



Annual REPORT

2001

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	PROXY FORM

Rationale Behind Logo The logo is based on a stylised “J” which stands for Jasatera. The “J” is constructed from sharp, building block-like strokes, which is to represent the construction industry and Jasatera’s main business thrust.

In keeping with the company’s philosophy, the green within the stylised “J” is representative of the environment and our commitment to preserve nature. The blue in the block strokes of the “J” represents the industry as a whole.

Taken as whole, the blue “J” encompasses the green, thereby protecting the green from being destroyed. Thus Jasatera is not only a responsible company, but it is also one that is in tune with the environment.

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of the Company will be held at The Greens Room, Tropicana Golf & Country Club, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 31 May 2001 at 10.00 a.m. for the following purposes:

- 1) To receive and adopt the Audited Accounts for the year ended 31 January 2001 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
- 2) To approve Directors' Fees. **(Resolution 2)**
- 3) To re-elect the following Director retiring pursuant to Article 80 of the Company's Articles of Association and being eligible, offer himself for re-election:
 - (a) Datuk Yeop Adlan Bin Che Rose **(Resolution 3)**
- 4) To re-appoint Auditors Messrs Shamsir Jasani Grant Thornton and to authorise the Directors to fix their remuneration. **(Resolution 4)**
- 5) To transact any other ordinary business of the Company for which due notice shall have been given.

By Order Of The Board

Lim Seck Wah (MAICSA No. : 0799845)

Wong Chee Beng (MIA No. : 3151)

Secretaries

16 May 2001

Selangor

NOTES 1) : Mr Tan Jyh Yaong, who is due for retirement in accordance with Article 80 of the Company's Articles of Association but eligible to be re-elected, however does not wish to seek for re-election.

NOTES 2) : A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll to vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the proxy form duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting. If the appointer is a corporation, this form must be executed under its common seal or under the hand of its attorney.

DIRECTORS

Dato' Dr. Mohamad Jaffar Mohd Ali, KMN, PJK
 (retired and not re-elected on 30.6.2000)
 Koo Yuen Kim, JP
 Koo Woon Kee
 Lim Ching Soon
 Leong Soon Kiong
 Tan Jyh Yaong
 Mahamad Zaihan Bin Zakaria
 *Datuk Yeop Adlan Bin Che Rose
 Wong Chee Beng (resigned on 27.6.2000)
 Tan Seng Chai (resigned on 3.8.2000)

* (deemed vacated on 31.12.1998 and put on hold by Court of Appeal Order No. B-02-890-99 on 25.1.2000)

**AUDIT AND EXAMINATION
COMMITTEE**

Tan Jyh Yaong
 Mahamad Zaihan Bin Zakaria
 Lim Ching Soon

SECRETARIES

Lim Seck Wah (MAICSA No. : 0799845)
 Wong Chee Beng (MIA No. : 3151)

AUDITORS

Shamsir Jasani Grant Thornton
 (Member Firm of Grant Thornton International)
 Public Accountants
 Level 11-1, Faber Imperial Court
 Jalan Sultan Ismail
 50250 Kuala Lumpur

**REGISTERED OFFICE
AND PRINCIPAL PLACE
OF BUSINESS**

29, Jalan SS 15/4E
 47500 Subang Jaya
 Selangor Darul Ehsan
 Tel : 03-5633 2888 Fax : 03-5633 2607

REGISTRAR

Mega Corporate Services Sdn. Bhd.
 Level 11-2, Faber Imperial Court
 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Tel : 03-2692 4271 Fax : 03-460 5388

BANKERS

RHB Bank Berhad
 Public Bank Berhad
 Southern Bank Berhad
 Affin Bank Berhad
 Sabah Development Bank Berhad
 Hong Leong Bank Berhad
 Malayan Banking Berhad
 Overseas Union Bank (M) Berhad
 Bumiputra-Commerce Bank Berhad

SOLICITORS

Lee Hishamuddin
 C.H. Yeoh & Yiew
 CY Ngeow & Associates
 Ong Chin Beng & Rakan-Rakan

STOCK EXCHANGE LISTING

The Kuala Lumpur Stock Exchange (Second Board)

The Audit Committee comprises the following members:

Chairman	Tan Jyh Yaong (Non-Executive Independent Director)
Members	Mahamad Zaihan Bin Zakaria (Non-Executive Independent Director)
	Lim Ching Soon (Executive Director)

MEMBERSHIP

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than 3 members with a majority of Independent Directors. At least one member of the Committee is a member of the Malaysian Institute of Accountants. None of the members is an alternate director.

A quorum shall be 2 members, and the Chairman of the Committee shall be elected amongst the members of the Committee and shall be an independent director.

ATTENDANCE AT MEETING

The Committee may invite other Directors and/or employee and/or the auditor to attend its meetings. If necessary, the Committee shall meet with the external auditors without any executive Director present.

PROCEEDINGS OF MEETINGS

A quorum shall comprise a majority of the members present who must be independent directors. In the absence of the Chairman, the Committee shall appoint one of the Independent Directors present to chair that meeting.

A resolution put to the vote shall be decided by a majority of votes of the members present, each member having one vote.

RETIREMENT AND RESIGNATION

In the event of any vacancy in the audit committee, the position must be filled within 3 months

FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee shall, amongst others, discharge the following function:

1. review the following and report the same to the board of directors of the listed issuer:
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report;
 - (d) the assistance given by the employees of the listed issuer to the external auditor;
 - (e) the adequacy of the scope , functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on;
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standard's and other legal requirements;
 - (h) any related party transaction and conflict of interest situation that may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (i) any letter of resignation from the external auditors of the listed issuer; and
 - (j) whether there is reason (supported by grounds) to believe that the listed issuer's external auditor is not suitable for re-appointment; and
 2. recommend the nomination of a person or persons as external auditors.
-

PROCEDURE OF AUDIT COMMITTEE

The audit committee regulate its own procedure, in particular:

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

AUDIT COMMITTEE REPORT

1. The audit committee shall submit a report to the board of directors at the end of each financial year that complies with subparagraphs (2) and (3) below.
2. The audit committee report must be clearly set out in the annual report of the listed issuer.
3. The audit committee report shall include the following:
 - (a) the composition of the audit committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);
 - (b) the terms of reference of the audit committee;
 - (c) the number of audit committee meetings held during the financial year and details of attendance of each audit committee member;
 - (d) a summary of the activities of the audit committee in the discharge of its functions and duties for that financial year of the listed issuer; and
 - (e) the existence of an internal audit function or activity and where there is such a function or activity, a summary of the activities of the function or activity. Where such a function or activity does not exist, an explanation of the mechanisms that exist to enable the audit committee to discharge its functions effectively.

REPORTING OF BREACHES TO THE EXCHANGE

Where the audit committee is of the view that a matter reported by it to the board of directors of the company has not been satisfactorily resolved resulting in a breach of these Requirements, the audit committee must promptly report such matter to the Exchange.

RIGHTS OF THE AUDIT COMMITTEE

The Company must ensure that wherever necessary and reasonable for the performance of its duties, an audit committee shall, in accordance with a procedure to be determined by the board of directors and at the cost of the listed issuer;

- (a) have authority 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 pertaining to the listed issuer;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

REVIEW OF THE AUDIT COMMITTEE

The board of directors of the company must review the term of office and performance of an audit committee and each of its members at least once every 3 years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

In RM'000	2001	2000	1999	1998	1997
Turnover	18,006	2,530	40,850	84,947	127,890
(Loss)/Profit before taxation	(6,812)	(11,621)	(111,516)	(10,365)	14,337
Taxation	-	-	(379)	(192)	(4,567)
(Loss)/Profit after taxation	(6,812)	(11,621)	(111,137)	(10,557)	9,770
Minority interest	-	-	-	-	(1,816)
Dividends	-	-	-	-	(1,399)
(Accumulated losses) /Retained profit	(115,421)	(108,609)	(96,988)	14,149	24,705
Net dividends per share (sen)	-	-	-	-	10
(Loss)/Earnings per share (sen)	(34.09)	(58.16)	(556.24)	(52.84)	39.8
Shareholders' funds	(95,479)	(88,990)	(77,038)	34,257	44,685
Net tangible assets per share (RM)	(4.78)	(4.45)	(3.86)	1.71	2.24
Paid up capital	19,980	19,980	19,980	19,980	19,980

Reports AND FINANCIAL STATEMENTS

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

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the undertaking of contracts for general building and civil works. The principal activities of its subsidiary companies, associated companies and joint ventures are disclosed in Notes 10, 11 and 12 to the Financial Statements.

There have been no significant changes in these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss after taxation	6,811,955	3,965,817
Accumulated loss brought forward	108,608,876	114,074,548
Accumulated loss carried forward	115,420,831	118,040,365

DIVIDENDS

There were no dividend paid or declared by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in Note 6 to the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

There were no shares or debentures issued during the financial year.

INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

INFORMATION ON THE FINANCIAL STATEMENTS (Cont'd)

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION

The Directors state that:-

At the date of this report, they are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In their opinion:

- (a) the results of the Group and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

DIRECTORS

The Directors in office since the date of the last report are:-

- Dato' Dr. Mohamad Jaffar Mohd Ali, KMN, PJK (retired and not re-elected on 30.6.2000)
 Koo Yuen Kim, JP
 Koo Woon Kee
 Lim Ching Soon
 Leong Soon Kiong
 Tan Jyh Yaong
 Mahamad Zaihan Bin Zakaria
 * Datuk Yeop Adlan Bin Che Rose
 Wong Chee Beng (resigned on 27.6.2000)
 Tan Seng Chai (resigned on 3.8.2000)
- * (deemed vacated on 31.12.1998 and put on hold by Court of Appeal Order No. B-02-890-99 on 25.1.2000)

The shareholdings in the Company and its related corporations of those who were Directors at the end of the financial year are as follows:-

Interest in the Company	Ordinary shares of RM1 each			At 31.1.2001
	At 1.2.2000	Bought	Sold	
- Direct interest				
Koo Woon Kee	152,000	43,000	-	195,000
Koo Yuen Kim, JP	242,000	-	-	242,000
Lim Ching Soon	7,000	-	-	7,000
Tan Jyh Yaong	821,000	-	-	821,000
Leong Soon Kiong	1,000	-	-	1,000
- Deemed interest				
* Koo Yuen Kim, JP	1,910,380	-	-	1,910,380

* Deemed interest by virtue of his interest in a body corporate.

