

# Intria

B E R H A D

(29354H)



Annual  
**REPORT**  
**2001**



## C O R P O R A T E O B J E C T I V E S

**To maximize** the value of the Intria Berhad Group of Companies to our stakeholders, bearing in mind at all times of our social responsibilities to Malaysia.

**To acquire** specialised technologies with due cognizance to quality, health, safety and environment issues.

**To continue** to develop a high performance team of professionals with strong management skills and technical expertise.

**To build** a progressive and dynamic identity for the Intria Berhad Group.

# INSIDE CONTENTS

02	Notice of Annual General Meeting
03	Statement Accompanying Notice of Annual General Meeting
05	Corporate Structure
05	Corporate Information
06	Board of Directors
08	Corporate Governance
18	Financial Highlights
19	Chairman's Statement
31	Review of Operations
46	A Centre of Excellence
48	A New Commitment to the Community
51	Analysis of Shareholdings
54	ISO 9002 Certification
55	Financial Statements
93	Proxy Form for Shareholders
	Group Corporate Directory

Inside  
Back  
Cover

**To ensure**  
sustainable growth  
in earnings.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of Intria Berhad will be held on Monday, October 22, 2001 at the Selangor Room, Sheraton Subang Hotel & Towers, Jalan SS12/1, 47200 Subang Jaya, Selangor Darul Ehsan at 10.00 a.m. to transact the following businesses:-

## AGENDA

### As Ordinary Business

1. To consider and receive the Audited Accounts of the Company for the financial year ended June 30, 2001 together with the Directors' and Auditors' Reports therein.

#### Resolution 1

2. To approve the payment of the Directors' remuneration for the financial year ended June 30, 2001.

#### Resolution 2

3. To re-elect the following directors who retire in accordance with the Company's Articles of Association, and who, being eligible, offer themselves for re-election:

- (i) YBhg Dato' (Dr) Haji Mohamed Ishak bin Haji Mohamed Ariff (Article 99)

#### Resolution 3

- (ii) YBhg Dato' Syed Md. Amin bin Syed Jan Aljeffri (Article 104)

#### Resolution 4

4. To re-appoint Messrs. Shamsir Jasani Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration.

#### Resolution 5

### As Special Business

To consider and, if thought fit, to pass the following resolutions, with or without modifications:-

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

"THAT subject to the approvals of all relevant regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to issue and allot ordinary shares of the Company at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

#### Resolution 6

6. To transact any other ordinary business of which due notice has been given.

By Order of the Board

**SHARIFAH SHAFIQA SALIM**

(LS: 005777)

Secretary

Shah Alam, Selangor Darul Ehsan

September 21, 2001

### NOTES ON APPOINTMENT OF PROXY:

1. Every member is entitled to appoint a proxy, or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy need not be a member of the Company.
2. The Form of Proxy must be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. In the case of joint holdings, the signature of the first named holder is sufficient.
3. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
4. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
5. The Form of Proxy must be deposited with the Company's Share Registrars, Mega Corporate Services Sdn Bhd, Level 11-2, Faber Imperial Court, Jalan Sultan Ismail, P.O. Box 12337, 50774 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

### EXPLANATORY NOTE ON ITEM 5 OF THE AGENDA – Resolution pursuant to Section 132D of the Companies Act, 1965

The proposed Resolution 6, if passed, will enable the Directors to issue up to a maximum of 10% of the issued share capital of the Company as at the date of this Annual General Meeting for such purposes as the Directors consider would be in the best interests of the Company. This authority, unless revoked or varied by the Company in a General Meeting, will expire at the next Annual General Meeting.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

## 1. Directors standing for re-election at the Twenty-Fifth Annual General Meeting of Intria Berhad

- (i) YBhg Dato' (Dr) Haji Mohamed Ishak bin Haji Mohamed Ariff
- (ii) YBhg Dato' Syed Md. Amin bin Syed Jan Aljeffri

## 2. Attendance of Directors at Board Meetings

Details of attendance at board meetings held in financial year ended June 30, 2001 (total of 4 meetings held):

Name of Directors	Attendance
YBhg Dato' (Dr) Haji Mohamed Ishak bin Haji Mohamed Ariff	4
YBhg Dato' Dr Ramli bin Mohamad	4
YBhg Dato' Syed Md. Amin bin Syed Jan Aljeffri	1
En. Aminuddin Yusof Lana	4

## 3. Place, date and hour of Board of Directors' Meetings held

All Board of Directors' Meetings were held at the Registered Office of the Company situated at Level 6, Wisma General Lumber, Peremba Square Saujana, Seksyen U2, 40150 Shah Alam, Selangor Darul Ehsan. Date and time of Board of Directors' Meetings held are:-

Date	Time
July 31, 2000	11.30 a.m.
November 16, 2000	4.20 p.m.
February 19, 2001	3.20 p.m.
May 17, 2001	10.15 a.m.

## 4. Details of Directors who are standing for re-election

Details	YBHG DATO' (DR) HAJI MOHAMED ISHAK BIN HAJI MOHAMED ARIFF	YBHG DATO' SYED MD. AMIN BIN SYED JAN ALJEFFRI
Directorship	Non-Independent, Non-Executive Director	Non-Independent, Non-Executive Director
Date of Appointment	July 1, 1997	March 1, 2001
Age	65	54
Nationality & Race	Malaysian/Malay	Malaysian/Malay
Qualification	Professional Chartered Town Planner and Professional Landscape Architect. Advanced Diploma in Town Planning (University of Durham) & Advanced Diploma in Landscape Design (University of Newcastle-Upon-Tyne)	P.A. (M), B.Econs (Hons.), Chartered (CICA) and Certified Public Accountant [MACPA and ICPA (S'pore)], associate member of Malaysian Institute of Taxation.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

## 4. Details of Directors who are standing for re-election (cont'd.)

Details	YBHG DATO' (DR) HAJI MOHAMED ISHAK BIN HAJI MOHAMED ARIFF	YBHG DATO' SYED MD. AMIN BIN SYED JAN ALJEFFRI
Working Experience & occupation	His last position before retirement in 1993 was as Director-General of Federal Department of Town and Country Planning. Since then, Dato' has held directorship and chairmanship in several public and private companies.	Before he set up his own company, Dato' was an accountant in the Esso Group until 1981. He is currently the Managing Partner in Aljeffri & Co. He holds several directorships in public and private companies
Other directorships of public companies	(1) Yee Lee Corporation Berhad (2) Faber Group Berhad	(1) United Engineers (Malaysia) Berhad (2) Crest Petroleum Berhad (3) EPE Power Corporation Berhad (4) Kinta Kellas Public Limited Company (5) Bina Darulaman Berhad (6) KUB Malaysia Berhad
Shares held in Intria Berhad and its subsidiaries	30,000 ordinary shares of Intria Berhad	Nil
Family relationship with any director and/or major shareholder of Intria Berhad	Nil	Nil
Any conflict of interest with Intria Berhad	Nil	Nil
List of convictions for offences within the past 10 years other than traffic offences, if any	Nil	Nil

