

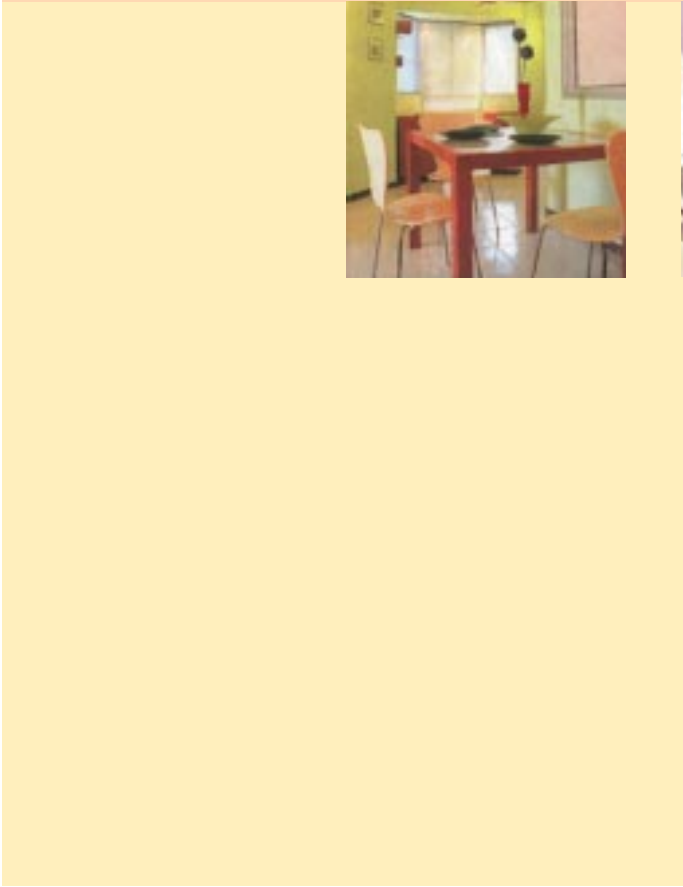
CENTRE COURT

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IGB Corporation Berhad
(5745-A)



Mid Valley Centre Court



NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Thirty-Eighth Annual General Meeting of IGB Corporation Berhad will be held at Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, on Wednesday, 29 May 2002 at 12.00 p.m. for the transaction of the following businesses:

- | | | |
|----|--|---------------------|
| 1. | To receive the Audited Financial Statements for the year ended 31 December 2001 and the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. | To declare a final gross dividend of 2% for the year ended 31 December 2001. | Resolution 2 |
| 3. | To re-elect the following Directors retiring pursuant to Article 85 of the Company's Articles of Association : | |
| | (a) Robert Tan Chung Meng | Resolution 3 |
| | (b) Tan Boon Seng | Resolution 4 |
| | (ci) Tan Boon Gark | Resolution 5 |
| 4. | To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

5. As SPECIAL BUSINESS, to consider and if thought fit, to pass the following resolution:

Ordinary Resolution

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

'THAT, subject to the Companies Act, 1965, the Articles of Association of the Company and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital for the time being of the Company, and that the Directors be and are also empowered to obtain the approval from the Kuala Lumpur Stock Exchange for the listing and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.'

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

By Order of the Board

Tina Chan Lai Yin
Mary Wong
Company Secretaries



Resolution 7

Kuala Lumpur
30 April 2002

Notes:

1. Appointment of Proxy

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of a duly authorized officer or attorney. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Penthouse, Menara IGB, No. 1, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

2. Closure of Register

The Register of Transfer will be closed on 1 July 2002 for purpose of preparing warrants for the final dividend which, if approved, will be paid on 18 July 2002 to every member who is entitled to receive the dividend as at 5.00 p.m. on 28 June 2002.

3. Re-election of Directors

The details of Directors who are standing for re-election are set out on pages 13 and 14 of this Annual Report.

4. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Resolution 7, if approved, will renew the authorization obtained at the last Annual General Meeting, pursuant to Section 132D of the Companies Act, 1965, for issuance of up to 10% of the issued share capital of the Company, subject to compliance with the regulatory requirements. The approval is sought to avoid any delay and cost in convening a general meeting for such issuance of shares. The authorization, unless in pursuance of offers, agreements or options granted by the Directors while the approval is in force, will expire at the next Annual General Meeting.



STATEMENT **ACCOMPANYING** NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.28(2) of the Kuala Lumpur Stock Exchange Listing Requirements)

1. **Details of the Board meetings held during the financial year ended 31 December 2001:-**

There were five (5) Board meetings held during the financial year ended 31 December 2001. All Board meetings were held at the Boardroom, Penthouse, Menara IGB, No. 1, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. The date and time of the Board meetings are as follows:

Date of meetings	Time
27 February 2001	11.30 a.m.
28 March 2001	11.00 a.m.
30 May 2001	3.00 p.m.
30 August 2001	12.00 p.m.
29 November 2001	11.00 a.m.

