

CONTENTS

Notice of Annual General Meeting	2
Statement Accompanying Notice of Annual General Meeting	3
Corporate Information	4
Profile of Directors	5
Corporate Governance Statement	6
Audit Committee	9
Chairman's Statement	11
Corporate Structure	12
Corporate/Financial Calendar	13
Financial Statements	15
• Directors' Report	
• Statement by Directors	
• Report of the Auditors	
• Balance Sheet	
• Income Statement	
• Notes to the Financial Statement	
List of Properties	54
Analysis of Shareholdings	56
Form of Proxy	59
Appendix 1 (Proposed Amendments to the Articles of Association)	

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Company will be held at Seminar Room, Kelab Darul Ehsan Taman Tun Abdul Razak, 68000 Ampang, Selangor on Friday, 28th June 2002 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Audited Accounts of the Company for the year ended 31 December 2001 and the Directors' and Auditors' Report thereon Resolution 1
2. To re-elect Mohd Razali Bin Jaafar who retires in accordance with Article 102 (1) of the Company's Articles of Association and who, being eligible, offers himself for re-election. Resolution 2
3. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. Resolution 3
4. As Special Business:
To consider, and if thought fit, pass the following Special Resolution:-

Resolution 4
THAT the proposed amendments to the Articles of Association of the Company ("Proposed Amendments to the Articles") in the manner as set out in the Appendix I of the Annual Report, be and is hereby approved and adopted and that the Directors and the Secretary be authorised to enter into all transactions and arrangements as may be necessary or expedient in order to implement, finalise and give full effect to the Proposed Amendments to the Articles."
5. To transact any other business of which due notice shall have been given.

By Order of the Board

DAUD A. MAJEED
Secretary

Kuala Lumpur
6 June 2002

Notes:

1. *A member entitled to attend and vote at the meeting of the Company is entitled to appoint a proxy, but not more than two proxies, to attend and vote in his / her stead. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office not less than 48 hours before the time appointed for holding the meeting.*
2. *If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney authorised.*
3. *Explanatory Note on Special Business (Resolution 4)
The Special Resolution 4, if passed, will reflect the extensive amendments for clarity purposes and to comply with the provisions of the Companies Act 1965, Securities Industry (Central Depositories) Act 1991, Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Listing Requirements of the Kuala Lumpur Stock Exchange together with certain consequential amendments made thereto.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Details of Director seeking for re-election at the Ninth Annual General Meeting of the Company

Mohd Razali Bin Jaafar –pursuant to Article 102 (1) of the Company’s Articles of Association.

Mohd Razali Bin Jaafar, 53, Malaysian, holds a Master in Management (MBA) from the Asian Institute of Management, Philippines and is an Associate Member of Institute of Chartered Secretaries and Administrators (ICSA) (UK). He had served as General Manager (Marketing) of Syarikat Perumahan Pegawai Kerajaan Sdn Bhd (SPPK) and General Manager of Shapadu Properties Sdn. Bhd. He was also the Executive Director of Idris Hydraulic Properties Sdn. Bhd. and former Secretary General of FIABCI (Malaysia Chapter). He was previously the Managing Director of the Company and was redesignated as a non-executive Director with effect from September 2001.

2. Details of attendance of Directors at Board meeting

There were 3 Board Meetings held during the financial year ended 31 December 2001. Attendance for each Director is as shown below:-

<u>Name of Directors</u>	<u>Attendance</u>
i) Dato’ Raduan Bin Md Taib	3
ii) Mohd Razali Bin Jaafar	3
iii) Hasbullah Muhammad Taib*	3
iv) Khalid Haji Sufat*	3
v) Adam Selamat Bin Musa*	2

* Appointed with effect from 20 March 2001

3. Place, Date and Time of the Board Meeting

All the Board of Directors’ Meeting were held at No. 18 Jalan Wan Kadir 1, Taman Tun Dr Ismail, 60000 Kuala Lumpur, and the date and time of the respective meetings held were as follows:

<u>Date of Meetings</u>	<u>Time</u>
28 April 2001	10.00 a.m.
29 August 2001	2.30 p.m.
30 November 2001	11.00 a.m.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Raduan Bin Md. Taib
Chairman

Mohd Razali Bin Jaafar
Director

Hasbullah Muhammad Taib
Director

AUDIT COMMITTEE

Mohd Razali Bin Jaafar
Chairman
(Independent Non-Executive Director)

Dato' Raduan Bin Md Taib
Member
(Non-Independent Non-Executive Director)

SPECIAL ADMINISTRATORS

Tan Kim Leong, JP
Siew Kah Toong
Messrs BDO Binder
15th Floor
Wisma Hamzah Kwong Hing
No. 1 Leboh Ampang
55100 Kuala Lumpur
Tel : 03-20722755
Fax : 03-20787045

COMPANY SECRETARY

Daud A Majeed
(LS No. 006578)

PRINCIPAL PLACE OF BUSINESS

No. 18, Jalan Wan Kadir 1
Taman Tun Dr Ismail
60000 Kuala Lumpur.

REGISTERED OFFICE

No 18, Jalan Wan Kadir 1,
Taman Tun Dr Ismail,
60000 Kuala Lumpur.
Tel : 03-77276333
Fax : 03-77277087
Email : bcbhd@tm.net.my

SHARE REGISTRAR

Signet Share Registration Services Sdn Bhd
11th Floor, Kompleks Antarabangsa,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel : 03-21454337
Fax : 03-21421353

AUDITORS

Messrs Ernst & Young
Chartered Accountants,
4th Floor, Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur.
Tel : 03-21442333
Fax : 03-21445619

STOCK EXCHANGE LISTING

Second Board of the
Kuala Lumpur Stock Exchange

PRINCIPAL BANKERS

Southern Bank Berhad
Malayan Banking Berhad
Bumiputra-Commerce Bank Berhad
Arab-Malaysian Merchant Bank Berhad

PROFILE OF DIRECTORS

1. DATO' RADUAN BIN MD TAIB, DSSA, JP, 54, Malaysian CHAIRMAN

He holds a Bachelor of Social Science Honours Degree majoring in General Management and Political Science from University Sains Malaysia (USM) and a Master in Management from Asian Institute of Management, Manila, Philippines. Prior to joining the Company, he was formerly the Group Managing Director of SAP Holdings Berhad, for 9 years. He has also held various posts in Bank Bumiputera Malaysia Berhad (BBMB) for 11 years. He has accumulated over 22 years of working experience in property development and banking related activities. Currently, he is the President of the Malay Chamber of Commerce, Selangor branch. He was also the former Vice President of FIABCI (The International Real Estate Federation) Malaysia Chapter and former Vice President of Malay Chamber of Commerce of Malaysia (DPMM). In 1996, he was awarded the prestigious Alumni Achievement Award (Triple A) by the Federation of AIM Alumni Association. In June 1998 he attended the Advance Management Programme (AMP) at the Templeton College, Oxford University, England. He was formerly the Executive Chairman of the Company and was redesignated as the Chairman with effect from September 2001.

2. MOHD RAZALI BIN JAAFAR, 53, Malaysian DIRECTOR

He holds a Master in Management (MBA) from the Asian Institute of Management, Philippines and is an Associate Member of Institute of Chartered Secretaries and Administrators (ICSA) (UK). He has served as General Manager (Marketing) of Syarikat Perumahan Pegawai Kerajaan Sdn Bhd (SPPK) and General Manager of Shapadu Properties Sdn. Bhd. He was also the Executive Director of Idris Hydraulic Properties Sdn. Bhd. He has accumulated more than 27 years of working experience. He was also the former Secretary General of FIABCI (Malaysia Chapter). He was formerly the Managing Director of the Company and was redesignated as a non-executive with effect from September 2001.

3. HASBULLAH MUHAMMAD TAIB, 39, Malaysian DIRECTOR

He is an engineer by profession with a Bachelor Degree from Universiti Teknologi Malaysia. He was formerly the Executive Director of Premier Mix Sdn. Bhd. a wholly owned subsidiary of Bridgecon Holdings Berhad. He was appointed as a Director of the Company with effect from 28 March 2001. He was also formerly the Senior General Manager, Operations, of the Company.

OTHER INFORMATION ON DIRECTORS

- (a) **DIRECTORSHIP OF PUBLIC LISTED COMPANIES**
None of the Directors held other Directorship of Public Listed Companies.
- (b) **FAMILY RELATIONSHIP**
Hasbullah Muhammad Taib is a younger brother of Dato' Raduan Bin Md Taib.
- (c) **CONFLICT OF INTEREST**
None of the Directors have any conflict of interest with the Company.
- (d) **CONVICTION FOR OFFENCES**
None of the Directors have any conviction for offences within the past ten (10) years.
- (e) **INDEPENDENT DIRECTORS**
One (1) out of the three (3) Directors are Independent Directors.

CORPORATE GOVERNANCE STATEMENT for the year ended 31 December 2001

On 6 April 2001, Pengurusan Danaharta Nasional Berhad appointed Special Administrators into the Company pursuant to Section 23 of the Pengurusan Danaharta Nasional Berhad Act, 1998 to manage the affairs of the Company, with the objective to preserve the assets of the Company and to formulate a corporate and debt restructuring proposal that maximise return to all stakeholders. With the appointment of Special Administrators, the Board of Directors' powers to manage the Company had ceased.

The Board of Directors and the Special Administrators are committed to ensure that proper corporate governance is practiced throughout Bridgecon Holdings Berhad (Special Administrators Appointed) ("BHB") and its subsidiary companies ("BHB Group") as part of their responsibilities to protect and enhance shareholders' value and the financial performance of the BHB Group.

The Board of Directors and the Special Administrators are pleased to report the manner the BHB Group has applied the Principles as set out in Part 1 of the Malaysian Code of Corporate Governance ("the Code") and the extent of compliance with the Best Practices as set out in Part 2 of the Code.

The manner in which the Corporate Governance framework is applied is summarized as follows:-

A. DIRECTORS

Prior to the appointment of Special Administrators, the Board had the overall responsibility for corporate governance, strategic, direction, formulation of policies and overseeing the investment and business of the Company.

BHB is led and managed by an experienced Board comprising members with a wide range of experience in relevant fields such as engineering, business administration, planning and development and marketing.

During the financial year ended 31 December 2001, the Board met a total of three (3) times. Details of the attendance are as follows:-

Names	Attendance
Dato' Raduan Bin Md Taib	3
Mohd Razali Bin Jaafar	3
Khalid Haji Sufat (resigned on 31.3.2002)	3
Hasbullah Muhammad Taib	3
Adam Selamat Bin Musa (resigned on 14.1.2002)	2

Board Balance

Currently, the Board comprises Dato' Raduan Bin Md Taib, Mohd Razali Bin Jaafar and Hasbullah Muhammad Taib who are non-executive Directors. The profiles of the members of the Board are provided in the Annual Report

Supply of Information

All Directors in furtherance to their duties and responsibilities as Directors, have access to the advice and services of the Company Secretary, external auditors and independent professional advice.

Re-election

In accordance with the Company's Articles of Association, all Directors are required to submit themselves for retirement once in each three (3) years and shall be eligible for re-election. The details of the retiring Directors are set out in the Statement Accompanying Notice of Annual General Meeting.

Directors' Remuneration

The aggregate remuneration of the Directors of the Company for the financial year is as follows:-

	Fees (RM)	Salaries and other emoluments (RM)
Executive Director(s)	-	505,000
Non-Executive Director(s)	-	14,000

The number of Directors of the Company whose remuneration falls within the following bands for the financial year is as follows:-

Range of Remuneration (RM)	No. of Directors	
	Executive	Non-Executive
50,000 and below	-	3
50,000 to 250,000	2	-

B. SHAREHOLDERS

The Company recognises the importance of communicating with its shareholders and investors. Announcements and release of financial results on a quarterly basis provides the shareholders and the investing public with an overview of the Group's performance and operations.

The Annual General Meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and the annual report are sent to shareholders at least 21 days before the date of the meeting. At the Annual General Meeting, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general. Members of the Board and the Special Administrators, as well as the Auditors of the Company are present to answer questions raised at the meeting.

C. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Listing Requirements of the Kuala Lumpur Stock Exchange and the Companies Act 1965, require the Directors 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 and of their results and cash flows for the financial year.

The Board is committed to ensure that the shareholders are kept informed of the financial performance through the announcement of quarterly result to be submitted within two (2) months after the end of each quarter.

The Directors are satisfied that in preparing the financial statements of the Company and the Group for the financial year ended 31 December 2001, appropriate accounting policies had been used and applied consistently in the preparation of these financial statements.

Internal Control

As the powers of the Board have been suspended following the appointment of Special Administrators, the Special Administrators are primarily responsible for the effectiveness of the internal control systems of the Group and the Company.

The Special Administrators have established clear lines of accountability and all matters are referred to the Special Administrators for prior approval. Internal procedures are set out to ensure effective control over the operations of the Group and the Company.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report on pages 8 and 9 of this Annual Report.

D. DIRECTORS' TRAINING

During the financial year, all the Directors have attended and completed the Mandatory Accreditation Programme (MAP) conducted by RIIAM.

E. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiary companies which involve Directors' and major shareholders' interests either still subsisting at the end of the current financial year under review or entered into since the end of the previous financial year.

AUDIT COMMITTEE REPORT

Audit Committee Meetings held during the financial year ended 31 December 2001

	28/4/2001	29/8/2001	30/11/2001
Dato' Raduan Bin Md Taib	X	X	X
Khalid Hj Sufat (resigned on 29/3/2002)	X	X	X
Adam Selamat Bin Musa (resigned on 14/1/2002)	-	X	X

Summary of Activities

The Audit Committee has during the financial year ended 31 December 2001 discharged the following functions:-

- (a) reviewed the annual audit findings and recommendations for the Company and the Group prepared by the External Auditors and management's response thereto.
- (b) reviewed the quarterly financial statements and annual reports of the Company and the Group prior to submission to the Board for their consideration and approval.
- (c) reviewed and making appropriate recommendations to management on improvement in internal control, procedures and risk management.
- (d) discussed recent developments on accounting and auditing standards issued by the Malaysian Accounting Standards Board.

AUDIT COMMITTEE- Terms of Reference

1. OBJECTIVES

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling their responsibility in relation to accounting and financial reporting practices of the Company and its subsidiary companies. In addition, Audit Committee shall:

- a) Oversee and appraise the quality of the audits conducted by both the Company's internal and external auditors;
- b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and,
- c) Determine the adequacy of the Group's administrative, operating and accounting controls.