# CORPORATE STRUCTURE

**Intria**  
BERHAD



## CORPORATE INFORMATION

### DIRECTORS

- YBhg Dato' (Dr) Haji Mohamed Ishak bin Haji Mohamed Ariff  
(Chairman/Non-Executive Non-Independent Director)
- YBhg Dato' Dr Ramli bin Mohamad  
(Executive Vice-Chairman/ Non-Independent Director)
- En. Aminuddin Yusof Lana  
(Managing Director/ Non-Independent Director)
- YBhg Dato' Syed Md. Amin bin Syed Jan Aljeffri  
(Non-Executive Non-Independent Director)

### SECRETARY

- Pn. Sharifah Shafiqah Salim

### REGISTERED OFFICE

- Level 6  
Wisma General Lumber  
Peremba Square  
Saujana, Section U2  
40150 Shah Alam  
Selangor Darul Ehsan  
Tel: 03-7622 1266  
Fax: 03-7622 1366  
<http://www.intria.com.my>

### AUDITORS

- Messrs. Shamsir Jasani Grant  
Thornton, Public Accountants  
Level 11-1  
Faber Imperial Court  
Jalan Sultan Ismail  
P.O. Box 12337  
50774 Kuala Lumpur  
Tel: 03-2692 4022  
Fax: 03-2691 5229

### SOLICITORS

- Messrs. Abu Talib Shahrom & Zahari
- Messrs. Rashid & Lee
- Messrs. Sri Ram & Co.

### SHARE REGISTRAR

- Mega Corporate Services Sdn Bhd  
Level 11-2, Faber Imperial Court  
Jalan Sultan Ismail  
P.O. Box 12337  
50774 Kuala Lumpur  
Tel: 03-2692 4271  
Fax: 03-460 5388

### PRINCIPAL BANKERS

- Bumiputra Commerce Bank Berhad
- Bank Muamalat (M) Berhad

### STOCK EXCHANGE LISTING

- Main Board, The Kuala Lumpur Stock Exchange

# BOARD OF DIRECTORS

## **YBHG DATO' (DR) HAJI MOHAMED ISHAK BIN HAJI MOHAMED ARIFF** **(CHAIRMAN)**

YBhg Dato' (Dr) Haji Mohamed Ishak, joined the Board of Intria Berhad on July 1, 1997 and was appointed as Chairman on June 8, 1998. A qualified Professional Chartered Town Planner and a Professional Landscape Architect, Dato' (Dr) Haji Mohamed Ishak was honoured in May 1993 by the University of Newcastle-Upon-Tyne, England, with an Honourary Doctorate in Civil Law. Dato' (Dr) Haji Mohamed Ishak is the Chairman of Yee Lee Corporation Berhad and is a Board member of Faber Group Berhad, Prolink Development Sdn Bhd, Galeri Shah Alam, MIMA Holdings Enterprise Sdn Bhd, P&D Consultants Sdn Bhd and Penang Bridge Sdn Bhd. He is also a member of the Advisory Board of the City of Kuala Lumpur.



## **YBHG DATO' DR RAMLI BIN MOHAMAD** **(EXECUTIVE VICE-CHAIRMAN)**

YBhg Dato' Dr Ramli bin Mohamad, joined the Board of Intria Berhad as Executive Vice-Chairman on March 1, 2000. He graduated with First Class Honours in Civil Engineering from Liverpool University, UK, and holds a Master of Science and PhD in Civil Engineering from Rensselaer Polytechnic Institute, USA. He has served in various positions in the Government and taught civil engineering at Universiti Kebangsaan Malaysia. He is currently the Managing Director of United Engineers (M) Berhad. Dato' Dr Ramli is also currently a director in Renong Berhad, Cement Industries of Malaysia Berhad (CIMA), Projek Penyelenggaraan Lebuhraya Berhad (PROPEL), Ho Hup Construction Company Berhad, Pharmaniaga Berhad, Projek Lebuhraya Utara-Selatan Berhad (PLUS), Linkedua (M) Berhad, Costain Group PLC (UK), Opus International Consultants Limited and several other private limited companies.





**EN. AMINUDDIN YUSOF LANA**  
**(MANAGING DIRECTOR)**

En. Aminuddin Yusof Lana, was appointed as Managing Director of Intria Berhad on March 1, 2000. He has previously served as Director and later Managing Director of Renong Berhad from May 1990 to February 1994 and as Director and Group Managing Director of Faber Group Berhad from June 1990 to December 1994. He was the Managing Director of Metacorp Berhad from January 1995 to October 1996. He is currently a non-executive director of Costain Group PLC (UK).

Prior to his appointments with the Renong Group, he has held several senior management positions with public listed multi-national corporations in New Zealand and Australia. En. Aminuddin holds a Bachelor of Commerce and Administration Degree from Victoria University of Wellington, New Zealand. He is a Chartered Accountant and an Associate of the Institute of Chartered Secretaries and Administrators of London and Wales, United Kingdom.



**YBHG DATO' SYED MD. AMIN BIN SYED JAN ALJEFFRI**  
**(DIRECTOR)**

YBhg Dato' Syed Md. Amin bin Syed Jan Aljeffri, was appointed to the Board of Directors of Intria Berhad on March 1, 2001. He is an Economics graduate majoring in Accounting from University Malaya and a Chartered Accountant from the Canadian Institute of Chartered Accountants. He is also an associate of the Malaysian Institute of Taxation, a member of the Malaysian Institute of Accountants (MIA), Malaysian Association of Certified Public Accountants and the Institute of Certified Public Accountants of Singapore. Dato' Syed Md. Amin is presently the President of the Malay Chamber of Commerce, Kuala Lumpur and the Deputy President of Malay Chamber of Commerce, Malaysia.

He holds several directorships including EPE Power Corporation Berhad, KUB Malaysia Berhad (also as Audit Committee, Chairman), Kinta Kellas plc, Crest Petroleum Berhad, Bina Darulaman Berhad, UE Management Services Berhad, Amcor Fibre Packaging (Malaysia) Sdn Bhd and his own Aljeffri Group of Companies.

# C O R P O R A T E G O V E R N A N C E

## Upholding *the* **HIGHEST STANDARDS**

## of **INTEGRITY, TRANSPARENCY** and **ACCOUNTABILITY**

**The Intria Group** is committed to the highest standards of corporate governance in the conduct of its operations, dealings with third parties and financial management. The Board recognizes the importance of good corporate governance to protect the interests of the Company's stakeholders, including those of the minority shareholders. Thus, even prior to the establishment of the Malaysian Code on Corporate Governance, the Board has endeavoured compliance with the principles of corporate governance embodied within a structured framework of policies, procedures and internal guidelines.