By virtue of their interest in the shares of the Company, the Directors having interest in shares of the Company are deemed to have interest in the subsidiary companies under Section 6A of the Companies Act 1965 to the extent the Company have an interest.

No other Directors in office at end of the financial year held any interest in shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (except as disclosed in Notes 26 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 29 to the Financial Statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Significant events subsequent to the balance sheet date are disclosed in Note 30 to the Financial Statements.

MATERIAL LITIGATION

Material litigations are disclosed in Note 31 to the Financial Statements.

AUDITORS

Messrs Shamsir Jasani Grant Thornton have expressed their willingness to continue in office.

On behalf of the Board,

Koo Woon Kee)
)
) Directors
)
Lim Ching Soon)

Kuala Lumpur
27 April 2001

In the opinion of the Directors, the financial statements set out on pages 17 to 54 are drawn up in accordance with the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2001 and of the results, changes in equity and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board

Koo Woon Kee

Lim Ching Soon

Kuala Lumpur
27 April 2001

Statutory DECLARATION

I, **Koo Woon Kee**, being the Director responsible for the financial management of **Jasatera Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 17 to 54 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in) **Koo Woon Kee**
the Federal Territory on this 27 day of April 2001)

Before me:

Commissioner for Oaths
A.T. Lim Jo Sen

We have audited the financial statements set out on pages 17 to 54 of Jasatera Berhad, comprising of the balance sheet of the Group and of the Company as at 31 January 2001 and the notes to the financial statements and of the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year ended on that date.

The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the financial statements which have been prepared under the historical cost convention are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 31 January 2001 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the financial year ended on that date;
- and
- b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

In forming our opinion, we have considered the adequacy of the disclosure made in Notes 2 and 29(a) to the Financial Statements concerning the Directors' efforts to renegotiate loans and raise further funds. In view of the significance of the fact that the preparation of the financial statements on the going concern basis assumes the successful conclusion of these matters, we consider that these disclosures should be brought to your attention. Our opinion is not qualified in this respect.

We have considered the financial statements of the subsidiary company, Jasatera Ventures (Australia) Pty Ltd of which we have not acted as auditors.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Subsection (3) of Section 174 of the Act.

Shamsir Jasani Grant Thornton

(NO: AF-737)

Public Accountants

Dato' N. K. Jasani

Public Accountant

(NO: 708/03/02(J/PH))

Partner

Kuala Lumpur

27 April 2001

Balance SHEETS

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AS AT 31 JANUARY 2001

	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
SHARE CAPITAL	5	19,980,000	19,980,000	19,980,000	19,980,000
EXCHANGE FLUCTUATION RESERVE	6	(38,643)	(361,091)	-	-
ACCUMULATED LOSS		(115,420,831)	(108,608,876)	(118,040,365)	(114,074,548)
Total shareholders' funds		(95,479,474)	(88,989,967)	(98,060,365)	(94,094,548)
DEFERRED AND LONG TERM LIABILITIES					
Hire purchase creditors	7	19,178	104,954	19,178	104,954
		(95,460,296)	(88,885,013)	(98,041,187)	(93,989,594)
REPRESENTED BY :					
FIXED ASSETS	8	6,560,323	7,108,852	2,530,208	3,072,812
DEVELOPMENT EXPENDITURE	9	-	111,246	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	10	-	-	6,252,482	6,252,482
INVESTMENT IN ASSOCIATED COMPANIES	11	11,887,570	12,526,661	10,211,116	10,211,116
INTEREST IN JOINT VENTURES	12	456,777	2,642,762	320,000	458,827
OTHER INVESTMENTS	13	402,970	402,970	382,250	382,250
DEFERRED EXPENDITURE	14	-	8,432	-	-
CURRENT ASSETS					
Contract amount due from customers	15	4,801,478	475,576	4,801,478	475,576
Trade debtors	16	11,510,307	10,129,627	11,510,307	10,129,627
Other debtors, deposits and prepayments	17	447,617	291,038	178,489	288,438
Amount due from subsidiary companies	10	-	-	4,527,215	4,557,071
Amount due from associated companies	11	56,049	49	56,049	49
Amount due from joint ventures	12	-	91,545	-	91,545
Cash and bank balances		603,430	253,661	593,525	224,599
Total current assets		17,418,881	11,241,496	21,667,063	15,766,905
LESS: CURRENT LIABILITIES					
Trade creditors	26	5,528,534	5,752,078	5,528,534	5,752,078
Other creditors and accruals	18	26,530,863	18,804,462	26,129,424	18,390,600
Amounts due to a director	19	5,440,546	4,492,250	5,440,546	4,492,250
Amount due to subsidiary company	10	-	-	9,244,816	9,246,304
Amount due to associated companies	11	10,109,590	10,104,382	10,109,590	10,104,382
Amount due to joint ventures	12	78,148	-	78,148	-
Taxation payable		1,812,637	1,812,637	186,749	186,749
Bank borrowings	20	82,686,499	81,961,623	82,686,499	81,961,623
Total current liabilities		132,186,817	122,927,432	139,404,306	130,133,986
NET CURRENT LIABILITIES		(114,767,936)	(111,685,936)	(117,737,243)	(114,367,081)
		(95,460,296)	(88,885,013)	(98,041,187)	(93,989,594)

The above balance sheets are to be read in conjunction with the
Notes to the Financial Statements on pages 23 to 54.

Income STATEMENTS FOR THE

FINANCIAL YEAR ENDED 31 JANUARY 2001

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	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Revenue	21	18,005,735	2,529,874	18,005,650	2,529,749
Cost of sales		(15,757,903)	(1,869,104)	(15,757,903)	(1,869,104)
Gross profit		2,247,832	660,770	2,247,747	660,645
Other operating income		3,625,044	1,962,685	8,111,560	1,962,685
Administrative expenses		(3,437,727)	(4,379,118)	(3,406,936)	(4,338,977)
Other operating expenses		(609,428)	512,007	(498,182)	(83,171)
Profit/(Loss) from operations		1,825,721	(1,243,656)	6,454,189	(1,798,818)
Finance cost		(10,420,006)	(10,236,281)	(10,420,006)	(10,236,281)
Share of loss of associated companies		(493,091)	(33,086)	-	-
Share of profit/(loss) of joint ventures		2,275,430	(107,645)	-	-
Loss before taxation	22	(6,811,946)	(11,620,668)	(3,965,817)	(12,035,099)
Taxation	23	(9)	-	-	-
Net loss for the year		(6,811,955)	(11,620,668)	(3,965,817)	(12,035,099)
Loss per share	24	34.09 sen	58.16 sen		

The above income statements are to be read in conjunction with the
Notes to the Financial Statements on pages 23 to 54.

Statements OF CHANGES IN EQUITY

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FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2001

Group	Share capital RM	Exchange fluctuation reserve RM	Accumulated loss RM	Total RM
Balance as at 1 February 1999	19,980,000	(370,459)	(96,988,208)	(77,378,667)
Movement during the year	-	9,368	-	9,368
Net loss for the year	-	-	(11,620,668)	(11,620,668)
Balance as at 31 January 2000	19,980,000	(361,091)	(108,608,876)	(88,989,967)
Movement during the year	-	322,448	-	322,448
Net loss for the year	-	-	(6,811,955)	(6,811,955)
Balance as at 31 January 2001	19,980,000	(38,643)	(115,420,831)	(95,479,474)
Company				
Balance as at 1 February 1999	19,980,000	-	(102,039,449)	(82,059,449)
Net loss for the year	-	-	(12,035,099)	(12,035,099)
Balance as at 31 January 2000	19,980,000	-	(114,074,548)	(94,094,548)
Net loss for the year	-	-	(3,965,817)	(3,965,817)
Balance as at 31 January 2001	19,980,000	-	(118,040,365)	(98,060,365)

The above statements of changes in equity are to be read in conjunction with the Notes to the Financial Statements on pages 23 to 54.