2. COMPOSITION

The Audit Committee shall be appointed by the Directors from among their members (pursuant to a resolution of the Board of Directors) and shall be composed of not fewer than three (3) members of whom a majority shall not be:

- a) Executive Directors of the Company or any related corporations;
- b) A spouse, parent, brother, sister, son or adopted son, daughter or adopted daughter of an Executive Director of the Company or any related corporation; or
- c) Any person having relationship which, in the opinion of the Board of Directors, would interfere with the exercise of an independent judgement when carrying out the functions of the Audit Committee.

The members of the Audit Committee shall elect a Chairman from among their members who is not an Executive Director or employee of the Company or any related corporation.

If a member of an Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to 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 number of three (3) numbers.

The Chairman and Secretary of the Audit Committee shall be appointed by the Board of Directors.

3. FUNCTIONS

The functions of the Audit Committee are as follows:

- a) Review the audit plan with the external auditors;
- b) Review the system of internal accounting controls with the external auditors;
- c) Review the audit report with the external auditors;
- d) Review the assistance given by the Company's officers to the external auditors;
- e) Review the scope and results of internal audit procedures;
- f) Review the balance sheets and profit and loss accounts of the Company and the Group;
- g) Review any related party transactions that may arise within the Company or the Group;
- h) Review the policies and procedures for compliance with the Stock Exchange Listing Requirements and any other regulatory or statutory requirements;
- i) Nominate a person or persons as the external auditors;
- j) Identify and direct any special project investigations deemed necessary; and
- k) Such other responsibilities as may be agreed upon by the Audit Committee and the Board of Directors.

4. ACCESS

The Audit Committee shall have unrestricted access to both the internal and external auditors and to senior management of the Company and the Group.

The Audit Committee shall also have the ability to consult independent professional experts where they consider necessary to carry out their duties.

5. MEETINGS

The Audit Committee shall meet at least once a quarter and such additional meetings as the Chairman shall decide in order to fulfill its duties. In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any committee member or the external or internal auditors. The Company Secretary shall act as Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meeting of the Audit Committee, and circulating them to committee members and the other members of the Board of Directors.

A quorum shall consist of majority of committee members.

respectively. On 29 March 2002, the Workout Proposal of LSC was approved by the secured creditor of LSC. The implementation of the Workout Proposal

Chairman's Statement

On behalf of the Board of Directors of the Company, I am pleased to present the Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 December 2001.

Financial Review

During the financial year under review, the Group registered a turnover of RM9.073 million compared to year 2000 where a turnover of RM50.8 million was recorded. This represents approximately 82% reduction from the previous year due to lower contract works completed and recognized by the Group's engineering and construction arm, Bridgecon Engineering Sdn Bhd (Special Administrators Appointed) ("BESB").

The Group recorded a consolidated loss before tax of RM43.9 million for the year ended 31 December 2001 compared to a consolidated loss before tax of RM106.8 million attained in the previous financial year ended 31 December 2000.

Overall decline in revenue and turnover is due to suspension of new business.

Dividends

The Directors do not recommend any dividend for the financial year ended 31 December 2001.

Review of Operations

Special Administrators were appointed to the Company on 6 April 2001 pursuant to Section 23 of the Pengurusan Danaharta Nasional Berhad Act, 1998. Two (2) of the subsidiary companies, namely Bridgecon Engineering Sdn Bhd (Special Administrators Appointed) ("BESB") and Lean Seng Chan (Quarry) Sdn Bhd (Special Administrators Appointed) ("LSC"), were also placed under special administration on 24 May 2001. The Special Administrators have taken measures to continue with the existing contracts which are the main contributor to the earnings of the Group.

To maximise the return to the stakeholders, the Special Administrators had on 24 September 2001 invited potential investors to participate in the proposed corporate and debt restructuring scheme of the Company and the Group. Two (2) White Knights were selected to participate in the proposed corporate and debt restructuring scheme of the Company and LSC

of LSC was successfully completed and the Special Administrators of LSC were discharged from their duties and responsibilities on 23 May 2002.

On 10 April 2002, the Special Administrators had terminated the restructuring agreement with the selected White Knight of the Company. The Special Administrators had on 18 April 2002 invited potential investors to participate in the proposed corporate and debt restructuring scheme of the BHB via a tender exercise. The tender exercise was closed on 10 May 2002 and the Special Administrators are currently in the process of finalising the proposed corporate and debt restructuring of the Company.

Board's Changes

On behalf of the Board of Directors, I would like to extend our deepest appreciation to En. Adam Selamat Bin Musa and En. Khalid Haji Sufat who resigned from the Board on 14 January 2002 and 29 March 2002 respectively.

On behalf of the Board of Directors, I wish to thank En. Adam Selamat Bin Musa and En. Khalid Haji Sufat for the invaluable contributions rendered by them during their tenure as Directors and Audit Committee Members of the Company.

Prospects

For the year 2002, it is anticipated that the prospects of the Group shall to a large extent depend on the finalisation of the proposed corporate and debt restructuring scheme of the Company, which is targeted to be completed before end of 2002.

Acknowledgement

On behalf of the Board of Directors, I would like to record my sincere appreciation to the Special Administrators of the Company, all members of the Management and staff of Bridgecon Holdings Berhad Group at all levels for their continued dedication, commitment and perseverance during the year. I urge them to continuously provide significant contributions to assist the Group in these difficult times.

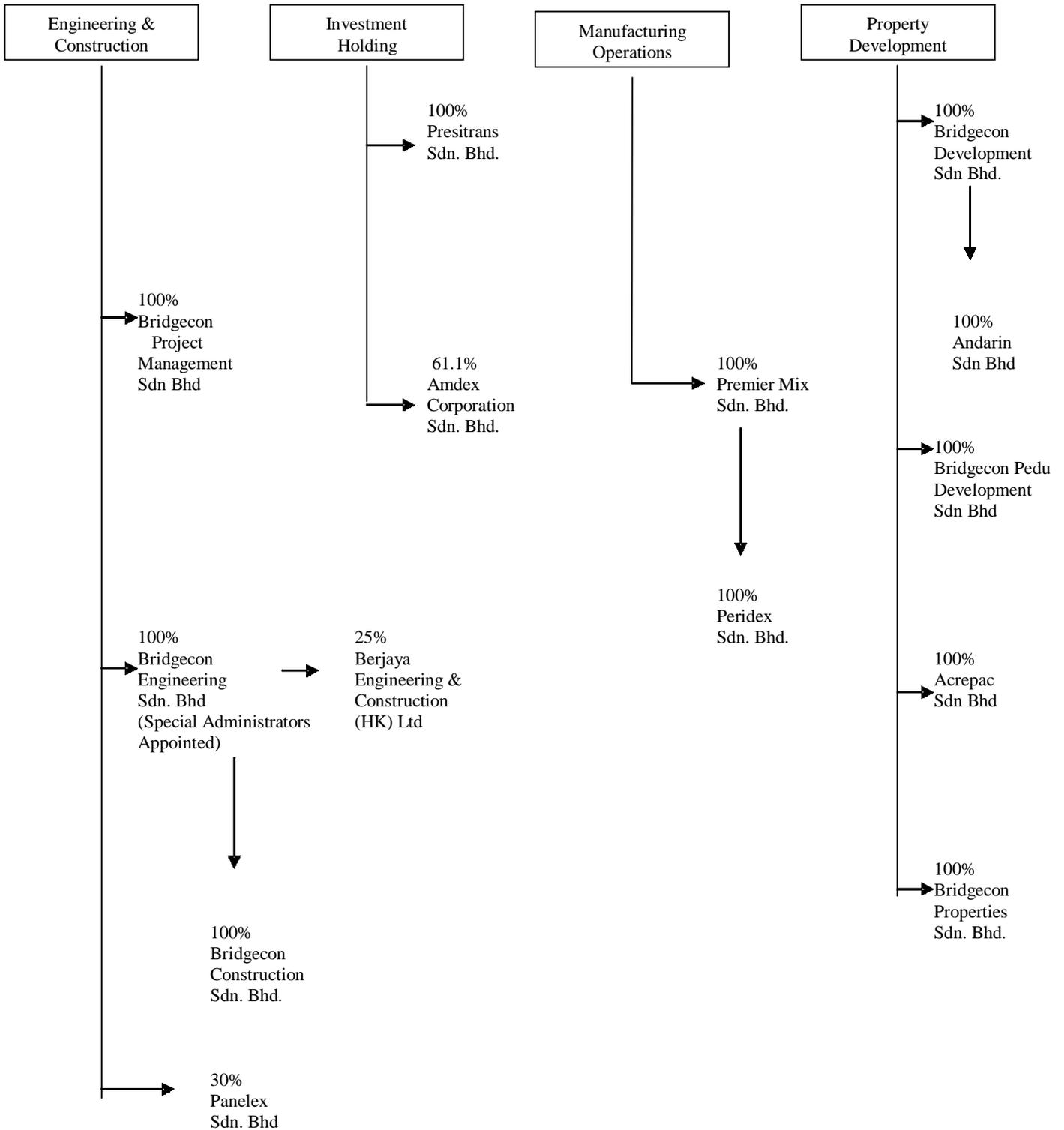
DATO' RADUAN BIN MD TAIB

Chairman

Date: 6 June 2002

CORPORATE STRUCTURE AS AT 31 MAY 2001

BRIDGECON HOLDINGS BERHAD
 (SPECIAL ADMINISTRATORS APPOINTED)
 (Company No: 272302-V)



CORPORATE AND FINANCIAL CALENDAR

- (i) 29 June 2001
8th AGM of the Company.
- (ii) 23 August 2001
Expiry date from 23 February 2001 for the Company to finalise its plan to regularize the Company's financial condition under Practice Note No. 4/2001.
- (iii) 30 August 2001
Announcement on Second Quarter Financial Result ended 30 June 2001.
- (iv) 12 September 2001
Redesignation of YBhg Dato' Raduan Bin Md Taib and En. Mohd Razali Bin Jaafar to Chairman and Director of the Company respectively.
- (v) 20 September 2001
KLSE approved an extension for 2 months from 22 August 2001 to 21 October 2001 to make requisite announcement under Practice Note No. 4/2001
- (vi) 24 September 2001
Invitation to potential investors to participate in the Company's proposed debt restructuring scheme via a tender exercise under the auspices of the Special Administrators and Pengurusan Danaharta Nasional Berhad.
- (vii) 8 October 2001
Execution of Memorandum of Agreement between the Company and J.M.R. Construction Sdn Bhd for the disposal of the Company's entire shares in Lean Seng Chan (Quarry) Sdn Bhd (Special Administrators Appointed), a wholly owned subsidiary of the Company.
- (viii) 16 October 2001
Execution of Memorandum of Agreement between the Company and City Associates Sdn Bhd for its participation in the proposed debt restructuring scheme of the Company.
- (ix) 30 November 2001
Announcement on Third Quarter Financial Result for period ended 30 September 2001.
- (x) 6 December 2001
The Special Administrators of the Company entered into a Memorandum of Agreement with City Associates Sdn Bhd and Bondell Corporation Sdn Bhd for their participation in the proposed debt restructuring scheme of the Company.
- (xi) 26 December 2001
Execution of the Share Sale Agreement between the Company and JMR Construction Sdn Bhd for the disposal of the Company's entire shares in Lean Seng Chan (Quarry) Sdn Bhd (Special Administrators Appointed).
- (xii) 31 December 2001
Public reprimand on the Company for breach of Clause 3.12 of the Second Board Listing Requirements for failure to make announcement on a winding up proceedings against the Company.

- (xiii) 14 January 2002
Resignation of En. Adam Selamat Bin Musa as the Chairman of the Audit Committee and as a Director of the Company and appointment of En. Khalid Hj Sufat as the new Chairman of the Audit Committee of the Company.
- (xiv) 28 February 2002
Announcement on Fourth Quarter Financial Result for period ended 31 December 2001.
- (xv) 28 February 2002
Securities of the Company reclassified from Construction Sector to PN4 Condition Sector.
- (xvi) 11 March 2002
KLSE approved the Company's application for extension up to 31 March 2002 to make the Requisite Announcement under Practice Note No. 4/2001.
- (xvii) 29 March 2002
Workout proposal which entailed the acquisition of Lean Seng Chan (Quarry) Sdn Bhd (Special Administrators Appointed) and debt settlement by J.M.R Construction Sdn Bhd had been approved in accordance with the Pengurusan Danaharta Nasional Berhad Act 1998.

Resignation of En. Khalid Hj Sufat as the Director and Chairman of the Audit Committee of the Company.
- (xviii) 5 April 2002
The moratorium period under Section 41 of Pengurusan Danaharta Nasional Berhad Act 1998 which expired on 5 April 2002, had been extended to 5 April 2003.
- (xix) 10 April 2002
Termination of Agreement dated 4 December 2001 between the Company and City Associates Sdn Bhd and Bondell Corporation Sdn Bhd in respect of the proposed debt restructuring scheme.
- (xx) 18 April 2002
KLSE rejected the Company's application for an extension of time until 31 May 2002 to make the Requisite Announcement under Practice Note No. 4/2001. Under Paragraph 8.14 of the KLSE's Listing Requirements, the Company is to regularise its financial condition by 31 December 2002.
- (xxi) 2 May 2002
The Special Administrators had on 18 April 2002 invited potential investors to participate in the proposed debt restructuring scheme via a tender exercise which was subsequently held on 26 April 2002.
- (xxii) 23 May 2002
The Special Administrators of LSC were discharged from their duties and responsibilities as the Special Administrators pursuant to Section 28(2) of the Pengurusan Danaharta Nasional Act, 1998. Accordingly, the Special Administrators and the moratorium in respect of LSC are terminated with effect from 23 May 2002.

DIRECTORS' REPORTS AND FINANCIAL STATEMENTS 31 DECEMBER 2001

CONTENTS	Page
Directors' Report	16 - 21
Statement by Directors	22
Statutory Declaration	22
Auditors' Report	23 - 24
Balance Sheets	25 - 26
Income Statements	27
Statements of Changes in Equity	28 - 29
Cash Flow Statements	30 - 31
Notes to the Financial Statements	32 - 53

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

During the year, certain subsidiary companies have ceased operations in the manufacture and supply of ready mixed concrete and provision of concrete pumping services.

Except for the above, there have been no significant changes in the nature of the activities of the Company and of the Group during the year.