Throughout the Group, steps are being taken to strengthen the efficacy of Intria's corporate governance structure to comply with the new Kuala Lumpur Stock Exchange (KLSE) Listing Requirements relating to the Malaysian Code on Corporate Governance.

### **BOARD OF DIRECTORS**

#### **Composition and Balance**

The Board, led by a Non-Executive Chairman, is made up of four members, comprising two Non-Executive Directors and two Executive Directors. The Board meets on a scheduled basis at least four times a year, although additional meetings can be convened as and when required.

During the financial year ended June 30, 2001, the Intria Board met on four occasions with all but one of the current Directors in attendance. The exception was Dato' Syed Md. Amin bin Syed Jan Aljeffri, who was only appointed on March 1, 2001 and therefore, could only attend one meeting following his appointment.

The Board's composition represents a mix of knowledge, skills and expertise relevant to the infrastructure-related activities of Intria Berhad. A brief background of each Director is outlined on pages 6 to 7.

The roles of the Chairman, Executive Vice-Chairman and Managing Director are distinct and separate with responsibilities clearly drawn out to ensure a balance of power and authority. Generally, the Executive Directors are responsible for making and implementing operational decisions. Non-Executive Directors play a key supporting role, contributing their knowledge and experience towards the formulation of policies and in the decision-making process.

The Board is taking affirmative action to identify qualified independent individuals as additional Directors. This is to fulfill the requirement of a one-third independent Board membership before December 31, 2001. In the meantime, all the current Directors have given their undertaking to comply with the provisions of the KLSE Listing Requirements. All Directors have also attended a Mandatory Accreditation Programme organized by RIIAM, the training arm of KLSE on June 22 and 23, 2001, and will attend similar training programmes annually to equip themselves with the knowledge to discharge their duties more effectively.

Close consideration is continually given to the size and composition of the Board, as well as the spread of experience and expertise of its members. No individual or group of individuals is allowed to dominate the Board's decision-making and the number of Directors that sit on the Board is a fair representation of shareholders' interests. This will ensure that issues of strategy, performance and resources are fully discussed to take into consideration the long-term interests of shareholders, employees, clients, suppliers as well as the various communities in which the Group conducts its businesses. Where a potential conflict of interest may arise, it is mandatory for the director concerned to declare his interests and abstain from the decision-making process.

Board decisions are communicated through the Managing Director to the Management Committee (MC) which comprises representatives from the Company's senior management team. The MC is headed by the Managing Director and meets weekly to discuss on operational and policy matters.

## **A c c e s s   t o   I n f o r m a t i o n**

All Directors are provided with written reports and supporting information in a timely manner so that, if necessary, clarification or additional information can be sought. Board reports and papers include information on major financial, operational and corporate matters as well as the activities and performance of the Group. This is in addition to the schedule of matters specifically reserved for the Board's decision.

The Board is given unrestricted access to all staff for any information pertaining to the Company's affairs. Directors also have access to the advice and services of the Company Secretary and in addition, may seek independent advice should the need arise.

## **B o a r d   C o m m i t t e e s**

The Board is assisted by an Audit Committee, whose role and functions are set out in detail on pages 12 to 17. In compliance with the KLSE Listing Requirements, the Board will take the necessary measures for the majority of the Audit Committee composition to be composed of independent Non-Executive Directors before December 31, 2001.

The Board plans to set up a Nomination Committee comprising a majority of independent Directors and a Remuneration Committee consisting wholly or mainly of Non-Executive Directors.

The Nomination Committee will be responsible for making recommendations on any appointment to the Board and its various Committees. In making these recommendations, due consideration will be given to the required mix of skills and experience

# C O R P O R A T E G O V E R N A N C E

that the proposed Directors should bring to the Board. The Nomination Committee will also evaluate annually, the effectiveness of the Board as a whole, the various Committees and each individual Director's contribution towards the effectiveness of the decision-making process of the Board.

When established, the Remuneration Committee will be responsible for drawing up the policy framework and for making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors. The remuneration package of Non-Executive Directors will be decided by the Board as a whole, with the Directors concerned required to abstain from the deliberations and voting on decisions in respect of the individual's remuneration.

## R e - e l e c t i o n

The Company's Articles of Association provide that at least one third or the nearest number to one third of the remaining Directors are subject to re-election by rotation at each Annual General Meeting. The Articles of Association are being amended to provide that Executive Directors shall also submit themselves for re-election at least once every three years in compliance with the KLSE Listing Requirements.

## D i r e c t o r s ' R e m u n e r a t i o n

The details of the remuneration for directors of Intria Berhad during the financial year ended June 30, 2001 are as follows:-

1. Aggregate of remuneration of directors categorised into appropriate components:

	Basic Salary (RM)	Bonus (RM)	Fees (RM)	Meeting Allowances (RM)	Benefits in kind (RM)	Company's EPF contribution (RM)	Employee's EPF contribution* (RM)	Tax/ Zakat payable* (RM)
Executive Directors	311,400	57,239	36,000	nil	33,300	54,555	40,007	107,194
Non-Executive Directors	nil	nil	70,000	5,000	7,545	nil	nil	6,970

\* statutory deductions

2. The number of directors whose total remuneration fall within the following bands:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	1	1
RM50,001 to RM500,000	1	1

## SHAREHOLDERS

### Relationship with Shareholders and Investors

The Group recognizes the importance of establishing a direct line of communication with shareholders and investors through the timely dissemination of information on the Group's strategic direction, performance and major developments via the various communication channels. An effective communication programme is key to fostering good relations and developing mutual understanding.

Information is disseminated to the Group's shareholders and investors through one or a combination of the following medium:

- Publication and distribution of a bi-lingual Annual Report in Bahasa Malaysia and English, containing facts, figures, statutory reports and disclosures.
- Publication of financial advertisements in the major newspapers carrying a condensed version of the Company's quarterly reports.
- Publication and distribution of circulars to shareholders.

- Issuing of press releases to the KLSE and national newspapers.
- Holding a press conference with journalists after the AGM.
- Attending to enquiries or complaints in a timely manner and rectifying any adverse reports on the Company published in the newspapers.

In keeping with the Information Age, the Group has developed a website which can be accessed at [www.intria.com.my](http://www.intria.com.my). The website is updated continually to provide the latest and most comprehensive information on the Group.

### Annual General Meeting

Notice of the AGM and Annual Reports are sent out to shareholders at least 21 days before the date of the meeting.

