

## New business focus powered by ICT

This year's cover design for the Annual Report highlights KUB Malaysia's new business focus to meet the challenges of the Information Age.

The four images shown represent KUB Malaysia's new core business sectors of Information & Communications Technology (ICT), Education & Training (E&T), Food & Beverage (F&B) and Liquefied Petroleum Gas (LPG).

The Jawi characters of the KUB logo, **Kaf Alif Ba**, is presented in an embossed graphic illustration incorporating a computer chip to symbolize the importance of ICT as the enabler of KUB's business.

The Kaf Alif Ba is depicted in the form of four circuit lines to further signify that ICT is used pervasively in all four core sectors.

The fact that the core sectors are connected by the circuit lines illustrates the synergy that ICT brings to the KUB Group. Each complements the other to provide world-class products and services.

This ensemble is set against a backdrop of circuit lines, re-inforcing KUB's commitment and determination to stay abreast of rapid developments in today's technological front.

## Our Corporate Values

### **I**ntegrity

*We are accountable, honest, truthful, sincere and of sound moral character and strive to be whole and complete  
...thus developing good corporate citizenship*

### **H**ardwork

*We are diligent, willing to learn and work hard to achieve our organisational goals and we believe in meritocracy  
...thus producing world class products and services*

### **S**hareholders' Value

*We strive to provide adequate returns to shareholders and for the long term survival of our organisation  
...thus positioning ourselves as blue chip investment*

### **A**cceptance by Consumer

*We are in business to satisfy customers and are market driven and we strive to excel in customer service  
...thus capturing a global brand recognition*

### **N**urturing

*We empower our employees and encourage them to realise their true potential and provide them a conducive environment for teamwork, creativity and continuous innovation  
...thus developing skillful and competent professionals*

## OUR VISION

KUB aspires to be a leading knowledge corporation catering for the Information Age

## OUR MISSION

To provide world class products and services using information and communications technology pervasively

# Contents

PAGE	
4	Notice of Annual General Meeting
5	Statement Accompanying Notice of the 37th Annual General Meeting
7	Corporate Information
8	Chairman's Statement
18	Profile of Board of Directors
22	Executive Board
23	Statement of Corporate Governance
27	Board Audit Committee Report
29	Board Remuneration Committee
30	Executive Committee
31	Senior Management
32	Analysis of Shareholding
34	Business Sectors
35	Business Profile
42	Calendar of Events
46	Financial Statements 2001
94	Properties Held
103	Proxy Form

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 37th Annual General Meeting of KUB Malaysia Berhad will be held at the Dewan Tun Dr Ismail, Level 2, Putra World Trade Centre (PWTC), 50480 Kuala Lumpur on Thursday, 27 June 2002 at 10.00 am to conduct the following business:-

## AGENDA

### ORDINARY BUSINESS

1. To receive and adopt the Financial Statements of the Company and the Group for the year ended 31 December 2001 and the Reports of the Directors and Auditors thereon.

(Resolution 1)

2. To re-elect the following Directors retiring pursuant to Article 97 of the Company's Articles of Association and being eligible offer themselves for re-election:

(i) Datuk Ruhanie Haji Ahmad

(Resolution 2)

(ii) Dato' Mohd Noor Yusof

(Resolution 3)

(iii) Datuk Haji Ahmad Shahibuddin Haji Mohd Nor

(Resolution 4)

3. To approve the Directors' fees for the year 2001.

(Resolution 5)

4. To re-appoint Messrs KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 6)

### SPECIAL BUSINESS

5. To consider and if thought fit to pass the following Ordinary Resolution:-

"THAT subject always to the Companies Act, 1965, Articles of Association of the Company and

approvals from the Kuala Lumpur Stock Exchange and other government/regulatory bodies where such approvals shall be necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue shares in the capital of the Company from time to time at such price upon such terms and conditions for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10 per cent 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."

(Resolution 7)

### ANY OTHER ORDINARY BUSINESS

6. To transact any other ordinary business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

AIDA HANIZA ADNAN (LS006623)

NORHASHEMA SALEH (MAICSA 7021781)

Secretaries

Kuala Lumpur

5 June 2002

### NOTES:-

1. A member of the Company entitled to attend and vote at the abovementioned Meeting is entitled to appoint one other person or persons, whether a member or not as his/her proxy/proxies to attend and vote in his/her stead. Where a member appoints two or more proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised or if the appointer is a corporation, either under its common seal or the hand of its attorney.
3. The Proxy Form must be deposited at the office of the Company's Share Registrar, Malaysian Share Registration Services Sdn Bhd, 7th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur by hand or fax to 03-20263736 not less than twenty-four (24) hours before the time for holding the Meeting or any adjournment thereof.
4. Explanatory Notes on Special Business:  
Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in the general meeting, expire at the next Annual General Meeting.
5. The 2001 Annual Report is published in two languages: Bahasa Malaysia and English. If you wish to have a copy in Bahasa Malaysia, please forward your request to the Group Legal & Secretarial Division, KUB Malaysia Berhad. Tel.: 03-27189062 / 27189038 or Fax: 03-27189066.

## Statement Accompanying Notice of the 37th Annual General Meeting

1. The names of retiring Directors who are standing for re-election at the 37th Annual General Meeting:
  - i) Datuk Ruhanie Haji Ahmad
  - ii) Dato' Mohd Noor Yusof
  - iii) Datuk Haji Ahmad Shahibuddin Haji Mohd Nor
  
2. There were 10 Board Meetings held at the Board Room, Level 23, KUB.com, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur for the financial year ended 31 December 2001. The details are as follows:

- i) Attendance:

Name of Directors	No. of Meetings Attended
Datuk Hassan Harun	10/10
Datuk Ruhanie Haji Ahmad	7/10
Dato' Syed Amin Aljeffri	9/10
Dato' Mohd Noor Yusof	7/10
Datuk Haji Ahmad Shahibuddin Haji Mohd Nor	10/10
Tengku Mohamed Fauzi Hamid	10/10
Dato' Kamilia Ibrahim	10/10
Dato' Ir. Harun Ahmad Saruji	9/10
Datuk Haji Mohamed Al Amin Haji Abdul Majid <i>JP</i>	8/10

- ii) Date and time:

Meeting No.	Date	Time
1	14 February 2001	10.00 a.m.
2	28 February 2001	11.00 a.m.
3	24 April 2001	4.00 p.m.
4	10 May 2001	10.00 a.m.
5	22 May 2001	11.00 a.m.
6	14 June 2001	3.00 p.m.
7	13 August 2001	11.00 a.m.
8	13 November 2001	3.00 p.m.
9	19 November 2001	10.00 a.m.
10	11 December 2001	2.00 p.m.

3. Further details of retiring Directors who are standing for re-election:

Name	Datuk Ruhanie Haji Ahmad	Dato' Mohd Noor Yusof	Datuk Haji Ahmad Shahibuddin Haji Mohd Nor
Age	55	69	58
Nationality	Malaysian	Malaysian	Malaysian
Qualification	Please refer to Directors' Profile on page 19	Please refer to Directors' Profile on page 20	Please refer to Directors' Profile on page 20
Position in the Company	Deputy Chairman Independent Non-Executive Director	Non-Independent Non-Executive Director	Independent Non-Executive Director
Working experience and occupation	Please refer to Directors' Profile on page 19	Please refer to Directors' Profile on page 20	Please refer to Directors' Profile on page 20
Any other directorships of public companies	- Concrete Engineering Products Berhad - Utusan Melayu (Malaysia) Berhad	None	None
The securities holdings in the Company and its subsidiaries	10,000 Shares in the Company	22,000 Shares in the Company	12,000 Shares in the Company
The family relationship with any Director and/or Substantial Shareholder of the Company	None	None	None
Any conflict of interest with the Company	None	None	None
List of convictions for offences within the past 10 years other than traffic offences, if any	None	None	None

# Corporate Information

## COMPANY SECRETARIES

Aida Haniza Adnan (LS006623)  
Norhashema Saleh (MAICSA 7021781)

## REGISTERED OFFICE

Level 21, KUB.com, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.  
Tel: 03-27189666 Fax: 03-27189055  
e-mail: lsd@kub.com