RESULTS

	<u>GROUP</u> RM' 000	<u>COMPANY</u> RM' 000
Loss before taxation	43,885	12,127
Taxation	<u>11</u>	<u>-</u>
Loss after taxation	<u><u>43,896</u></u>	<u><u>12,127</u></u>

There were no material transfers to or from reserves or provisions during the year.

DIVIDEND

The Directors do not recommend any dividend in respect of the current financial year.

ISSUE OF SHARE

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

ITEMS OF AN UNUSUAL NATURE

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

DIRECTORS

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

Dato' Raduan Bin Md. Taib	
Mohd. Razali Bin Jaafar	
Hasbullah Muhammad Taib	
Khalid Haji Sufat	(Resigned on 31.3.2002)
Adam Selamat Bin Musa	(Resigned on 14.1.2002)

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

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

	<u>Number of Ordinary Shares of RM1 each</u>			
	<u>At</u>		<u>During the</u>	<u>At</u>
	<u>1.1.01</u>	<u>Bought</u>	<u>year</u>	<u>31.12.01</u>
			<u>Sold</u>	
Indirect interest				
Dato' Raduan Bin Md. Taib	7,182,000	-	-	7,182,000

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors 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.

SIGNIFICANT EVENTS DURING THE YEAR

- (a) On 22 March 2001, the Board of Directors of the Company entered into a Memorandum of Understanding with shareholders of Project 33 Construction Sdn. Bhd. namely Chee Soo Meng, Wong Chiew Peng, Chong Kok Wei and Chung Pak Teng, whereby the Company agreed to invite Project 33 Construction Sdn. Bhd. to participate in the Proposed Debt Restructuring Scheme to regularise the Company's financial position. Subsequently, the shareholders of Project 33 Constructions Sdn. Bhd. have withdrawn their participation in the Proposed Debt Restructuring Scheme.
- (b) On 6 April 2001, Mr. Tan Kim Leong, JP and Mr. Siew Kah Toong were appointed as Special Administrators by Pengurusan Danaharta Nasional Berhad pursuant to Section 23 of the Pengurusan Danaharta Nasional Berhad Act 1998 over the Company.

The power of the Board of Directors to manage the Company is effectively suspended on the date of the appointment of the Special Administrators. Pursuant to Section 33 of the Pengurusan Danaharta Nasional Berhad Act 1998, the Special Administrators shall be entitled to exercise all the functions of the Board of Directors of the Company.

On 24 May 2001, Mr. Tan Kim Leong, JP and Mr. Siew Kah Toong were appointed as Special Administrators of two (2) wholly owned subsidiary companies of the Company namely, Bridgecon Engineering Sdn. Bhd. and Lean Seng Chan (Quarry) Sdn. Bhd., by Pengurusan Danaharta Nasional Berhad pursuant to Section 24 of the Pengurusan Danaharta Nasional Berhad Act 1998.

- (c) On 4 December 2001, Special Administrators on behalf of the Company, entered into an agreement ("The Agreement") with Bondell Corporation Sdn Bhd and City Associates Sdn Bhd with the intention of setting the key areas of understanding pending the finalisation and approval of a Workout Proposal. The Agreement was subsequently terminated.
- (d) On 20 December 2001, the Special Administrators had, on behalf of the Company, entered into a Share Sale Agreement ("the Agreement") with J.M.R. Construction Sdn. Bhd. ("JMR") for the disposal of the entire issued and paid up capital of Lean Seng Chan (Quarry) Sdn. Bhd. ("LSCQ"), a wholly owned subsidiary of the Company, for a cash consideration of RM1.00. Under the Agreement, JMR is required to pay an additional sum of RM2.0 million to the Company for the settlement of all liabilities of LSCQ, save and except for the secured creditor and hire purchase creditor of LSCQ.

The above disposal has been completed subsequent to the year end.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Company and of the Group were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (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 had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, subject to the uncertainties disclosed in Note 2 to the financial statements which have bearing on the Group' s and the Company' s status as going concern the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the Company and the Group inadequate to any substantial extent;
 - (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, subject to the uncertainties disclosed in Note 2 to the financial statements, 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 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 (CONTD.)

(f) In the opinion of the Directors:

- (i) except for those disclosed in Note 27 the financial statements, no contingent liability or other liability 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 or of the Group to meet their 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 or 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,

DATO' RADUN BIN MD. TAIB)
)
)
) DIRECTORS
)
)
 HASBULLAH MUHAMMAD TAIB)

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, DATO' RADUAN BIN MD. TAIB and HASBULLAH MUHAMMAD TAIB, being two of the Directors of BRIDGECON HOLDINGS BERHAD (Special Administrators Appointed), do hereby state that in the opinion of the Directors, the financial statements set out on pages 11 to 39 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 31 December 2001 and of the results of the business 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 31 December 2001.

On behalf of the Board,

DATO' RADUAN BIN MD. TAIB)
)
) DIRECTORS
)
HASBULLAH MUHAMMAD TAIB)

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

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

I, OSMAN BIN MD. KASSIM, being the officer primarily responsible for the financial management of BRIDGECON HOLDINGS BERHAD (Special Administrators Appointed), do solemnly and sincerely declare that the financial statements set out on pages 11 to 39 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.

Subscribed and solemnly declared by the
abovenamed OSMAN BIN MD. KASSIM at Kuala
Lumpur in the Federal Territory on

OSMAN BIN MD. KASSIM

Before me,
Company No: 272302-V

REPORT OF THE AUDITORS TO THE MEMBERS OF
BRIDGECON HOLDINGS BERHAD
(Special Administrators Appointed)

We are engaged to audit the financial statements and consolidated financial statements of Bridgecon Holdings Berhad (Special Administrators Appointed) set out on pages 11 to 39. These financial statements are the responsibility of the Directors and the Special Administrators who have been appointed to the Company on 24 May 2001 by Pengurusan Danaharta Nasional Berhad pursuant to Section 23 of the Pengurusan Danaharta Berhad Act 1998. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides reasonable basis for our opinion.

In our opinion:

- (a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2001 and of the results and cash flows of the Group and of the Company 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 Group and of the Company.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the Auditors' Report of the subsidiaries for which we have not acted as auditors, as indicated in Note 5 to the financial statements, being financial statements which are included in the consolidated financial statements.

Company No: 272302-V

REPORT OF THE AUDITORS TO THE MEMBERS OF
BRIDGECON HOLDINGS BERHAD (CONTD.)
(Special Administrators Appointed)

We are satisfied that the financial statements of the subsidiaries which have been consolidated with the Company' s financial statements are in form and content appropriate and proper for th purposes 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 subsidiaries were not subject to an qualification and did not include any comment required to be made under Section 174(3) of the Companies Act, 1965.

In forming our opinion, we have considered the adequacy of the disclosures made in Note 2 to the financial statements concerning the finalisation of a workout proposal and its subsequent successful implementation. In view of the significance of the fact that the preparation of the financial statements on the going concern basis assumes the successful implementation of the workout proposal, we consider that these disclosures should be brought to your attention. Our opinion is not qualified in this respect.

ERNST & YOUNG AF: 0039
Chartered Accountants

Dato' Nordin Baharuddin 837/03/040
Partner

Kuala Lumpur, Malaysia

BALANCE SHEETS AS AT 31 DECEMBER 2001

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2001</u> RM' 000	<u>2000</u> RM' 000	<u>2001</u> RM' 000	<u>2000</u> RM' 000
PROPERTY, PLANT AND EQUIPMENT	4	38,595	45,850	82	354
SUBSIDIARY COMPANIES	5	-	-	-	226
ASSOCIATED COMPANIES	6	3,640	4,640	-	1,000
OTHER INVESTMENTS	7	4	185	-	90
CURRENT ASSETS					
Inventories		-	30	-	-
Trade receivables	8	986	6,833	-	-
Other receivables	9	36	2,145	26	778
Amounts due from joint ventures	10	2,338	1,787	-	-
Land held for development	11	6,070	7,570	-	-
Amounts due from customers	12	396	4,039	-	-
Amounts due from subsidiary companies	13	-	-	1,901	70
Amount due from an associated company		-	19	-	19
Deposits, cash and bank balances	14	3,103	1,282	43	27
		12,929	23,705	1,970	894
CURRENT LIABILITIES					
Amounts due to customers	12	328	-	-	-
Trade payables		59,152	39,635	-	-
Other payables	15	31,426	34,010	3,178	1,129
Hire purchase creditors	16	8,478	6,950	291	71
Amounts due to joint ventures	10	4,955	2,434	-	-
Amounts due to subsidiary companies	13	-	-	8,438	7,044
Amount due to an associated company		11	11	11	11
Bank borrowings	17	210,308	199,762	87,197	79,043
Taxation		4,415	5,219	-	-
		319,073	288,021	99,115	87,298
NET CURRENT LIABILITIES		<u>(306,144)</u>	<u>(264,316)</u>	<u>(97,145)</u>	<u>(86,404)</u>
		<u>(263,905)</u>	<u>(213,641)</u>	<u>(97,063)</u>	<u>(84,734)</u>

The annexed notes form an integral part of these financial statements.

BALANCE SHEETS AS AT 31 DECEMBER 2001 (CONTD.)

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2001</u> RM' 000	<u>2000</u> RM' 000	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Represented by:					
SHARE CAPITAL	18	19,950	19,950	19,950	19,950
SHARE PREMIUM		16,652	16,652	8,823	8,823
REVALUATION RESERVE		-	6,371	-	-
ACCUMULATED LOSSES		<u>(300,666)</u>	<u>(258,301)</u>	<u>(125,836)</u>	<u>(113,709)</u>
		(264,064)	(215,328)	(97,063)	(84,936)
DEFERRED TAXATION	19	159	159	-	-
HIRE PURCHASE AND LEASE CREDITORS	16	<u>-</u>	<u>1,528</u>	<u>-</u>	<u>202</u>
		<u>(263,905)</u>	<u>(213,641)</u>	<u>(97,063)</u>	<u>(84,734)</u>

The annexed notes form an integral part of these financial statements.

INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2001</u> RM' 000	<u>2000</u> RM' 000	<u>2001</u> RM' 000	<u>2000</u> RM' 000
REVENUE	20	9,073	50,828	-	-
COST OF SALES		<u>(17,192)</u>	<u>(65,226)</u>	<u>-</u>	<u>-</u>
GROSS LOSS		(8,119)	(14,398)	-	-
OTHER OPERATING INCOME		9,614	8,091	20	85
ADMINISTRATIVE EXPENSES		(6,150)	(17,729)	(980)	(2,696)
OTHER OPERATING EXPENSES		<u>(17,913)</u>	<u>(66,378)</u>	<u>(2,995)</u>	<u>(2,665)</u>
LOSS FROM OPERATIONS		(22,568)	(90,414)	(3,955)	(5,276)
FINANCE COSTS		(21,636)	(17,489)	(8,172)	(4,478)
SHARE OF PROFIT OF ASSOCIATED COMPANIES		-	1,115	-	-
SHARE OF PROFIT IN JOINT VENTURES	10	<u>319</u>	<u>2</u>	<u>-</u>	<u>-</u>
LOSS BEFORE TAXATION	21	(43,885)	(106,786)	(12,127)	(9,754)
TAXATION	22	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>-</u>
LOSS AFTER TAXATION		(43,896)	(106,786)	(12,127)	(9,754)
MINORITY INTERESTS		-	631	-	-
LOSS ATTRIBUTABLE TO SHAREHOLDERS		<u>(43,896)</u>	<u>(106,155)</u>	<u>(12,127)</u>	<u>(9,754)</u>
LOSS PER SHARE (RM)	23	<u>2.20</u>	<u>5.32</u>		

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2001

	Non-Distributable			Distributable		
	<u>Share Capital</u>	<u>Revaluation Reserve</u>	<u>Share Premium</u>	<u>Reserve on Consolidation</u>	<u>Accumulated Losses</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<u>Group</u>						
At 1 January 2000	19,950	6,371	16,652	(8,578)	(152,146)	(117,751)
Goodwill written off	-	-	-	8,578	-	8,578
Loss for the year	-	-	-	-	(106,155)	(106,155)
At 1 January 2001	19,950	6,371	16,652	-	(258,301)	(215,328)
Reversal of revaluation surplus upon writing down of freehold land	-	(4,840)	-	-	-	(4,840)
<u>Transfer from revaluation Reserve</u>	-	(1,531)	-	-	1,531	-
Loss for the year	-	-	-	-	(43,896)	(43,896)
At 31 December 2001	19,950	-	16,652	-	(300,666)	(264,064)

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2001

	Share Capital RM' 000	<u>Non- Distributable</u> Share Premium RM'000	<u>Distributable</u> Accumulated Losses RM' 000	<u>Total</u> RM' 000
<u>Company</u>				
At 1 January 2000	19,950	8,823	(103,955)	(75,182)
Loss for the year	-	-	(9,754)	(9,754)
At 1 January 2001	19,950	8,823	(113,709)	(84,936)
Loss for the year	-	-	(12,127)	(12,127)
At 31 December 2001	19,950	8,823	(125,836)	(97,063)

The annexed notes form an integral part of these financial statements.

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u> RM' 000	<u>2000</u> RM' 000	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Loss before taxation	(43,885)	(106,786)	(12,127)	(9,754)
Adjustments for:				
Depreciation	3,706	6,455	220	309
Interest expense	21,636	17,488	8,172	4,478
Deferred expenditure written off	-	240	-	-
Provision for diminution in value of investment in:				
- subsidiary companies	-	-	226	-
- associated companies	1,000	1,000	1,000	-
- other investments	181	240	90	30
Provision for doubtful debts	3,533	34,648	234	1,327
Unrealised forex loss	-	149	-	-
Loss on disposal of property, plant and equipment	41	216	-	-
Share of profit in joint ventures	(319)	(2)	-	-
Share of results of associated companies	-	(1,115)	-	-
Property, plant and equipment written off	96	10,746	22	-
Gain on disposal of property, plant and equipment	(560)	(1,611)	-	(77)
Interest income	(30)	(28)	(20)	(8)
Goodwill written off	-	8,578	-	-
Write down of property, plant and equipment	1,804	6,832	49	-
Write off of work in progress	2,280	-	-	-
Write down/off of land and development expenditure	1,500	2,524	-	-
Operating loss before working capital changes	(9,017)	(20,426)	(2,134)	(3,695)
Changes in working capital:				
Inventories	30	15	-	-
Receivables	639	18,917	637	2,021
Payables	5,354	(7,543)	2,050	1,700
Amount due from customers	1,691	(1,417)	-	-
Subsidiary companies	-	-	(556)	(576)
Associated companies	19	-	19	-
Joint ventures	1,970	714	-	-
Cash generated from/(used in) operations carried forward	686	(9,740)	16	(550)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTD.)