The Company encourages its shareholders to attend the AGM as it serves as an important platform for shareholders to meet and exchange views with Board members. At each AGM, the Board allocates a question and answer session, whereby shareholders

# C O R P O R A T E G O V E R N A N C E

have the opportunity to raise questions, voice their opinions and seek clarification on the business and performance of the Group. The Chairman and where appropriate, the Executive Vice-Chairman or the Managing Director, will respond to any questions raised during the meeting.

In the re-election of Directors, the Board will ensure that through the notice of meeting, full information is disclosed on Directors who are retiring and willing to continue to serve, if re-elected.

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of a proposed resolution. This is to facilitate a better understanding and evaluation of the issues involved.

## **ACCOUNTABILITY AND AUDIT FUNCTION**

In presenting the annual financial statements and quarterly announcements to shareholders, the aim of the Directors is to present a balanced and comprehensible assessment of the Group's position and prospects. The Board Audit Committee assists the Board to ensure accuracy and adequacy of all information for disclosure. The Statement by the Board pursuant to para 15.27 (a) of the KLSE Listing Requirements on its responsibilities in preparing the accounts is set out on page 17 of this report.

## **REPORT OF THE AUDIT COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. C o m p o s i t i o n**

An independent Audit Committee ('Committee') shall exist to implement and support the functions of the Board. Members of the Committee shall elect the Chairman, and all members of the Committee including the Chairman shall hold office as long as they serve as Directors of the Company.

Based on 'Part C – Audit Committee' of the new KLSE Listing Requirements on Corporate Governance, the Committee shall be appointed from amongst the Directors and no alternate Director shall be a member of the Committee.

The Committee shall comprise at least three members, majority of whom shall be Independent Directors. At least one (1) member of the Committee shall be a member of the Malaysian Institute of Accountants (MIA) or if not a member of MIA, must have had at least 3 years working experience, and either have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967. The Chairman of the Committee shall be an Independent Director.

Members of the Committee may relinquish their membership with prior written notice to the Company Secretary and may continue to serve as Director of the Company. In the event of any vacancy in the Committee, the vacancy shall be filled within 3 months, and the Nomination Committee shall review and recommend for the Board's approval another appropriate Director to fill the vacancy.

## 2. M e m b e r s

Current members of the Committee and their respective designations are:

- YBhg Dato' (Dr) Haji Mohamed Ishak bin Haji Mohamed Ariff
  - *Chairman*
  - *(Non-Independent Non-Executive Director)*
- YBhg Dato' Syed Md. Amin bin Syed Jan Aljeffri
  - *Member*
  - *(Non-Independent Non-Executive Director)*
- En. Aminuddin Yusof Lana
  - *Member*
  - *(Non-Independent Executive Director)*

During the financial year, members of the Committee who have resigned are YBhg Dato' Anad Krishnan A/L Muthusamy, YBhg Dato' Mohamad Nor bin Mohamad and En. Yusli bin Mohamed Yusoff; while YBhg Dato' Syed Md. Amin bin Syed Jan Aljeffri was appointed as replacement.

In view that all the current members are either Non-Independent Non-Executive or Non-Independent Executive Directors, the Company is in the process of appointing at least two Independent Non-Executive Directors before December 31, 2001.

## 3. O b j e c t i v e s

In compliance with KLSE Listing Requirements and best practices recommended by the Finance Committee on Corporate Governance stipulated in the Malaysian Code on Corporate Governance, it is the objective of the Committee to assure the shareholders of the Company that the Directors have complied with specified financial standards and required disclosure policies developed and administered by KLSE and other approved accounting standard bodies.

Further, the Committee shall ensure consistency with KLSE's commitments to encourage high standards of corporate disclosure and transparency. The Committee also endeavours to adopt practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to the Company's shareholders.

## 4. D u t i e s a n d R e s p o n s i b i l i t i e s

The principal duties and responsibilities of the Committee shall include:

- 4.1 To consider the appointment of a suitable accounting firm to act as the external auditor. Amongst the factors considered for the appointment are the adequacy of experience and resources of the firm, the individuals assigned to the audits, and the recommended audit fees payable.

# C O R P O R A T E G O V E R N A N C E

- 4.2 To discuss the nature and scope of the audit with the external auditor (before the audit commences) and ensure co-ordination (where more than one audit firm is involved).
- 4.3 To review the quarterly interim results, and annual financial statements of the Board, focusing particularly on:
- Any changes in accounting policies and practices.
  - Significant adjustments arising from the external audits.
  - The going concern assumption.
  - Compliance with accounting standards and other legal requirements.
- 4.4 To discuss issues and concerns arising from the interim and final audits, and any other matters the external auditor wishes to discuss, in the absence of management if necessary.
- 4.5 To review the external auditor's management letter and management's response.
- 4.6 To review the assistance and co-operation given by the Company, its business units and its officers to auditors.
- 4.7 To review and ensure the Company's internal audit function is adequately resourced, has appropriate standing within the Company, and has adequate standards of internal controls, reporting and processes.

- 4.8 To consider the major findings of internal audits and investigations, management's response, remedial actions taken and follow-ups.
- 4.9 To review any related party transactions and conflict of interest situation that may arise within the Company or the business units.
- 4.10 To consider other topics as defined by the Board.

## 5. A u t h o r i t y

In conducting its duties and responsibilities, the Committee shall have the following rights:

- 5.1 Explicit authority to investigate any matter within its terms of reference.
- 5.2 Have adequate resources required to conduct its duties.
- 5.3 Have full, free and unrestricted access to any information, records, properties and personnel of the Company and of any other companies within the Group.
- 5.4 Have direct communication channels with the external and internal auditors.
- 5.5 Able to obtain external independent professional advice and to invite external parties with relevant experience to attend the Committee meetings for advice.

5.6 Have discretion to invite other Directors and/or employees of the Company to attend any particular Committee meeting to discuss specific issues.

5.7 Able to convene meetings with external and internal auditors, excluding the attendance of the executive members of the Committee if deemed necessary.

## 6. Meetings and Other Activities

The Committee held four meetings during the financial year ended June 30, 2001 with all members of the Committee in attendance. The dates of the meetings held are as follows:

July 31, 2000

November 16, 2000

February 19, 2001

May 17, 2001

A notice of meeting shall be distributed to Committee members and other relevant representatives prior to the meetings. The meetings shall be attended by the Head of the Internal Audit Department, who shall act as the Secretary of the Committee and record the minutes of the proceedings.

Representatives of external auditors shall be invited to attend meetings where matters relating to audits of the statutory accounts and/or the external auditors are to be discussed. A member of the Board shall also be invited to observe and provide comments on the proceedings.

Quorum of the meeting shall be met when a majority of members present are Independent Directors ('Independent Members'). Decisions of the Committee shall be made on the basis of majority agreement by the Independent Members.

Minutes of the meetings shall be distributed to each member of the Committee and also to members of the Board. The Chairman of the Committee, who is also a Board member, shall report matters discussed at each meeting to the Board.