## SHARE REGISTRAR

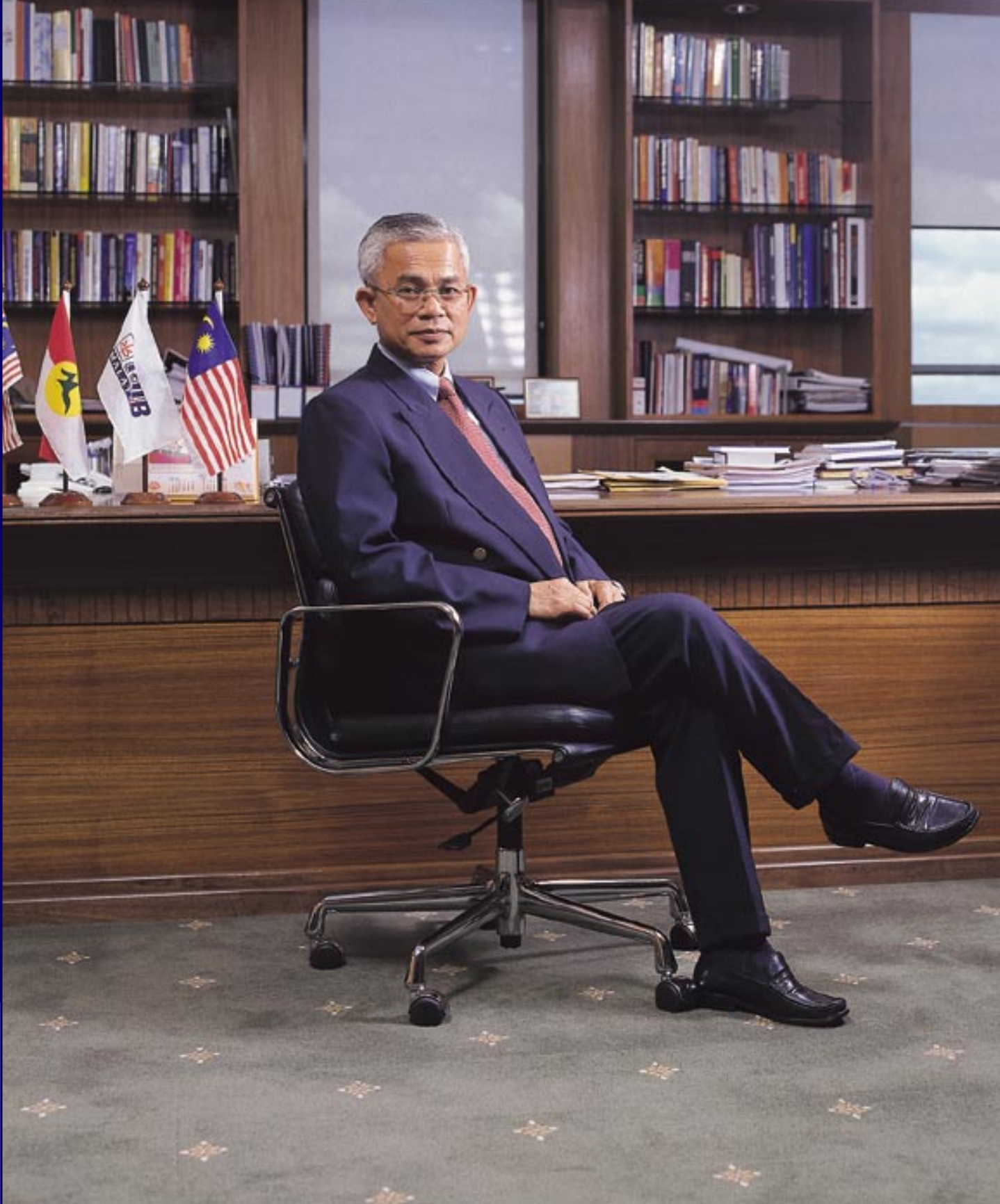
Malaysian Share Registration Services Sdn Bhd (378993-D)  
7th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur.  
Tel: 03-20268099 Fax: 03-20263736

## AUDITORS

Messrs KPMG Desa Megat & Co. (Firm No. AF0759)  
Wisma KPMG, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur.  
Tel: 03-20953388 Fax: 03-20950971

## STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange (Main Board)



**DATUK HASSAN HARUN**  
Chairman and Chief Executive Officer

# Chairman's Statement

*Bismillahirrahmanirrahim.*

I am very pleased to report that KUB Malaysia Berhad (KUB) turned in a better performance for 2001, despite unfavourable economic conditions.

We were affected by the health of the Malaysian economy, which had a difficult year, registering minimal growth of 0.4 per cent compared to buoyant growth of 8.5 per cent in 2000. Recession in the American economy, our largest trading partner, caused a dip in Malaysian exports. Global events such as the September 11th destruction of New York's World Trade Centre also increased caution and negative sentiment at home, causing people and businesses to spend and invest less, thereby lowering demand for goods and services including ours.

Fortunately, the Malaysian government's stimulus programme helped prevent the domestic economy from sliding into recession. The government allocated generous funding for infrastructure projects, boosting sectors like construction and building materials. Meanwhile, low interest rates helped stimulate consumer demand.

Given the bearish environment, I am satisfied that KUB turned in an improved performance for the year ended 31 December 2001. Our revenues rose to RM496.5 million from RM480.1 million in 2000. Pretax losses fell by over 50 per cent to RM17.6 million against a pretax loss of RM38.0 million in 2000. KUB made an extraordinary gain of RM34.9 million via its acquisition of A&W (Malaysia) Sdn Bhd and A&W (Singapore) Pte Ltd, which helped to substantially reduce pretax losses. Loss per share dropped by over 60 per cent to 3.71 sen per share from 2000's 9.89 sen per share.

To improve performance, we embarked on an extensive consolidation and rationalization exercise which will still be ongoing throughout 2002. Our focus is now on four core businesses: Information & Communications Technology (ICT), Education & Training (E&T), Food & Beverage (F&B) and Liquefied Petroleum Gas (LPG). We will maintain a lean auxiliary Engineering & Construction (E&C) business, enabling us to seize opportunities in the buoyant infrastructure and construction sector.

## Status of the utilisation of proceeds from the disposal of 30% interest in Sime Bank Berhad shares and subsequent sale of shares in RHB Capital Berhad as at 25 April 2002

	RM'000	Balance RM'000
Proceeds from disposal of Sime Bank Berhad (net)	670,000	
Proceeds from disposal of RHB Capital (net)	153,802	823,802
<b>Less: Utilisation</b>		
Repayment of bank loans		(423,953)
Development of core business		
- ICT	148,953	
- E&T	74,708	
- F&B	40,229	
- LPG	23,192	(287,082)
Development of existing and non-core business		(43,434)
Working capital		(24,702)
<b>Total utilisation</b>		<b>(779,171)</b>
<b>Balance of proceeds</b>		<b>44,631</b>

## INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT)

Many companies delayed or reduced their investment and spending on ICT goods and services last year. As a result, 2001 turnover declined to RM215.3 million against RM248.8 million in 2000. Heavy investments in ICT start-ups, lower profit margins due to price discounting and intense competition caused pretax losses of RM9.8 million compared to a pretax profit of RM4.9 million for 2000.

During the year under review, KUB Telekomunikasi Sdn Bhd (KUBTel) successfully secured an RM65.4 million Asymmetrical Digital Subscriber Line (ADSL) contract with Telekom Malaysia Berhad. Spanning two years, the contract helped increase 2001 revenue by 68 per cent to RM64.3 million. Pretax profit improved 190 percent to RM2.35 million against 2000's pretax profit of RM811,000.

KUB-Fujitsu Telecommunications (Malaysia) Sdn Bhd (KFT) recorded a pretax profit of RM1.35 million on revenues of RM32.45 million for 2001. Services provided by KFT include the design, manufacturing, assembly, installation, and operation and maintenance service for switching systems, and installation and commissioning of telecommunications systems. KFT is also diversifying its revenue base to avoid being dependent on a single product.