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000	RM' 000	RM' 000
Cash generated from/(used in) operations brought forward	686	(9,740)	16	(550)
Interest paid	-	(75)	-	(75)
Tax paid	(25)	-	-	-
Interest income	30	28	20	8
Net cash generated from/(used in) operating activities	691	(9,787)	36	(617)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	1,130	3,500	-	328
Purchase of property, plant and equipment	(19)	(72)	(20)	(8)
Subscription of shares in subsidiary company	-	-	-	(100)
Net cash generated from/(used in) investing activities	1,111	3,428	(20)	220
CASH FLOWS FROM FINANCING ACTIVITY				
Payments of hire purchase and lease obligations	-	-	-	(106)
Net cash used in financing activities	-	-	-	(106)
NET CHANGE IN CASH AND CASH EQUIVALENT	1,802	(6,359)	16	(503)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(21,938)	(15,579)	27	530
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 24)	(20,136)	(21,938)	43	27

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31
DECEMBER 2001

1. GENERAL

The Company is incorporated and domiciled in Malaysia, and is a public limited company listed on the Second Board of the Kuala Lumpur Stock Exchange.

The registered office is located at No. 18, Jalan Wan Kadir 1, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The financial statements are expressed in Ringgit Malaysia.

2. FUNDAMENTAL ACCOUNTING
CONCEPT

On 6 April 2001, Mr. Tan Kim Leong, JP and Mr. Siew Kah Toong were appointed as Special Administrators by Pengurusan Danaharta Nasional Berhad pursuant to Section 23 of the Pengurusan Danaharta Nasional Berhad Act 1998 over the Company.

The Group and the Company incurred a loss after taxation and minority interests of RM43.896 million and RM12.127 million and have total borrowings of RM210.308 million and RM87.197 million respectively for the financial year ended 31 December 2001. At that date, the current liabilities of the Group and Company exceeded current assets by RM306.144 million and RM97.145 million respectively. Cash generated from the operations of the Company and its subsidiary companies has not been sufficient to meet their operation cost and interest payments on the financing facilities as and when they fall due which have triggered the entire outstanding principal borrowings and interest accrued becoming immediately due and payable.

To enable the Company to continue as a going concern, the Special Administrators are presently formulating a workout proposal. The workout proposal will be submitted to the relevant regulatory authorities including Pengurusan Danaharta Nasional Berhad for approval in accordance with the provisions of Pengurusan Danaharta Nasional Berhad Act 1998.

The financial statements have been prepared on the going concern basis which assume that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the feasibility of the workout proposal and the successful implementation thereof. The financial statements do not take into account any adjustment that may arise from the workout or that may be required if the workout is unsuccessful.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements of the Group and of the Company are prepared under the historical cost convention (unless otherwise indicated in the other sections of the significant accounting policies) modified to include the revaluation of certain property, plant & equipment in subsidiary companies and comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

(b) Basis of Consolidation

The Group financial statements incorporate the financial statements of the Company and all its subsidiaries' financial statements made up to the financial year ended 31 December 2001 which are consolidated either on the acquisition method or the merger method of accounting.

- (i) Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements.

The difference between the acquisition costs and fair values of the net assets acquired is reflected as goodwill or reserve on consolidation and dealt with through reserves.

- (ii) Under the merger method of accounting, the results of the subsidiaries are presented as if the companies had been combined throughout the current and previous financial years.

The difference between the cost of acquisition over the nominal value of the share capital of the subsidiaries is dealt with through reserves.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. The cost of property, plant and equipment comprises their purchase cost and any incidental costs of acquisition.

Freehold and long leasehold lands are not amortised. Leasehold lands are allowed to retain the cost or revalued amounts on the basis that most of the leasehold property has a useful economic life greater than 50 years. Other property, plant and equipment are depreciated to write off the cost on a straight line basis over their estimated useful lives.

The principal annual rates used are as follows:

Buildings	2%
Plant and machinery, furniture, equipment	10-20%
Motor vehicles	20%

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(d) Associated Companies

Associated companies are those companies in which the Group has a long term equity interest of not less than 20% and not exceeding 50% and where it has the power to exercise significant influence over the financial and operating policies through Board representation.

The Group' s share of results and reserves of associated companies acquired or dispose of are included in the consolidated financial statements from the date of acquisition or up to the date of disposal using equity method of accounting, and based on the audited or management accounts of the associated companies as applicable.

(e) Land and Development Expenditure

Land and development expenditure is stated at cost, and where appropriate includes attributable profits, less progress billings received and receivable. Cost includes land and related development expenditure.

(f) Contract Work-in-Progress

Contract work-in-progress are stated at cost, and where appropriate includes attributable profits, less progress billings received and receivable. Cost includes direct project expenditure, interest charges related to the financing of the project and an allocation of direct overhead expenses.

(g) Revenue from Property Development

Revenue from property development is recognised on a percentage of completion method. Anticipated losses, if any, are provided for in full.

(h) Revenue from Contracts

Construction contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to costs incurred to date as a percentage of total estimated costs for each contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred where recovery is probable and other contract costs are recognised as an expense in the period. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the period in which the loss is identified.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(i) Investments

Investments in unquoted shares are stated at cost less provision for any permanent diminution in value.

Dividend income from subsidiary companies is included in the income statement of the Company when declared or proposed.

Income from other investments is accounted for to the extent of dividends received.

(j) Other Investments

Other investments in transferable club membership are stated at cost unless there has been a permanent diminution in value in which case provision is made for the diminution in value.

(k) Deferred Taxation

Provision is made in the financial statements for taxation deferred due to timing differences except to the extent that it can be demonstrated with reasonable probability that the timing differences will continue in the foreseeable future. Timing differences which result in a net debit to the deferred taxation balance are not recognised in the financial statements.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value after making allowances for obsolete and slow-moving stocks. Cost is defined as all expenditure including attributable overheads incurred in bringing the stocks to their present condition and location and is determined on a first-in first-out basis.

(m) Foreign Currencies

(i) Transaction in Foreign Currencies

Transactions in foreign currencies are converted to Ringgit Malaysia at rates of exchange prevailing at the date of transactions or, where settlements had not taken place at balance sheet date, at the rates prevailing at that date or at contracted rates, as applicable. All such exchange differences are dealt through the income statement.

(ii) Translation of Foreign Currency Financial Statements

Assets and liabilities items of foreign subsidiaries and associated companies recorded in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at balance sheet date. The translation differences arising therefrom are taken to Translation Reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(m) Foreign Currencies (Contd.)

The principal closing rates used in the translation are as follow:

	<u>2001</u>	<u>2000</u>
	RM	RM
Foreign currency		
1 Hong Kong Dollar	0.4873	0.4872
1 Brunei Dollar	2.0529	2.1946

(n) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, deposits repayable on demand with banks or other financial institutions and highly liquid investments convertible into known amount of cash without notice.

(o) Receivables

Known bad debts are written off and specific provision is made for any debts considered to be doubtful of collection.

(p) Payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group and the Company.

(q) Hire Purchase Commitments

The cost of assets acquired under finance lease agreements are capitalised. The depreciation policy on these assets is similar to that of the Group' s other assets as set out in (c) above. Outstanding obligations due under the lease agreements after deducting finance expenses are included as liabilities in the financial statements.

The interest element of the rental obligations is charged to the income statement over the period of the lease, and represents a constant rate on the balance of capital repayments outstanding.

(r) Joint Ventures

Joint ventures represent contractual arrangements with third parties to undertake construction and other projects.

The Group' s share of results of the joint ventures are included in the consolidated financial statements from the date of formation of the joint ventures up to the date of completion of the projects, and accounted under equity method of accounting.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold <u>land</u> RM' 000	Freehold <u>buildings</u> RM' 000	Long leasehold <u>land</u> RM' 000	Plant and machinery, furniture, <u>equipment</u> RM' 000	Motor <u>vehicles</u> RM' 000	<u>Total</u> RM' 000
<u>COST / VALUATION</u>						
At 1 January 2001	21,753	19,204	3,754	28,895	1,881	75,487
Additions	-	3,784	-	19	-	3,803
Disposals	-	(292)	-	(2,290)	-	(2,582)
Write off/down	(5,925)	(434)	-	(825)	-	(7,184)
At 31 December 2001	15,828	22,262	3,754	25,799	1,881	69,524
<u>ACCUMULATED DEPRECIATION</u>						
At 1 January 2001	1,051	3,973	-	23,051	1,562	29,637
Charge for the year	12	406	-	2,973	315	3,706
Disposals	-	(23)	-	(1,860)	-	(1,883)
Write off/down	(88)	-	-	(443)	-	(531)
At 31 December 2001	975	4,356	-	23,721	1,877	30,929
<u>NET BOOK VALUE</u>						
At 31 December 2001	14,853	17,906	3,754	2,078	4	38,595
At 31 December 2000	20,702	15,231	3,754	5,844	319	45,850

4. PROPERTY, PLANT AND EQUIPMENT

COMPANY

	<u>Furniture & equipment</u> RM' 000	<u>Motor vehicles</u> RM' 000	<u>Total</u> RM' 000
<u>COST</u>			
At 1 January 2001	1,167	10	1,177
Additions	19	-	19
Disposals	-	-	-
Write off	(631)	-	(631)
	<hr/>		
At 31 December 2001	555	10	565

ACCUMULATED DEPRECIATION

At 1 January 2001	819	4	823
Charge for the year	218	2	220
Disposals	-	-	-
Write down	49	-	49
Write off	(609)	-	(609)
	<hr/>		
At 31 December 2001	477	6	483

NET BOOK VALUE

At 31 December 2001	78	4	82
	<hr/> <hr/>		
At 31 December 2000	348	6	354
	<hr/> <hr/>		

4. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

GROUP

Analysis of cost and valuation:

At 31 December 2001

	<u>At Cost</u>	<u>At</u>	<u>Total</u>
	RM' 000	<u>Valuation</u>	RM' 000
		RM' 000	RM' 000
Freehold land	15,828	-	15,828
Freehold buildings	22,262	-	22,262
Long leasehold land	3,754	-	3,754
Plant and machinery, furniture, equipment	25,799	-	25,799
Motor vehicles	1,881	-	1,881
	<u>69,524</u>	<u>-</u>	<u>69,524</u>

At 31 December 2000

Freehold land	8,724	13,029	21,753
Freehold buildings	16,834	2,370	19,204
Long leasehold land	3,754	-	3,754
Plant and machinery, furniture, equipment	28,895	-	28,895
Motor vehicles	1,881	-	1,881
	<u>60,088</u>	<u>15,399</u>	<u>75,487</u>

Certain freehold land and buildings of the Group were valued by the Directors in 1995 based on professional appraisals by an independent valuer using open market values on an existing use basis.

In 1998, the Group applied certain transitional provisions in IAS 16 (Revised), Property, Plant and Equipment, by virtue of which a reporting enterprise which does not adopt a policy of revaluation is allowed to retain revalued amounts on the basis of their previous revaluations, subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount.

During the year, the said freehold land and buildings have been written down to its recoverable value.

4. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Had the freehold land and buildings of the Group been carried at historical cost less depreciation, the carrying amount of those revalued assets that would have been included in the financial statements as at the end of the financial year is as follows:

	<u>GROUP</u>	
	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000
Freehold land	7,213	7,213
Freehold buildings	<u>816</u>	<u>1,466</u>
	<u>8,029</u>	<u>8,679</u>

Freehold land and buildings with net book value of RM22,517,000 (2000: RM29,866,000) have been pledged to financial institutions for credit facilities granted to the Company and subsidiary companies.

During the year, freehold building costing RM3,784,000 was acquired through settlement of debts by debtors.

Net book value of property, plant and equipment under finance lease and hire purchase installment plan as follows:

	<u>GROUP</u>	
	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000
Plant and machinery	1,550	4,693
Motor vehicles	<u>-</u>	<u>237</u>
	<u>1,550</u>	<u>4,930</u>

5. SUBSIDIARY COMPANIES

	<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000
Unquoted shares, at cost	33,185	33,185
Less: Provision for diminution in value of investments	<u>(33,185)</u>	<u>(32,959)</u>
	<u>-</u>	<u>226</u>

5. SUBSIDIARY COMPANIES (CONTD.)

Details of the subsidiary companies are:

<u>Name of Company</u>	<u>Principal Activities</u>	<u>Effective Equity Interest</u>	
		<u>2001</u> %	<u>2000</u> %
<u>Incorporated in Malaysia:</u>			
Acrepac Sdn. Bhd.	Property investment	100	100
Amdex Corporation Sdn. Bhd.	Inactive	61	61
Andarin Sdn. Bhd.	Property investment	100	100
KBA Event Management Sdn. Bhd.	Dormant	100	100
Bridgecon Trading Sdn. Bhd.	Dormant	100	100
Bridgecon Construction Sdn. Bhd.	Inactive	100	100
Bridgecon Development Sdn. Bhd.	Inactive	100	100
Bridgecon Engineering Sdn. Bhd. (Special Administrators Appointed)	Civil engineering and building construction	100	100
Bridgecon IT Sdn. Bhd.	Dormant	100	100
Bridgecon Pedu Development Sdn. Bhd.	Dormant	100	100
Bridgecon Project Management Sdn. Bhd.	Inactive	100	100
Bridgecon Plantations Sdn. Bhd.	Dormant	100	100
Bridgecon Properties Sdn. Bhd.	Dormant	100	100
Lean Seng Chan (Quarry) Sdn. Bhd. (Special Administrators Appointed)	Quarrying	100	100
Mewasan Sdn. Bhd.	Dormant	100	100
Peridex Sdn. Bhd.	Inactive	100	100

5. SUBSIDIARY COMPANIES
(CONTD.)

<u>Name of Company</u>	<u>Principal Activities</u>	<u>Effective Equity Interest</u>	
		<u>2001</u>	<u>2000</u>
		%	%
<u>Incorporated in Malaysia:</u>			
Premier Mix Sdn. Bhd.		100	100
Presitrans Sdn. Bhd.		100	100
<u>Incorporated in Hong Kong:</u>			
* Bridgecon Engineering (HK) Co. Ltd.	Dormant	100	100
<u>Incorporated in Brunei:</u>			
* Bridgecon Engineering (B) Sdn. Bhd.	Dormant	100	100

* Audited by member firms of Ernst & Young International.