In addition to performing its principal duties and responsibilities, and discussing matters at the Committee meetings, the Committee shall perform or has performed the following functions:

- Review and approve the 'Compliance to the KLSE Listing Requirements' quarterly reports.
- Review and approve press releases to shareholders, investors and regulatory authorities.
- Review and approve the annual and revised audit plans.
- Review and discuss risk analysis of the Companies and business units of the Group.
- Attend seminars, trainings and conferences relating to Corporate Governance, KLSE Listing Requirements and other relevant subjects.

# C O R P O R A T E G O V E R N A N C E

## 7. Internal Controls

Internal controls are an integral self-regulatory mechanism in enhancing corporate governance. To this end, an Internal Audit Department ('IAD') exists to regulate controls and conducts its activities in line with the Internal Audit Charter.

The internal audit function is independent of the activities audited and audits are performed with impartiality, proficiency and due professional care. An annual audit plan of audits to be conducted that is based on risk management is prepared and tabled at the Committee meeting for discussion and approval.

During the year, IAD conducted 8 comprehensive audits focussed on reinforcing and improving operational, financial and administrative systems and processes. The audits disclosed that a satisfactory system of internal controls exists throughout the Companies and business units of the Group.

Weaknesses observed, their impacts to the business, audit's recommendations, management's action plans to rectify weaknesses, and follow-up to actions taken arising from the audits are promptly reported to the Committee. The audit reports are also tabled at the quarterly Committee meetings for deliberation. The Committee also ensures the adequacy, objectivity and effectiveness of the internal audit functions and resources.

A risk analysis of the companies and business units of the Group is conducted annually and updated throughout the year to assess current risks and their impacts on the business and

operations. The annual audit plan is revised at least once during the year to accommodate changes to current assessment of risk analysis performed to ensure the proper direction of audit's focus and attention.

IAD was also involved in assisting the Group obtain ISO 9002 certifications for Penang Bridge Sdn Bhd's toll operations and Intria Bina Sdn Bhd's construction management. Accreditation to ISO 9002 is part of management's plan for the Group to embark on a continual journey towards operational excellence and cost-effectiveness. IAD has also been involved with the review of tender processing and preparation of a manual on tender procedures for the Group.

Currently, IAD is designing and creating databases of Corporate Governance and KLSE Listing Requirements. A Compliance Auditor is being recruited to assist management on matters relating to corporate governance and compliance. In addition to updating and reporting on compliance with the KLSE Listing Requirements quarterly report, IAD is also reviewing the Company's 'Discretionary Authority Limits' for appropriateness and practicality.

The Committee is committed in its responsibilities and accountabilities for the Group's system of internal controls. The controls not only cover the areas of financial, operations and administration, but also compliance with statutory requirements and the Group's policies and procedures.

In addition, a risk management system is in place to determine the Group's and its individual business units' exposure to risks, and their impacts on the business and operations. The system is designed to safeguard shareholders' investments and Company's assets, besides managing and reducing risks and impacts of failure in order for the Group to achieve its business objectives. Since certain risks and threats are externally driven, unforeseen and beyond the Group's control, the system can only provide reasonable assurance against mis-statement or loss.

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

Directors are legally required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flow of the Group and of the Company for the financial year then ended.

In preparing those financial statements, Intria Berhad's Directors have:

- adopted suitable accounting policies and then applied them consistently;
- made judgements and estimates that are prudent and reasonable;

- ensured applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **OTHER INFORMATION**

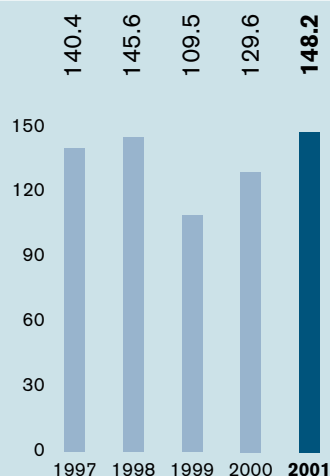
None of the Directors have any family relationship with other Directors or major shareholders of the Company. To date, there has not been any conflict of interest between any of the Directors and the Company. None of the Directors have been convicted of any offence in the past ten (10) years. Save for En. Aminuddin Yusof Lana who is a New Zealander holding permanent resident status in Malaysia, all the Directors are Malaysians.

# FINANCIAL HIGHLIGHTS

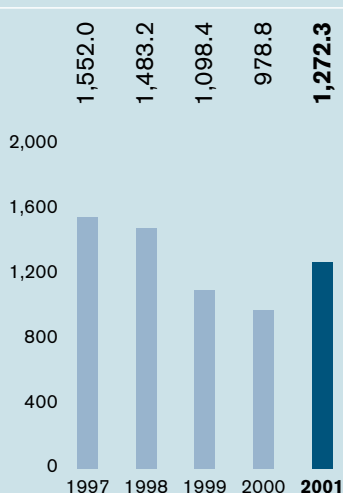
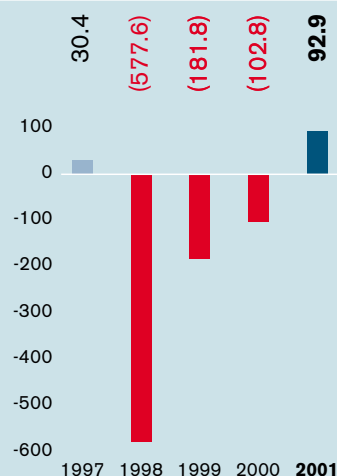
Financial Year June 30, 1997 to June 30, 2001

	1997 (RM'Million)	1998 (RM'Million)	1999 (RM'Million)	2000 (RM'Million)	2001 (RM'Million)
Revenue	140.4	145.6	109.5	129.6	<b>148.2</b>
Profit/(Loss) After Tax	30.4	(577.6)	(181.8)	(102.8)	<b>92.9</b>
Shareholders Funds	1,007.1	558.0	369.5	260.8	<b>352.9</b>
Total Assets Employed	1,552.0	1,483.2	1,098.4	978.8	<b>1,272.3</b>
Earnings/(Loss) Per Share (Sen)	10.4	(75.3)	(23.4)	(13.2)	<b>11.9</b>
Net Asset Per Share (RM)	3.45	0.72	0.47	0.34	<b>0.45</b>