The global slide in ICT investment and spending resulted in Tele Dynamics Sdn Bhd (Tele Dynamics) posting lower sales of RM113 million for 2001 against RM131.4 million in 2000. Nevertheless, Tele Dynamics achieved a higher gross profit margin and maintained

pretax profits at RM2 million by emphasising productivity and diversifying into the provision of complete business solutions and supporting services.

Similarly, the international downdraft in ICT spending and investment affected start-ups KUB Teknologi Sdn Bhd (KUBTek) and United Multimedia Sdn Bhd (UMM). However, KUBTek mitigated the impact by diversifying into new markets such as government, oil and gas, healthcare and telecommunications while UMM targeted schools and universities.

## EDUCATION & TRAINING (E&T)

Our E&T business is spearheaded by the region's first on-line and MSC-status university, Universiti Tun Abdul Razak (UNITAR), and Institut Teknologi Tun Abdul Razak (ITTAR), a community college offering programmes at certificate and diploma levels.

E&T recorded a revenue of RM38.8 million last year, a 15.1 per cent improvement over 2000's revenue of RM33.7 million. Pre-tax losses increased to RM25.8 million against 2000's pretax loss of RM18.4 million due partly to heavy investments in infrastructure and high depreciation cost.

To attract higher enrolments, E&T is focusing on new markets such as retrenched workers and the unemployed, especially graduates. Since these students are funded and guaranteed under government retraining schemes such as the Human Resources Development Fund, this market segment is secure and lucrative. Both ITTAR and UNITAR are also introducing new programmes and courses to attract a more diverse



To attract larger numbers, the Education & Training business is focusing on new markets such as unemployed and retrenched workers and unemployed graduates.

student body. ITAR will offer programmes in English to draw foreign students and non-Malay speakers, while UNITAR has been an English-medium university since it began in 1997.

New ITAR programmes include courses under the Human Resources Development Fund (Pembangunan Sumber Manusia Berhad), IT courses under the National Vocational Training Council and new short courses under the School of Entrepreneurship and Executive Development and the Language Centre, while UNITAR offers new programmes under the Faculty of Information Technology.

Government accreditation is expected to heighten students' confidence, and consequently, enrolments and revenues. Since all ITAR programmes and eight of UNITAR's 11 programmes are accredited by the National Accreditation Board (LAN), the Public Service Department and the Ministry of Education, students can easily secure financing for higher studies from these agencies as well as financial institutions. As a result, drop-out rates attributed to tuition fees and financing problems have declined drastically to below five per cent.

Given this promising scenario, E&T is projected to reach critical mass shortly. Simplistically, critical mass means that once student enrolments reach a certain number, the E&T business will be in the black. For 2002, UNITAR enrolments are projected to reach a record high of 9000 students, compared to 5784 students last year. Likewise, ITAR enrolments are expected to reach a high of 6000 students this year, compared to 4226 students in 2001.

UNITAR improved revenues to RM21.9 million, compared to RM17.9 in 2000. Net losses were RM21 million against RM16 million in 2000, due to significantly higher IT expenses of RM7 million compared to just RM3.6 million in 2000. Meanwhile, ITAR posted revenues of RM16.9 million in 2001, better than 2000's RM15.7 million. Pretax losses increased to RM4.54 million in 2001 from RM2.54 million in 2000, due to the write-off of previous years' debt, depreciation charges and losses at ITAR's Langkawi branch.

## FOOD & BEVERAGE (F&B)

The F&B industry is a cash business providing constant cash flows, and there is a growing Malaysian and regional appetite for international brands of fast food.

To tap the resilient and recession-proof quick-service restaurant market, KUB acquired the entire issued and paid up capital of A&W (Malaysia) Sdn Bhd and A&W (Singapore) Pte Ltd comprising 7,200,000 ordinary shares of RM1.00 each and 46,415,238 ordinary shares of S\$1.00 each respectively for a total purchase consideration of RM1.00 in 2001. The deal earned us an extraordinary gain of RM34.9 million for 2001, in respect of a partial waiver of debts at newly-acquired A&W.

As the country's oldest chain of quick-service restaurants, A&W has a sound brand name and entrenched customer acceptance, as exemplified by the superior performance of strategic outlets like the Kuala Lumpur City Centre restaurant, the Taman Jaya drive-in in Petaling Jaya and the Lake Gardens drive-in in Seremban. In total, we own 36 A&W Restaurants in Malaysia, 26 in Thailand and eight in Singapore, which are held under our new wholly-owned subsidiary Restoran Kualiti Sdn Bhd (Restoran Kualiti).

In the hospitality business, KUB Singgahsana (PJ) Sdn Bhd (Singgahsana) diversified into events and catering for both government and private sector markets last year. The consolidation of Restoran Kualiti's results for the three months ended 31 December 2001 and Singgahsana's full-year results saw F&B turnover grow to RM21.4 million compared to RM3.4 million in 2000, an increase of over 530 per cent.

## LIQUEFIED PETROLEUM GAS (LPG)

2001 was the first full year of operations for KUB Gas Sdn Bhd (KUBGas), which now has a network of 65 dealers. The KUBGas brand is gaining recognition primarily in markets in the Klang Valley and the Northern and Southern regions of Peninsular Malaysia.

During the period under review, LPG turnover grew to RM8.6 million against RM2.9 million in 2000. Pretax losses dropped to RM 1.8 million for 2001 from 2000's RM2.9 million.

## OTHER BUSINESSES

Turnover in the Properties Sector grew 37.1 per cent to RM138.47 million in 2001 from RM101 million in 2000. KUB Development Berhad posted a pretax profit of RM970,000 on a turnover of RM25.21 million due to the



Systems integrator KUB Teknologi Sdn Bhd (KUBTek) focused on providing ICT solutions and services for clients in government, oil and gas, healthcare and telecommunications.

completion and sale of its residential and commercial projects in Cheras and Rawang. Subsidiary Bina Alam Bersatu Sdn Bhd (Bina Alam Bersatu) posted a pretax profit of RM3.57 million on a turnover of RM91.90 million for 2001, mainly due to the supply, installation and commissioning of machinery and equipment to the Institut Latihan Perindustrian Sarawak.

In Plantations, KUB Agrotech Sdn Bhd's turnover grew 15.8 per cent to RM6.02 million for 2001 against RM5.2 million for 2000, but weak oil palm prices and low yields from its nascent Sarawak plantation resulted in a pretax loss of RM3 million.

In Consumer Products, KUB Tekstil Sdn Bhd (KUB Tekstil) recorded its first-ever profit of RM460,000 on a record turnover of RM12.5 million for 2001 in the wake of expanded distribution and increased sales of its *Canggih* brand of school uniforms and accessories, the only Malaysian brand of school uniforms to emphasise quality and style. Sold at affordable prices, *Canggih* products have gained increasing recognition and acceptance from consumers and retailers. Today, these products can be conveniently purchased at over 350 retail outlets nationwide, including international chains like Jusco, Carrefour, Sogo and local chains like Giant Hypermarkets, Metrojaya, Ocean, The Store, and Billion. KUB Tekstil has also penetrated the Sabah and Sarawak market, where *Canggih* products are sold at the Milimewa and Ngiu Kee stores.

## KEY EVENTS

Corporate governance and marketing were key focus areas for KUB in 2001.

We set up a stand-alone Corporate Governance and Internal Control Division in April, amalgamating the existing Internal Audit Division and the new Corporate Governance body. This new Division's main role is to ensure that KUB complies with all the requirements of the Code of Corporate Governance. Throughout the year, the Corporate Governance and Internal Control Division organised several additional conferences and training sessions, including a Corporate Governance Conference in July, and three Business Control Seminars in October and November, through the Kuala Lumpur Stock Exchange Awards and Compliance Taskforce. The Taskforce is made up of representatives of all the Divisions in KUB.

Notably, the Board set up an Executive Board on 24 April 2001 as a check and balance for the powers vested in the post of Chairman and Chief Executive Officer. In compliance with the Code of Corporate Governance, the Board formed the Board Nomination Committee, the Board Remuneration Committee and reorganized the Board Audit Committee membership.