Cash FLOW STATEMENTS FOR THE

JASATERA BERHAD (78053-H) • ANNUAL REPORT 2001

FINANCIAL YEAR ENDED 31 JANUARY 2001

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	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(6,811,946)	(11,620,668)	(3,965,817)	(12,035,099)
Adjustments for:-				
Provision for diminution in value of investment	-	-	-	618,818
Depreciation	669,147	708,847	663,223	702,801
Loss on disposal of fixed assets	-	2,931	-	-
Gain on disposal of fixed assets	(77,845)	(193,449)	(77,845)	(193,449)
Interest income	(3,888)	-	(3,888)	-
Interest expense	10,309,643	10,126,687	10,309,643	10,126,687
Provision for doubtful debts	465,238	(548,000)	465,238	(548,000)
Amortisation of deferred expenditure	8,432	103,906	-	103,906
Development expenditure written off	111,246	-	-	-
Bad debts written off	-	31,372	-	11,962
Fixed assets written off	32,945	391	32,944	391
Dividend income	(605)	(500)	(181,520)	(500)
Share of loss in associated companies	493,091	33,086	-	-
Share of (profit)/loss in joint ventures	(2,275,430)	107,645	-	-
Operating profit/(loss) before working capital changes	2,920,028	(1,247,752)	7,241,978	(1,212,483)
Changes in working capital:-				
Contract amount due from customers	(4,325,902)	(890,757)	(4,325,902)	(890,757)
Debtors	(1,679,692)	5,419,201	(1,700,872)	5,409,173
Creditors	(1,841,201)	(1,740,574)	(1,828,778)	(1,739,829)
Directors	948,296	90,728	948,296	90,728
Deferred expenditure	-	(1,551)	-	-
Subsidiary companies	-	-	28,368	(28,706)
Cash (used in)/generated from operating activities	(3,978,471)	1,629,295	363,090	1,628,126
Dividend received	146,499	500	146,423	500
Interest received	3,888	-	3,888	-
Interest paid	(980,166)	-	(980,166)	-
Tax paid	-	(68,800)	-	(68,800)
Net cash (used in)/from operating activities	(4,808,250)	1,560,995	(466,765)	1,559,826

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Property under development	-	(12,000)	-	-
Advance to associated company	(50,792)	(49)	(50,792)	(49)
Capital refund from joint venture	138,827	640,000	138,827	640,000
Repayment from joint venture	169,693	35,185	169,693	35,185
Proceeds from share of profits in joint ventures	4,322,588	-	-	-
Proceeds from disposal of fixed assets	89,800	564,694	89,800	555,905
Purchase of fixed assets	(165,518)	(57,501)	(165,518)	(57,501)
Net cash from investing activities	4,504,598	1,170,329	182,010	1,173,540
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of finance creditors	(71,195)	(295,463)	(71,195)	(295,463)
Repayment of revolving credit	(500,000)	(4,943,339)	(500,000)	(4,943,339)
Net cash used in financing activities	(571,195)	(5,238,802)	(571,195)	(5,238,802)
Net decrease in cash and cash equivalents	(874,847)	(2,507,478)	(855,950)	(2,505,436)
Cash and cash equivalents brought forward	(16,639,913)	(14,132,175)	(16,668,715)	(14,163,279)
Cash and cash equivalents carried forward	(17,514,760)	(16,639,653)	(17,524,665)	(16,668,715)

NOTES TO THE CASH FLOW STATEMENTS**Cash and cash equivalents**

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:-

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Cash and bank balances	603,430	253,661	593,525	224,599
Bank borrowing-overdraft	(18,118,190)	(16,893,314)	(18,118,190)	(16,893,314)
Cash and cash equivalents as previously reported	(17,514,760)	(16,639,653)	(17,524,665)	(16,668,715)
Effect of exchange rate changes	-	(260)	-	-
Cash and cash equivalents restated	(17,514,760)	(16,639,913)	(17,524,665)	(16,668,715)

The above cash flow statements are to be read in conjunction with the
Notes to the Financial Statements on pages 23 to 54.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

2. GOING CONCERN

The Group and the Company's financial statements have been prepared on a going concern basis. However, in view of the Company's financial position, the continuation of the Group and the Company as a going concern will be dependent on future profitable operations and the support of shareholders, bankers and creditors. If these are not forthcoming, adjustments may have to be made to reduce the values of assets to their recoverable amounts, to provide for any further liabilities which may arise and to reclassify fixed and non-current assets and long term liabilities as current assets and current liabilities respectively.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

The financial statements of the Group and of the Company are prepared under the historical cost convention.

(b) Basis of consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and its subsidiary companies made up to the end of the financial year, except for Jasatera Ventures (Australia) Pty Ltd which was consolidated based on unaudited management financial statements. The subsidiary companies are consolidated on acquisition method.

Under the acquisition method of accounting, the results of the subsidiary companies acquired is included from the date of acquisition. At the date of acquisition, the fair value of the subsidiary companies' net assets are determined and reflected in the Group financial statements. The excess of the consideration paid for the shares in the subsidiary companies over the fair value of the underlying net assets of the subsidiary companies acquired represents goodwill arising on consolidation. It is written off against retained profits in the year of acquisition.

All significant inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Associated companies

An associated company is a company in which the Group has a long term equity interest of between 20 to 50 percent and where there is management participation through Board representation.

The Group's share of profit less losses and taxes of associated companies is included in the consolidated income statement based on unaudited management financial statements. In the consolidated balance sheet, the carrying value of associated companies reflect the Group's share of underlying net assets of the associated companies.

(d) Foreign currency translation

Foreign currency transactions have been translated into Malaysian Ringgit at the rates of exchange ruling on transaction dates. All foreign currency assets and liabilities outstanding at the balance sheet date are translated at the approximate exchange rates ruling at that date. Unrealised gains and losses arising from the translation of monetary assets and liabilities are dealt with in the income statements.

The financial statements of foreign subsidiary companies have been translated into Malaysian Ringgit at the rates of exchange ruling at the balance sheet date except for non-monetary items which are translated at historical rates, while income statement are translated at average rates for the year. Exchange differences arising from such translations are taken to exchange fluctuation reserve.

The rate of exchange of the foreign currencies applicable in the preparation of the financial statements were as follows:-

	2001	2000
	RM	RM
1 Australian Dollar	2.08	2.44

(e) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Freehold land is not depreciated. Depreciation on fixed assets is calculated to write off the cost of the fixed assets on a straight line basis over the estimated useful lives of the assets concerned.

The principal annual rates used are as follows:-

Building	2%
Motor vehicles	20%
Furnitures, fittings and electrical installations	10%
Computers, air-conditioners and office equipment	10 – 20%
Plant and machinery and site equipment	10 – 20%
Office renovation	10%
Signboards	10%

3. SIGNIFICANT ACCOUNTING POLICIES (Cont' d)

(f) Income recognition

Construction contracts

Income and costs on fixed price contract jobs are recognised in the income statements on the percentage of completion method based on the total contract cost incurred to date over the estimated total contract costs of projects, in cases where the outcome of the contract can be reliably estimated.

Investment

Gross dividend are recognised as income to the income statements when the right to receive payment is established.

(g) Deferred taxation

Deferred taxation is provided on the liability method for taxation which is deferred due to differences between the net book value of assets eligible for capital allowances and the tax written down value of these assets and on any other timing differences existing at year end except to the extent that it can be demonstrated with reasonable probability that the timing differences will continue in the foreseeable future.

Deferred tax benefit are recognised only when there is a reasonable expectation of realisation in the near future.

(h) Investments

Investment in subsidiary companies, associated companies and others held on a long term basis are stated at cost. No provision is made for diminution in value of investments when the diminution is considered to be temporary in nature by the Directors.

(i) Hire purchase transactions

The cost of assets acquired under hire purchase arrangements are capitalised. The depreciation policy on these assets is similar to that of the Company's fixed assets depreciation policy. Outstanding obligation due under the hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. Finance charges on hire purchase agreements are allocated to income statements over the period of the respective agreements.

(j) Deferred expenditure

Preliminary and pre-operating expenses are stated at cost and will be written off against future profit. All expenses incurred in connection with the formation of the Company are charged to preliminary expenses and all other expenses incurred subsequent to the date of incorporation are shown as pre-operating expenses.

Deferred expenditure have been written off during the financial year in order to comply with MASB 1.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Contract amount due from/to customers

Contract amount due from/to customers represents contract cost incurred plus attributable profits less recognised loss and progress billings. When foreseeable losses on contract jobs are anticipated, full provision will be made for these losses.

Interest expenses that are attributed specifically to construction contracts have been capitalised. Overheads that do not relate specifically to construction contracts are charged to income statements.

(l) Debtors

Debtors are derived at anticipated realisable value. Bad debts are written off and specific provisions are made for debts considered to be doubtful of collection.

(m) Joint ventures

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

Interest in joint venture is recorded on the equity basis and the Group recognises its proportional share of profits in accordance with the joint venture agreement.

(n) Development expenditure

Development expenditure is stated at cost. Related development costs common to the whole project including interest charges on bank loans relating to the financing of development and direct building costs are carried forward as development expenditure.

Cost of land held for development has been excluded because the development project has been suspended.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with bank, short-term demand deposits and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

4. PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the undertaking of contracts for general building and civil works.

The principal activities of the subsidiary companies, associated companies and joint ventures are disclosed in Note 10, 11 and 12 to the Financial Statements.

There have been no significant changes in these activities during the financial year.

5. SHARE CAPITAL

	Group and Company	
	2001	2000
	RM	RM
Authorised:		
Ordinary shares of RM1 each	25,000,000	25,000,000
Issued and fully paid:		
Ordinary shares of RM1 each	19,980,000	19,980,000

6. EXCHANGE FLUCTUATION RESERVE

	Group	
	2001	2000
	RM	RM
At beginning of year	(361,091)	(370,459)
Movement during the year	322,448	9,368
At end of year	(38,643)	(361,091)

7. HIRE PURCHASE CREDITORS

	Group and Company	
	2001	2000
	RM	RM
Hire purchase	135,952	257,868
Interest-in-suspense	(7,617)	(58,338)
	128,335	199,530
Total principal sum payable		
- within 1 year	109,157	94,576
- after 1 year but not later than 5 years	19,178	104,954
	128,335	199,530

The amount payable within 1 year has been included in other creditors and accruals.