2. **Details of attendance of Directors at Board meetings:-**

The attendance record of Directors at Board meetings held during the financial year ended 31 December 2001 are as follows:

Name of Director	Attendance
Tan Sri Abu Talib bin Othman	5/5
Robert Tan Chung Meng	5/5
Tan Boon Seng	4/5
Tan Boon Gark	5/5
Lai Meng	5/5
Abdul Samad bin Haji Alias	3/5
Dato' Seri Khalid Ahmad bin Sulaiman	5/5
Osman bin Haji Ismail	4/5
Jeffrey Heng Wah Yong (<i>appointed on 17 September 2001</i>)	1/5
Chua Seng Yong (<i>alternate to Robert Tan Chung Meng</i>)	5/5
Dato' Tan Chin Nam (<i>resigned on 30 May 2001</i>)	2/5
Mihir Kumar Sen (<i>resigned on 28 March 2001</i>)	2/5
Chong Kim Weng (<i>resigned on 30 May 2001</i>)	1/5

**STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.28(2) of the Kuala Lumpur Stock Exchange Listing Requirements)

3. Details of Directors who are standing for re-election

The Directors who are offering themselves for re-election at the Annual General Meeting of the Company are as follows:

Name of Directors	Shareholdings in the Company as at 31.12.2001	
	Direct	Indirect
Robert Tan Chung Meng	186,000	203,946,771
Tan Boon Seng	9,375	-
Tan Boon Gark	221,000	-

Details of the above Directors are set out in the Profile of the Board of Directors on pages 13 and 14 of this Annual Report.

Leisure & Entertainment at Mid Valley Megamall



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Tan Sri Abu Talib bin Othman
Independent Non Executive Chairman

Directors

Robert Tan Chung Meng
Managing Director

Tan Boon Seng
Executive Director

Tan Boon Gark
Executive Director

Lai Meng
Executive Director

Dato' Seri Khalid Ahmad bin Sulaiman
Senior Independent Non-Executive Director

Abdul Samad bin Haji Alias
Independent Non-Executive Director

Osman bin Haji Ismail
Non-Independent Non-Executive Director

Jeffrey Heng Wah Yong
Independent Non-Executive Director

Chua Seng Yong
Alternate to Robert Tan Chung Meng

COMPANY SECRETARIES

Tina Chan Lai Yin
Mary Wong

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange, Main Board

AUDIT COMMITTEE

Chairman

Dato' Seri Khalid Ahmad bin Sulaiman

Members

Abdul Samad bin Haji Alias
Jeffrey Heng Wah Yong
Lai Meng

NOMINATION COMMITTEE

Chairman

Tan Sri Abu Talib bin Othman

Members

Abdul Samad bin Haji Alias
Dato' Seri Khalid Ahmad bin Sulaiman
Osman bin Haji Ismail

REMUNERATION COMMITTEE

Chairman

Tan Sri Abu Talib bin Othman

Members

Abdul Samad bin Haji Alias
Osman bin Haji Ismail
Robert Tan Chung Meng

EXECUTIVE COMMITTEE

Chairman

Tan Boon Seng

Members

Robert Tan Chung Meng
Tan Boon Gark
Lai Meng
Osman bin Haji Ismail

SHARE & ESOS COMMITTEE

Members

Tan Boon Seng
Tan Boon Gark
Lai Meng
Abdul Samad bin Haji Alias
Tina Chan Lai Yin

REGISTERED OFFICE

Penthouse, Menara IGB,
No. 1, The Boulevard, Mid Valley City,
Lingkaran Syed Putra, 59200 Kuala Lumpur
Telephone : 03-22898989 Facsimile : 03-22898802

REGISTRAR

IGB Corporation Berhad
[Share Registration Department]
23rd Floor, Menara IGB,
No. 1, The Boulevard, Mid Valley City,
Lingkaran Syed Putra, 59200 Kuala Lumpur
Telephone : 03-22898989 Facsimile : 03-22898983

AUDITORS

PricewaterhouseCoopers
11th Floor, Wisma Sime Darby,
Jalan Raja Laut, 50350 Kuala Lumpur

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Citibank Berhad
Malayan Banking Berhad
RHB Sakura Merchant Bankers Berhad
Affin Bank Berhad

Mid Valley Mulia Condominium



PROFILE OF THE BOARD OF DIRECTORS

The Board of Directors of IGB Corporation Berhad ('IGB') comprises of an Independent Non-Executive Chairman, a Managing Director, three (3) Executive Directors and four (4) Non-Executive Directors, three (3) of whom are independent.

The Board meets quarterly and additional Board Meetings are held as and when required. The Board met five (5) times during the year ended 31 December 2001.

Particulars of the Directors are as follows:

Y. Bhg. Tan Sri Abu Talib Bin Othman

Independent Non-Executive Chairman

Malaysian, aged 64, joined the Board of IGB on 18 July 1995. He was appointed Chairman on 30 May 2001. He is also the Chairman of the Nomination and Remuneration Committees of IGB.

He is a Barrister-at-law and has served in various capacities in the judicial and legal service of the Government of Malaysia. He was the Attorney General of Malaysia from 1980 until his retirement in October 1993.

Other directorships in public companies include British American Tobacco (Malaysia) Berhad, Sime Darby Berhad, Sapura Telecommunications Berhad, Alliance Merchant Bank Berhad, Alliance Bank Malaysia Berhad, Alliance Unit Trust Management Berhad, MUI Continental Insurance Berhad and Gold IS Berhad.

He does not have any interest in the securities of IGB and its subsidiaries. He has no family relationship with any director and/or major shareholder of IGB. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB. He has no conviction for any offence within the past 10 years.

Robert Tan Chung Meng

Managing Director

Malaysian, aged 50, was appointed Joint Managing Director of IGB on 18 December 1995 and subsequently re-designated as Managing Director on 30 May 2001. He is also a member of the Executive and Remuneration Committees of IGB.

He has vast experience in the property and hotel industry. After studying Business Administration in the United Kingdom, he was attached to a Chartered Surveyor's firm for one year. He has also developed a housing project in Central London before returning to Malaysia. He has been involved in various development projects carried out by IGB, in particular the Mid Valley Project, Tan & Tan Developments Berhad ('Tan & Tan') and Wah Seong Group of Companies which has interest in the industrial sectors including oil and gas, infrastructure related products, industrial engineering, construction material and property.