The KUB Website had a successful soft launch. Incorporating up-to-date information for investors,

www.kub.com meets KUB's goals of providing excellent and timely disclosure and transparency of information for our valued investors.

To promote responsible corporate behaviour, we drew up a set of fundamental corporate ethics known as IHSAN, which stands for integrity, hard work, shareholders' value, acceptance by customers and nurturing. As a young organization, we hope that all our people will imbibe and practise IHSAN values in order to develop an ethical corporate culture that emphasizes accountability. KUB is committed to ensuring that IHSAN values drive our relations with our customers, our stakeholders and our people.

In addition, we set up a Corporate Marketing Division, which will formulate, coordinate, and oversee marketing strategies for all Group subsidiaries and products.

## 2002 BUSINESS OUTLOOK

2002 is widely anticipated to be a better year for business. Estimates for GDP growth range between 3 - 5 per cent, and the Malaysian economy should improve in tandem with the eventual recovery projected for the United States, our biggest trading partner.

KUB remains committed to our ongoing consolidation and rationalization exercise, which includes a comprehensive programme of divestment involving the assets of non-core businesses. Certain assets will be transferred to public-listed companies controlled by KUB, namely United Chemical Industries Berhad and Computer Forms (Malaysia) Berhad, while certain assets will be sold for cash.

By tightening our scope, we hope to identify further synergies, share redundant resources and shed overlapping functions, e.g. by consolidating separate marketing and administrative departments for subsidiaries in the same division. As we strengthen our core businesses, we will also place added emphasis on marketing and branding to increase sales. At the same time, we remain committed to enhancing corporate governance. We will build on our existing strengths in corporate governance, while identifying new areas that need to be revamped or improved.

We are also considering setting up an International Division to strategise and coordinate our global and regional activities. Via our core businesses, KUB has

already penetrated international markets such as Singapore, Thailand, Indonesia, Cambodia, and Somalia. A&W operates restaurants in Singapore and Thailand. UNITAR has made inroads into Indonesia and Cambodia in collaboration with local partners. By providing courses and programmes in English, UNITAR has successfully attracted international students from the Middle East and Southeast Asia. Together with our partners, KUBTel, through Telsom Mobile, operates a GSM (Global System for Mobile) service in Somalia. Later this year, we will begin selling LPG under the brand name of Pro Gas in Pakistan via our new subsidiary Keloil Pakistan (Pvt) Ltd (Keloil Pakistan). KUB's manpower is also truly international, with staff from India, Japan, Singapore, Thailand, Pakistan, Bosnia and Somalia adding diversity to our Malaysian workforce.

## ICT

KUBTel has repositioned itself as a service provider for communications solutions, with an emphasis on B-Wise, broadband wireless internet access service, as a key revenue earner. Slated for rollout this year, B-Wise will offer wireless broadband or powerful internet connections to customers who currently lack affordable and efficient Internet access.

Today, most local Internet subscribers use dial-up services, which connect users to the Internet via conventional phone lines or copper wires. However, dial-up is slow, with speeds of only 56 kilobytes per second (kbps), and faces rampant congestion because too many subscribers are using these narrowband phone lines. B-Wise allows subscribers to surf the Internet at speeds of up to two megabytes per second (Mbps), thus considerably easing Internet traffic. Therefore, B-Wise is an effective and fast wireless 'last mile' connectivity solution that allows users to bypass congested fixed phone lines.

Dial-up services also charge subscribers according to the amount of time spent surfing. The more you surf, the higher your phone bills and Internet charges. Cost-effective B-Wise lets you surf 24 hours a day for a fixed monthly fee, meaning that B-Wise will be much cheaper for regular Internet users. In other words, B-Wise enables consumers to leapfrog from slow, congested dial-up to fast and powerful broadband cheaply. Simultaneously, B-Wise will tremendously facilitate our desire to increase the nation's Internet

penetration rate and contribute to the establishment of a knowledge society.

For 2002, KFT is marketing Next Generation solutions for telecommunications and ICT purposes. These complete solutions include manufacturing, assembling and integrating network systems. KFT will also act as the lead company in projects involving the construction of information and communications technology infrastructures and infostructures.

As the economy improves, demand for complete business solutions and support services are projected to rise as customers increase their budgets and investment spending. For the first quarter of 2002, Tele Dynamics registered a pretax profit of RM800,000 on revenues of RM29 million. 2002 will be the first full year of operations for new start-up VisionScape Sdn Bhd (VisionScape), which successfully showcased itself last year as an alternative mass media by promoting its network of giant *i-Boards* which reach mass audiences. Compared to static billboards, *i-Boards* offer continually changing content and time slots cost substantially less compared to traditional mass media such as print and television.

Starting from a zero base, VisionScape has secured forty advertisers, including movie theatre chains and consumer product manufacturers. Although all *i-Boards* are strategically located in high-traffic areas in Kuala Lumpur and Johor Bahru, the Bukit Bintang *i-Board* is the most popular due to its proximity to the affluent market of Bintang Walk.

## **E&T**

Higher student enrolments as well as increased operational and management efficiencies are expected to create greater economies of scale and higher margins this year. Although UNITAR is still in gestation, losses for the first quarter were 20.38 per cent lower than expected, due to ongoing cost improvements and growing enrolments. For the first quarter ended 31 March 2002, UNITAR's active student population stood at 6,131, and has since grown to more than 7,000 as of April 30. UNITAR anticipates reaching its target enrolment of 9,000 students upon completion of its primary intake in July 2002. As a bonus, we have completed our investment in UNITAR's main infrastructure, spending only RM150 million in five years since 1997 compared to the original budgeted

investment of RM400 million spanning seven years, a savings of RM250 million. Similarly, ITTAR's enrolment rose from 4226 students last year to 4553 students as of 30 April 2002.

## **F&B**

To rejuvenate the A&W brand, we are actively revamping, renovating and refurbishing our restaurants. We are also opening new outlets in strategic locations like Bandar Kinrara, which is now ranked among A&W's top five performing outlets, and the KUB site in Kampung Baru, Kuala Lumpur.

KUB is also exploring regional markets for A&W, since we hold the development rights to operate A&W Restaurants for Singapore, Thailand, Brunei, Hong Kong and the Philippines. To improve consumer perceptions of A&W, KUB plans to upgrade the quality of service and personnel. We will invest in training programmes in conjunction with ITTAR (PJ) to upgrade customer service and food preparation skills. Since we can tap lecturers and courses at ITTAR's School of Hospitality and Tourism, KUB is well positioned to provide hospitality training at regional level.

Singgahsana is focusing on inhouse events and wedding packages, which will be held at the newly-completed Laman Putri Ballroom which seats 600. The hotel's catering unit is targeting both government and private sector clients in order to diversify its markets in 2002.

## **LPG**

In Malaysia, LPG is a recession-proof market enjoying steady growth and stable profit margins due to government-regulated prices. To exploit this promising market, we decided to enhance and expand this business by acquiring profitable LPG company Summit Petroleum (Malaysia) Sdn Berhad (Summit) in May 2002. The Summit purchase, in tandem with KUBGas, ensures us a combined six per cent share of the national LPG market and transforms KUB into Malaysia's largest independent LPG operator.

With over 30 years of combined experience, the Summit-KUBGas combination offers numerous synergies. Summit's efficient distribution network throughout the Peninsula complements KUBGas' network of 65 dealers. For 2002, KUBGas aims to



ITTAR's School of Hospitality and Tourism is well positioned to provide hospitality training at regional level for A&W with its courses in customer service and food preparations.

enlarge its network to 90 dealers, and target additional markets in the Eastern region of the Peninsula. In addition, Summit serves mainly the domestic, commercial and industrial markets, thereby complementing KUBGas' presence in the retail and consumer market. KUBGas can also maximise Summit's excess bottling capacity at Pulau Indah, the newest plant equipped with up-to-date technology, thereby ensuring minimum new capital expenditure in the near future. Summit has another two bottling plants at Johor Bharu and Seberang Prai.

Eventually, KUB intends to export its LPG business model to emerging markets overseas. Pakistan has been identified as a potential key market, where consumers are gradually migrating from the use of kerosene and firewood to clean, convenient and easy-to-use LPG in tandem with the rise in per capita income. Apart from cooking, LPG is used for heating and lighting in Pakistan.