8. FIXED ASSETS

Group

	Freehold land and buildings RM	Office equipments, furniture and fittings, electrical installations, signboard and office renovation RM	Motor vehicles RM	Plant and machinery and site equipment RM	Total 2001 RM	Total 2000 RM
Cost						
At beginning of year	6,093,394	1,370,777	3,407,936	8,412,074	19,284,181	20,123,275
Additions	-	17,201	105,327	42,990	165,518	57,501
Disposals	-	-	(72,143)	-	(72,143)	(896,096)
Written off	-	(214,679)	-	(597,053)	(811,732)	(499)
At end of year	6,093,394	1,173,299	3,441,120	7,858,011	18,565,824	19,284,181
Accumulated depreciation						
At beginning of year	180,472	931,281	2,854,989	8,208,587	12,175,329	11,988,510
Charge for the year	25,635	126,676	390,096	126,740	669,147	708,847
Disposals	-	-	(60,188)	-	(60,188)	(521,920)
Written off	-	(181,734)	-	(597,053)	(778,787)	(108)
At end of year	206,107	876,223	3,184,897	7,738,274	12,005,501	12,175,329
Net book value						
2001	5,887,287	297,076	256,223	119,737	6,560,323	-
2000	5,912,922	439,496	552,947	203,487	-	7,108,852
Depreciation charge for the year ended						
31 January 2000	25,633	137,756	405,177	140,281	-	708,847

8. FIXED ASSETS (Cont' d)

Analysis of land and buildings:-

	Freehold land RM	Freehold buildings RM	Total 2001 RM	Total 2000 RM
Cost				
At beginning/end of year	4,811,702	1,281,692	6,093,394	6,093,394
Accumulated depreciation				
At beginning of year	-	180,472	180,472	154,839
Charge for the year	-	25,635	25,635	25,633
At end of year	-	206,107	206,107	180,472
Net book value				
2001	4,811,702	1,075,585	5,887,287	-
2000	4,811,702	1,101,220	-	5,912,922
Depreciation charge for the year ended 31 January 2000	-	25,633	-	25,633

8. FIXED ASSETS (Cont' d)**Company**

	Freehold land and buildings RM	Office equipments, furniture and fittings, electrical installations, signboard and office renovation RM	Motor vehicles RM	Plant and machinery and site equipment RM	Total 2001 RM	Total 2000 RM
Cost						
At beginning of year	2,094,707	1,312,936	3,407,936	8,412,074	15,227,653	16,052,097
Additions	-	17,201	105,327	42,990	165,518	57,501
Disposals	-	-	(72,143)	-	(72,143)	(881,446)
Written off	-	(212,079)	-	(597,053)	(809,132)	(499)
At end of year	2,094,707	1,118,058	3,441,120	7,858,011	14,511,896	15,227,653
Accumulated depreciation						
At beginning of year	180,472	910,793	2,854,989	8,208,587	12,154,841	11,971,138
Charge for the year	25,635	120,752	390,096	126,740	663,223	702,801
Disposals	-	-	(60,188)	-	(60,188)	(518,990)
Written off	-	(179,135)	-	(597,053)	(776,188)	(108)
At end of year	206,107	852,410	3,184,897	7,738,274	11,981,688	12,154,841
Net book value						
2001	1,888,600	265,648	256,223	119,737	2,530,208	-
2000	1,914,235	402,143	552,947	203,487	-	3,072,812
Depreciation charge for the year ended						
31 January 2000	25,633	131,710	405,177	140,281	-	702,801

8. FIXED ASSETS (Cont' d)

Analysis of land and buildings:

	Freehold land RM	Freehold buildings RM	Total 2001 RM	Total 2000 RM
Cost				
At beginning and end of year	813,015	1,281,692	2,094,707	2,094,707
Accumulated depreciation				
At beginning of year	-	180,472	180,472	154,839
Charge for the year	-	25,635	25,635	25,633
At end of year	-	206,107	206,107	180,472
Net book value				
2001	813,015	1,075,585	1,888,600	-
2000	813,015	1,101,220	-	1,914,235
Depreciation charge for the year ended 31 January 2000	-	25,633	-	25,633

Included in motor vehicles of the Group and of the Company are assets under hire purchase with net book values amounted to RM123,778 (2000: RM260,906). The titles to certain properties have not been issued by the relevant authorities yet.

9. DEVELOPMENT EXPENDITURE

	Group	
	2001 RM	2000 RM
Development expenditure – at cost	111,246	111,246
Written off	(111,246)	-
	-	111,246

10. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2001	2000
	RM	RM
At cost		
Unquoted shares	8,371,301	8,371,301
Less: Provision for diminution in value	(2,118,819)	(2,118,819)
	6,252,482	6,252,482
Amount due from subsidiary companies (Refer Note (a) below)	13,724,926	13,754,782
Less: Provision for doubtful debts (Refer Note (b) below)	(9,197,711)	(9,197,711)
	4,527,215	4,557,071

- (a) The amounts due from/to subsidiary companies are unsecured, interest free and no scheme of repayment have been arranged.
- (b) On 31 March 1997, a Collaboration Agreement for the development of a piece of land in Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan for a total contract sum of RM30 million was executed by former Directors of the Company who were in office at that material time between Mastikas Jaya Sdn. Bhd. (wholly owned subsidiary of the Company) and two other parties.

The subsidiary company deposited RM7.2 million with its lawyer, who then forwarded the same sum to the vendors' solicitor upon execution of the agreement. A cheque for an amount of RM2.2 million from the RM7.2 million was released to another company as commission. The said cheque was handed over by the lawyer to a former Director of the Company who was in office at that material time. No actual development had taken place and the agreement was terminated. Mastikas Jaya Sdn. Bhd. has initiated legal action to recover all sums paid and an additional RM3 million as provided in the Collaboration Agreement for liquidated damages. The defendants had denied giving any instruction for release of the said RM2.2 million commission to the company. Nonetheless, the subsidiary company had made a total provision of RM7.2 million as doubtful debt.

A judgement had been awarded in favour of the Company in 1999 where the defendants has to pay to the Company a sum of RM7.2 million and further additional liquidated damages to be assessed. The defendant had filed an application to set aside the court order and a further application of appeal against the court decision. Subsequently, the defendant withdrew the application to set aside the court order while the appeal application have been fixed for hearing on 11 July 2001. Both parties are currently negotiating for a suitable mode of settlement.

10. INVESTMENT IN SUBSIDIARY COMPANIES (Cont' d)

Details of the subsidiary companies are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2001 %	2000 %
Pembangunan Sering Sdn Bhd	Malaysia	Property development (Not active)	100	100
Jasatera Properties Sdn Bhd	Malaysia	Investment holding	100	100
Jasatera Equipment Sdn Bhd	Malaysia	Dormant	100	100
Jasatera Ventures Sdn Bhd	Malaysia	Investment holding	100	100
* Jasatera Ventures (Australia) Pty Ltd	Australia	Property development (Not active)	100	100
Subsidiary company of Jasatera Ventures Sdn Bhd				
Jasatera-Chee Lim-Chai Mio Joint Venture Sdn Bhd	Malaysia	Contractor for general building and civil works (Not active)	100	100
Subsidiary companies of Jasatera Properties Sdn Bhd				
Acara Jaya Sdn Bhd	Malaysia	Property development (Not active)	100	100
Masmeriah Sdn Bhd	Malaysia	Property development (Not active)	100	100
Mastikas Jaya Sdn Bhd	Malaysia	Property development (Not active)	100	100

* Subsidiary company not audited by Shamsir Jasani Grant Thornton.

11. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
At cost				
Unquoted shares	10,511,115	10,511,115	10,511,115	10,511,115
Less: Provision for diminution in value of unquoted shares	(299,999)	(299,999)	(299,999)	(299,999)
	10,211,116	10,211,116	10,211,116	10,211,116
Add: Group's share of post acquisition profits	1,822,454	2,315,545	-	-
Less: Dividends received	(146,000)	-	-	-
	11,887,570	12,526,661	10,211,116	10,211,116
Amount due from associated companies	50,811,501	50,755,501	50,811,501	50,755,501
Less: Provision for doubtful debt	(50,755,452)	(50,755,452)	(50,755,452)	(50,755,452)
	56,049	49	56,049	49

Represented by:

Share of net assets of associated companies	11,887,570	12,526,661
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- (a) The amounts due from/to associated companies are unsecured, interest free and no scheme of repayment have been arranged.
- (b) The provision for doubtful debt represents advances totalling RM45 million paid to an associated company under a Memorandum of Understanding and a Supplementary Memorandum of Understanding which the associated company had entered into on 20 December 1996 and 28 December 1996 with another company to form a joint venture for a proposed mixed development project for a State Government under its privatisation project. All rights and interest in the mixed development project were assigned to the Company and the sum of RM45 million was paid to the associated company as advance payment for the associated company's share of the actual profit. The project has not started upon the expiry of the Memorandum of Understanding. Provision for doubtful debt has been made on the amount of RM45 million together with interest totalling RM50.8 million notwithstanding that the Company had made a claim against a third party guarantor for RM45 million in respect of the above. As the guarantor is currently under Section 176 protection, the Company cannot pursue the matter further (Refer to Note 30 (b)).

11. INVESTMENT IN ASSOCIATED COMPANIES (Cont'd)

Details of the associated companies which are incorporated in Malaysia are as follows:-

Name of Company	Principal Activities	Effective equity Interest	
		2001 %	2000 %
Akar Jadi Sdn Bhd	General Contractor (Not active)	50	50
Gunung Nagasari Sdn Bhd	Property Development (Not active)	30	30
Amdex Corporation Sdn Bhd	Investment Holding (Not active)	35	35

12. INTEREST IN JOINT VENTURES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Interest at cost	320,000	458,827	320,000	458,827
Share of profit	136,777	2,183,935	-	-
	456,777	2,642,762	320,000	458,827
Share of net assets of joint ventures	456,777	2,642,762		

The amounts due to/from joint ventures are unsecured, interest free and no scheme of repayment has been arranged.