He has a direct shareholding of 186,000 ordinary shares in IGB and 750,000 options pursuant to the ESOS of IGB. He is a major shareholder of IGB by virtue of his substantial shareholdings in Tan & Tan, Tan Kim Yeow Sdn. Bhd. and Wah Seong (Malaya) Trading Co. Sdn. Bhd., all of whom are major shareholders of IGB. He is the brother of Pauline Tan Suat Ming and Tony Tan Choon Keat and nephew to Dato' Tan Chin Nam, who are also major shareholders of IGB. Save as disclosed, he has no family relationship with any other director and/or major shareholder of IGB. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB, other than those disclosed in Note 32 to the Financial Statements. He has no conviction for any offence within the past 10 years.

Tan Boon Seng

Executive Director

Malaysian, aged 46, joined IGB in 1980 as General Manager. He was appointed to the Board of IGB on 20 December 1990, Managing Director in 1991, re-designated as Joint Managing Director in 1995, and subsequently re-designated as Executive Director on 30 May 2001. He is the Chairman of the Executive Committee, and also a member of the Share and ESOS Committee of IGB.

He holds a Master of Arts from Cambridge University. He is also the Chairman and Managing Director of Lee Hing Development Ltd, and a Director of South China Holdings Limited, South China Brokerage Co. Ltd, South China Industries Ltd., Wo Kee Hong (Holdings) Limited and Star Cruise Limited, all listed on The Stock Exchange of Hong Kong Limited.

He is the son of Dato' Tan Chin Nam and cousin to Robert Tan Chung Meng, Tan Boon Gark, Pauline Tan Suat Ming and Tony Tan Choon Keat, who are major shareholders and/or directors of IGB. Save as disclosed, he has no family relationship with any other director and/or major shareholder of IGB. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB. He has no conviction for any offence within the past 10 years.

Tan Boon Gark*Executive Director*

Malaysian, aged 52, joined IGB in 1980 as Project Manager. Since then, he has held the position of Area Manager for Kuala Lumpur Office, Director-Properties and Executive Director of IGB before he was appointed as its Deputy Managing Director on 9 January 1995. On 30 May 2001, he was re-designated as Executive Director. He also serves as a member of the Executive and Share and ESOS Committees of IGB.

He also sits on the Board of Negara Properties (M) Berhad.

He has a direct shareholding of 221,000 ordinary shares in IGB. He is the cousin to Robert Tan Chung Meng, Tan Boon Seng, Pauline Tan Suat Ming and Tony Tan Choon Keat, who are major shareholder and/or directors of IGB. Save as disclosed, he has no family relationship with any other director and/or major shareholder of IGB other than those disclosed in Note 32 to the Financial Statements. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB. He has no conviction for any offence within the past 10 years.

Lai Meng*Executive Director*

Malaysian, aged 46, joined IGB in 1992 as Director-Corporate Affairs. He was appointed to the Board on 9 January 1995. He is also a member of the Audit, Executive and Share and ESOS Committees of IGB. He had served as General Manager (Finance and Administration) with Tan & Tan, Corporate Planner with Kinta Kellas Investments Plc., Corporate Planner with Hong Kong Tin Corporation (Malaysia) Berhad (now known as YTL Corporation Berhad) and Senior Administration Officer in Bank Negara Malaysia. He holds a Bachelor of Economics and Statistics (1st Class Honours) from University of Malaya.

Current directorships in public companies include IJM Corporation Berhad and Ipimuda Berhad.

He has 105,000 options pursuant to the ESOS of IGB. He has no family relationship with any director and/or major shareholder of IGB. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB. He has no conviction for any offence within the past 10 years.

Abdul Samad bin Haji Alias

Independent Non-Executive Director

Malaysian, aged 59, was appointed as a Director of IGB on 12 April 1983 and also served as the Chairman of the Audit Committee until his resignation on 30 May 2001. However, he remains as a member of the Audit Committee, and also serves as a member of the Nomination, Remuneration and Share and ESOS Committees of IGB. He graduated from the University of Western Australia with a Bachelor of Commerce degree. He is a member of the Malaysian Association of Certified Public Accountants and the Malaysian Institute of Accountants. He is also a member of the Financial Reporting Foundation, a Fellow of the Institute of Chartered Accountants in Australia and an Associate Member of the Chartered Institute of Bankers, United Kingdom. He is currently an advisor to Arthur Andersen & Co., Malaysia.

Other directorships in public companies include Malaysia Mining Corporation Berhad and MMC Engineering Group Berhad.

He does not have any interest in the securities of IGB and its subsidiaries. He has no family relationship with any director and/or major shareholder of IGB. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB. He has no conviction for any offence within the past 10 years.

Y.Bhg. Dato' Seri Khalid Ahmad bin Sulaiman

Senior Independent Non-Executive Director

Malaysian, aged 66, was appointed as a Director of IGB on 18 June 1982. He is the Chairman of the Audit Committee, and also a member of the Nomination Committee of IGB. He graduated from the University of Leicester, England and was called to the Bar at Middle Temple in 1964. He worked as Legal Advisor to the statutory body (MARA) for three (3) years before setting up his own legal practice in Penang in 1969. He was also the Penang State Executive Councilor from 1974 to 1982.

He also sits on the Board of Hong Leong Credit Berhad.

He has an indirect shareholding of 125,250 ordinary shares in IGB. He does not hold any shares in the subsidiary companies of IGB. He has no family relationship with any director and/or major shareholder of IGB. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB. He has no conviction for any offence within the past 10 years.