To facilitate our entry into Pakistan in 2002, we recently entered into a Conditional Sale Agreement with Keloil International Sdn Bhd (KISB) on 6 December 2001 for the acquisition of 50 per cent equity in Keloil Pakistan. Simultaneously, KUB entered into a Conditional Shareholders' Agreement with Sterling Ventures International Ltd and KISB whereby KUB will inject assets valued at US\$2.7 million and cash of US\$3.3 million into Keloil Pakistan pursuant to the signing of the Shareholders Agreement. Upon completion of this transaction in 2002, Keloil Pakistan will become an 80 per cent-owned KUB subsidiary.

In Pakistan, Keloil Pakistan will operate the country's only fully-integrated LPG company with its own import facilities at Port Qasim in Karachi. These import facilities will enable Keloil to secure a steady supply of LPG. Keloil Pakistan plans to sell LPG in Pakistan under the new brand name of Pro Gas, which is targeted at all market segments and regions in Pakistan.

#### ENGINEERING & CONSTRUCTION (E&C)

The auxilliary business of E&C - comprising KUB Prasarana Sdn Bhd, KUB Power Sdn Bhd, Utama Steel Works Sdn Berhad and Bina Alam Bersatu - will be used as our vehicle for future construction and infrastructure projects. Given the improved economic outlook, increased business opportunities are expected to emerge in the E&C sector during the second half of the year.

#### OUR VISION

Today, Malaysia is still a manufacturing-driven economy, and the majority of our companies and businesses operate according to the rules and wisdom prevalent in the Industrial Era. However, we are now in the midst of a global paradigm shift from the Industrial Era to the Era of Information Technology. Growth in the early 21st century will be driven by information and communications technology, and economies, societies and companies must evolve into knowledge-driven entities in order to achieve geometric rates of growth.

As a pragmatic country with foresight, Malaysia is now emphasizing the use of ICT in order to evolve technologically and leapfrog into the ranks of knowledge economies. At the beginning of IT usage, computers helped in automating processes such as manufacturing. Now, IT tools such as software, hardware and servers facilitate the collection of data and information. In the near future, ICT tools and the Internet will aid in knowledging, which means transforming this information into knowledge to change processes and gain new insights.

At KUB, we aim to be a leading knowledge corporation in the upcoming k-economy. In a knowledge-driven economy, the use of ICT will be the differentiator and the advantage of ICT-enabled companies over Industrial Era entities. We have moved swiftly to embrace ICT in order to gain first-mover advantage in the knowledge economy.

Since 2000, ICT has been our foundation and our

enabler. ICT is a utility that is very pervasive and applicable across the board. On one hand, we use ICT solutions to reengineer traditional brick-and-mortar businesses. On the other hand, we use ICT to create and develop new kinds of business opportunities and core competencies that fill existing and new market demands.

UNITAR, our on-line university, delivers tertiary education via web and our on-line learning management system to increasing numbers of students, including working adults, who choose a cost-effective and convenient means of learning. Heavy Internet users want a solution that delivers cheap and continuous internet access, which will be fulfilled by B-Wise starting in 2002.

In media, our pioneering giant *i-Boards* featuring everchanging content provide a hi-tech alternative to ordinary billboard advertising. In academia, UMM's courseware and software development services enable

## Glossary

A&W (Malaysia) Sdn Bhd and A&W (Singapore) Pte Ltd	A&W
Bina Alam Bersatu Sdn Bhd	Bina Alam Bersatu
B-Wise	Broadband wireless internet access service
Education & Training	E&T
E-HriX	A human resources management system
Engineering & Construction	E&C
FINiX	A financial scorecard
Food & Beverage	F&B
KUB Singgahsana (PJ) Sdn Bhd	Singgahsana
<i>i-Boards</i>	Giant networked electronic billboards featuring constantly changing content
IHSAN	KUB's code of corporate values; IHSAN stands for integrity, hard work, shareholders' value, acceptance by customers and nurturing
Information & Communications Technology	ICT
Institut Teknologi Tun Abdul Razak	ITTAR
Keloil International Sdn Bhd	KISB
Keloil Pakistan (Pvt) Ltd	Keloil Pakistan
KUB Gas Sdn Bhd	KUBGas
KUB Malaysia Berhad	KUB
KUB-Fujitsu Telecommunications (Malaysia) Sdn Bhd	KFT
KUB Teknologi Sdn Bhd	KUBTek
KUB Tekstil Sdn Bhd	KUB Tekstil
KUB Telekomunikasi Sdn Bhd	KUBTel
Liquefied Petroleum Gas	LPG
Restoran Kualiti Sdn Bhd	Restoran Kualiti
Tele Dynamics Sdn Bhd	Tele Dynamics
Summit Petroleum (Malaysia) Sdn Berhad	Summit
United Multimedia Sdn Bhd	UMM
Universiti Tun Abdul Razak	UNITAR
VisionScape Sdn Bhd	VisionScape



For 2002, Education & Training has been earmarked as a core sector that can help spearhead the Group's global presence.

institutions of learning such as prestigious American medical school Johns Hopkins University to package their knowledge and reach larger audiences via web and our on-line learning management system.

ICT is also one of our greatest assets and investments. In 2000, we invested in our ICT-enabled building - KUB.com - which is our technological hub and physical headquarters in the Kuala Lumpur City Centre. From KUB.com, we deliver virtual lectures and tutorials to our UNITAR students. We control the everchanging content of our *i-Boards* network from a control room on the 15th floor of KUB.com. Stolen cars are located, tracked, immobilised and retrieved using cellular communication networks, again from a central control room in KUB.com.

KUB.com is also the hub where we are implementing e-management and enterprise-wide computing, enabled by ICT tools and systems, to further improve operating and management efficiencies. For instance, our centralized on-line human resources system using KUBTek's E-HriX will soon go live. E-HriX can be used to manage human resources across the organization and will enable certain processes such as leave requests to be performed on-line. KUBTek's FINiX, a financial scorecard, will collect data and generate information that enables KUB senior management to monitor and analyse the performance of subsidiaries. Enterprise-wide computing connects everyone at KUB via ICT tools such as messaging and collaborative services including calendaring and scheduling, facilitating communications

that keep us up-to-date and informed. E-management and enterprise-wide computing will also help create knowledge workers who function more efficiently and productively, thereby providing substantial cost savings in the area of human resources.

## CONCLUSION

Finally, I would like to take this opportunity to thank all our stakeholders for their valuable contributions to KUB. We owe a debt of gratitude to our Board of Directors who have acted with prudence and foresight in supervising our activities. Our management and staff, who have always given their best for KUB, are also deserving of great appreciation. Thanks is also due to our loyal shareholders, who have always supported us in our vision to become a knowledge corporation. Due to your unstinting support, I am confident that 2002 will turn out to be a vastly better year for KUB.

**Datuk Hassan Harun**  
Chairman and Chief Executive Officer

## Profile of Board of Directors



**DATUK HASSAN HARUN**  
(Age: 57. Malaysian.  
Non-Independent Executive Director)

*Hon. DBA (I.M.C., UK); Hon. D.Mgmt.  
(UTM); M.Mgmt. (AIM, Manila); B.A.  
Hons. (UM)*

Chairman and Chief Executive Officer

Datuk Hassan Harun was Chairman of Koperasi Usaha Bersatu Malaysia Berhad (1991-1997) and subsequently as Chairman and Chief Executive Officer of KUB Malaysia Berhad, after transforming the former from an ailing cooperative to a public-listed company on 18 August 1997.

Datuk Hassan is also Chairman and Director of two other public-listed companies respectively in the KUB Group namely Computer Forms (Malaysia) Berhad and United Chemical Industries Berhad (UCI). In addition, he also chairs several other companies in the Group, including KUB Ekuiti Sdn Bhd, Universiti Tun Abdul Razak Sdn Bhd, ITTAR Sdn Bhd, KUB Teknologi Sdn Bhd, KUB Telekomunikasi Sdn Bhd, United Multimedia Sdn Bhd, Bina Alam Bersatu Sdn Bhd, Tele Dynamics Sdn Bhd and Restoran Kualiti Sdn Bhd.