Details of the joint ventures which are incorporated in Malaysia are as follows:-

Name of Joint Venture	Principal Activities	Effective equity Interest	
		2001 %	2000 %
Jasatera-Johnson-Sembawang Joint Venture	Construction works	40	40
Hochtief-Jasatera Joint Venture	Construction works	-	50
Permatang Bina-Jasatera-Hochtief Joint Venture	Construction works	-	40

13. OTHER INVESTMENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
At cost				
Quoted shares in Malaysia	89,400	89,400	59,000	59,000
Unquoted shares in Malaysia	337,500	337,500	337,500	337,500
	426,900	426,900	396,500	396,500
Less: Provision for diminution in value	(23,930)	(23,930)	(14,250)	(14,250)
	402,970	402,970	382,250	382,250
Market value of quoted shares	53,210	89,930	35,950	56,160

14. DEFERRED EXPENDITURE

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
At cost				
Preliminary expenses	2,500	2,500	-	-
Pre-operating expenses	5,932	5,932	-	-
Listing expenses	-	519,526	-	519,526
	8,432	527,958	-	519,526
Accumulated amortisation	(8,432)	(519,526)	-	(519,526)
	-	8,432	-	-

15. CONTRACT AMOUNT DUE FROM CUSTOMERS

	Group and Company	
	2001	2000
	RM	RM
Cost incurred to date	16,172,295	891,143
Add: Attributable profit	2,287,179	138,605
	18,459,474	1,029,748
Less: Progress billings	(13,657,996)	(554,172)
Amount due from customers	4,801,478	475,576

Contract costs include the following expenses incurred during the year:-

	2001	2000
	RM	RM
Hire purchase interest	-	2,413
Depreciation	38,979	-

16. TRADE DEBTORS

	Group and Company	
	2001	2000
	RM	RM
Retention sums	5,213,684	4,833,669
Progress claims and trade receivables	9,987,515	8,541,958
	15,201,199	13,375,627
Less: Provision for doubtful debts	(3,690,892)	(3,246,000)
	11,510,307	10,129,627

Included in the above is an amount of RM2,778,389 (2000: Nil) receivable from Perfect Eagle Holdings Sdn Bhd in which certain Directors have interests.

17. OTHER DEBTORS, DEPOSIT AND PREPAYMENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Other debtors, deposits and prepayments	35,642,217	35,465,292	27,885,286	27,974,889
Less : Provision for doubtful debts	(35,194,600)	(35,174,254)	(27,706,797)	(27,686,451)
	447,617	291,038	178,489	288,438

- (a) In November 1999, the Kuala Lumpur High Court ordered the defendant to pay back RM7.2 million to a subsidiary company together with compensation and cost to be assessed. (Refer Note 10 (b)). However, the defendant is appealing against the decision and the hearing is fixed on 11 July 2001.
- (b) On 1 December 1997, a purported Sale and Purchase Agreement was signed between the Company and a third party for the purchase of a piece of land in Beaufort, Sabah with an estimated value of RM82 million based on a preliminary valuation done by external valuers dated 16 April 1998. Total payments of RM27.65 million were made in respect of the purchase. The purported Sale and Purchase Agreement was later terminated by the previous Board of Directors via a purported Deed of Rescission and Revocation dated 3 July 1998. The land owner had delivered to the Company a title deed for the said land and a search at the Land Registry, Kota Kinabalu showed that the title given to the Company did not appear to match with all the particulars as recorded in the Land Registry. It appears that the Company may not be able to register the title to the property to its name. Nevertheless, the Company had lodged a caveat on the land with the Land Registry, Kota Kinabalu. A police report pertaining to this land has been lodged. A suit has been filed by the Company to claim back the said land and for damages (Refer Note 31 (b)).

Under the circumstances, a provision for doubtful debt have been made in respect of the advances of RM27.65 million included in other debtors and deposits.

18. OTHER CREDITORS AND ACCRUALS**Group and Company**

Included in the above is an amount of RM23,077,446 (2000: RM14,971,224) relating to interest payable on bank borrowings (Refer Note 20). This amount together with any future accrual of interests will be written back upon successful completion of the Debt Settlement Scheme(Refer Note 29(a)).

19. AMOUNT DUE TO A DIRECTOR

Group and Company

The amount due to a Director Mr Koo Yuen Kim, JP is unsecured, interest free and no scheme of repayment has been arranged except for an amount of RM4,940,546 which bears interest at 9.55 % (2000: 9.55%) per annum and repayable on demand. The said interest bearing loan of RM5 million was given to the Company in December 1998.

20. BANK BORROWINGS

	Group and Company	
	2001	2000
	RM	RM
Unsecured:-		
Bank overdrafts	18,118,190	16,893,314
Revolving credits	64,568,309	65,068,309
	82,686,499	81,961,623

Certain bank borrowings of the Company were obtained by way of a negative pledge on the Company's assets.

Interest is charged at 2% to 3% (2000: 1.5% to 3%) per annum above the bank's base lending rate.

The Company is unable to meet its obligations on credit facilities granted. On 16 October 1999, Danaharta Managers Sdn. Bhd., a wholly owned subsidiary company of Pengurusan Danaharta Nasional Berhad have acquired all the rights, title and interest vested with one of the creditor bank for the overdrafts facilities. On 5 September 2000, a debt settlement scheme (refer note 29 (a)) have been signed with all the creditor banks and Danaharta.

21. REVENUE

Revenue for the Group represent the proportionate sales value of workdone on the projects recognised under the percentage of completion method and gross dividend.

Revenue for the Company represent the proportionate sales value of workdone on the projects recognised under the percentage of completion method.

22. LOSS BEFORE TAXATION

Loss before taxation has been determined after charging/(crediting) amongst other items the following:-

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
After charging				
Auditors' remuneration	32,450	33,770	27,800	27,800
Bad debts written off	-	31,372	-	11,962
Provision for doubtful debts				
- no longer required	-	(548,000)	-	(548,000)
- current year	465,238	-	465,238	-
Depreciation	669,147	708,847	663,223	702,801
Development expenditure written off	111,246	-	-	-
Directors' remuneration				
- other emoluments	456,252	679,725	456,252	679,725
- fee	99,400	4,000	99,400	4,000
Rental of office premises	94,272	125,872	94,272	124,272
Loss on disposal of fixed assets	-	2,931	-	-
Amortisation of deferred expenditure	8,432	103,906	-	103,906
Fixed assets written off	32,945	391	32,944	391
Provision for diminution in value of investment				
- subsidiary company	-	-	-	618,818
Interest				
- revolving credit	8,106,222	8,227,553	8,106,222	8,227,553
- overdraft	1,705,002	1,436,398	1,705,002	1,436,398
- hire purchase	50,124	38,730	50,124	38,730
- Director	448,295	424,006	448,295	424,006
And crediting				
Gain on disposal of fixed assets	77,845	193,449	77,845	193,449
Gross dividend income	520	500	181,520	500
Interest income	3,888	-	3,888	-

23. TAXATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Provision for current year	9	-	-	-

- (a) There is no provision for taxation for the current year for the Group and the Company as there are no chargeable income except for one subsidiary company in which the provision for taxation is determined by applying Malaysia tax rate on dividend income.

23. TAXATION (Cont'd)

- (b) The Company's unabsorbed capital allowances and unutilised business losses which can be carried forward to offset against future taxable profit amounted to approximately RM1,324,000 (2000: RM1,082,000) and RM40,330,000 (2000: RM39,337,000) respectively.
- (c) The Group's unabsorbed capital allowances and unutilised business losses which can be carried forward to offset against future taxable profit amounted to approximately RM1,349,000 (2000: RM1,104,000) and RM40,442,000 (2000: RM39,442,000) respectively.
- (d) The above amounts are subject to the approval of the Inland Revenue Board of Malaysia.

The estimated potential taxation benefit of the timing differences not accounted for the Group are as follows:-

	Group	
	2001 RM	2000 RM
Unabsorbed capital allowances	1,349,000	1,104,000
Unutilised tax losses	40,442,000	39,442,000
Other timing differences	(210,000)	(371,000)
	41,581,000	40,175,000

The potential tax benefits have not been taken into the financial statements because there is no reasonable assurance that future taxable income will be sufficient to allow the benefit of the losses to be realised.

24. LOSS PER SHARE

The loss per share for the financial year has been calculated based on the Group's loss after taxation of RM6,811,955 (2000: RM11,620,668) and the ordinary shares in issue during the financial year of 19,980,000 (2000: 19,980,000).

25. EMPLOYEES INFORMATION

	Group and Company	
	2001 RM	2000 RM
Staff costs	1,836,796	2,425,818

The number of employees of the Group and of the Company at the end of the financial year were 57 (2000:61) respectively.

26. RELATED PARTY TRANSACTIONS AND BALANCES

The significant transactions and balances of the Group and of the Company with the related parties were as follows:-

Year 2001	Transactions RM	Company Repayments RM	Balances RM
Advances to/(from) subsidiary companies			
- Jasatera - Chee Lim - Chai Mio Joint Ventures Sdn Bhd	1,475	-	1,475
- Acara Jaya Sdn Bhd	1,475	(9,854)	(8,379)
- Masmeriah Sdn Bhd	1,475	(10,268)	(8,793)
- Jasatera Ventures Sdn Bhd	5,075	(14,301)	(9,226)
- Mastikas Jaya Sdn Bhd	1,375	-	1,375
- Jasatera Properties Sdn Bhd	1,426	-	1,426
- Jasatera Equipment Sdn Bhd	1,475	-	1,475
- Jasatera Ventures (Australia) Pty Ltd	2,898	(12,107)	(9,209)
- Pembangunan Sering Sdn Bhd	520,097	(521,585)	(1,488)
	536,771	(568,115)	(31,344)

Year 2001	Group and Company		Balances RM
	Transactions RM	Repayments RM	
Advances to associated company			
- Amdex Corporation Sdn Bhd	5,208	-	5,208
Dividend received/receivable from associated companies			
- Amdex Corporation Sdn Bhd	56,000	-	56,000
- Akar Jadi Sdn Bhd	90,000	(90,000)	-
	146,000	(90,000)	56,000
Accountancy fee received from associated company			
- Akar Jadi Sdn Bhd	6,000	(6,000)	-
Advances from a Director (refer note 19)			
- Koo Yuen Kim, JP	500,000	-	500,000
Interest payable on advances from a Director (refer note 19)			
- Koo Yuen Kim, JP	448,295	-	448,295

26. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

Year 2001	Group and Company		Balances RM
	Transactions RM	Repayments RM	
Transactions with a company in which the Directors: Koo Woon Kee, Koo Yuen Kim, JP and Lim Ching Soon have an interest – Perfect Eagle Holdings Sdn Bhd			
- Advances received	13,894,425	(13,353,607)	540,818 **
- * Commission payable	326,388	-	326,388 **
- Progress billing receivable	13,657,996	(10,879,607)	2,778,389

* This amount relates to a total sub-contract from Perfect Eagle Holdings Sdn Bhd which had already been declared in a Board Meeting.