Osman bin Haji Ismail*Non-Independent Non-Executive Director*

Malaysian, aged 44, was appointed as a Director of IGB on 4 January 2001, and is a representative of Permodalan Nasional Berhad ('PNB'), a major shareholder of IGB. He is also a member of the Executive, Nomination and Remuneration Committees of IGB.

He is an Assistant General Manager, Financial and Management Audit Department, of PNB Group of Companies and has been with PNB Group since 1985. He is also a member of the Institute of Internal Auditor Malaysia. He obtained his Diploma in Accountancy from Mara Institute of Technology in 1980, an Advance Diploma in Accountancy from Luton University, England in 1983 and a Certificate in Internal Quality Auditor (Neville Clark) in 1996.

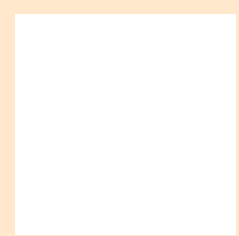
Other directorships in public companies include IJM Corporation Berhad, Gold IS Berhad and HeiTech Padu Berhad.

He does not have any interest in the securities of IGB and its subsidiaries. He has no family relationship with any director and/or major shareholder of IGB. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB. He has no conviction for any offence within the past 10 years.

Jeffrey Heng Wah Yong*Independent Non-Executive Director*

Singaporean, aged 57, was appointed as an Independent Non-Executive Director on 17 September 2001. He also serves as a member of the Audit Committee of IGB. He holds a B.A. Hons. Class II Upper (Singapore), Diploma Town Planning (Manchester) and was a member of Royal Town Planning Institute. Trained as a town planner, he served in the Planning Service, Singapore, and for 14 years was involved in the various aspects of statutory and development planning, until he left in 1981 to join Parkway Holdings Limited ('Parkway'), a company listed on The Stock Exchange of Singapore. As Director, Property, he was a key member of the management team that successfully implemented major residential condominiums and the highly successful shopping mall, Parkway Parade and the redevelopment of the Gleneagles Hospital and Medical Centre. He left Parkway in mid-1996 to be Chief Executive Officer of Centrepont Properties, another listed property company in Singapore with dominant interests in retail, and subsequently also a major developer of upgraders' homes. He opted for early retirement in 2001.

He does not have any interest in the securities of IGB and its subsidiaries. He has no family relationship with any director/major shareholder of IGB. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB. He has no conviction for any offence within the past 10 years.



Chua Seng Yong

Alternate Director to Robert Tan Chung Meng

Malaysian, aged 40, is the Special Assistant to the Managing Director of IGB. He joined IGB as Financial Controller in 1994 and has more than 16 years experience in property and hotel industry. He was appointed to the Board of IGB on 30 November 1999 as an alternate to Robert Tan Chung Meng. He graduated with an Economics degree from Monash University, Australia in 1984. He is also an associate member of the Australia Society of Accountants. He attained his Masters in Business Administration from Cranfield School of Management, United Kingdom in 1992.

He has 127,500 options pursuant to the ESOS of IGB. He does not hold any shares in the subsidiary companies of IGB. He has no family relationship with any director/major shareholder of IGB. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with IGB. He has no conviction for any offence within the past 10 years.

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Cititel Mid Valley



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of the Company is committed to the principles of corporate governance as embodied in the Malaysian Code of Corporate Governance ('the Code'). Towards this end, the Board takes every step to ensure that the principles of corporate governance and best practices are observed and practised throughout the Group.

Set out below is a statement of how the Group has applied the principles of the Code and compliance with the best practices provisions:

1. THE BOARD

(a) Composition of the Board

The Board, led by an independent non-executive Chairman, has nine (9) members, comprising five (5) non-executive Directors and four (4) executive Directors, with four (4) of the five (5) non-executive Directors being independent Directors. The Board comprises of an appropriate balance of non-executive and executive Directors with diverse experience and expertise required for the effective stewardship of the Group and independence in decision making at Board level. A brief profile of each Director is presented on pages 12 to 17 of this Annual Report.

The roles of the Chairman of the Board and the Managing Director are distinct and separated with responsibilities clearly defined to ensure a balance of power and authority. Generally, the Chairman of the Board is responsible for ensuring Board effectiveness and conduct, whilst the Managing Director has primary responsibilities for the day-to-day management of the Group and together with the executive Directors ensure that strategies, policies and matters approved by the Board and/or the Executive Committee are effectively implemented.

The presence of four (4) independent non-executive Directors fulfil a pivotal role in corporate accountability. Essentially, independent non-executive Directors provide unbiased and independent views, advice and judgement in the decision making process. As and when a potential conflict of interest arises, the Director concerned would declare his interest and abstain from the decision-making process.

On 14 March 2002, the Board has appointed Dato' Seri Khalid Ahmad bin Sulaiman as the senior independent non-executive Director and he is available for communication of any concern, including with the shareholders and general public.

All Directors attended the Mandatory Accreditation Programme ('MAP') prescribed by Kuala Lumpur Stock Exchange ('KLSE') during the financial year under review. The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

(b) Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors, including the Managing Director, shall retire from office, at least once in three (3) years. Retiring directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

For the forthcoming Annual General Meeting, Mr Robert Tan Chung Meng, Mr Tan Boon Seng and Mr Tan Boon Gark will retire by rotation, and being eligible, offer themselves for re-election. Mr Jeffrey Heng Wah Yong will not be offering himself for re-appointment.

(c) Board Meetings

The Board meets every quarter with additional meetings convened as and when necessary. The Board met for a total of five (5) times for the financial year ended 31 December 2001 and all the present Directors have attended more than 50% of the Board meetings. Details of Board members attendance at Board meetings are outlined in page 7 of this Annual Report.