Datuk Hassan used to be a director of other public companies, including Permodalan Kelantan Berhad (1982-1990), Damansara Realty Berhad (1994-95), and PCCS Group Berhad (1995-98).

Beginning as a temporary teacher in a private school, namely Kelantan English School in 1964, Datuk Hassan has made education his life-long commitment. Being entrepreneurial, he helped found a private secondary school known as Institut Pendidikan in 1968, and followed in 1970 by himself pioneering the establishment of Kumpulan Maktab-maktab Adabi, and subsequently, in 1973 Akademi Kenali. Realising the inevitable advent of private tertiary education in Malaysia, Datuk Hassan founded Institut Pengajian Tinggi Adabi in 1986, which metamorphosed into ITTAR in 1991 and UNITAR in 1998, the first virtual university in Malaysia and Asia that delivers tertiary education on-line.

He has been an active member of United Malays National Organisation (UMNO) since 1964, and has held various positions in the party. Presently he is a member of the UMNO Supreme Council as well as from 1991-1996. Other key positions include Kelantan UMNO Youth Chief (1981-82); Kelantan UMNO Information Chief (1991-93); and a member of several UMNO national bureaux. Currently, he is Chief Executive of Institut Kajian Pembangunan Bangsa (Institute for Nation Building Studies), a non-profit research organization.

He was a Senator, Parliament of Malaysia from 1988-1991. His other government assignments include as a councillor of Kota Bharu Municipality Council (1979-89), and a member of the State of Kelantan Forestry Committee (1979-80); Malaysia Timber Industry Board (1980-1985); and Second National Economic Consultative Council (1999-2000). Presently he is a member of the Board of National Higher Education Fund Corporation (since 1998), a Malaysian representative to Asia-Europe Vision Group, a council member of both Majlis Teknologi Maklumat dan Komunikasi (ICT) Bumiputera [Bumiputera Council of Information and Communications Technology (ICT)] and Majlis Pembangunan Usahawan (Entrepreneurial Development Council) (beginning 2002).

He was appointed to the Board of KUB on 26 February 1997. He is also the Chairman of the Executive Board of KUB. Datuk Hassan attended all 10 Board Meetings held during the financial year.

He does not have any family relationship with any Director and/or major shareholder of KUB. He has never been convicted of any offence for the past 10 years.

Datuk Hassan sits on the Board of UCI, a party to the Heads of Agreement signed together with KUB and Perbadanan Kemajuan Negeri Perak (PKNP) on 13 May 2002, for the purpose of entering into negotiations for the proposed disposal of the shares/assets in KUB Group and PKNP Group to be determined in relation to its formulation of a restructuring plan to regularise the financial positions of the UCI and Group pursuant to the requirements of PN4/2001. Other than the above and as disclosed in Note 23 of the Financial Statements on Page 83, he has no conflict of interest with KUB.

Datuk Ruhanie has been the Deputy Chairman of KUB since 1997. He is also a Board Member of several KUB subsidiaries namely KUB Teknologi Sdn Bhd, Universiti Tun Abdul Razak Sdn Bhd, KUB Gas Sdn Bhd and as Chairman of Cybertrek (Malaysia) Sdn Bhd. His directorship experience includes other public-listed companies such as Utusan Melayu (M) Berhad and Concrete Engineering Berhad, where he is the Chairman.

Between 1982-1986, he was the Press and Political Secretary to the Minister of Home Affairs, Malaysia. He is the Member of Parliament for Parit Sulong, Johore since 1990.

He was appointed to the Board of KUB on 28 April 1997. He is also the Chairman of the Board Audit Committee and a member of the Board Remuneration Committee of KUB. Datuk Ruhanie attended eight of the 10 Board Meetings held during the financial year.

He does not have any family relationship with any Director and/or major shareholder of KUB. He has never been convicted of any offence and has no conflict of interest with KUB.



**DATUK RUHANIE HAJI AHMAD**  
(Age: 55. Malaysian. Independent Non-Executive Director)

*Dip. in Public Administration (ITM, now known as Universiti Teknologi MARA);  
Dip. in Journalism (Harlow Technical College, UK)*

Deputy Chairman



**DATO' SYED AMIN ALJEFFRI**  
(Age: 55 Malaysian. Non-Independent Non-Executive Director)

*B.Econs Hons (UM); Chartered Accountant (Canadian Institute of Chartered Accountants); Assoc. Member (Malaysian Institute of Taxation); CPA (MACPA); CPA (Institute of Certified Public Accountants of Singapore); Public Accountant (Malaysian Institute of Accountants)*

Director

Dato' Syed Amin Aljeffri began his career as a financial analyst at ESSO Malaysia Bhd in 1971. He left ESSO in 1973 to serve Touche Ross & Co as a Chartered Accountant. He later rejoined ESSO as a Senior Accountant (1977-79), Staff Financial Analyst of ESSO Eastern Inc., Houston, U.S.A (1979-81) and Operation Accounting Manager of ESSO Production, Malaysia (1981).

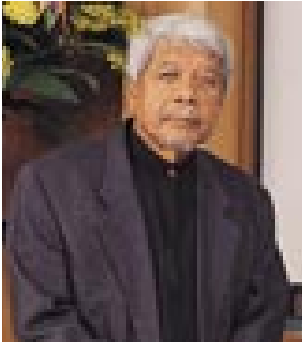
In 1981, Dato' Syed Amin began his public accounting practice through the firm Aljeffri & Co. which he registered in 1979. Besides running his own firm, Dato Syed Amin also served as the Corporate and Financial Advisor for the Shapadu Group (1983-1987), and a Board Member of the Employee Provident Fund (EPF) (1991-1992). He is presently the President of the Malay Chamber of Commerce, Kuala Lumpur and a Deputy President of the Malay Chamber of Commerce Malaysia.

Dato' Syed Amin currently sits on the Board of several companies such as Rumpun Hijau Capital Berhad, Bina Darulaman Berhad, Concrete Engineering Products Bhd, Kulim Technology Park Corporation Berhad (also as Board Audit Committee), Amcor Fibre Packaging (Malaysia) Sdn Bhd and his own Aljeffri Group of Companies.

He also sits on the Board of two KUB subsidiaries as Chairman of KUB Gas Sdn Bhd and Summit Petroleum (Malaysia) Sdn Berhad.

He was appointed to the Board of KUB on 28 April 1997. He is also a member of the Executive Board and Board Audit Committee of KUB. Dato' Syed Amin attended nine of the 10 Board Meetings held during the financial year.

He does not have any family relationship with any Director and/or major shareholder of KUB. He has never been convicted of any offence for the past 10 years. Other than disclosed in Note 23 of the Financial Statements on pages 83 and 84, he has no conflict of interest with KUB.



**DATO' MOHD NOOR YUSOF**  
(Age: 69. Malaysian. Non-Independent Non-Executive Director)

*BSS (Universiti Indonesia); Cert. In Language (Language Institute); Dip. in Teaching (Sultan Idris Teachers Training College); Economic Writing course (Institute of Journalism, Berlin)*

Director

Dato' Mohd Noor Yusof, better known as Noor Azam, is a writer and columnist, and has written articles for various national magazines and newspapers. Dato' Mohd Noor was a teacher (1948-60) before joining Dewan Bahasa & Pustaka or DBP where he served for over 20 years (1960-81). At DBP, he rose progressively from Assistant Editor (1960-68); Editor (1968-75); Chief Editor (1975-80); and Acting Director General (1980-81).

Dato' Mohd Noor Yusof also sits on the Board of several other companies, including as Chairman of Scopitel Sdn Bhd and Amona Group of Companies, a private limited company. He is Chairman of KUB-Fujitsu Telecommunications (Malaysia) Sdn Bhd and a director of KUB Telekomunikasi Sdn Bhd. He was Chairman of Datuk Keramat Holdings Bhd (1993-99), UMBC Bhd (1993-96) and Sistem Television Malaysia Bhd (TV3) (1991-2001).

In politics, Dato' Mohd Noor was a Special Officer (1982-1984) and Political Secretary (1984-1991) to Prime Minister of Malaysia.