** These amounts have been included in trade creditor.

Year 2000	Company		Balances RM
	Transactions RM	Repayments RM	
Advances to/(from) subsidiary companies			
- Jasatera - Chee Lim - Chai Mio Joint Ventures Sdn Bhd	1,638	-	1,638
- Acara Jaya Sdn Bhd	2,905	-	2,905
- Masmeriah Sdn Bhd	6,203	-	6,203
- Jasatera Ventures Sdn Bhd	1,092	-	1,092
- Mastikas Jaya Sdn Bhd	2,351	-	2,351
- Jasatera Properties Sdn Bhd	1,739	-	1,739
- Jasatera Equipment Sdn Bhd	1,602	-	1,602
- Jasatera Ventures (Australia) Pty Ltd	8,328	-	8,328
- Pembangunan Sering Sdn Bhd	-	(2,848)	(2,848)
	25,858	(2,848)	23,010
Advances to associated company			
- Gunung Nagasari Sdn Bhd	49	-	49
Interest payable on advances from a Director			
- Koo Yuen Kim, JP	424,006	-	424,006

26. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

	Group and Company	
	2001	2000
	RM	RM
Directors' fee paid in 2001	99,400	
- Dato' Dr. Mohamad Jaffar Mohd Ali, KMN, PJK		
- Koo Yuen Kim, JP		
- Tan Jyh Yaong		
- Mahamad Zaihan bin Zakaria		
- Koo Woon Kee		
- Lim Ching Soon		
- Leong Soon Kiong		
- Wong Chee Beng		
Directors' fee paid in 2000		4,000
- Dato' Dr. Mohamad Jaffar Mohd Ali, KMN, PJK		
- Lim Ching Soon		
- Koo Woon Kee		
- Wong Chee Beng		
Directors' remuneration paid in 2001	456,252	
- Dato' Dr. Mohamad Jaffar Mohd Ali, KMN, PJK		
- Koo Woon Kee		
- Lim Ching Soon		
- Leong Soon Kiong		
- Wong Chee Beng		
Directors' remuneration paid in 2000		679,725
- Dato' Dr. Mohamad Jaffar Mohd Ali, KMN, PJK		
- Lee Chen Chong @ Le Ching Tai		
- Lim Ching Soon		
- Koo Woon Kee		
- Wong Chee Beng		

The Directors of the Company are of the opinion that the terms of transactions have been entered on a negotiated basis.

27. SEGMENTAL REPORTING – GROUP

	Revenue		Loss/(Profit) before taxation		Assets employed	
	2001 RM	2000 RM	2001 RM	2000 RM	2001 RM	2000 RM
Construction	18,005,650	2,529,749	8,471,380	11,417,844	32,664,904	29,834,320
Property						
Development	–	–	108,813	59,592	4,040,685	4,168,095
Investment holding	85	125	3,735	2,501	20,930	31,570
Trading	–	–	10,357	–	2	8,434
Share of results of associated companies	–	–	493,091	33,086	–	–
Share of results of joint ventures	–	–	(2,275,430)	107,645	–	–
	18,005,735	2,529,874	6,811,946	11,620,668	36,726,521	34,042,419

No segment information by geographical area has been presented as the Group operates predominantly in Malaysia.

28. CONTINGENT LIABILITIES

	Group and Company	
	2001 RM	2000 RM
Unsecured:-		
Corporate guarantee given to third party for subsidiary company's performance (Refer Note 29(b))	–	8,338,292
Claim for alleged unfair dismissal of employment contract	128,685	128,685
Legal suit by supplier	–	26,397
	128,685	8,493,374

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**(a) Debt Settlement Scheme**

On 6 September 2000, the Company announced a proposed recapitalisation exercise and the main features of the proposed scheme, among other things are as follows:-

- (i) Settlement of all bank debts approximately RM91.4 million by way of cash payment of 20 sen, equity conversion of 30 sen and a waiver of 50 sen for every RM1 of debts. The 30 sen debt equity conversion is to take the form of a 5 years redeemable convertible preference shares ("RCPS") of RM1 each in the Company.

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Cont'd)

- (ii) A capital reduction of RM15,984,000 by cancelling 80 sen of the par value of each existing ordinary share of RM1 each and then consolidating five shares of 20 sen each into one ordinary share of RM1 each.
- (iii) A rights issue of new shares to raise RM23,976,000 from the shareholders.

The Company was unable to complete the proposed scheme due to the following reasons:

- (i) The pending court case taken up by the ex-Chairman of the Company against the Company and 5 Directors. The ex Chairman seek to stop the Company and the Directors from carrying on with the proposed scheme.
- (ii) The Securities Commission (“SC”) issued a new requirement for a company’s net tangible assets (NTA) to be at least half of the par value of the share capital after completion of the scheme and the Company’s present scheme was unable to fulfill this requirements.

In February 2001, the Company requested for an extension of another 12 months from its bank creditors in view of the time frame set under the new listing requirements of the Kuala Lumpur Stock Exchange.

The proposed scheme is currently under revision and one of the proposals was to change the RCPS to ICPS (Irredeemable Convertible Preference Share).

In the event that the RCPS is changed to ICPS, then the “major substantial shareholder” will not increase their equity interest in the Company from 21.5% to 60.77% on the completion of the scheme as was reported in the previous annual report.

As the scheme is still under revision, an announcement of the revised scheme will be made in due course upon completion.

- (b) The contingent liability of RM8.48 million which arose from the termination of a Collaboration Agreement entered into by a subsidiary company with a third party will no longer exists as all the parties have agreed to discontinue their suits with no order as to cost at a trial held on the 5 September 2000 at the Melaka High Court. (Refer Note 28)

30. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

- (a) On 7 February 2001, the Company entered into a Joint Venture Agreement with Rahmat Merdeka Sdn Bhd, representing 30% proportions in all rights and obligations for the purpose of securing projects for the Company.
- (b) The Directors of the Company discovered an error in the accounting entries made in the financial year ended 31 January 1997 in which a cheque of RM20 million that was received by the Company had been wrongly credited to offset against the amount due from Messrs Vincent Lim & Teoh (solicitor firm) instead of treating it as a repayment from the amount due from associated company, Gunung Nagasari Sdn Bhd.

30. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (Cont'd)**(b) (cont'd)**

The amount due from Messrs Vincent Lim & Teoh arose from a payment of RM20 million to the said firm on 22 January 1997. The Directors discovered that the former Directors (Mr Ho Cheng Hong and Mr Tang Chee Wai) had authorized the said payment via telegraphic transfers to Messrs Vincent Lim & Teoh without any consideration to the Company. Upon enquiry, Mr Teoh Tek Siong, the former partner of Messrs Vincent Lim & Teoh stated that the former Managing Director of Jasatera Berhad (Mr Tan Seng Chai) had verbally instructed him to make the above payment to one Mr See Chee Beaw (a former Director of Jasatera Berhad) and the purpose of the payment was not disclosed to him. He also mentioned that the investigation officer of the Securities Commission interviewed him in January 2001 and had already recorded a statement on the above matter.

On 22 February 2001, the Company demanded the refund of said sum from Mr See Chee Beaw who later via his lawyer, Messrs Ong Chin Beng & Rakan-Rakan, denied having received such sum from Messrs Vincent Lim & Teoh or at all. The Company is seeking legal advice and shall pursue legal action to recover the above RM20 million from Messrs Vincent Lim & Teoh and/or Mr See Chee Beaw.

The outcome of the matter cannot be determined at present, therefore, no adjustment has been made in the financial statements.

31. MATERIAL LITIGATIONS**(a) Legal Suits Outstanding**

The following are legal suits outstanding as at 31 January 2001:-

Case	Plaintiff(s)	Defendant (s)	Suit No:
1.	Jasatera Berhad	Pembinaan YCS Berhad	Kuala Lumpur High Court D4-24-395-98
2.	Pembinaan YCS Berhad	Jasatera Berhad	Kuala Lumpur High Court D4-22-1523-98
3.	Perwira Affin Bank Berhad	Jasatera Berhad	Shah Alam High Court MT3-22-1201-98
3. (a)	Jasatera Berhad	Perwira Affin Bank Berhad Tan Seng Chai Tang Chee Wai Ho Cheng Hong	Shah Alam High Court (counter claim) MT3-22-1201-98
4.	Dato' Dr. Mohamad Jaffar Mohd Ali Datuk Yeop Adlan bin Che Rose	Jasatera Berhad Koo Yuen Kim, JP Koo Woon Kee Lim Ching Soon Tan Jyh Yaong Wong Chee Beng	Shah Alam High Court Civil Suit MT3-22-438-99

