. Lot 1830 Block Miri Concession Land District Piasau Industrial Estate Jalan Kilang, Miri	An Acetylene Plant and Fabrication Works Building	16 years	2,448	2052	202,712	1982
3. Lot 2225, Section 66 Kuching Town Land District, Pending Industrial Estate Kuching	An Office Building and Refilling Plants Oxygen/Nitrogen Plant, Store/Warehouse	7 years & 4 years	12,141	2053	1,203,704	1994
4. Lot 35, Block 13 Senggi Poak Land District Paku, Bau	Vacant Land	N/A	5,339	2039	46,809	1997
5. Lot 564, Block 16 Seduan Land District Upper Lanang Industrial Estate, Lorong Then Kung Suk 5, Sibü	An Office Building and Refilling Plant	10 years	1,966	2038	265,641	1992
6. Lot 977, Block 26 Kemena Land District Kidurong Light Industrial Estate Kidurong Road, Bintulu	An Oxygen/Nitrogen Plant, Acetylene Plant and Office Building	12 years	7,719	2051	418,817	1991
7. Lot 2072, Block 26 Kemena Land District Kidurong Industrial Area Bintulu	Vacant Land	N/A	12,243	60 years	479,730	1992
8. Lot 2602, Block 32 Kemena Land District Kemena Industrial Area Bintulu	Vacant Land	N/A	8,139	2056	270,368	1991
9. Lot 2395, Block 31 Kemena Land, Bintulu	Company House	13 years	553.3	2049	57,646	1990

Location	Description	Age of Building	Land (Sq. m)	Approximately Area Tenure (Expiring Date)	Net Book Value	Acquisition Date
10 CL205359495 CL205359486 Kg. Durian Tunjong F. T. Labuan	An Office Building and Refilling Plans	3 years	808 1,045	2919	547,291	1997
11. Lot 3 & 4, Jalan Bakau Off Km 9, Jalan Tuaran Kota Kinabalu	Premix Concrete Site and Ancillary Building, Office Building	N/A 4 years	7,620	2027	778,330	1986
12. PL 046290082 NT043205778* NT043205787* NT043205796* Kampung Malalin Off Km 31 Jalan Tuaran Kota Kinabalu	10 units Single Storey Terrace House cum Workshop	5 years	2,030 4,290 10,562 10,198	2075 Perpetuity Perpetuity Perpetuity	503,009	1997 1996 1996 1996
13. NT044012115** NT044012124** NT043131540** FR1265** NT044012633** FR044012044** FR044015161** FR044012697**	Quarry Site Quarry Site Quarry Site Crushing Plant Quarry Site Quarry Site Vacant Quarry Site	N/A	42,729 40,064 19,830 53,419 27,316 29,846 12,141 4,047	Perpetuity Perpetuity Perpetuity Perpetuity Perpetuity Perpetuity Perpetuity Perpetuity	2,452,689	1996 1996 1996 1996 1998 1997 1999 2001

**NOTE :**

\* Lands hold in trust Mr. Chan Kok Hwa, and subleased to Uni-Mix Sdn Bhd

\*\* Lands hold in trust by Mr. Chan Kok Hwa, and subleased to Hypervictory Sdn Bhd

## HEAD OFFICE & FACTORY

### B. I. G. INDUSTRIES BERHAD

Lot 2225, Section 66, Jalan Dermaga, Pending Industrial Estate,  
93450 Kuching, Sarawak.  
Tel : 082-486321 Fax : 082-336933

### B. I. G. INDUSTRIAL GAS SDN BHD

#### KUCHING BRANCH

Lot 2225, Section 66,  
Jalan Dermaga, Pending Industrial Estate,  
93450 Kuching, Sarawak.  
Tel : 082-486321 Fax : 082-336933

#### MIRI BRANCH

Lot 759, Block 4, Piasau Industrial Estate,  
P O Box 1297, 98008 Miri, Sarawak.  
Tel : 085-653995 Fax : 085-654841

#### LABUAN BRANCH

Lot 112-3, Court Light Industrial Park,  
Jalan Pohon Batu, P O Box 81566, 87025 F T Labuan.  
Tel : 087-465818 Fax : 087-465597

#### SIBU BRANCH

Lot 564, 16 SLD, Upper Lanang Road,  
CDT 36, 96008 Sibu, Sarawak.  
Tel : 084-213059 Fax : 084-214953

#### BINTULU BRANCH

Lot 977, Block 26, Tanjung Kidurong,  
P O Box 1106, 97008 Bintulu, Sarawak.  
Tel : 086-252430 Fax : 086-252558

### B. I. G. MARKETING SDN BHD

(Formerly known as Unique Billion Sdn Bhd)