He was appointed to the Board of KUB on 28 April 1997. He is also a member of the Executive Board and Board Remuneration Committee of KUB. Dato' Mohd Noor attended seven of the 10 Board Meetings held during the financial year.

He does not have any family relationship with any Director and/or major shareholder of KUB. He has never been convicted of any offence and has no conflict of interest with KUB.

Datuk Haji Ahmad Shahibuddin Haji Mohd Nor started his career as a teacher in 1966 and became a headmaster from 1977 to 1982. In 1982, he was promoted as the Kelantan Deputy Director of Education. In 1986, he resigned and contested in the 1986 general elections as a State Assemblyman and won. He served the Kelantan State Government as an Executive Councillor from 1986 to 1990.

Datuk Haji Ahmad Shahibuddin was the Chairman for South Kelantan Development Authority (KESEDAR) (1991-1992) and FELCRA Malaysia Berhad (1993-2000). He has been a Member of the National Tobacco Board of Malaysia since 1986.

Besides being a Board member of KUB, he is also a director of KUB Ekuiti Sdn Bhd, Universiti Tun Abdul Razak Sdn Bhd, ITAR Sdn Bhd, ITAR-IPP (PJ) Sdn Bhd and ITAR-ILP (Prai) Sdn Bhd as well as Chairman of KUB Agrotech Sdn Bhd and KUB Sepadu Sdn Bhd.

In politics, he was Kelantan UMNO Liaison Committee Secretary (1984-2000) and an UMNO Supreme Council Member (1987-1996). He has been chief of UMNO Bachok Division since 1976.

He was appointed to the Board of KUB on 28 April 1997. He is also the Chairman of the Board Nomination Committee and a member of the Board Audit Committee and Board Remuneration Committee of KUB. Datuk Haji Ahmad Shahibuddin attended all 10 Board Meetings held during the financial year.

He does not have any family relationship with any Director and/or major shareholder of KUB. He has never been convicted of any offence for the past 10 years and has no conflict of interest with KUB.



**DATUK HAJI AHMAD SHAHIBUDDIN HAJI MOHD NOR**  
(Age: 58. Malaysian. Independent Non-Executive Director)

*B.A. (UM); Dip. Ed (UM)*

Director



**TENGGU MOHAMED FAUZI HAMID**  
(Age: 50. Malaysian. Non-Independent Non-Executive Director)

*LLB Hons (University of Buckingham, UK); Barrister-at-Law (Gray's Inn, UK); Dip. in Islamic Studies (IIU, Malaysia)*

Director

Tengku Mohamed Fauzi Hamid has been a practicing corporate and commercial lawyer since 1985. He is the founding partner of Messrs Tengku Mohamed & Alan Lim, Kuala Lumpur.

Besides KUB, he also serves on the Board of KUB Telekomunikasi Sdn Bhd, KUB Gas Sdn Bhd, KUB Ekuiti Sdn Bhd and Restoran Kualiti Sdn Bhd. He is also the Chairman of several KUB subsidiaries such as KUB Singgahsana (PJ) Sdn Bhd, A&W (Malaysia) Sdn Bhd, A&W (Singapore) Pte Ltd and A&W Restaurants (Thailand) Company Limited. He was also a director of Larut Tin Fields Bhd (1987-88) and Worldwide Holdings Bhd (1990-93).

Tengku Mohamed Fauzi has served as a member of the Legal Profession Disciplinary Investigatory Tribunal from 1996-2000.

Outside the legal and corporate world, Tengku Mohamed Fauzi, since 1995, has been the Vice President of the Malaysian Branch of the Royal Asiatic Society (MBRAS), a historical research organization established in 1877. He is also an elected member of the Executive Committee of the Malaysian Intellectual Property Association (MIPA). He was also the President of the Diploma in Islamic Studies Alumni Association of IIU from 1994-1998.

He was appointed to the Board of KUB on 28 April 1997. He is also a member of the Executive Board of KUB. Tengku Mohamed Fauzi attended all 10 Board Meetings held during the financial year.

He does not have any family relationship with any Director and/or major shareholder of KUB. He has never been convicted of any offence for the past 10 years. Other than disclosed in Note 23 of the Financial Statements on Page 83 he has no conflict of interest with KUB.

Dato' Kamilia Ibrahim began her legal career at Universiti Teknologi Malaysia where she lectured law for 13 years. She is presently the principal partner in her law firm, which specializes in property, commercial, banking and shipping laws.

She sits on the board of several KUB subsidiaries including Restoran Kualiti Sdn Bhd, Universiti Tun Abdul Razak Sdn Bhd, ITTAR Sdn Bhd, Adil Perdana Sdn Bhd and KUB Ekuiti Sdn Bhd. She is also the Chairman of KUBTrus Sdn Bhd, Gerik Timber Industries Sdn Bhd, Maga Textile (M) Sdn Bhd, KUB Tekstil Sdn Bhd and Pernida Berhad.

She has been an elected member of the Wanita UMNO National Executive Council since 1987 and heads its Legal Affairs Bureau. She was a Senator of the Parliament of Malaysia from 1995 to 2000. She is also a member of the National Islamic Council Malaysia since 2000.

She was appointed to the Board of KUB on 28 April 1997. She is also a member of the Board Audit Committee and Board Nomination Committee of KUB. Dato' Kamilia attended all 10 Board Meetings held during the financial year.

She does not have any family relationship with any Director and/or major shareholder of KUB. She has never been convicted of any offence for the past 10 years and has no conflict of interest with KUB.



**DATO' KAMILIA IBRAHIM**  
(Age: 50. Malaysian. Non-Independent Non-Executive Director)

*LLB (UM); LLM (UM); Dip. in Syariah Law & Practise (IIU, Malaysia)*

Director



**DATO' IR. HARUN AHMAD SARUJI**  
(Age: 65. Malaysian. Independent Non-Executive Director)

*BSc in Civil Engineering (University of Brighton, UK); Member (Institution of Engineers, Malaysia); Professional Engineer (Board of Engineers, Malaysia)*

Director

Dato' Ir. Harun Ahmad Saruji served the Malaysian government for 35 years. His last position was as the Chief Executive Officer of Perbadanan Kemajuan Negeri Perak (Perak State Development Corporation), the leading state agency in the development and promotion of industries, new townships, housing estates and commercial centres.

He is also the Chairman of Perak Corporation Berhad (PCB), a Second Board company of the Kuala Lumpur Stock Exchange and PCB's subsidiaries such as PCB Development Sdn Bhd, and Lumut Maritime Terminal Sdn Bhd.

Being a Board member of KUB, he is also a Director for KUB subsidiaries such as KUB Teknologi Sdn Bhd, KUB Telekomunikasi Sdn Bhd, Gerik Timber Industries Sdn Bhd and KUB Development Berhad. He is also the Chairman of KUB Realty (PJ) Sdn Bhd, KUB Power Sdn Bhd, Adil Perdana Sdn Bhd and KUB Prasarana Sdn Bhd.

He is a member of UMNO Pasir Salak Division, Perak, and was a Divisional Committee Member from 1980-1987, holding the post of Chairman of its Economic Bureau.

Outside the corporate and political world, he is also an active member of several welfare bodies.

He was appointed to the Board of KUB on 1 January 1993. He is also the Chairman of the Board Remuneration Committee and a member of the Board Audit Committee of KUB. Dato' Ir. Harun attended nine of the 10 Board Meetings held during the financial year.

He does not have any family relationship with any Director and/or major shareholder of KUB. He has never been convicted of any offence for the past 10 years and has no conflict of interest with KUB.

Datuk Haji Mohamed Al Amin is an active businessman and currently sits on the Board of several public listed companies such as Ancom Berhad, I Berhad, Kamunting Corporation Berhad and Country View Berhad. He is also Chairman at Zurich Insurance (M) Berhad and several private limited companies such as Ancom Kimia Sdn Bhd and Panzana Enterprise Sdn Bhd and a board member for many other private limited companies.

Datuk Haji Mohamed Al Amin is presently the Chairman of Chemical Industries Council Malaysia, a Member of the Board of Management of National Sports Council Malaysia, a Member of The Council of Justices of Peace, Perak and was a Member of the Ipoh City Council from 1989 to 1997.