31. MATERIAL LITIGATION (Cont'd)**(a) Legal Suits Outstanding (cont'd)**

Case	Plaintiff(s)	Defendant (s)	Suit No:
4. (a)	Jasatera Berhad	Dato' Dr. Mohamad Jaffar Mohd Ali Datuk Yeop Adlan bin Che Rose Chong Fook Sin	Shah Alam High Court Civil Suit (counter claim) MT3-22-438-99
5.	Dato' Che Rose Jaffar Mohd Ali Datuk Yeop Adlan bin Che Rose	Influx Advance Sdn Bhd Su Bee Leng Leong Soon Kiong Low Teong Seng Chu Chee Choon Lee Kwong Yong Ng Jun Wey	Shah Alam High Court MT1-22-826-99
6.	Chong Fook Sin	Influx Advance Sdn Bhd Su Bee Leng Koo Yuen Kim, JP Koo Woon Kee Wong Chee Beng Lim Ching Soon Leong Soon Kiong Low Teong Seng Chu Chee Choon Lee Kwong Yong Ng Jun Wey	Shah Alam High Court MT1-22-824-99
7.	Jasatera Berhad	Lee Chen Chong @ Le Ching Tai	Kuala Lumpur High Court S/No. D6-22-689-2000
8.	Pintaras Geotechnics Sdn Bhd	Jasatera Berhad	Shah Alam High Court Civil Suit MT2-22-421-99
9.	Jasatera Berhad	Zaitun Industries Sdn Bhd	Kuala Lumpur Sessions Court Summon 9-52-17689-99
10.	Mastikas Jaya Sdn Bhd (100% subsidiary of Jasatera Berhad) (Refer Note 10 (b))	Deepa Sdn Bhd & 1 other	Kuala Lumpur High Court D4-314-98
11.	Jasatera Berhad	Sterling Vista Sdn Bhd	Kuala Terengganu High Court 22-54-99
12.	Jasatera Berhad	Tan Jee Wooi	Kuala Lumpur Industrial Court 2/4-408-99

31. MATERIAL LITIGATION (Cont'd)**(a) Legal Suits Outstanding (cont'd)**

Case	Plaintiff(s)	Defendant (s)	Suit No:
13.	Terus Maju Industrial Hardware Sdn Bhd	Jasatera Berhad	Kuala Lumpur Magistrate's Court 72-4155-2000
14.	Chuan Huat Industrial Marketing Sdn Bhd	Jasatera Berhad	Kuala Lumpur High Court D1-22-1511-2000
15.	Jasatera Berhad	Terbit Elit Sdn Bhd Tan Seng Chai Ong Kee Chak Ho Cheng Hong Tang Chee Wai Foo Chee Choon Choo Hui Teck Tan Seng Chong	Shah Alam High Court MT2-22-227A-2000

Case 1 & 2

Kindly refer to Note 11(b).

Case 3

Prior to the proposed debt settlement scheme with all the lenders, Perwira Affin Bank Berhad had initiated a legal suit against the Company for recovery of borrowings amounting to RM55 million plus interest accrued thereon.

Case 3 (a)

In turn, the Company is counter claiming from the defendants in case 3 above and some former directors of the Company for the recovery of the same amount which was given as a loan to the Company for a project which did not materialize and that the loan was allowed to be drawdown in an irregular manner.

Case 4 & 4 (a)

An Emergency Board Meeting ("EBM") was called to be held on 31 December 1998 and the plaintiffs did not attend the said meeting. On 27 April 1999, the plaintiffs initiated a legal suit (MT3-22-438-99) against the defendants to declare that the said EBM as invalid.

In addition, they seek to declare that the resolution regarding the vacation of office of 2 directors (i.e. Datuk Yeop Adlan bin Che Rose & Mr Tan Seng Chai) and the resolution for appointment of a new director (i.e. Mr Wong Chee Beng) as invalid.

Subsequently, JASATERA BERHAD made a counter claim against the above plaintiff and certain former directors who believe acted wrongfully on several transactions (Refer Case 1, 2, 3 (a) & 15).

31. MATERIAL LITIGATION (Cont'd)**(a) Legal Suits Outstanding (cont'd)****Case 5**

The Company called for an Extraordinary General Meeting ("EGM") to be held on 27 August 1999. The same plaintiffs in Case 4 above made an application for an injunction to stop the EGM (MT1-22-826-99). Simultaneously, the same plaintiffs also filed a Summon In Chamber ("SIC") application for an interim injunction against the defendants to stop the EGM.

Case 6

One of the former directors, Mr. Chong Fook Sin (who was to be removed as a director in the above EGM) initiated a similar application in the same Court as Case 5 above to stop the EGM (MT1-22-824-99). Cases 5 & 6 were subsequently consolidated and heard on 25 August 1999. No injunction order was granted against the holding of the EGM on 27 August 1999.

Case 7

Mr Lee Chen Chong @ Le Ching Tai, a director of the Company in 1999 was not re-elected at the Company's Annual General Meeting ("AGM") held on 24 December 1999.

The ex-Chairman, Dato' Dr. Mohamad Jaffar Mohd Ali issued a notice dated 3 April 2000 to convene a board meeting which was sent to Mr Chong Fook Sin (who had already been removed as a director at an EGM held on 27 August 1999) and to Mr. Lee Chen Chong @ Le Ching Tai (who was not re-elected as a director at the AGM held on 24 December 1999).

The majority of the Board members objected strongly that notice were sent to Mr Chong Fook Sin and Mr Lee Chen Chong @ Le Ching Tai in their capacity as directors despite that they were no longer directors of the Company.

As a consequence, the Company initiated an application for an injunction against Mr Lee Chen Chong @ Le Ching Tai to prevent him from further acting as a director and to attend any board meeting of the Company.

Case 8

Pintaras Geotechnics Sdn Bhd sued the Company to recover RM709,110, which they claimed is due to them. The Company had made a counter claim against the plaintiff for RM422,028. Pintaras Geotechnics Sdn Bhd was unable to obtain a summary judgment. The case is awaiting full trial. The amount claimed has been properly accrued for.

31. MATERIAL LITIGATION (Cont'd)**(a) Legal Suits Outstanding (cont'd)****Case 9**

The Company served a civil suit writ through the Kuala Lumpur Session Court (Summon No. 52-1769-1999) on Zaitun Industries Sdn Bhd for a claim of RM183,323.51 being amount due to the Company.

The hearing of our Order 26A Application was held on 25 July 2000. After several hearing, we obtained an order and judgment pursuant to Order 29 Rule 9 of the Rules of Subordinate Court 1980 on 22 March 2001.

Zaitun Industries Sdn Bhd filed an appeal to Mahkamah Tinggi Rayuan and obtained a Registration No. Sivil No. R2-12-137-01 on 9 April 2001.

The case has been fixed for hearing on 18 May 2001.

Case 11

The Company had demanded payment from defendant based on letter of undertaking given by Sterling Vista Sdn Bhd to the Company for a total sum of RM300,000.00.

The Company filed an application for summary judgment under Order 14 on the 8 May 2000. After several hearing our application has been allowed with costs on 25 November 2000.

The defendant filed a Notice of Appeal on 28 November 2000. The hearing was fixed on 9 April 2001 and will continue on 10 June 2001.

Case 12

Mr. Tan Jee Wooi was the Administration Manager of the Company who resigned on 23 August 1997. Subsequently, he lodged a complaint to the Labour Office stating that he was wrongfully terminated by the Company and was seeking for constructive dismissal. The case has gone to the Industrial Court. The last court hearing was on 9 & 10 March 2001 and the next hearing has not been fixed yet.

Case 13

Terus Maju Industrial Hardware Sdn Bhd is a supplier to the Company. There were some past transactions, which were irregular, and under investigation by the Company. Terus Maju Industrial Hardware had sued the Company for amount outstanding.

31. MATERIAL LITIGATION (Cont'd)**(a) Legal Suits Outstanding (cont'd)****Case 14**

Chuan Huat Industrial Marketing Sdn Bhd sued the Company for supplies but the documents were not in order and the Company is disputing the outstanding amounts.

Case 15

In 1999 a suit was filed by the Company against Terbit Elit Sdn Bhd and 8 individuals, 4 of whom were former Directors of the Company for the declaration that the piece of land in Beaufort, Sabah, are held by Terbit Elit Sdn Bhd as trustee for the Company. This piece of land was purportedly sold to the Company by Terbit Elit Sdn Bhd where RM27.65 million had been paid by the Company in 1997 but the title has yet to be transferred. There is a claim by the Company for RM25 million as damages for fraud and breach of fiduciary duty against all the defendants with interest and costs.

(b) Directors' Legal Suit

An Emergency Board Meeting held on 31 December 1998 (with prior notices given to all Directors and a quorum present) was convened to discuss the offer made by Perwira Affin Bank Berhad on the debt settlement scheme among other things. At the same meeting, it was resolved by the Directors present that in accordance with Article 91 (g) of the Articles of Association of the Company, the office of Datuk Yeop Adlan bin Che Rose and Mr Tan Seng Chai be vacated and in accordance with Article 87 the appointment of Mr Wong Chee Beng as additional Director be effected. Some of the Directors did not attend the said meeting. After a lapse of four months period, they filed a suit (No. MT3-22-438-99) on 27 April 1999 challenging some of the resolutions passed during the said meeting on 31 December 1998 and they applied for an interim injunction against the Company and its directors to restrain the implementation of some of the resolutions in the said meeting.

Plaintiffs

1. Dato' Dr. Mohamad Jaffar Mohd Ali – Chairman
2. Datuk Yeop Adlan bin Che Rose

Defendants

1. Jasatera Berhad
2. Koo Yuen Kim, JP – Vice Chairman
3. Koo Woon Kee – Managing Director
4. Lim Ching Soon – Executive Director
5. Tan Jyh Yaong – Non-Executive Director
6. Wong Chee Beng – Executive Director

31. MATERIAL LITIGATION (Cont'd)

(b) Directors' Legal Suit (cont'd)

The Shah Alam High Court dismissed the application with costs. On appeal, the Court of Appeal (No. B-02-890-99) on 25 January 2000, restrained the implementation of the Board resolutions passed on 31 December 1998.

In March 2000, the ex-Chairman Dato' Dr. Mohamad Jaffar Mohd Ali wrote a letter to all the Company's bankers together with a copy of the Court of Appeal Order (No. B-02-890-99).

The ex-Chairman on his own interpretation that the signatories for the company's bank accounts are invalid due to the Court of Appeal Order demanded that the company's bank accounts be frozen. As a consequence, two of the bankers froze the company's current accounts and they remain frozen to date. The Company strongly protested the freezing of the bank accounts.