6. ASSOCIATED COMPANIES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u> RM' 000	<u>2000</u> RM' 000	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Unquoted shares, at cost	6,892	6,892	3,250	3,250
Less: Provision for diminution in value of investment	<u>(4,250)</u>	<u>(3,250)</u>	<u>(3,250)</u>	<u>(2,250)</u>
	2,642	3,642	-	1,000
Share of results	<u>998</u>	<u>998</u>	<u>-</u>	<u>-</u>
	<u>3,640</u>	<u>4,640</u>	<u>-</u>	<u>1,000</u>

The Group' s investment in associated companies is represented by:

	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Group' s share of net assets	<u>3,640</u>	<u>4,640</u>

6. ASSOCIATED COMPANIES (CONTD.)

Details of the associated companies are:

<u>Name of Company</u>	<u>Principal Activities</u>	<u>Effective Equity Interest</u>	
		<u>2001</u>	<u>2000</u>
		%	%
<u>Incorporated in Malaysia:</u>			
Panelex Sdn. Bhd.	General construction	30	30
<u>Incorporated in Hong Kong:</u>			
Berjaya Engineering and Construction (HK) Ltd.	Investment holding	25	25

7. OTHER INVESTMENTS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000	RM' 000	RM' 000
Quoted shares, at cost	4	4	-	-
Transferable club memberships	421	421	120	120
	<u>425</u>	<u>425</u>	<u>120</u>	<u>120</u>
Less: Provision for diminution in Value	<u>(421)</u>	<u>(240)</u>	<u>(120)</u>	<u>(30)</u>
	<u>4</u>	<u>185</u>	<u>-</u>	<u>90</u>
Market value of quoted shares	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>

8. TRADE RECEIVABLES

	<u>GROUP</u>	
	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000
Trade receivables	34,228	63,962
Retention sum	<u>14,265</u>	<u>13,929</u>
	48,493	77,891
Write off	-	(6,643)
Provision for doubtful debts	<u>(47,507)</u>	<u>(64,415)</u>
	<u>986</u>	<u>6,833</u>

9. OTHER RECEIVABLES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u> RM' 000	<u>2000</u> RM' 000	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Deposits and prepayments	472	666	3	655
Other receivables	<u>22,070</u>	<u>22,456</u>	<u>21,994</u>	<u>21,979</u>
	22,542	23,122	21,997	22,634
Provision for doubtful debts	<u>(22,506)</u>	<u>(20,977)</u>	<u>(21,971)</u>	<u>(21,856)</u>
	<u>36</u>	<u>2,145</u>	<u>26</u>	<u>778</u>

10 AMOUNTS DUE FROM/(TO) JOINT VENTURES

The group' s share of the assets, liabilities, revenue and expenses of the joint ventures:

	<u>GROUP</u>	
	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Property, plant and equipment	13	19
Current assets	6,931	4,910
Current liabilities	<u>(9,561)</u>	<u>(5,576)</u>
Net liabilities	<u>(2,617)</u>	<u>(647)</u>
Revenue	5,943	31,065
Expenses	<u>(5,624)</u>	<u>(31,063)</u>
Share of profit in joint venture	<u>319</u>	<u>2</u>

10. AMOUNTS DUE FROM/(TO) JOINT VENTURES (CONTD.)

Details of the joint ventures are as follows:

<u>Name of Joint Venture</u>	<u>Principal activity</u>	<u>Interest in Joint Venture</u>	
		<u>2001</u> %	<u>2000</u> %
Bridgecon-Fujita JV Mines Waterfront Business Park	Inactive	50	50
Bridgecon-Fujita JV 1 Putrajaya LRT Project	General construction	50	50
Bridgecon-Fujita JV 2 Putrajaya LRT Project	General construction	50	50
Fujita-Bridgecon JV KLCC- Ramlee Car Ramps and the Connecting Tunnel	Inactive	50	50

11. LAND HELD FOR DEVELOPMENT

	<u>GROUP</u>	
	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Freehold land at cost	7,570	7,570
Write down	(1,500)	-
	<u>6,070</u>	<u>7,570</u>

12. AMOUNTS DUE FROM/(TO) CUSTOMERS

	<u>GROUP</u>	
	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Aggregate costs incurred to date	25,594	38,845
Add: Attributable profits	105	3,776
	<u>25,699</u>	<u>42,621</u>
Less: Progress billings received and receivable	(25,631)	(38,582)
	<u>68</u>	<u>4,039</u>

12. AMOUNTS DUE FROM/(TO) CUSTOMERS (CONTD.)

	<u>GROUP</u>	
	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Represented by:		
Amount due from customers	396	4,039
Amount due to customers	(328)	-
	<u>68</u>	<u>4,039</u>

13. AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES

(i) Amounts due from subsidiary companies

	<u>COMPANY</u>	
	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Amount outstanding	36,539	34,589
Less: Provision for doubtful debts	(34,638)	(34,519)
	<u>1,901</u>	<u>70</u>

(ii) Amounts due to subsidiary companies

The amounts due to subsidiary companies are unsecured, interest free and with no fixed terms of repayment.

14. DEPOSITS, CASH AND BANK BALANCES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u> RM' 000	<u>2000</u> RM' 000	<u>2001</u> RM' 000	<u>2000</u> RM' 000
Deposits with licensed banks	2,710	541	-	-
Cash and bank balances	393	741	43	27
	<u>3,103</u>	<u>1,282</u>	<u>43</u>	<u>27</u>

Included in cash and bank balances of the Group is an amount of RM19,519 (2000: RM19,402) held in trust for purchasers of residential houses pursuant to Regulation 12 of the Housing Developers (Housing Development Account) Regulations 1991.

Deposits with a licensed bank amounting to RM2.0 million represents the additional sum received from J.M.R. Construction Sdn. Bhd. as disclosed in the significant events (d) in the Directors' Report.

15. OTHER PAYABLES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000	RM' 000	RM' 000
Other payables	7,921	6,553	261	252
Accruals and provision	23,505	27,457	2,917	877
	<u>31,426</u>	<u>34,010</u>	<u>3,178</u>	<u>1,129</u>

16. HIRE PURCHASE CREDITORS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000	RM' 000	RM' 000
Minimum hire purchase payments	9,071	9,492	328	328
Less: Finance charges	(593)	(1,014)	(37)	(55)
Net present value of hire purchase obligation	<u>8,478</u>	<u>8,478</u>	<u>291</u>	<u>273</u>
Net present value of hire purchase obligation payable:				
- not later than one year	8,478	6,950	291	71
- later than one year but not later than five years	-	1,528	-	202
	<u>8,478</u>	<u>8,478</u>	<u>291</u>	<u>273</u>

17. BANK BORROWINGS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000	RM' 000	RM' 000
<u>Secured</u>				
Term loans	43,034	41,119	-	-
<u>Unsecured</u>				
Term loans	84,612	76,658	84,612	76,658
Overdrafts	23,239	23,220	-	-
Revolving credits	29,704	29,046	2,585	2,385
Bankers' acceptances	29,719	29,719	-	-
	<u>210,308</u>	<u>199,762</u>	<u>87,197</u>	<u>79,043</u>

17. BANK BORROWINGS (CONTD.)

The term loans are secured by legal charges on certain freehold land and buildings of the subsidiary companies. All bank borrowings bear interest at rates ranging from 1.25% to 2.50% (2000: 1.25% to 2.50%) per annum above the banks' cost of funds or banks' benchmark lending rates, where applicable.

All the term loans are repayable on demand as the Company and its subsidiary companies have not served its term loan obligations.

18. SHARE CAPITAL

	<u>GROUP/COMPANY</u>	
	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000
Authorised:		
20,000,000 ordinary shares of RM1 each	<u>20,000</u>	<u>20,000</u>
Issued and fully paid:		
19,950,000 ordinary shares of RM1 each	<u>19,950</u>	<u>19,950</u>

19. DEFERRED TAXATION

The deferred taxation is arising from excess of capital allowances over book depreciation.

The Group has not accounted for the following tax effects of the timing differences and potential tax savings in certain subsidiary companies which would result in a debit to the deferred tax balance:

	<u>GROUP</u>	
	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000
Tax losses	51,000	47,000
Unabsorbed capital allowances	<u>4,600</u>	<u>3,800</u>

20. REVENUE

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000	RM' 000	RM' 000
Construction contract income	8,040	46,920	-	-
Sale of contract materials	125	2,843	-	-
Royalties	<u>908</u>	<u>1,065</u>	<u>-</u>	<u>-</u>
	<u>9,073</u>	<u>50,828</u>	<u>-</u>	<u>-</u>

21. LOSS BEFORE TAXATION

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000	RM' 000	RM' 000
<u>After charging:</u>				
Auditors' remuneration	54	54	7	7
Bad debts written off	-	6,643	-	-
Contract costs	16,988	43,759	-	-
Depreciation	3,706	6,455	220	309
Directors' remuneration:				
- fees	14	-	14	-
- other emoluments	505	1,264	232	1,264
Deferred expenditure written off	-	240	-	-
Hire of machinery	8	264	-	-
Interest expense	21,636	17,488	8,172	4,478
Rent of land and premises	20	118	-	-
Loss on disposal of property, plant And equipment	41	216	-	-
Provision for doubtful debts	3,533	34,648	234	1,327
Provision for diminution in value of investment in:				
- subsidiary companies	-	-	226	-
- associated company	1,000	1,000	1,000	-
- other investment	181	240	90	30
Unrealised foreign exchange loss	-	149	-	-
Write down/off of land and development expenditure	1,500	2,524	-	-
Goodwill written off	-	8,578	-	-
Write off of work in progress	2,280	-	-	-
Write off of property, plant and equipment	96	10,746	22	-
Write down of property, plant and equipment	1,804	6,832	49	-
Staff cost	2,129	6,095	653	2,193
<u>After crediting:</u>				
Rental from machinery	-	139	-	-
Rental from land and premises	44	88	-	-
Rental of motor vehicle	-	30	-	-
Interest income	30	28	20	8
Bad debts recovered	8,848	3,837	-	-
Gain on disposal of property, plant and equipment	560	1,611	-	77
Number of employee:	11	85	10	11

22. TAXATION

Subject to agreement by the Inland Revenue Board, the Company has unabsorbed capital allowances of RM545,000 (2000: RM495,000) and unabsorbed business loss brought forward of RM27,513,000 (2000: RM15,593,000) available for set off against future taxable income.

23. LOSS PER SHARE

The calculation of loss per share is based on the consolidated loss after taxation and minority interests of RM43,896,000 (2000: loss of RM106,155,000) on the 19,950,000 (2000: 19,950,000) ordinary shares in issue.

24. CASH AND CASH EQUIVALENTS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000	RM' 000	RM' 000
Cash and cash equivalents comprise the Following balance sheet amounts:				
Cash and bank balances	393	741	43	27
Deposits	2,710	541	-	-
Bank overdrafts	(23,239)	(23,220)	-	-
	<u>(20,136)</u>	<u>(21,938)</u>	<u>43</u>	<u>27</u>

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

	<u>GROUP/COMPANY</u>	
	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000
Directors' remuneration:		
- fees	14	-
- other emoluments	505	1,264
Disposal of motor vehicles to the Directors of the Company:		
- net book value	-	214
- gain on disposals	-	68
	<u>-</u>	<u>282</u>

26. CONTINGENT LIABILITIES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM' 000	RM' 000	RM' 000	RM' 000
Unsecured contingencies:				
Corporate guarantees issued in respect of:				
- banking/credit facilities granted to subsidiary companies	-	-	139,620	128,078
- debts owing to major suppliers from subsidiary companies	-	-	4,483	3,748
Bank guarantees in favour of third parties	10,014	10,209	10,014	10,209
	<u>10,014</u>	<u>10,209</u>	<u>154,117</u>	<u>142,035</u>

27. MATERIAL LITIGATION

- (i) Arab-Malaysian Merchant Bank Berhad ("AMMBB") has filed a claim against the Company for repayment of a short term loan granted to the Company amounting to RM59,905,605 including overdue interest. The legal proceeding has been temporarily put on hold pending the finalisation of the Proposed Restructuring as mentioned in Note 2 to the financial statements.
- (ii) Arab-Malaysian Bank Berhad ("AMBB") has filed a claim against the Company and Bridgecon Engineering Sdn. Bhd. ("BESB"), a subsidiary of the Company, for repayment of a bankers' acceptance and a short term loan granted to the Company and its subsidiary amounting to RM10,151,895 including overdue interest. Judgement in Default has been obtained against the Company and its subsidiary. However, AMBB has not executed the Judgement against BESB and BHB as at todate.
- (iii) Public Bank Berhad ("PBB") has filed a claim against the Company and Bridgecon Engineering Sdn. Bhd., a subsidiary of the Company, for an amount outstanding under facilities granted by PBB of a total sum of RM4,340,255. The hearing of PBB's application for summary judgement which have been fixed on 8 March 2001 has been adjourned to 3 June 2002.
- (iv) HSBC Bank Malaysia Berhad ("HBMB") has filed a claim against the Company and Lean Seng Chan (Quarry) Sdn. Bhd., a subsidiary of the Company, for an amount outstanding under facilities granted by HBMB totalling RM3,372,180 and the interest accrues thereon. HBMB has filed a summary judgement application and the hearing is temporarily put on hold pending the expiry of moratorium pursuant to Section 41 of Pengurusan Danaharta Nasional Berhad Act 1998.
- (v) HBMB has filed a claim against Andarin Sdn. Bhd. ("ASB") , a subsidiary of the Company for a total sum of RM15,411,631. Their application for summary judgement on ASB which is tentatively fixed on January 2002 has been adjourned to 29 May 2002 for mention.

28. SIGNIFICANT EVENTS DURING THE YEAR

This is as disclosed in the Directors' Report.