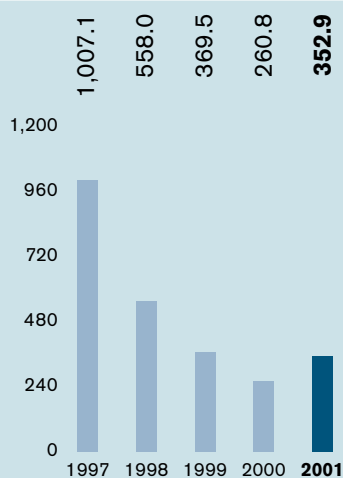
REVENUE  
RM Million



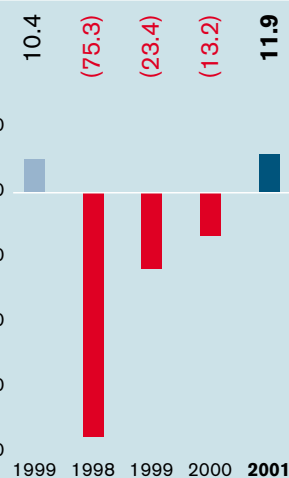
PROFIT/(LOSS) AFTER TAX  
RM Million



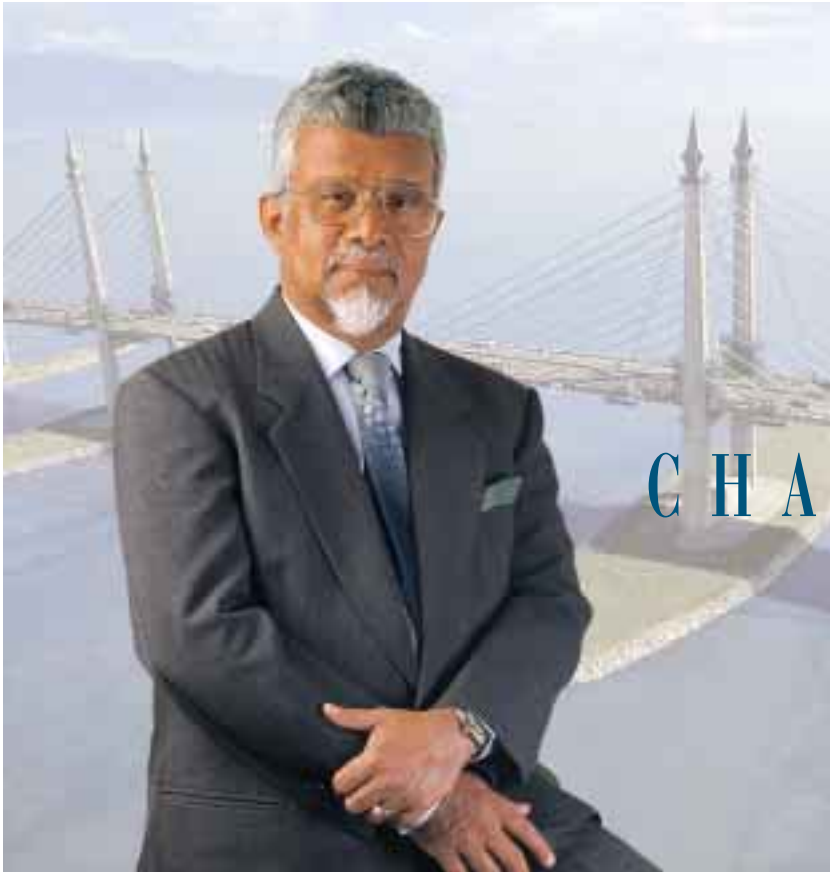
TOTAL ASSETS EMPLOYED  
RM Million



SHAREHOLDERS FUNDS  
RM Million



EARNINGS/(LOSS) PER SHARE  
Sen



## CHAIRMAN'S STATEMENT

### **DEAR SHAREHOLDERS,**

IT WAS INDEED A MILESTONE YEAR IN THE HISTORY OF INTRIA BERHAD. WE CAN LOOK BACK WITH GREAT SATISFACTION ON A VERY SUCCESSFUL YEAR WITH A SIGNIFICANT IMPROVEMENT IN YOUR COMPANY'S RESULTS FOR THE YEAR UNDER REVIEW ENDED JUNE 30, 2001. THE YEAR MARKED A CRITICAL TURNAROUND PHASE FOR YOUR COMPANY, DURING WHICH WE HAVE NOT ONLY MET, BUT ALSO EXCEEDED ALL FINANCIAL EXPECTATIONS FOR THE PERIOD CONCERNED. IT IS MY PLEASURE TO ANNOUNCE THAT THE PRE-TAX PROFIT SOARED BEYOND THE 100 MILLION RINGGIT MARK TO A RECORD PROFIT OF RM105.3 MILLION. THE GROUP'S EARNING PER SHARE IMPROVED TO 11.93 SEN AS COMPARED TO LOSS PER SHARE OF 13.20 SEN IN THE PREVIOUS YEAR. I AM ALSO DELIGHTED TO REPORT THAT TWO OF THE THREE BUSINESS UNITS IN THE INTRIA GROUP POSTED GOOD OPERATING AND FINANCIAL RESULTS, DELIVERING ON OUR COMMITMENT TO ENSURE SUSTAINED EARNINGS GROWTH AND ENHANCE SHAREHOLDER VALUE.



Penang Bridge remains the most distinctive gateway and landmark into Penang Island.

**Beautiful landscaping  
greet motorists along  
the Penang Bridge.**



## **A New Beginning**

Your Company's reversal of fortune was the result of a great deal of hard work, resolve and commitment on the part of Intria's management and staff. There were two major areas that had to be addressed simultaneously. The first was to bring to completion a financial restructuring plan for the Group, which revolved around our wholly-owned subsidiary, Penang Bridge Sdn Bhd (PBSB) issuing RM785 million Al-Bai Bithaman Ajil Islamic Bonds. The Islamic Bonds issue, successfully completed on August 30, 2000, was critical to your Company's turnaround. It allowed us to settle all our outstanding short-term borrowings in full. No longer burdened by the short-term financial obligations that had plagued your Company previously, we are now able to fully channel our focus and energy on more fruitful endeavours and the results speak for itself.

While resolving our financial crisis, the Management's focus was also directed at value-enhancing strategies to get the most out of our substantial business portfolio. Your Company's improved financial performance bears ample testimony to the tremendous efforts made across the Group to expand business activities and boost efficiency and productivity.

The year under review also marked the opening of a new chapter in our corporate history. If you recall, in my last report, mention was made of United Engineers (Malaysia) Berhad as a pivotal strategic investor in your Company. UEM's acquisition of a 44.65% stake in Intria Berhad was completed in two tranches, with the second tranche completed on December 8, 2000.

The combination of these two major corporate exercises has placed your Company on a stronger, financial footing. Coming out from the economic downturn of 1997 a leaner and even more efficient entity, a financially revitalised Intria is back on track for a renewed phase of growth. We have established a well-thought out plan to continue



## CHAIRMAN'S STATEMENT

optimising on our business portfolio and ensure future growth and profitability. The task of the Intria Management in the coming year is to ensure that your Company continues to deliver for the benefit of its staff, customers and shareholders.