One of the banker, Public Bank Berhad had filed an intervener application to the Court of Appeal for further clarification of it's order but was directed to re-file their application in the High Court Shah Alam for clarification. Both parties have filed their papers and the case was fully heard in the High Court Shah Alam pending decision but the decision was put on hold due to the application by the ex-Chairman to the Chief Judge to transfer the case to another judge. No decision was made by the Chief Judge on this issue of transfer until to date.

(c) Irregular Payments

- (i) Included in construction costs for projects, which have been completed in the previous financial year, are payments for purchase of project materials based on invoices and documents, some of which appears to be irregular. A police report pertaining to the above had been lodged in 1998.
- (ii) On 10 October 1997, a Company's cheque for a sum of RM1.5 million was approved by a former Director who is in office and paid to a legal firm for an unknown purpose. There was no written explanation in the payment voucher for this transaction. The current Managing Director had written two letters to the said Director and the said legal firm for clarification.

In February 2000, the Managing Director instructed the Company's solicitor to demand detail particulars from the legal firm who received the said sum of RM1.5 million.

31. MATERIAL LITIGATION (Cont'd)**(c) Irregular Payments (cont'd)**

In March 2000, the following reply was received from said legal firm, addressed to the Company's solicitor:-

"Please be informed that in the month of September 1997, we were acting as solicitors for a client in a transaction with a Company ("the Company") connected to your client's then Managing Director, Mr Tan Seng Chai. Certain payments were to have been made to our client pursuant to this transaction and on 10 October 1997, we received the cheque for RM1,500,000 (SBB 056633) made in our favour without any covering letter or voucher. Our Mr Koh then received a call from your then Executive Director and a signatory of the cheque, Mr Ho Cheng Hong who informed our Mr Koh that the cheque was a payment made by Mr Tan Seng Chai on behalf of the Company to our client as part payment of sum due to our client. This was subsequently confirmed by the solicitors who acted for the Company.

Based on the aforesaid confirmations, we then released the said sum of RM1.5 million to our client on 14 October 1997".

The Company is of the view that its funds should not be used to pay for personal transactions of the Directors. The Company is currently pursuing the matter through the Company's solicitor.

32. PRESENTATION OF THE FINANCIAL STATEMENTS

Presentation of the financial statements has been changed to conform with the adoption of MASB 1.

33. COMPARATIVE INFORMATION

Certain comparative figures in the financial statements have been reclassified to conform with current year's presentation.

Location	Description And Existing Use	Tenure	Land Area (sq. ft)	Built-up Area (sq. ft)	Approximate Age of the Building	Net Book Value
MALAYSIA						
Awana Condominium (Apartment No. M4525) 8th Mile Genting Highlands 69000 Genting Highlands Pahang	Apartment	Freehold	-	1,364	13 years	262,669
Lot No. IL000007 PT7439 HS (D) 8286 Mukim of Serendah Daerah Ulu Selangor Selangor	Industrial land	Freehold	92,388	-	Not Applicable	813,015
3 Storey Shophouse at 29 Jalan SS 15/4E Subang Jaya Petaling Jaya Selangor	Office use	Freehold	1,760	5,280	18 years	812,916
*Geran No 8114, Lot 634 Mukim of Cheng District of Melaka Tengah Melaka	Undeveloped land	Freehold	759,251	-	Not Applicable	3,998,687

* Held under Masmeriah Sdn Bhd, a 100% owned subsidiary company.

ANALYSIS OF SHAREHOLDING as at 27 April 2001

(As per the Register of Members)

Authorised Share Capital	:	RM25,000,000
Issued and Fully Paid Up	:	RM19,980,000
Class of Shares	:	Ordinary shares of RM1 each
No. of Shareholders	:	1,785
Voting Rights	:	1 vote per ordinary share

DISTRIBUTION OF SHAREHOLDING as at 27 April 2001

Category	No. of Holders		No. of Share		Percentage (%)	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 1,000	7	–	1,020	–	0.01	–
1,000 to 10,000	1,629	67	3,244,000	150,000	16.24	0.75
10,001 to 100,000	48	3	1,004,000	46,000	5.02	0.23
100,001 to less than 5% of issued shares	26	2	8,704,510	845,000	43.56	4.23
5% and above of issued shares	3	–	5,985,470	–	29.96	–
Total	1,713	72	18,939,000	1,041,000	94.79	5.21

ANALYSIS OF DIRECTORS' SHAREHOLDING as at 27 April 2001

(As per the Register of Directors' Shareholdings)

Name of Directors	No of Shares held or beneficially interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
1. Koo Woon Kee, JP	195,000	–	0.97	–
2. Koo Yuen Kim	242,000	1,910,380 *	1.21	9.56
3. Leong Soon Kiong	1,000	–	0.01	–
4. Lim Ching Soon	7,000	–	0.04	–
5. Tan Jyh Yaong	821,000	–	4.11	–

* Deemed interest by virtue of his interest in Influx Advance Sdn Bhd.

SUBSTANTIAL SHAREHOLDING as at 27 April 2001

(As per the Register of Substantial Shareholders)

Name of Directors	No of Shares held or beneficially interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
1. Dato' Dr. Mohamed Jaffar Mohd Ali	3,209,760	–	15.31	–
2. Influx Advance Sdn Bhd	1,910,380	–	9.56	–
3. Su Bee Leng	1,016,000	1,910,380 *	5.09	9.56
4. Koo Yuen Kim	242,000	1,910,380 *	1.21	9.56
5. Tan Jyh Yaong	821,000	–	4.11	–
6. Utas Dedikasi Sdn Bhd	788,000	–	3.94	–
7. MBF Nominees (Tempatan) Sdn Bhd Pledged Securities Account for See Cheng Siang	674,920	–	3.38	–
8. MBF Nominees (Tempatan) Sdn Bhd Pledged Securities Account for See Chee Beaw	674,920	–	3.38	–
9. Cartaban Nominees (Asing) Sdn Bhd Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	455,000	–	2.28	–
10. Wong Wai Meng	432,000	–	2.16	–

* Deemed interest by virtue of his/her interest in Influx Advance Sdn Bhd.

30 LARGEST SHAREHOLDERS as at 27 April 2001

No.	Shareholder	No. of Shares	%
1.	Dato' Dr. Mohamed Jaffar Mohd Ali	3,059,090	15.31
2.	Influx Advance Sdn Bhd	1,910,380	9.56
3.	Su Bee Leng	1,016,000	5.09
4.	Tan Jyh Yaong	821,000	4.11
5.	Utas Dedikasi Sdn Bhd	788,000	3.94
6.	MBF Nominees (Tempatan) Sdn Bhd Pledged Securities Account for See Cheng Siang	674,920	3.38
7.	MBF Nominees (Tempatan) Sdn Bhd Pledged Securities Account for See Chee Beaw	674,920	3.38
8.	Cartaban Nominees (Asing) Sdn Bhd Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	455,000	2.28
9.	Wong Wai Meng	432,000	2.16
10.	Yap Siew Chow	395,000	1.98
11.	Wong Moi	395,000	1.98
12.	Infinite Revenue Sdn Bhd	393,000	1.97
13.	Hooy Kok Wai	390,000	1.95
14.	Chok Fui Yee	383,000	1.92
15.	Yap Kong Meng	381,000	1.91
16.	Chang May Lon @ Cheong May Lon	379,000	1.90
17.	Tiew Kong Seng	351,000	1.75
18.	Wong Siew Chu	290,000	1.45
19.	Siew Tong Chee	290,000	1.45
20.	Yen Mee Hui	279,000	1.40
21.	Tham Yung-Yi	256,000	1.28
22.	Koo Yuen Kim	242,000	1.21
23.	Koo Woon Kee	195,000	0.97
24.	Yen Mooi Lan	182,000	0.91
25.	MBF Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Dr. Mohamad Jaffar Mohd Ali	150,670	0.75
26.	Cheong Choy Kuan	141,000	0.71
27.	Su Weng Seng	140,000	0.70
28.	M.I.T. Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Sim Bee	128,000	0.64
29.	Yen Mee Kuen	121,000	0.60
30.	BIMB Securities Sdn Bhd- Pledged Securities Account for Dato' Dr. Abdul Halim Ismail	121,000	0.60

29, Jalan SS 15/4E, 47500 Subang Jaya, Selangor Darul Ehsan

I/We, _____
 (PLEASE USE BLOCK LETTERS)

of _____

being a Member/Members of abovenamed Company do hereby appoint _____

of _____

or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at The Greens Room, Tropicana Golf & Country Club, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 31 May 2001 at 10.00 a.m. and at any adjournment thereof in the manner indicated below.

With reference to the Agenda set forth in the Notice of Meeting, please indicate with an "X" in the spaces below how you wish your votes to be cast on the resolutions specified.

NO.	RESOLUTION	FOR	AGAINST
1.	Adoption of Reports and Accounts		
2.	Approval of Directors' Fees		
3.	Re-election of Director – Datuk Yeop Adlan Bin Che Rose		
4.	Re-appointment of Auditors		

(Please indicate with an " X " in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his/her discretion)

Signed this _____ day of _____ 2001

NO. OF SHARES HELD									

 Signature of Member(s)



NOTES 1) : Mr Tan Jyh Yaong, who is due for retirement in accordance with Article 80 of the Company's Articles of Association but eligible to be re-elected, however does not wish to seek for re-election.

NOTES 2) : A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll to vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. To be valid, the proxy form duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting. If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of its attorney.



Please Fold Along This Line

**STAMP
HERE**

The Company Secretary
JASATERA BERHAD (78053-H)
No 29, Jalan SS 15/4E
47500 Subang Jaya
Selangor Darul Ehsan

Fold This Flap For Sealing (Stapler or Glue)

Fold This Flap For Sealing (Stapler or Glue)