Scheduled Board meetings are structured with a pre-set agenda. Board reports providing updates on operational, financial and corporate issues as well as minutes of meetings of the Board Committees are circulated prior to the meetings to enable Directors to obtain further explanations/clarifications, where necessary, in order to be properly briefed before the meeting.

In addition to the quarterly Board reports, the Board is also notified of any corporate announcements released to the KLSE and the impending restriction in dealing with the securities of the Company at least one month prior to release of the quarterly financial results announcement. The Board is also kept informed of the various requirements and updates issued by the various regulatory authorities.

The Board has unrestricted access to senior management and the advice and services of the Company Secretaries. Directors may also seek independent professional advice, where necessary, in the furtherance of their duties at the Group's expense.

(d) Directors' Remuneration

Remuneration of the executive Directors is reviewed periodically having regard to the Group and individual performance as well as overall market conditions. Remuneration of non-executive Directors is linked to their experience and level of responsibilities undertaken. Directors' fees are paid only to non-executive Directors. Increases in Directors' fees are determined by the Board with the approval from shareholders at the Annual General Meeting.

The aggregate remuneration of Directors for the financial year ended 31 December 2001 are as follows:

	Salaries & other Emoluments RM'000	Fees RM'000	Total RM'000
Executive Directors	1,239.1	-	1,239.1
Non-Executive Directors	49.0	61.5	110.5

The number of Directors whose total remuneration falls within the respective band are as follows:

Range of Remuneration	Executive	Non-Executive
Below RM50,000	-	6
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	1	-
RM250,001 to RM300,000	4	-

Note:

1. For purpose of the above, remuneration paid to an alternate Director who is a full time employee of the Group has been placed according to the classification of the principal Director.
2. The aggregate fees and meeting allowances of the non-executive Directors also include those who had resigned during the financial period under review.

2. THE BOARD COMMITTEES

The Group has within it a structured framework of policies and procedures and internal guidelines. The efficacy of the governance structure and mechanism is monitored through the Board, the Audit Committee, the Share and Employees Share Option Scheme ('ESOS') Committee, the Nomination Committee, the Remuneration Committee and the Executive Committee. The Board Committees operate under clearly defined terms of reference regarding its objectives, duties and responsibilities, authority, meeting and membership, the details of which are set out below:

(a) Audit Committee

The terms of reference of the Audit Committee, composition of its membership and other pertinent information about the Audit Committee and its activities are highlighted in the Audit Committee Report.

(b) Share and ESOS Committee

The Share and ESOS Committee is responsible for regulating and approving securities transactions and registrations, and for implementing and administering the ESOS of the Company.

(c) Nomination Committee

The Nomination Committee is responsible for:

- reviewing, recommending and considering candidates to the Board of the Company, subsidiaries and associates of the Group, including committees of the Board;
- reviewing succession planning and senior management development including nominations to the Board of Directors of the Company; and
- assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director on an annual basis.

The Committee has met twice since its inception.

(d) Remuneration Committee

The Remuneration Committee is responsible for:

- establishing and reviewing from time to time the scheme and conditions of service of staff in the Group;
- establishing and reviewing the terms and conditions of employment and remuneration of executive Directors and senior executives of the Group;
- reviewing and approving annual salary increments and bonuses of executive Directors and senior executives of the Group;
- approving the terms of service or re-employment of retiring senior executives; and
- formulating overall personnel and remuneration policies for the Group together with other functions as may be agreed to by the Remuneration Committee and the Board of Directors.

The Committee met once since its inception. The meeting was attended by all the members of the Committee.

To assist in the execution of its responsibilities, in addition to the above mentioned Committees, the Board has also established an Executive Committee. The Committee is delegated with certain authority by the Board to oversee the conduct of the Group's core business or existing investments and to review and/or implement strategic plan for the Group with restricted authority given by way of limits determined by the Board, and to undertake such function and all matters as may be approved or delegated by the Board from time to time.

3. ACCOUNTABILITY AND AUDIT

(a) Financial reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors take responsibility to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee of the Board assists by scrutinizing the information to be disclosed, to ensure accuracy and adequacy.

(b) Responsibility Statement by the Board of Directors

In the course of preparing the annual financial statements for the Group and the Company, the Directors are collectively responsible for ensuring that these financial statements are drawn up in accordance with the requirements of the applicable Approved Accounting Standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements of the Kuala Lumpur Stock Exchange.

It is the responsibility of the Directors to ensure that financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the year ended 31 December 2001, the Directors have applied appropriate and relevant accounting policies consistently and in accordance with applicable accounting standards and made judgments and estimates that are reasonable and fair.

The financial statements are prepared on a going concern basis and the Directors have ensured that proper accounting records are kept which enable the preparation of the financial statements with reasonable accuracy.

The Directors have also taken the necessary steps, as are reasonably open to them, to ensure that appropriate systems are in place for the assets of the Group and the Company to be adequately safeguarded through the prevention and detection of fraud and other irregularities and material misstatements. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.

(c) State of internal controls

The Board acknowledges its responsibility of maintaining a good system of internal controls, covering not only financial controls but also operational and compliance controls as well as risk assessments. The internal control system is designed to meet the Group's particular needs and to manage the risks to which it is exposed. This system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement, fraud or loss. Ongoing reviews are continuously carried out to ensure the effectiveness,

adequacy and integrity of the system of internal controls in safeguarding the Group's assets and therefore shareholders' investment in the Group.