On behalf of the Board of Directors and Management, I have pleasure in presenting this Annual Report and Audited Accounts of Intria Berhad for the financial year ended June 30, 2001.

### Financial Performance

Your Company's improved financial performance was achieved against a backdrop of more favourable economic conditions. Economic activities in Malaysia rebounded in 2000, spurred on by export growth and rising domestic expenditure. Macroeconomic policies and a fiscal stimulus package introduced by the Government also helped in providing a positive environment that was conducive for private sector economic activity. Measures introduced in the 2000 Budget also contributed towards higher disposable incomes leading to a growth in domestic consumption. Your Company and the business community at large continued to benefit from the pegged exchange rate system which provided a measure of stability in market conditions, thereby facilitating planning and investment decisions. Compared with 1999, business and consumer confidence strengthened further during 2000, contributing towards a broad-based economic recovery.



**Top:** An aerial view of the interchange that helps to smoothen traffic flow to and from the Bridge.

**Bottom:** Stability testing on the concrete girders at the top of Penang Bridge.

**The recently completed  
Taman Seputih condominium  
towers above the serenity of  
its surroundings.**

Consequently, the Malaysian economy was able to expand by 8.5% in 2000, which was significantly higher than earlier forecast and well above the growth of 5.8% achieved in 1999. The strong expansion was sustained by growth registered by all the main sectors of the economy, led by the manufacturing sector which grew by an unprecedented 21% in 2000. Construction activities, which have a bearing on Intria's operations, grew by 1.1% for the whole year, a significant improvement from the 5.6% contraction in 1999. Intria like other companies in the construction market greatly appreciate the Government's efforts to steer the property market back to its pre-crisis levels through more liberal access to housing loans, home ownership drives, rehabilitation of abandoned projects and other policy instruments which have had a positive impact on the market. Although overall property transactions for 2000 indicate a market that has generally firmed up, with the bulk of the growth recorded in the residential sector, the outlook remained challenging. (Source: Property Market Report 2000)

To reap the benefits of a fast recovering Malaysian economy, it was vital that your Company be restored to financial health as soon as possible. As reflected in the Company's financial numbers, the successful completion of the financial restructuring plan could not have been more timely. From a loss before tax of RM86.1 million recorded a year ago, your Company has turned around with a pre-tax profit of RM105.3 million for the financial year under review ended June 30, 2001. This was achieved on the back of a turnover of RM148.2 million, a 14.4% increase from RM129.5 million recorded for the previous corresponding period.



# CHAIRMAN'S STATEMENT

Your Company's turnaround in profitability from a loss recorded previously was attributable mainly to realised gains on management and settlement of the short-term borrowings denominated in British Pound (BP) and partial recovery of debt. On the strength of the Company's financial performance, earnings per share improved to 11.93 sen from a loss of 13.20 sen registered the previous year.

Building on gains made the previous year, two business units of your Company continued to show an improved financial performance which also contributed towards Intria's turnaround. As in previous years, PBSB was the Group's main revenue earner, contributing towards 71.5% or RM105.9 million of turnover. In tandem with the country's ongoing economic recovery, the traffic volume has increased. PBSB was able to increase throughput and correspondingly, toll collection during the year in review.

Despite a more favourable operating environment, our construction arm, Intria Bina Sdn Bhd (IBSB) continued to bear the scars of a sector that has only barely recovered. Given the highly competitive nature of the business, the turnaround in IBSB did not take place as hoped for during the year under review. Instead, IBSB sustained a pre-tax loss of RM12.4 million, compared with a loss of RM3.1 million sustained in the previous financial year. Nonetheless, with several projects to its name, and given the expected ongoing recovery of the construction business, we are hopeful that IBSB can look forward to a more promising future holding the prospects of a return to profitability.

Your Company has a 34.6% stake in Costain Group PLC (Costain), the UK-based international engineering and construction company. Having made a turnaround in 1999, Costain continued to sustain its profitability with a profit before tax of BP6.5 million for its financial year ended December 31, 2000.

## **D i v i d e n d**

Although your Company is well on the road to financial recovery, the Board of Directors are of the opinion that it is necessary to maintain a prudent stance. In order to conserve the Company's cash-flow so as to be able to finance the Group's ongoing and future business expansion plans, the Board is recommending that no dividends be declared for the financial year ended June 30, 2001.

## **A n E v e n t f u l Y e a r**

Aside from the financial numbers, the year under review was a very busy and eventful year for the Group. On the corporate front, two significant developments mentioned in my last report were completed during the year, setting the stage for a new phase of revitalisation and growth for your Company. PBSB's RM785 million Al-Bai Bithaman Ajil Islamic Bonds issue was given an AA2 rating by the Rating Agency of Malaysia, attesting to the fundamental strength of the Penang Bridge Concession and its revenue-generating capability. Part of the proceeds from the Bonds issue was utilised by PBSB to repay its debt to Intria, enabling us to settle all our outstanding short-term borrowings in full. Free from the overhang of the debt burden, we can now fully concentrate on more productive, value-enhancing activities.



**The Tsing Ma suspension bridge in Hong Kong, is one of Costain's prestigious projects.**

The other key corporate development was the finalisation of UEM's acquisition of a 44.65% stake in your Company for the sum of RM371.81 million. On June 20, 2000, UEM completed the acquisition of the first tranche of shares in Intria comprising 155.575 million ordinary shares of RM1.00 each, representing 19.99% equity interest. The second tranche for the acquisition of 191.911 million shares or a 24.66% stake in Intria was completed on December 8, 2000.

The year under review was also marked by good operational performance. As sole concessionaire of the Penang Bridge, PBSB aims to provide value-added services to commuters. To cope with a steadily increasing traffic volume on the Penang Bridge and to

## CHAIRMAN'S STATEMENT



**A captivating interior of the 150-unit condominium at Taman Seputih epitomise modern living.**

provide commuters with a consistently high level of quality and safety standards, PBSB has invested over RM8.65 million in the last financial year to complete several major improvement programmes. The major works completed during the year under review comprised the cable stay upgrading works at the main span of the Penang Bridge; installation of a new emergency telephone system and upgrading of the toll plazas. The Electronic Toll Collection system that gives commuters a choice of two drive-through options using Touch 'n Go cards and SmartTAGs was also successfully installed as part of an efficiency improvement programme. Other major improvement works to the bridge are in the pipeline.

Operationally, our construction arm, IBSB, also had a busy year. Among project highlights was the completion of a prestigious 150-unit condominium complex at Taman Seputih in Kuala Lumpur. IBSB is in the process of completing several other jobs in hand, such as the three Guthrie housing projects, headquarters of the Pejabat Kajicuaca in Petaling Jaya, a school in Kluang, Johor and 194 units of flats in Johor Bahru.