29. SEGMENTAL INFORMATION

	<u>Revenue</u>	<u>Loss before taxation</u>	<u>Tangible assets employed</u>
	RM' 000	RM' 000	RM' 000
<u>2001</u>			
Malaysian Operation:			
Construction	8,040	(13,738)	14,283
Manufacturing	1,033	(4,738)	11,324
Property development	-	(4,122)	28,606
Others	-	(21,287)	955
	<u>9,073</u>	<u>(43,885)</u>	<u>55,168</u>
<u>2000</u>			
Malaysian Operation:			
Construction	46,920	(59,315)	25,868
Manufacturing	3,908	(3,522)	18,907
Property development	-	(11,909)	27,648
Others	-	(30,685)	1,665
	<u>50,828</u>	<u>(105,431)</u>	<u>74,088</u>
Foreign Operation:			
Highway concession operation	<u>-</u>	<u>(1,355)</u>	<u>292</u>
	<u>50,828</u>	<u>(106,786)</u>	<u>74,380</u>

30. COMPARATIVE FIGURES

	<u>GROUP</u>		<u>COMPANY</u>	
	Amounts as <u>restated</u> RM' 000	Amounts as previously <u>restated</u> RM' 000	Amounts as <u>restated</u> RM' 00	Amounts as previously <u>restated</u> RM' 000
<u>Income Statements</u>				
Other operating income	8,091	3,231	-	-
Other operating expenses	(66,378)	(23,152)	(2,665)	(1,308)
Exceptional items	-	(38,366)	-	(1,357)
<u>Cash flow statements</u>				
Adjustment to loss before taxation:				
- loss on disposal of property, plant and equipment	216	-	-	-
- gain on disposal of property, plant and equipment	(1,611)	(1,395)	-	-

List of Group Properties as at 31 December 2001

Location	Postal Address	Description	Tenure	Expiry dates of Lease	Land Area/ Build-up Area	Approx. Age of Building (Year)	Net Book Value (RM000)	Date of valuation
Pulau Pinang								
Holding No. 549 Lot No. 1019,1337,1283,1284 1333,1334,1338,1339,1340, 1341,1348,1349,1350,1351, Mukim 12, Seberang Perai Tengah Pulau Pinang.	18,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	Land - Quarrying	Leasehold /Freehold	2027	48 acres	N/A	6,161	1996
Geran 19197 Lot 1145, Mukim 15, Seberang Perai Tengah, Pulau Pinang	18,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	Land	Freehold	N/A	25.56 Acres	N/A	6,070	1996
Pahang Darul Makmur								
H.S. (D) 10222 P.T. No.10961 Mukim Bentong, Daerah Bentong, Pahang Darul Makmur	18,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	Land for bungalow	Leasehold	04.05.2094		N/A		1996
Parcel B Plot No. 95 Plot No. 109 Plot No. 110 Plot No. 116A Plot No. 117					21,571 sq.ft. 21,818 sq.ft. 21,043 sq.ft. 19,956 sq.ft. 22,378 sq.ft.		280 240 231 259 291	
Kedah Darul Aman								
H.S. (D) 10 P.T. No. 1682 Mukim of Pedu, District of Padang Terap State, Kedah Darul Aman.	18,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	Land for development	Leasehold	06.12.2097	30,448,437.45 sq.ft.	N/A	3,754	1996
Johor Darul Takzim								
PTB 20402, Mukim of Bandar Johor Bahru, District of Johor Bahru, State of Johor Darul Takzim	18,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	4 storey Shophouse/ Office	Freehold	N/A		N/A		Acquired In 2001
Block 20 Block 21 Block 22 Block 23			Freehold Freehold Freehold Freehold	N/A N/A N/A N/A	679.67 sq. m. 472.92 sq. m. 472.92 sq. m. 472.92 sq. m.	N/A N/A N/A N/A	1,246 846 846 846	

List of Group Properties as at 31 December 2001 (continued)

Location	Postal Address	Description	Tenure	Expiry dates of Lease	Land Area/ Build-up Area	Approx. Age of Building (Year)	Net Book Value (RM000)	Date of valuation
Wilayah Persekutuan								
Geran 3490 Lot 50951 (Formerly H.S. (D) 49540 Lot. P.T. 1790) Mukim of Kuala Lumpur, Wilayah Persekutuan	18,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	3 storey Shophouse/ Office	Freehold	N/A	1,760 sq. ft. (4,825 sq.ft.)	13	1090	1996
Geran 23492 Lot 50953, (Formerly H.S. (D) 49540 Lot. P.T. 1762) Mukim of Kuala Lumpur, Wilayah Persekutuan	22,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	3 storey Shophouse/ Office	Freehold	N/A	1,760 sq. ft. (4,825 sq.ft.)	13	1090	1996
Selangor Darul Ehsan								
Lot 4430 Mukim of Kajang, District of Ulu Langat, Selangor Darul Ehsan	18,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	Land- workshop	Freehold	N/A	1,969 acres (6,423 sq. ft.)	N/A	728	1996
C.T. 19955 Lot 7776 Mukim of Kajang, District of Ulu Langat, Selangor Darul Ehsan	18,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	Land- Batching Plant site & Workshop	Freehold	N/A	5,475 acres	N/A	2,173	1994
Tiara Kelana Condominium P.T. 131, Mukim Damansara, District of Kelana Jaya, Selangor Darul Ehsan. H.S. (M) 6689	Jalan SS7/17, Taman Sri Kelana, Kelana Jaya, 47301 Kuala Lumpur	Condominium	Leasehold		28.01.2092			Acquired In 1995
K-10H-C					1,441 sq. ft.	3	266	
PS-05C-R					1,725 sq. ft.	3	291	
P.N. No. 3699 Lot 57, Section 13 Petaling Jaya, District Kuala Lumpur, Selangor Darul Ehsan.	18,Jalan Wan Kadir 1, Taman Tun Dr. Ismail 6000, Kuala Lumpur	4 storey Office cum Warehouse Building	Leasehold	27.01.2063	35,019 sq. ft.	1	18,308	1996

STATISTICS OF SHAREHOLDING as at 15 May 2002

Authorised Share Capital	:	RM20.00 million
Issued and Paid-up Capital	:	RM19.95 million
Class of Shares	:	There is only one class of shares in the paid-up of the Company. Each share entitles its holder to one vote.

ANALYSIS OF SHAREHOLDINGS

Size	No. of shares	%	No. of Shareholders	%
1 - 1,000	1,313	50.17	1,308,785	6.56
1,001 - 5,000	1,043	39.85	2,992,602	15.00
5,001-10,000	152	5.81	1,220,000	6.12
10,001 and above	109	4.17	14,428,613	72.32
Total	<u>2,617</u>	<u>100.00</u>	<u>19,950,000</u>	<u>100.00</u>

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 15 MAY 2002

(As per record of depositors)

No.	Name	No. of shares	%
1.	CIMSEC NOMINEE (TEMPATAN) SDN BHD (Pengurusan Danaharta Nasional Berhad for Dato' Raduan Md Taib)	7,182,000	36.00
2.	HSBC NOMINEE (TEMPATAN) SDN BHD (Pledged Securities Account for Dato' Tengku Adnan bin Tengku Mansor)	986,507	4.94
3.	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD (Amanah Saham Selangor)	795,000	3.98
4.	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD (Pledge Securities Account for Juara Sejati Sdn Bhd)	747,000	3.74
5.	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD (Prime Credit Leasing Sdn Bhd for Wong Seng Huat)	700,000	3.51
6.	SJ SEC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Wong Yoke Lian)	550,420	2.76
7.	INTER PACIFIC SECURITIES SDN BHD (IVT 9C55)	437,000	2.19
8.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for SJ Securities Sdn Bhd)	192,000	0.96
9.	SOUTHERN NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Dato' Lee Hean Guan)	162,000	0.81
10.	HSBC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for LHG Holdings Sdn Bhd) (372-048389-089)	137,683	0.69

No.	Name	No. of shares	%
11.	LIM LEE SIEW	133,631	0.67
12.	SOO GEOK	114,000	0.57
13.	U.B. NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Juara Sejati Sdn Bhd)	106,000	0.53
14.	TAN TEONG CHEOK	95,000	0.48
15.	ALLIEDBAN NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Nandha Kumar a/l M. Krishnasamy)	91,000	0.46
16.	ZAHARI BIN AB WAHAB	87,000	0.44
17.	TASEC NOMINEES (TEMPATAN) SDN BHD (Binjai Nominees Sdn Bhd for Hisham bin Hussein)	81,000	0.41
18.	HONG LEONG FINANCE BERHAD (Pledged Securities Account for Azman Bin Hassan)	74,000	0.37
19.	LIM SIA KOOI	72,000	0.36
20.	LEE CHEE BENG	52,000	0.26
21.	CHOW PEI LIM	52,000	0.26
22.	TAN TEONG CHEOK	50,000	0.25
23.	TU KONG SENG	45,000	0.23
24.	LIM YONG KEAT	41,000	0.21
25.	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Low Yu Keat)	37,006	0.19
26.	LIM HAI	31,000	0.16
27.	KONG TIAM	31,000	0.16
28.	HSBC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Hean Guan)	30,000	0.15
29.	WONG YOKE LIAN	30,000	0.15
30.	TAN WEE SOON	30,000	0.15

SUBSTANTIAL SHAREHOLDERS

	Name	No. of Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Vibrant Omega Sdn Bhd	7,182,000	36.00	-	-
2.	Dato' Raduan Md Taib	-	-	7,182,000 (i)	36.00
3.	Dato' Tengku Adnan Tengku Mansor	986,507	4.94	-	-
4.	Amanah Saham Selangor	795,000	3.98	-	-
5.	Juara Sejati Sdn Bhd	747,000	3.74	-	-
6.	Berjaya Group Berhad	-	-	747,000 (ii)	3.74
7.	Wong Seng Huat	700,000	3.51	-	-
8.	Wong Yoke Lian	550,420	2.76	-	-
9.	Inter Pacific Securities Sdn Bhd	437,000	2.19	-	-

Notes:

(i) *Deemed interest by virtue of his interest in Vibrant Omega Sdn Bhd*

(ii) *Deemed interest by virtue of its 100% interest in Juara Sejati Sdn Bhd*

DIRECTORS' SHAREHOLDINGS AS AT 15 MAY 2002

	Name	No. of Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Dato' Raduan Md Taib	-	-	7,182,000*	36.00

Note:

* *Deemed interested by virtue of his interest in Vibrant Omega Sdn Bhd*

**BRIDGECON HOLDINGS BERHAD
(SPECIAL ADMINISTRATORS APPOINTED)
(COMPANY NO: 272302-V)**

I/We _____

I/C No. or Company No. _____

being a member/members of BRIDGECON HOLDINGS BERHAD (Special Administrators Appointed) hereby appointed _____

I/C No: _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held at Seminar Room, Kelab Darul Ehsan Taman Tun Abdul Razak, Jalan Kerja Air Lama, 68000 Ampang, Selangor on Friday, 28th June 2002 at 10.00 a.m. or any adjournment thereof.

This proxy is to vote on the Resolution set out in the Notice of the Meeting as indicated with an 'X' in the appropriate spaces. In the absence of specific directions, the proxy will vote or abstain from voting at his/her discretion.

	FOR	AGAINST
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
SPECIAL RESOLUTION 4		

No. of Shares held

Signature of Shareholder (s)

Signed this day of 2002

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy, but not more than two proxies, to attend and vote in his/her stead. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies, duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
2. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

Fold this flap for sealing

Affix
Stamp

THE SECRETARY
BRIDGECON HOLDINGS BERHAD
(SPECIAL ADMINISTRATORS APPOINTED)
NO. 18 JALAN WAN KADIR 1
TAMAN TUN DR ISMAIL
60000 KUALA LUMPUR.

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APPENDIX I

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

1. ARTICLE 2- INTERPRETATIONS

- 1.1 THAT the existing interpretations in Article 2 of the Articles of Association be amended as follows:-

“Deposited Security” means a security standing to the credit of a securities account of the Depositor subject to the provisions of the Central Depositories Act and the Rules.

“Market day” means a day on which the stock market of the Exchange is opened for trading in securities.

“Member/members” means any person/persons for the time being holding shares in the Company and includes a depositor who shall be treated as if he were a member pursuant to Section 35 of the Securities Industry (General Depositories) Act 1991 but excludes the Central Depository in its capacity as a bare trustee.

“Securities” means those securities as provided in Section 2 of the Securities Commission Act 1993

- 1.2 THAT the following new interpretations be incorporated to the existing Article 2:

“Approved Market Place” means a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories)(Exemption)(No. 2) Order 1998.

“Audit Committee” means the audit committee appointed in accordance with the regulations or requirements prescribed by the Exchange from time to time.

“Authorised Nominee” means a person who is authorized to act as a nominee as specified under the Rules.

“Beneficial Owner” means in relation to Deposited Securities, the ultimate owner of the Deposited Securities who is entitled to all rights, benefits, powers and privileges and is subject to all liabilities, duties and obligations in respect of, or arising from, the Deposited Securities and does not include a nominee of any description.

“Books Closing Date” means the specified time and date set by the Company for the purpose of determining entitlements to dividends, interest, new securities or other distributions or rights of holders of its securities.

“Independent Director” means an independent director as defined in the Listing Requirements.

“Listing Requirements” means the Listing Requirements of the Exchange including any amendment to the Listing Requirements that may be made from time to time.

“Securities Account” means an account established by the Central Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the Depositor, as defined in the Central Depositories Act and/or the Rules.

2. **ARTICLE 5(b)- RIGHTS OF PREFERENCE SHAREHOLDERS**

THAT the existing Article 5(b) be amended as follows:

- (i) by inserting the word “audited” immediately before the word “accounts” appearing in line 2;
- (ii) by inserting the words “on a proposal to wind up the Company or during” immediately before the words “winding up” appearing in line 4;
- (iii) by inserting the words “of the Company” immediately after the words “winding up” appearing in line 4;
- (iv) by inserting the words “Company’s property, business” immediately before the word “undertaking” appearing in line 6;
- (v) by inserting the words “or part of the dividend” immediately after the word “dividend” appearing in line 8; and
- (vi) by inserting the sentence “The preference shareholders shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.” at the end of the Article.

Existing Article 5(b): The holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and accounts and attending general meeting of the Company but shall only have the right to vote at any general meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend on such shares is in arrears for more than six (6) months; and

Amended Article 5(b)

The holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and audited accounts and attending general meeting of the Company but shall only have the right to vote at any general meeting convened for the purpose of reducing the capital or on a proposal to wind up the Company or during the winding up of the Company or sanctioning a sale of the Company’s property business and undertaking of the Company or where the proposition to be submitted to the general meeting directly affects their rights and privileges or when the dividend or part of the dividend on such shares is in arrears for more than six (6) months. The preference shareholders shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up; and

3. **ARTICLE 6- SHARES BUY BACK & FINANCIAL ASSISTANCE**

THAT the existing Article 6 be deleted in its entirety and be replaced with a new Article 6.