An independent internal audit department has been established. The internal audit department reports to the Audit Committee of the Company. The internal audit team performed its duties in accordance with its annual audit plan covering management, operational and system audit of the Group. The internal audit team had already conducted various audit assignments, and effected several systems of internal control covering financial controls, operational and compliance controls and risk management. Management information system has also been established for the Group so that both financial and non-financial information on a monthly basis are submitted to the Executive Committee for better decision-making and control of the Group's activities.

The system of internal controls will continue to be reviewed, added on or updated in line with the changes in the operating environment. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by the internal and external auditors. The Board is of the view that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's interest.

The Board and Management are currently formulating a formal approach towards risk management and working towards complying with the guidance issued by the relevant authorities.

(d) Relationship with external auditors

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report.

4. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

The Board acknowledges the need for shareholders and investors to be well informed of the Group's performance and major developments. Announcements and release of financial results on a quarterly basis provide the shareholders and the investing public with an overview of the Group's performance and operations. The Annual Report also contains a full business review, including a financial and operational review, and a description of the Group's products.

The Annual General Meeting of the Company represents the principal forum for dialogue and interaction with all shareholders, and the Board encourages shareholders to participate in the question and answer session. Directors and the external auditors are available to provide explanations to all shareholders' queries during the meeting. Where appropriate, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered on the spot. After the conclusion of each Annual General Meeting, executive Directors and senior management had all the while voluntarily conduct a question-and-answer session with the press, in addition to the constant dialogues with financial analysts and fund managers, to provide constructive communications on any matters concerning the Group such as its past performance, its results and its intended future performance and other relevant concerns. However, any information that may be regarded as undisclosed material information about the Group will not be given to any party, and such information would only be released after the Company has duly complied with the Listing Requirements.

Signed by the Board of Directors in accordance with their resolution dated 16 April 2002.

In conformance with the Kuala Lumpur Stock Exchange Listing Requirements, the following information is provided:

1. Material contracts

The material contracts entered into by the Company and/or its subsidiaries which involve Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2001 or entered into since the end of the previous financial year comprise the following:

- (a) On 15 May 2000, Commerce International Merchant Bankers Berhad ('CIMB') had announced on behalf of IGB that the Company had entered into a Memorandum of Understanding with Tan & Tan Developments Berhad ('Tan & Tan'), a major shareholder of the Company, to explore the feasibility of merging their property related businesses with the Company. Subsequently, on 25 July 2000, the Company, Tan & Tan and Gold IS Berhad ('Gold IS'), entered into an agreement to merge the property related businesses of the Company and Tan & Tan ('Merger Agreement') which includes, among others, the following:
 - (i) acquisition of the equity interest in Tan & Tan by the Company from Gold IS for a purchase consideration of approximately RM644.82 million to be satisfied by RM50.0 million in cash, the issuance of 166,548,514 new ordinary shares of RM0.50 each in IGB ('IGB Shares') at an issue price of RM2.50 per share and 178,444,836 1% irredeemable convertible preference shares of RM1.00 each in IGB ('ICPS 2002/2007') at par ('Acquisition');
 - (ii) bonus issue of new IGB Shares to be credited as fully paid-up on the basis of one (1) new IGB Share for every two (2) IGB Shares held after the Acquisition;
 - (iii) waiver for Gold IS and persons acting in concert with Gold IS from undertaking a mandatory take-over offer to acquire all the remaining IGB Shares not already owned by them pursuant to the Acquisition ('Waiver');
 - (iv) increase in the authorized share capital of the Company from RM1,000,000,000 comprising 2,000,000,000 IGB Shares to RM1,200,000,000 comprising 2,000,000,000 IGB Shares and 200,000,000 ICPS 2002/2007;
 - (v) amendments to the Memorandum and Articles of Association of the Company; and
 - (vi) amendments to the Bye-Laws of IGB's Employees Share Option Scheme.

[hereinafter collectively referred to as 'Proposal']

On 15 October 2001, the Securities Commission in its letter dated 10 October 2001, has approved the Merger. The Securities Commission has also approved in its letter dated 30 January 2002, the Waiver. The Foreign Investment Committee in its letters dated 21 March 2001, 12 September 2001 and 19 September 2001 has also approved the Merger.

By virtue of their common directorship and/or substantial shareholding in both IGB and Tan & Tan, the Directors of the Company namely, Tan Sri Abu Talib bin Othman, Osman bin Haji Ismail, Robert Tan Chung Meng and Tan Boon Seng are deemed interested in the Proposal.

The Proposal was duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 13 December 2001.

On 28 January 2002, the Kuala Lumpur Stock Exchange has approved, amongst others the listing of and quotation for the 178,444,836 ICPS 2002/2007 and up to 607,932,133 new IGB Shares to be issued pursuant to the Acquisition on the Main Board of the KLSE, the IGB Bonus Issue and such number of new IGB Shares to be issued upon conversion of the ICPS 2002/2007, up to additional 59,279,107 new Warrants 1999/2004 to be issued pursuant to the adjustment to the outstanding Warrants 1999/2004, and up to 59,279,107 new IGB Shares to be issued pursuant to the exercise of the additional new Warrants 1999/2004.

The Court Order which had been obtained on 29 January 2002 from the High Court of Malaya, sanctioning the scheme of arrangement under Section 176 of the Companies Act, 1965 for the implementation of the Merger, has been duly filed with the Registrar of Companies on 31 January 2002.

- (b) A conditional take-over offer ('Offer') by Reco Bay Pte. Ltd. ('Reco Bay') to acquire IGB's entire shareholding of 33,740,679 ordinary shares of A\$1.00 each in Ipoh Limited for a consideration of A\$1.65 per share was accepted by the Company on 8 November 2001 for a total cash consideration of A\$55,672,210 upon the terms and subject to the conditions of the Offer as contained in the Bidder's Statement by Reco Bay dated 21 September 2001 ('the Disposal'). With the Disposal, IGB ceased to be a substantial shareholder of Ipoh Limited.