For Costain, the year 2000 witnessed significant activity in both the building and civil engineering operations. By competing on price and quality, Costain's order book has improved with work in hand totalling some BP600 million as at December 31, 2000.

## **Sustaining Future Growth**

After staging a dramatic V-shaped recovery, Gross Domestic Product (GDP) growth in Malaysia is forecast to moderate to between 5% and 6% in 2001. Fears of an impending global economic slowdown, notably in the United States, have a dampening effect on Malaysia's GDP growth. As a counter measure, the thrust of the Government's macroeconomic management policy is to focus on sustaining domestic demand to mitigate the negative impact of any external pressures. To this end, the Government has introduced pump priming measures in the form of a RM3 billion stimulus package spread over 2001.

Meanwhile, all signs point to a steady growth in traffic volume on the Penang Bridge, which is now fast approaching capacity levels. Total industry volume of motor vehicle sales registered an increase of 19% in 2000, according to the Malaysian Automotive Association. Sales of passenger cars alone grew by 82%. Domestic tourism is on the rise and Penang has traditionally been one of the country's most popular holiday destinations.

In the construction and property development sector, your Company is encouraged by the Government's recognition of the need to further boost the flagging construction sector, one of the main drivers of growth. The allocation of the RM3 billion stimulus package mentioned earlier is on top of the RM13.3 billion allocated to infrastructure works and construction activities announced in the 2001 Budget. We already have experience in constructing high-rise buildings and housing estates, and we hope to win a fair share of the contracts and projects that will be available for bidding. By combining forces with other companies in the UEM Group, your Company remains alert to unfolding opportunities that may come its way for the construction of major engineering and infrastructure projects in Malaysia and beyond.



**A bird's eye view of the toll plaza and its surrounding vicinity.**

# CHAIRMAN'S STATEMENT

Barring any unforeseen circumstances, Costain looks set to sustain its profitability for the coming year having secured substantial advance orders. In its drive to expand its business activities, Costain's strategy is to focus on client groups within six business streams namely transport, water, marine, commercial, hotels and retail. While about 74% of work in hand involves clients Costain has worked with before in similar areas or types of work, the Company has also been successful in securing several high-profile projects from new clients in the UK. This is an encouraging development and is evidence that Costain's strategy for sustained growth and profitability is working.

Despite the generally favourable outlook for the coming year, we cannot afford to be complacent. We need to remain vigilant and proactive, bracing ourselves for new challenges. A major challenge

looming ahead in the not-too-distant future will come by way of a trade liberalisation regime that will be in force under the World Trade Organisation and ASEAN Free Trade Area (AFTA). There is no doubt that the playing field will become even more crowded as trade barriers are brought down. Rather than merely respond events as they unfold, your Company aims to play an active part in shaping its own destiny. As we prepare to face a more competitive and volatile business environment, we are aware that only the fittest and most innovative organisations will have what it takes to survive and stay ahead of the competition.

Intria has established a solid platform not only to meet the challenges but will enable the Group to move further down the path towards sustained growth and profitability. We aim to achieve this through a far-reaching multi-pronged strategy to:

- Solidify the financial strength of the Group by practising prudent management of funds, with emphasis on revenue-generating activities.
- Continue with efforts to secure ongoing operational efficiencies and increased productivity while keeping operations lean to maximise returns.
- Place greater emphasis on the quality imperative through certification to the internationally recognised ISO 9002 quality systems. PBSB has been ISO certified since 1995 while IBSB was accredited in February 2001.



**The Touch 'n Go and SmartTAG prepaid smart cards provide a fast and convenient way to pay toll.**

- Expand our businesses where we already occupy a strong market position, e.g. in the areas of toll operations and maintenance and construction of high-rise buildings.
- Proactively assessing and seeking out commercially viable projects ahead of the competition.
- Make strategic and opportunistic investments in new and promising areas so as to generate new revenue streams, but only where we have a competitive edge and which are synergistic to Intria's core businesses.
- Equip our staff through training and the necessary knowledge, skills and paradigm shift in mindset and attitudes to meet the challenges of the future.
- Invest in technology, and in particular Information Technology, to gain operational efficiencies so as not to be left behind in the Digital Economy.
- Redefine Intria as a customer-focused, market oriented business designed not just to compete but to win by providing a high level of customer satisfaction.
- Establish benchmarks measured against other standard bearers of corporate excellence not only within Malaysia but globally. This is in line with UEM's goal for all companies under its corporate umbrella to be world class by the year 2003.
- Exploit to the fullest, the Intria Group's capabilities through joint ventures with other companies in the UEM stable.



**IBSB lent its expertise in the construction of Guthrie's Bukit Jelutong housing project.**

With a winning strategy now being implemented under the close supervision of our strong management team, the coming year under review is already shaping up according to plan. By consolidating the achievements of the previous year and following closely our game-plan, the Group is making progress on all fronts.

Before closing this year's report, I would like to take this opportunity to state our stand on corporate governance. Even before the Malaysian Code on Corporate Governance was issued in March 2000, your Company has already subscribed to the practices and principles of good governance. We are now strengthening corporate governance measures groupwide as a framework towards greater efficiency and corporate accountability, with the ultimate objective of protecting shareholder value.

# CHAIRMAN'S STATEMENT

## Appreciation

Our return to profitability would not have been possible without the hard work, commitment and support of various quarters. First and foremost, credit must be given to our Management and staff who have been exemplary for energy, dedication and displaying a high degree of professionalism. Working very closely as a team, we have achieved all we set out to do the past year. On behalf of the Board, I want to thank them for contributing so effectively to our remarkable turnaround.

The Board and I would also like to record our appreciation for the support we have received from our shareholders, bankers, business associates, customers and the various government authorities. Their confidence and the support given to us made all the difference as we successfully navigated through one of the most turbulent periods in Intria's corporate history.

I also wish to record my appreciation to my fellow members of the Board. During the year, the Board witnessed several changes in its line-up of Directors. YBhg Dato' Anad Krishnan A/L Muthusamy, YBhg Dato' Mohamad Nor bin Mohamad, Encik Saiful Azmir bin Shahabudin, En Jaspal Singh A/L Gurdipp Singh have all resigned. The Board thanks them for their contributions and wish them every success in their future undertakings. At the same time, we welcome YBhg Dato' Syed Md. Amin bin Syed Jan Aljeffri who joined the Board on March 1, 2001. We look forward to benefitting from his vast store of knowledge and experience.

To all our loyal shareholders, I give you my assurance that we will not slacken in our efforts to enhance the value of your Company. Given the systematic approach with which we are approaching our strategic objectives, I am optimistic we can fulfill this obligation.

Thank you.

**DATO' (DR) HAJI MOHAMED ISHAK BIN HAJI MOHAMED ARIFF**

*Chairman*