Existing Article 6: The Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Article shall prohibit transactions mentioned in the proviso to Section 67 (1) of the Act.

New Article 6

The Company shall have the power subject to the obtaining of prior approval from the relevant authority (where required) and in accordance with the provisions of the Act, these Articles, the requirements of the Exchange and any other relevant rules, regulations and guidelines for the time being in force, to purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the provisions of the Act and the requirements of the relevant authorities.

4. **ARTICLE 11- ISSUE OF NEW SHARES TO MEMBERS**

THAT the existing Article 11 be amended as follows:

- (i) by substituting the words “any original shares for the time being unissued and not allotted and any new shares from time to time created and to be issued shall before they are issued” immediately after the words “general meeting” in lines 2, 3 and 4 and substituting with the words “all new shares or other convertible securities shall before issued”; and
- (ii) by inserting the words “or securities” immediately after the word “shares” appearing in lines 5,7,10,11, 13,14 and 15.

Existing Article 11: Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares, which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Amended Article 11

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall before issued, be offered to such persons who are at the date of the offer entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances permit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, after the expiration of that time or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they at their discretion think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities, which (by reason of the ratio which the new shares or securities bear to existing shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

5. ARTICLE 12- POWER TO INCREASE CAPITAL

THAT the existing Article 12 be deleted in its entirety and be replaced with a new Article 12.

Existing Article 12: Notwithstanding the preceding Article, the Company may apply to the Exchange for waiver of convening of an extraordinary general meeting to obtain shareholders' approval for further issue of shares (other than bonus or rights issue) where:

- (a) *the aggregate issue of the shares issued in any one financial year (other than bonus or rights issues) does not exceed ten percent (10%) of the issued share capital of the Company; and*
- (b) *in accordance with Section 132D of the Act, there is still in effect a resolution approving the issue of shares by the Company.*

New Article 12

- (a) Subject to provision on the allotment of shares to Directors and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, the Company must ensure that it shall not issue any shares or convertible securities if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue.
- (b) In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.

6. ARTICLE 13- NAME OF MEMBER ENTERED INTO THE REGISTER

THAT the existing Article 13 be amended as follows:

- (i) by inserting the phrase “Subject to the provisions of the Act, the Central Depositories Act and the Rules” before the words “no person” appearing in line 1;and
- (ii) by deleting the words “whether alone or jointly with any other person PROVIDED THAT the Central Depository or its nominee company in whose name the Deposited Securities are registered shall not be entitled to any such rights unless required by virtue of the Central Depositories Act or the Rules or the context of these Articles” after the word “him” appearing in lines 4, 5,6,7 and 8.

Existing Article 13: No person shall exercise any rights of a member until his name shall have been entered in the Register or the Record of Depositors and he shall have paid all calls and other moneys for the time being due and payable on any share held by him whether alone or jointly with any other person PROVIDED THAT the Central Depository or its nominee company in whose name the Deposited Securities are registered shall not be entitled to any such rights unless required by virtue of the Central Depositories Act or the Rules or the context of these Articles.

Amended Article 13

Subject to the provisions of the Act, the Central Depositories Act and the Rules, no person shall exercise any rights of a member until his name shall have been entered as a member in the Register of Members or the Record of Depositors and he shall have paid all calls and other moneys for the time being due and payable on any share held by him.

7. ARTICLE 17- ALLOTMENT AND DESPATCH OF CERTIFICATE OF AN ISSUE

THAT the existing Article 17 be deleted in its entirety and be replaced with a new Article 17.

Existing Article 17: Subject to the provisions of the Act, the Central Depositories Act and the Rules, each registered member shall be entitled without payment to receive within ten (10) market days after allotment up to a maximum of then (10) share certificates in reasonable denominations in respect of his holding provided that in the case of joint holders the Company shall not be bound to issue more that one certificate for the same shares and delivery of such certificate to any of one of the joint holders shall be sufficient delivery to all. If any registered member shall require more than ten (10) certificates in respect of the shares allotted to and subscribed by him he shall pay such sum not exceeding RM3.00 per certificate for every additional certificate or such other sum as may from time to time be permitted by The Exchange plus the stamp duty payable under any law for the time being force. Where a registered member transfers part only of the shares comprised in a certificate the old certificate shall be cancelled and a new certificate in replacement thereof for the balance of such shares will be issued without charge.

New Article 17

Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall allot and/or issue securities, despatch notices of allotment to the successful allottees and make an application for the quotation of such securities:

- (a) within fifteen (15) Market Days of the final applications closing date for an issue of securities or such other period as may be prescribed by the Exchange for issue of securities to the public or a rights issue;
- (b) within ten (10) Market Days of the books closing date for a bonus issue or such other period as may be prescribed by the Exchange;
- (c) within ten (10) Market Days of the date of receipts of a notice of the exercise of an employee share option together with the requisite payment or such other period as may be prescribed by the Exchange;
- (d) within ten (10) Market Days of the receipt of a subscription form together with the requisite payment or such other period as may be prescribed by the Exchange.

8. ARTICLE 17A- ALLOTMENT OR ISSUE OF SECURITIES

THAT the new Article 17A be incorporated immediately after Article 17.

New Article 17A

The Company must not allot or issue securities until after it has filed with the Exchange a listing application for such new issue of securities and has been notified by the Exchange that such new issue of securities has been approved in principle for listing.

9. ARTICLE 26- LIABILITY OF JOINT HOLDERS

THAT the existing Article 26 be deleted in its entirety.

Existing Article 26: Joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof and any interest accrued thereon.

10. ARTICLE 35A- SALE OF SHARES FORFEITED

THAT a new Article 35A be incorporated immediately after Article 35.

New Article 35A

If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.

11. ARTICLE 38A- INFORMATION ON SHAREHOLDINGS

THAT a new Article 38A be incorporated immediately after Article 38

New Article 38A

The Company may by notice in writing, require any member of the Company, within such reasonable time as is specified in the notice:

- (a) to inform the Company whether he holds any voting shares in the Company as beneficial owner, Authorised Nominee or as trustee; and
- (b) if he holds them as trustee or Authorised Nominee, to indicate so far as he can, the persons for whom he holds them by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.

12. ARTICLE 39- LIEN ON SHARES

THAT the existing Article 39 be amended as follows:

- (i) by deleting the words “(whether solely or jointly with other)” after the word “member” appearing in lines 5;
- (ii) by deleting the words “either alone or jointly with any other person”, appearing in lines 6;
- (iii) by deleting the word “any” appearing in line 9 and substituting with the word “all”;
- (iv) by deleting the words “shall extend to all dividends payable thereon” in line 9 and substituting with the words “and dividends from time to time declared in respect of such shares shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid.”

Existing Article 39: The Company shall have a first and paramount lien on every share (not being fully paid shares) for all money called or payable at a fixed time in respect of the particular share and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a member (whether solely or jointly with others) for all moneys payable by him or his estate either alone or jointly with any other person, to the Company, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company’s lien, if any, on a share shall extend to all dividends payable thereon and such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member.

Amended Article 39

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all money called or payable at a fixed time in respect of the particular share and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a member for all moneys payable by him or his estate to the Company, but the Directors may at all time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on all shares and dividends from time to time declared in respect of such shares shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member.

13. ARTICLE 42- TRANSFER OF SHARES

THAT the existing Article 42 be deleted in its entirety and be replaced with a new Article 42.

All transfer of shares by registered members shall be effected by transfer in writing in the usual common form conforming with the Act and/or approved by The Exchange or such form as may from time to time be prescribed under the Act and/or approved by The Exchange. All transfers of Deposited Securities shall be effected in accordance with the Rules and all references in these Articles to "transfer" shall be construed as excluding transfers of Deposited Securities under the Rules unless the context otherwise requires. Subject to these Articles there shall be no restriction on the transfer of fully paid up shares except where required by law.

New Article 42

The transfer of any securities of the Company, which have been deposited with the Central Depository shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to section 107C(2) of the Act, and any exemption that may be made from compliance with section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

14. ARTICLE 43-FORM OF INSTRUMENT OF TRANSFER

THAT the existing Article 43 be deleted in its entirety and be replaced with a new Article 43.

Existing Article 43: The instrument of transfer of a share to be presented for registration to the Company by a registered member must be signed by or on behalf of the transferor and transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

New Article 43

Subject to these Articles, the Rules, the Central Depositories Act, the Listing Requirements and the Rules of the Exchange, any member may transfer all or any of his shares by instrument in writing in the form prescribed and approved by the Exchange, the Act and/or the Central Depositories Act as the case may be.

15. ARTICLE 43A- EXECUTION OF INSTRUMENT OF TRANSFER

THAT a new Article 43A be incorporated immediately after Article 43.

New Article 43A

Subject to the Central Depositories Act and the Rules, the instrument of transfer of any share shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members and/or the Record of Depositors as the case may be in respect thereof.

16. ARTICLE 46- REFUSAL TO REGISTER TRANSFER

THAT the existing Article 46 be deleted in its entirety and be replaced with a new Article 46.

Existing Article 46:

- (1) *The directors may decline to register the transfer of any share by a registered member (not being a fully paid up share) and may also decline to register the transfer of any share by a registered member on which the Company has a lien.*
- (2) *The Directors may decline to recognise any instrument of transfer by a registered member, unless:-*
 - (a) *such fee, not exceeding RM3.00 per transfer or such other sum as may be permitted by The Exchange together with the amount of the proper duty with which each certificate is chargeable under the law for the time being in force relating to stamp duty is paid in respect thereof.*
 - (b) *the instrument of transfer is deposited at the Office or at such other place (if any) as the directors may appoint accompanied by the certificates of the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so; and*
 - (c) *the instrument of transfer is in respect of only one lass of share.*
- (3) *All instruments of transfer which are registered may be retained by the Company.*
- (4) *If the directors decline to register any transfer by a registered member they shall within three (3) market days after the date on which the transfer was lodged with the Company send to the transferor, lodging broker and to the transferee written notice of refusal and the precise reasons thereof. Any such instrument of transfer which the directors may decline to register shall be returned to the person who tendered the same for registration save and except in cases where the Directors suspect fraud.*

New Article 46

The Central Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules.

17. ARTICLE 47- FIXING OF BOOKS CLOSING DATE

THAT the existing Article 47 be deleted in its entirety and be replaced with a new Article 47.

Existing Article 47: The registration of transfers may be suspended at such time and for such period as the directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. At least eighteen (18) market days' notice of such closure shall be given to the Exchange stating the period and the purpose or purposes of such closure. In regard to the Deposited Securities, at least three (3) market days notice prior to and not including such book closure shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

New Article 47

The transfer books and the record of Depositors and debenture holders may be closed for such periods as the directors think fit provided that twelve (12) clear market days' notice of intention shall be published in local daily newspaper circulating in Malaysia and any intention to fix a books closing date and the reasons therefore, stating the books closing date shall be at least twelve (12) market days after the date of the announcement to the Exchange and not exceeding in the whole thirty (30) days in each year. The transfer books and Record of Depositors may be closed for the purpose of determining persons entitled to dividends, interest, or new securities, or rights to a priority of application for issued of securities. The Company shall request the Central Depository in accordance with the Rules to issue a record of Depositors as at a date not less than three (3) market days before the occurrence of the related event.

18. ARTICLE 50- REGISTRATION OF TRANSFER

THAT the existing Article 50 be deleted in its entirety.

Existing Article 50: Neither the Company nor the directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares by registered members apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or the directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognized as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

19. ARTICLE 51- TRANSMISSION OF SHARES

THAT the existing Article 51 be amended as follows:

- (i) by deleting the words “the survivor and survivors where the deceased was a joint holder,” appearing in lines 1 and 2;
- (ii) by deleting the words “where he was a sole holder” after the words “deceased,” appearing in line 3; and
- (iii) by deleting the words “(whether sole or joint holder) from any liability in respect of any share which held by him or jointly with some other person “appearing” in lines 5 and 6 and to be replaced with the words “from any liability in respect of any share held by him.”

Existing Article 51: In the case of death of a registered member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of such deceased member (whether sole or joint holder) from any liability in respect of any share which had been held by him jointly with some other person.

Amended Article 51

In the case of death of a registered member and the legal personal representatives of the deceased, shall be the only persons recognized by the Company as having any title to his shares, but nothing herein contained shall release the estate of such deceased member from any liability in respect of any share held by him.

20. ARTICLE 52- TRANSMISSION OF SHARES

THAT the existing Article 52 be deleted in its entirety and be replaced with a new Article 52.

Existing Article 52: Any person becoming entitled to shares in consequence of the death or bankruptcy of any registered member may upon such evidence of title being produced as may from time to time be required by the directors (but subject to the provisions hereinafter contained) elect either to be registered himself as a registered member in respect of such shares or to have some person nominated by him registered as transferee thereof but the directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that the registered member before his death or bankruptcy. Before recognising any executor or administrator, the directors may require him to take out probate or letters of administration as evidence. Where the share is a Deposited Security, a transfer or withdrawal of the share may be carried out by the person becoming so entitled in accordance with the Rules.

21. ARTICLE 53- ELECTION OF PERSON ENTITLED TO BE REGISTERED HIMSELF

THAT Article 53 be amended as follows:-

Existing Article 53: If the person so becoming entitled elects to be registered himself as a registered member, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice of transfer was a transfer executed by that member.

New Article 53

If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him and stating that he so elects provided that the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Central Depository. All the limitations, restrictions and provisions of the Rules relating to the right to transfer shares and the registration of transfers of shares, shall apply to such notice and the transfer as aforesaid and the registration of nominees hereinafter provided, and the Central Depository shall have the same power of refusing or suspending to give effect thereto by registration as if the event upon which the transmission took place had not occurred, and the notice were a transfer executed by the person from whom the title by transmission is derived.

22. ARTICLE 54A- REGISTRATION OF NOMINEES

THAT a new Article 54A be incorporated immediately after Article 54.

New Article 54A

If a person so becoming entitled shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. The Central Depository shall have, in respect of transfers so executed, the same power of refusing or suspending registration as if the event upon which the transmission took place had not occurred, and the transfer were executed by the person from whom the title by transmission is derived.

22. ARTICLE 54B- TRANSMISSION OF SECURITIES FROM FOREIGN REGISTER

THAT a new Article 54B be incorporated immediately after Article 54B.