Dato' Tan Chin Nam was a Director of IGB within the preceding twelve (12) months prior to the date of the Main Circular and was a non-executive Director and substantial shareholder (ceased on 13 November 2001) of Ipoh Limited during the period commencing on the date of the Offer until he resigned on 15 November 2001. Dato' Tan Chin Nam is also a major shareholder of IGB. Robert Tan Chung Meng and Tan Boon Seng ('Interested Directors') are both Directors of IGB and persons connected with Dato' Tan Chin Nam. Dato' Tan Chin Nam and the Interested Directors are deemed interested in the Disposal, and they had accordingly abstained from voting in relation to their direct and indirect interests in the Extraordinary General Meeting held on 5 November 2001; and

(c) On 13 November 2001, the Company and its wholly-owned subsidiary, Intercontinental Aviation Services Sdn. Bhd. ('IAS'), disposed of their entire shareholding of 24,028,000 Tan & Tan Shares for a total consideration of approximately RM23.55 million via open market transactions ('the Disposal'). With the Disposal, the Company and IAS ceased to be major shareholders of Tan & Tan.

Robert Tan Chung Meng is a Director of IGB whilst Dato' Tan Chin Nam was a Director of IGB within the preceding twelve (12) months prior to the Disposal. Robert Tan Chung Meng was a Director of Tan & Tan within the preceding twelve (12) months prior to the Disposal. Both Dato' Tan Chin Nam and Robert Tan Chung Meng are common major shareholders of both IGB and Tan & Tan. Robert Tan Chung Meng had abstained from all deliberations and voting on the resolution pertaining to the Disposal at the Board meetings of IGB.

2. Disclosures

The Group also took all the necessary steps to ensure transactions which were deemed to be 'related party transactions' were appropriately disclosed in accordance with the Listing Requirements, and convening general meetings to obtain shareholders' approval. Additionally, notification or announcements where appropriate and required were also made. Significant related party transactions are disclosed in Note 32 to the Financial Statements.

3. Options, warrants or convertible securities

No options, warrants or convertible securities were issued by the Company during the financial year except that during the year 36,439 Transferable Subscription Rights were converted to 36,439 new ordinary shares of RM0.50 each.

4. Imposition of sanctions/penalties

There were no material sanctions and/or penalties imposed on the Company and its subsidiary companies, Directors or management by the relevant regulatory bodies during the financial year.

5. Waiver

An Application under Section 169(A)(1) of the Companies Act, 1965, in respect of the Employees Share Option Scheme was approved by the Registrar of Companies on 21 February 2002.

6. Non-audit fees

The amount of non-audit fees paid and payable to the external auditors by the Company and its subsidiaries for the financial year ended 31 December 2001 are as follows:

	RM
PWC Taxation Services Sdn. Bhd.	422,262.00
PricewaterhouseCoopers	333,806.00
	<u>756,068.00</u>

7. Profit guarantees

During the financial year, there were no profit guarantees given by the Company.

8. Revaluation of landed properties

Save and except for hotel properties which were appraised once in every five (5) years, the Group does not have a revaluation policy.

9. American Depository Receipt ('ADR') or Global Depository Receipt ('GDR') Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

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The Boulevard, Mid Valley Megamall



AUDIT COMMITTEE REPORT

The Board of Directors of IGB Corporation Berhad ('IGB') is pleased to present the report of the Audit Committee of the Board for the year ended 31 December 2001.

Members and meetings

The composition of the Audit Committee is as listed below. The Audit Committee convened four (4) meetings during the year, on 26 February 2001, 29 May 2001, 30 August 2001 and 27 November 2001.

Name	Status of directorship	Attendance of meetings
Dato' Seri Khalid Ahmad bin Sulaiman <i>[appointed: member, 30 May 2001; chairman, 28 February 2002]</i>	Chairman, Senior Independent Non-Executive Director	2/4
Abdul Samad bin Haji Alias	Independent Non-Executive Director	2/4
Lai Meng	Executive Director	4/4
Jeffrey Heng Wah Yong <i>(appointed : 28 February 2002)</i>	Independent Non-Executive Director	-
Tan Sri Abu Talib bin Othman <i>[appointed: chairman, 30 May 2001; resigned : 28 February 2002]</i>	Independent Non-Executive Chairman	2/4
Chong Kim Weng <i>(resigned : 30 May 2001)</i>	Non-Independent Non-Executive Director	2/4
Tan Boon Gark <i>(resigned : 30 May 2001)</i>	Executive Director	2/4

Terms of reference

The Audit Committee was established in 1993 to act as a Committee of the Board of Directors, with the terms of reference as set out on pages 35 to 38.

During the year, the terms of reference of the Audit Committee has been revised to conform to the Listing Requirements of the KLSE.

Summary of activities during the financial year

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee during the year ended 31 December 2001 in the discharge of its functions and duties:

- (a) Reviewed the external auditors' scope of work and audit plans for the year. Prior to the audit, representatives from the external auditors, presented their audit strategy and plan.
- (b) Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's response.
- (c) Consideration and recommendation to the Board for approval of the audit fees payable to the external auditors;
- (d) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval.
- (e) Reviewed the internal audit department's resources requirements, programmes and plan for the financial year under review.
- (f) Reviewed the internal audit reports, which highlighted the audit issues, recommendations and management's response.
- (g) Reviewed the audited Financial Statements of the Group and the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited Financial Statements were drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards approved by the Malaysian Accounting Standard Board ('MASB').