Lot 2225, Section 66, Jalan Dermaga  
Pending Industrial Estate, 93450 Kuching, Sarawak.  
Tel : 082-486321 Fax : 082-336933

### ALPHA BILLION SDN BHD

Lot 2225, Section 66, Jalan Dermaga  
Pending Industrial Estate, 93450 Kuching, Sarawak.  
Tel : 082-486321 Fax : 082-336933

### LUMANAI SDN BHD

Lot 21, 23, 25, 27, 2<sup>nd</sup> Floor, Likas Plaza, Jalan Tuaran,  
Likas, 88400 Kota Kinabalu, Sabah  
Tel : 088-437422 Fax : 088-437430

### KINALAJU SUPPLY SDN BHD

Lot 21, 23, 25, 27, 2<sup>nd</sup> Floor, Likas Plaza, Jalan Tuaran,  
Likas, 88400 Kota Kinabalu, Sabah.  
Tel : 088-437422 Fax : 088-437430

### HYPERVICTORY SDN BHD

Lot 21, 23, 25, 27, 2<sup>nd</sup> Floor, Likas Plaza, Jalan Tuaran,  
Likas, 88400 Kota Kinabalu, Sabah.  
Tel : 088-437422 Fax : 088-437430

### UNI-MIX SDN BHD

Lot 21, 23, 25, 27, 2<sup>nd</sup> Floor, Likas Plaza, Jalan Tuaran,  
Likas, 88400 Kota Kinabalu, Sabah.  
Tel : 088-437422 Fax : 088-437430

### FACTORY

5 1/2 Miles, Jalan Tuaran, Likas Industrial Estate,  
Inanam Kota Kinabalu, Sabah.  
Tel : 088-420543 Fax : 088-429330

### B. I. G. COMMUNICATIONS SDN BHD

Lot 21, 23, 25, 27, 2<sup>nd</sup> Floor, Likas Plaza, Jalan Tuaran,  
Likas, 88400 Kota Kinabalu, Sabah.  
Tel : 088-437422 Fax : 088-437430

**B.I.G. INDUSTRIES BERHAD**  
(Company No. 195285-D)  
(Incorporated in Malaysia under the Companies Act, 1965)

**PROXY FORM FOR ANNUAL GENERAL MEETING**

**NO. OF SHARES HELD**

I/We .....  
(FULL NAME IN BLOCK LETTERS)

of .....

being a member of B.I.G. INDUSTRIES BERHAD (195285-D), hereby appoint. ....

.....  
(FULL NAME IN BLOCK LETTERS)

of .....

or failing him/her, the Chairperson of the meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Twelfth Annual General Meeting of the Company to be held at The Sarawak Club, Jalan Taman Budaya, 93000 Kuching, Sarawak on Monday, 24 June 2002 at 10.00 a. m.

My/our proxy is to vote as indicated below:-

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Adoption of Reports and Accounts		
2.	Approval of Directors' Fees		
3.	Re-election of Tuan Hj. Mohd Fauzi Bin Yusuf @ Mohd Yusof pursuant to Article 106		
4.	Re-election of Mr. Wong Choon Seng pursuant to Article 106		
5.	Re-election of En. Khairil Annas Bin Jusoh pursuant to Article 114		
6.	Re-appointment of Auditors and authorising Directors to fix their remuneration		
7.	Authority to issue shares pursuant to Section 132D of the Companies Act 1965		

Please indicate with an "X" or " " in the appropriate box against the resolution how you wish your votes to be cast. In the absence of specific directions, your Proxy will vote or abstain as he/she thinks fit.

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

\_\_\_\_\_  
Signature of Member/Common Seal

**Notes:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A corporation which is a member may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at the Meeting, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
3. An instrument appointing a proxy shall be in writing under the hand of the appointor or if the appointor is a corporation either under its common seal or under the hand of an attorney duly authorised. Where a member appoints two proxies, the appointments shall be invalid unless the number of shares to be represented by each proxy is specified.
4. An instrument appointing a proxy or representative must be deposited at the Registered Office of the Company, Lot 2225, Section 66, Jalan Dermaga, Pending Industrial Estate, 93450 Kuching, Sarawak, Malaysia not less than 48 hours before the time appointed for holding the meeting.

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Postage  
Stamp

The Company Secretary  
**B.I.G. INDUSTRIES BERHAD** (195285-D)  
Lot 2225, Section 66, Jalan Dermaga  
Pending Industrial Estate  
93450 Kuching, Sarawak

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## **B.I.G. INDUSTRIES BERHAD**

(Incorporated in Malaysia)  
(195285-D)

Lot 2225, Section 66, Jalan Dermaga, Pending Industrial Estate, 93450 Kuching, Sarawak.  
**Tel: 082 - 486321 Fax: 082 - 336933**