New Article 54B

- (1) Where (if applicable):
- (a) the shares of the Company are listed on an Approved Market Place; and

- (b) the Company is exempted from compliance with section 14 of the Central Depositories Act or section 29 of the Securities Industry (Central Depositories)(Amendment) Act 1998, as the case may be, under the Rules in respect of such securities.

the Company shall, upon request of a shareholder, permit a transmission of shares held by such shareholder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Register”) , to the register of holders maintained by the Registrar of the Company in Malaysia (hereinafter referred to as “the Malaysian Register”) provided that there shall be no change in the ownership of such shares.

Where the requirements under (1)(a) and (1)(b) are fulfilled, the Company shall not allow any transmission of shares from the Malaysian Register into the Foreign Register.

24. ARTICLE 55- REGISTRATION OF JOINT HOLDERS OF SHARES

THAT the existing Article 55 be deleted in its entirety.

Existing Article 55: Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:-

- (a) *the Company shall not be bound to register more than three (3) persons as the holders of any share except in the case of executors or trustees of a deceased shareholder;*
- (b) *the joint holders of a share shall be liable severally as well as jointly in respect of all calls and other payments which ought to be made in respect of such share;*
- (c) *on the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the directors may require such evidence of death as they may deem fit;*
- (d) *any one of such joint holders may give effectual receipts for any dividend and payment on account of dividend, bonus, return of capital and other money payable in respect of such share;*
- (e) *only the person whose name stands first in the Register as one of the joint holders of any such share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders;*

Provided That any references in these Articles to joint holders shall not include joint holders of Deposited Securities unless such joint ownership is permitted under the Central Depositories Act or the Rules or the guidelines or directives from time to time issued by the Central Depository. In the event that joint ownership of Deposited Securities is permitted under the Central Depositories Act or the Rules, the rights and obligations of such joint owners shall be governed by the relevant provisions of such Act, Rules, guidelines or directives as the case may be.

25. ARTICLE 67(a)- RECORD OF DEPOSITORS

THAT the existing Article 67(a) be amended as follows:-

- (i) by deleting the words “by written request made in duplicate in the prescribed form,” immediately before the word “request” appearing in lines 1 and 2.
- (ii) by deleting the words “at least three (3) market days prior to and not including the date of the General Meeting”, in line 2 and 3 and to be substituted with the words “ in accordance with the Rules” before the words “to prepare” appearing in line 3.

Existing Article 67(a): the Company shall by written request made in duplicate in the prescribed form, request the Central Depository at least three (3) market days prior to and not including the date of the General Meeting to prepare the Record of Depositors to whom notices of general meetings shall be given by the Company; and

Amended Article 67(a)

The Company shall request the Central Depository in accordance with the Rules to prepare the Record of Depositors to whom notices of general meetings shall be given by the Company; and

26. ARTICLE 67(b)- RECORD OF DEPOSITORS FOR GENERAL MEETING

THAT the existing Article 67(b) be deleted in its entirety and be replaced with new Article 67(b) with subparagraphs (i) and (ii).

Existing Article 67(b): the Company shall inform the Central Depository of the dates of general meetings and shall in written request made in duplicate in the prescribed form, request the Central Depository at least three (3) market days prior to and not including the date of the general meeting to prepare the Record of Depositors. The General Meeting Record of Depositors shall be the final record of all Depositors who shall be deemed to be the registered holders of Ordinary Shares of the Company eligible to be present and vote at such meetings.

New Article 67(b)

- (i) *The Company shall request the Central Depository in accordance with the Rules to issue a Record of Depositors as at a date not less than three (3) market days before the general meeting (“the General Meeting Record of Depositors”).*
- (ii) *Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provisions in the Act, a Depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.*

27. ARTICLE 74- QUORUM OF GENERAL MEETING

THAT the existing Article 74 be amended as follows:-

- (i) to delete the words "For all purposes" appearing in line 2 and to be substituted with the words "save as herein otherwise provided";*
- (ii) to delete the sentences "or by proxy, or in the case of corporations which are members present by their representative appointed pursuant to the provision of the Articles and entitled to vote" appearing in lines 3,4 and 5; and*
- (iii) to insert the sentences "For the purpose of this Article, "Member" includes a person attending as a proxy or attorney or as a corporate representative" after the words "quorum" in line 5.*

Existing Article 74: No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representative appointed pursuant to the provision of these Articles and entitled to vote shall be a quorum.

Amended Article 74

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) members present in person shall be a quorum. For the purpose of this Article, "member" includes a person attending as a proxy or attorney or as corporate representative.

28. ARTICLE 74A- APPOINTMENT OF MORE THAN ONE (1) PROXY

THAT a new Article 74A be incorporated immediately after Article 74.

New Article 74A

Where a member of the Company is an Authorized Nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

29. ARTICLE 91- VOTING BY JOINT HOLDERS

THAT the existing Article 91 be deleted in its entirety.

Existing Article 91: Where there are joint-holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; and if more than one of such joint-holders be present at any meeting personally or by proxy, the person whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof.

30. ARTICLE 102(1)- ELECTION OF DIRECTORS

THAT the existing Article 102(1) be amended as follows:

- (i) by inserting the words “An election of directors shall take place each year.” as the first sentence of the Article; and*
- (ii) by deleting the words “except the managing director” appearing in line 6.*

Existing Article 102(1): Subject always to Article 141 at the first annual general meeting of the Company all the directors shall retire from office, and at the annual general meeting in every subsequent year one third of the directors for the time being, or , if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office Provided Always that all directors except the managing director shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he retires.

Amended Article 102(1)

An election of directors shall take place each year. Subject always to Article 141 at the first annual general meeting of the Company all the directors shall retire from office, and at the annual general meeting in every subsequent year one third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office Provided Always that all directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he retires.

31. ARTICLE 109- DIRECTORS’ POWER TO FILL CASUAL VACANCIES AND TO APPOINT ADDITIONAL DIRECTORS

THAT the existing Article 109 be amended as follows:

- (i) by inserting the words “conclusion of the” before the word “next” appearing in line 5.*

Existing Article 109: The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but the total number of directors shall not at any time exceed the maximum number fixed in accordance with these Articles. Any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

Amended Article 109

The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with these Articles. Any director, so appointed shall hold office only until the conclusion of the next following general meeting and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

32. ARTICLE 112(d)- VACATION OF OFFICE OF DIRECTOR

THAT the existing subparagraph (d) of Article 112 be deleted in its entirety and that a new subparagraph (d) of Article 112 be inserted.

Existing Article 112(d): if he shall have absented himself (such absence not being absence with leave or by arrangement with the directors) from meetings of the directors for six months in succession and his alternate director (if any) shall not during such period have attended in his stead.

Amended Article 112(d)

If he is absent from more than fifty percent (50%) of the Board of Directors' meeting held during a financial year unless an exempt or waiver is obtained from the Exchange ;

33. ARTICLE 138- POWER OF MANAGING DIRECTOR

THAT the existing Article 138 be amended as follows:

- (i) by inserting "(1)" after the word "one" appearing in line 1;*
- (ii) by inserting the words "(which term shall be deemed to include the Group Chief Executive or other such designation of the Company's Chief Executive Officer) or to any other office or employment under the Company." immediately after the words "Managing Director" appearing in line 2;*
- (iii) by deleting the word "five (5)" appearing in line 3 and substituting with the word "three (3)";*
- (iv) by deleting the words "subject to reappointment and on such terms as the directors think fit" appearing in line 3 and substituting with the words "but if the appointment is for a fixed term, the term shall not exceed three (3) years; with power to re-appoint thereafter, and may from time to time (subject to the provision of any contract between such person and the Company) removed or dismissed him from office and appoint another in his place."; and*
- (v) by deleting the word "The directors may vest in such managing director(s) such of the power hereby vested in the director generally as the may think fit" appearing in line 4 and 5;*
- (vi) by inserting the words "A director so appointed shall, while holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of directors," before the last sentence of the Article.*

Existing Article 138: The directors may from time to time appoint any one or more of their body to be the managing director. Any such appointment shall be for such period not exceeding five (5) years, subject to reappointment and on such terms as the directors think fit. The directors may rest in such managing director (s) such of the powers hereby vested in the director generally as they may think fit. The managing director(s) shall be subject to the control of the Board of Directors.

Amended Article 138

The directors may from time to time appoint any one (1) or more of their body to be the Managing Director (which term shall be deemed to include the Group Chief Executive or other such designation of the Company's Chief Executive Officer) or to any other office or employment under the Company. Any such appointment shall be for such period not exceeding three (3) years but if the appointment is for a fixed term, the term shall not exceed three (3) years; with power to re-appoint thereafter, and may from time to time (subject to the provision of any contract between such person and the Company) removed or dismissed him from office and appoint another in his place. A director so appointed shall, while holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of directors. The managing director(s) shall be subject to the control of the Board of Directors.

34. ARTICLE 140- RESIGNATION AND REMOVAL OF MANAGING DIRECTOR

THAT the existing Article 140 be amended as follows:-

- (i) *To delete the sentences "not while he continues to hold such office be subject to retirement by rotation and shall not be reckoned as a director for the purpose of determining the rotation or retirement of directors or in fixing the number of directors to retire but he shall subject to provisions of any contract between him and the Company" appearing in lines 1,2,3 and 4 after the words "The managing director shall".*

Existing Article 140: The managing director shall not while he continues to hold such office be subject to retirement by rotation and shall not be reckoned as a director for the purpose of determining the rotation or retirement of directors or in fixing the number of directors to retire but he shall subject to provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other directors of the Company and if he ceases to hold the office of director for any reason whatsoever he shall ipso facto and immediately cease to be managing director.

Amended Article 140

The managing director shall be subject to the same provisions as to resignation and removal as the other directors of the Company and if he ceases to hold the office of director for any reason whatsoever he shall ipso facto and immediately cease to be the managing director.

35. ARTICLE 158- PAYMENT BY POST AND DISCHARGE

THAT the existing Article 158 be amended as follows:

- (i) *be deleting the words "or, in case of joint holders, to the registered address of that joint holders who is first named on the Register or the Record of Depositors" appearing in lines 4 and 5; and*
- (ii) *by deleting the words "or joint holders" immediately after the word "holder" appearing in lines 6 and 11;*

Existing Article 158: Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the address of the holder in the Register or the Record of Depositors, or in the case of joint holders to the registered address of that joint holder who is first named on the Register or the Record of Depositors, or to such person and at such address as the holder or joint holders may in writing direct or if several persons are entitled thereto in consequence of the death or bankruptcy of the holder to any one of such persons or to such person and to such address as such person may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.

Amended Article 158

Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the address of the holder in the Register or the Record of Depositors, or to such person and at such address as the holder may in writing direct or if several persons are entitled thereto in consequence of the death or bankruptcy of the holder to any one of such persons or to such person and to such address as such person may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.

36. ARTICLE 163- PRESENTATION OF ACCOUNTS

THAT the existing Article 163 be amended as follows:

- (i) by inserting the words “and the Listing Requirements” immediately after the words “the Act” appearing in line 1;
- (ii) by inserting the words “and the Listing Requirements” immediately after the words “the said Section” appearing in line 4;
- (iii) by inserting the words “annual audited” appearing in line 5 before the words “accounts relating”,
- (iv) by deleting the word “six (6)” immediately before the word “months” appearing in line 5 and substituting with the word “four (4)”;
- (v) by inserting the word “printed” immediately before the word “copy” appearing in line 6;
- (vi) by deleting the word “fourteen (14)” immediately before the word “day” appearing in line 6 and substituting with the word “twenty-one (21)”.
- (vii) by inserting the words “the Central Depositories Act, the Rules” immediately after the phrase “or of these Articles” appearing in line 8.

Existing Article 163: The directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the said Section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed six (6) months. A copy of each of such documents shall not less than fourteen (14) days before the date of the meeting be sent to every member of and to every holder of debentures of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such documents as may be required by the Exchange shall at the same time be likewise sent to the Exchange Provided That this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of joint holders but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

Amended Article 163

The directors shall from time to time in accordance with Section 169 of the Act and the Listing Requirements cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheet and report as are referred to in the said Section and the Listing Requirements. The interval between the close of a financial year of the Company and the issue of annual audited accounts relating to it shall not exceed four (4) months. A printed copy of such documents shall not less than twenty-one (21) days before the date of the meeting be sent to every member of, and to every holder of debenture of the Company under the provisions of the Act, the Central Depositories Act, the Rules or of these Articles. The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to the Exchange provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of joint holders but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

37. ARTICLE 170(1)- HOW NOTICES TO BE SERVED TO MEMBERS

THAT the existing Article 170(1) be amended as follows:

- (i) by the inserting a sentence "Only members described in the Record of Depositors shall be entitled to receive any notice from the Company." immediately after the first sentence of the Article.

Existing Article 170(1): A notice or other document shall be served by the Company or the Secretary on any member or director as the case may be either personally or by sending it through the post in prepaid letter addressed to such member or director at his registered address as appearing in the Register or the Record of Depositors or the register of directors as the case may be.

Amended Article 170(1)

A notice or other document shall be served by the Company or the Secretary on any member or director as the case may be either personally or by sending it through the post in prepaid letter addressed to such member or director at his registered address as appearing in the Register or the Record of Depositors or the register of directors as the case may be. Only members described in the Record of Depositors shall be entitled to receive any notice from the Company.

38. ARTICLE 173- NOTICE OF JOINT HOLDERS

THAT the existing Article 173 be deleted in its entirety.

Existing Article 173: All notices shall with respect to any share to which persons are jointly entitled be given to whichever of such persons is named first in the Register and any notice so given shall be sufficient notice to all the holders of such share.

39. ARTICLE 184- AMENDMENT OF ARTICLES

THAT the existing Article 184 be amended as follows:

- (i) by deleting the words “by the Exchange,” immediately after the word “approved” appearing in line 2; and
- (ii) by deleting the words “written approval has been sought and obtained from the Exchange” appearing in lines 2 and 3 and substituting with the words “approval of the Members at the general meeting has been sought and obtained.”

Existing Article 184: The Company shall not delete, amend or add to any of its Articles which have been previously approved by the Exchange, unless prior written approval has been sought and obtained from the Exchange for such deletion, amendment or addition.

Amended Article 184

The Company shall not delete, amend or add to any of its Articles which have been previously approved, unless prior approval of the members at the general meeting has been sought and obtained for such deletion, amendment or addition.

40. ARTICLE 185- EFFECT OF LISTING REQUIREMENTS

THAT a new Article 185 be incorporated immediately after Article 184.

New Article 185

- (1) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.

- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.
- (5) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.
- (6) If any provision of these Articles is or become inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.