- (h) Reviewed the Company's compliance in particular the quarterly and year end financial statements with the Listing Requirements of the KLSE, MASB and other relevant legal and regulatory requirements.
- (i) Reviewed the related party transactions entered into by the Group.
- (j) Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement pursuant to the KLSE Listing Requirements.
- (k) Reviewed the profit estimate, forecast and projections of the Group for the financial periods 31 December 2000 to 31 December 2004 for the purpose of submission to the Securities Commission in connection with the proposed merger of the property related businesses of IGB and Tan & Tan.

Internal Audit Functions

The Group has an Internal Audit department whose principal responsibility is to undertake regular and systematic reviews of the systems of financial and operational controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The attainment of such objectives involves the following activities being carried out by the department:

- (a) reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls promoting effective control in the Company and the Group at reasonable cost;
- (b) ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- (c) ascertaining the extent to which the Company and the Group's assets are accounted for and safeguarded;
- (d) appraising the reliability of information developed within the Company and the Group for management;
- (e) recommending improvements to the existing system of controls;
- (f) reviewing the effectiveness and efficiency of operations; and
- (g) carrying out investigations and special reviews requested by management and/or Audit Committee.

Objectives

The primary objectives of the Audit Committee are:

- ensure transparency, integrity and accountability in the Group's activities so as to safeguard the rights and interests of the shareholders.
- provide assistance to the Board in discharging its responsibilities relating to the Group's management of principal risks, internal controls, financial reporting and compliance of statutory and legal requirements.
- maintain through regularly scheduled meetings, a direct line of communication between the Board, senior management, internal auditors and external auditors.

Membership

- The members of the Audit Committee shall be appointed by the Board of Directors upon the recommendations of the Nomination Committee and shall consist of not less than three (3) members, a majority of whom shall be independent Directors. If membership for any reason falls below three (3) members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.
- The members of the Audit Committee shall elect a chairman from among their number who shall be an independent Director.
- No alternate Director shall be appointed as a member of the Audit Committee.
- At least one member of the Audit Committee must be a member of the Malaysian Institute of Accountants ('MIA') or if he is not a member of the MIA, he must have at least three (3) years of working experience and (a) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
- The Board shall review the terms of office of each of the Audit Committee at least once in three (3) years.

Proceedings of the Audit Committee

- Meetings shall be held not less than four (4) times a year, and shall normally be attended by the Head of Finance and Head of Internal Audit. The presence of external auditors may be requested, if required. Other members of the Board may attend meetings upon the invitation of the Audit Committee. At least once a year, the Audit Committee shall meet with the external auditors without any executive Board members present.
- Unless otherwise determined by the Audit Committee members, three (3) days' notice specifying the place, date and hour of the Audit Committee Meeting and the matters to be discussed thereat shall be given to all the Audit Committee members. The external auditors and the internal auditors may request a meeting by notifying the Company Secretary if they consider it necessary.
- The quorum for each meeting shall be at least two (2) members present in person, of whom at least two (2) must be independent Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.
- The Audit Committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairman shall have a second or casting vote.
- The Company Secretary shall be appointed Secretary of the Audit Committee.
- The Audit Committee shall cause minutes to be made of all proceedings at all meetings of the Audit Committee. The minutes of any meeting of the Audit Committee, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes. Minutes of each meeting shall be distributed to members of the Board. The Chairman of the Audit Committee shall report on each meeting to the Board.

Authority

The Audit Committee have the following authority as empowered by the Board:

- (a) to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information and personnel pertaining to the Group;
- (d) have direct communication channels with the external and internal auditors; and
- (e) to obtain independent professional advice as necessary.

Responsibilities and duties

In fulfilling its primary objectives, the Audit Committee shall undertake the following responsibilities and duties:

- Review and discuss with the external auditors of the following:
 - (a) the audit plan (including the nature and scope of audit and to ensure co-ordination of audit where more than one audit firm is involved), prior to the commencement of audit;
 - (b) their audit report;
 - (c) their evaluation of the system of internal controls;
 - (d) problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary); and
 - (e) their management letter and management's response
- Review the quarterly results and year end financial statements, prior to submission to the Board for approval, focusing particularly on:
 - (a) going concern assumptions;
 - (b) changes in or implementation of major accounting policy changes;
 - (c) major judgemental areas, significant and unusual events; and
 - (d) compliance with accounting standards, regulatory and other legal requirements.

- Review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and to ensure that the Directors report such transactions annually to the shareholders vide the annual report.
- Review the following in respect of internal auditors:
 - (a) adequacy of the scope and plan, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - (b) internal audit programme, processes and results of the internal audit programme, processes or investigation, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - (c) effectiveness of the system of internal controls;
 - (d) major findings of internal audit investigations and management's response;
 - (e) review any appraisal or assessment of the performance of the staff of the internal audit function;
 - (f) approve any appointment or termination of senior staff member of the internal audit function; and
 - (g) note resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation.
- Consider and recommend the nomination and appointment of external auditors, the audit fee and any questions of resignation, dismissal or re-appointment.
- Report promptly to the KLSE on any matter reported by it to the Board of Directors which has not been satisfactorily resolved resulting in the breach of the KLSE Listing Requirements.
- Review all prospective financial information provided to the regulators and/or the public.
- Prepare reports, if the circumstances arise or at least once a year, to the Board summarising the work performed in fulfilling the Audit Committee's primary responsibilities.
- Any other activities, as authorized by the Board.

Signed by the Board of Directors in accordance with their resolutions dated 7 March 2002 and 16 April 2002.