In politics, he was the National UMNO Youth's Exco Member, the Perak UMNO Youth's Chief and the Pasir Pinji Division UMNO Youth's Chief.

He was appointed to the Board of KUB on 28 April 1997. He is also a member of the Executive Board, Board Remuneration Committee and Board Nomination Committee of KUB. Datuk Haji Mohamed Al Amin attended nine of the 10 Board Meetings held during the financial year.

He does not have any family relationship with any Director and/or major shareholder of KUB. He has never been convicted of any offence for the past 10 years and has no conflict of interest with KUB.



**DATUK HAJI MOHAMED AL AMIN  
HAJI ABDUL MAJID JP**  
(Age: 47. Malaysian. Independent Non-Executive Director)

*BSc in Civil Engineering (University of Aston, UK); Corporate Member (Institution of Engineers, Malaysia)*

Director

# Executive Board

## 1. MEMBERSHIP

- Datuk Hassan Harun (Chairman)
- Dato' Syed Amin Aljeffri
- Dato' Mohd Noor Yusof
- Tengku Mohamed Fauzi Hamid
- Datuk Haji Mohamed Al Amin Haji Abdul Majid *JP*

## 2. CONSTITUTION

The Executive Board is formed for the following purposes:

- To provide valuable inputs and independent views to the Chairman and CEO in the review and approval of strategic business transactions of the Group.
- To expedite review and approval of certain business transactions as delegated by the Board.

## 3. APPOINTMENT

The members of the Executive Board shall be appointed by the Board and their period of appointment shall be concurrent with their tenure on the Board.

## 4. COMPOSITION

- The Executive Board shall comprise both non-independent and independent directors.
- Chairman of the Company shall be the Chairman of the Executive Board.

## 5. DUTIES AND RESPONSIBILITIES

- To review the following and make recommendations to the Board.
  - Long term and annual business plan of the Group.
  - Annual and mid year budget of the Group.
- To approve the following business transactions in accordance with the limits as set out in the KUB Management Guide (KUBMaG):
  - Capital and operating budget
  - Business development
  - Capital expenditure
  - Operating expenditure
  - Treasury operations
  - Procurement
  - Secretarial
  - Corporate Communication

## 6. MEETINGS

Meeting is to be held once a month or when it is deemed necessary by the Chairman of the Executive Board.

## 7. QUORUM

Chairman and any other two members present shall constitute a valid quorum.

## 8. MINUTES

The Secretary shall keep minutes of the meeting proceedings, issue notices of meeting and circulate minutes among members of the Executive Board.

# Statement of Corporate Governance

The Board of Directors fully appreciates the importance of adopting high standards of corporate governance. As such, the Company is fully committed to achieving high standards of corporate governance throughout the Group by supporting and implementing the prescriptions of the principles and best practices set out in Parts 1 and 2 of the Malaysian Code of Corporate Governance (the code) respectively.

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the year.

## A. DIRECTORS

### I. The Board

#### Principal Responsibilities of the Board

The directors recognise the key roles they play in the following six specific responsibilities, which facilitate the discharge of the Board's stewardship responsibilities:

- Reviewing and adopting a strategic plan for the company.
- Overseeing the conduct of the company's business to evaluate whether the business is being properly managed.
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks.
- Succession Planning, including appointing, training, fixing the compensation of, and where appropriate, replacing senior management.
- Developing and implementing an investor relation's program or shareholder communications policy for the company.
- Reviewing the adequacy and the integrity of the company's internal control systems and management information system, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has a formal schedule of matters reserved for itself for decisions, which includes the overall Group strategy and direction, acquisitions and divestments, approval of major capital expenditure projects, consideration of significant financial matters and the review of the financial and operating performance of the Group.

#### Meetings

The Board ordinarily meets on a regular basis, with additional meetings convened when urgent and important decisions need to be made between the scheduled meetings. During the year ended 31 December 2001 the Board met on 10 occasions. It deliberated on a variety of matters including the strategic plan and the annual budget, the quarterly and annual financial statements and the financial and operating performance.

Name of Directors	No. of Meetings Attended
Datuk Hassan Harun	10/10
Datuk Ruhanie Haji Ahmad	7/10
Dato' Syed Amin Aljeffri	9/10
Dato' Mohd Noor Yusof	7/10
Datuk Haji Ahmad Shahibuddin Haji Mohd Nor	10/10
Tengku Mohamed Fauzi Hamid	10/10
Dato' Kamilia Ibrahim	10/10
Dato' Ir. Harun Ahmad Saruji	9/10
Datuk Haji Mohamed Al Amin Haji Abdul Majid JP	8/10

### **Chairman and Chief Executive Officer**

The roles of Chairman and CEO of the Company are combined. The Board decides on main policies for the Group, while the Chairman and CEO is responsible for the management of the Group. The role of Chairman is to ensure:

- the working of the Board
- all relevant issues included in the agenda
- that directors and executives are able to participate actively in meetings
- that executive directors accept full responsibilities of governance
- encourage a healthy debate & a healthy level of scepticism & independence
- ensure every resolution is put to a vote to ensure the will of the majority
- manage the business and implement policies and strategies approved by the Board.

### **Executive Board**

The Executive Board was formed on 24 April 2001, serves as a check and balance of power and authority of the Chairman and CEO. The roles of the Executive Board are two fold:

- i) to provide valuable inputs and independent views to the Chairman and CEO in the review and approval of strategic business transactions of the Group
- ii) to review and approve business transactions delegated by the Board

The Board delegates authority for certain decisions to the Executive Board, to ensure timely decision making. The Committee comprises the following directors during the year:

- Datuk Hassan Harun (as Chairman of the Executive Board)
- Datuk Ruhanie Haji Ahmad (appointed on 24 April 2001; resigned on 19 November 2001)
- Dato' Syed Amin Aljeffri
- Dato' Mohd Noor Yusof
- Tengku Mohamed Fauzi Hamid
- Datuk Haji Mohamed Al Amin Haji Abdul Majid *JP* (appointed on 19 November 2001)

## **II. Board Balance**

Throughout 2001, the Board consisted of nine members, comprising four independent non-executive directors, four non-independent non-executive directors and one non-independent executive director. The Board has exceeded the requirements of paragraph 15.02 of the KLSE Listing Requirements that requires at least one-third of the Board to be independent directors.

The directors, with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing, operations, legal, economics and engineering. The independent non-executive directors bring to bear objective and independent judgement to the decision making of the Board and provide a capable check and balance for the Board.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company, and its size is sufficient to effectively carry out its principal responsibilities for the Group.

## **III. Supply of Information**

The Board is supplied with all relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters by way of Board papers for informed decision making and meaningful discharge of their duties. Procedures and deadlines have also been established for timely dissemination of such information.

Directors have direct access to the advice and services of the Company Secretaries who are responsible for ensuring that the Board procedures are followed.

Directors may obtain independent professional advice, at the Group's expense, in accordance with an established procedure that has been communicated to them in furtherance of their duties.

## **IV. Appointments to the Board**

### **Board Committees**

The Board of Directors delegates certain responsibilities to the Board Committees, namely an Audit Committee, an Executive Board, a Nomination Committee and a Remuneration Committee in order to enhance business and operational efficiency. Prior to the establishment of these committees, their functions were assumed by the Board as a whole.

All committees have written terms of reference and operating procedures, and the Board receives reports of their proceedings and deliberation.

#### Board Nomination Committee

The Board Nomination Committee (BNC) was formed on 24 April 2001 and is composed exclusively of non-executive directors, a majority of whom are independent. The Chairman of the Committee is Datuk Haji Ahmad Shahibuddin Haji Mohd Nor. The other Committee members are Datuk Haji Mohamed Al Amin Haji Abdul Majid *JP* and Dato' Kamilia Ibrahim. Meetings are to be held when it is deemed necessary by the Chairman of the BNC.

#### Directors' Training

During the financial year, all Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analysis Malaysia (RIIAM). The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

#### V. Re-election

The Articles of Association provide that every director shall retire from office once every three years. A retiring director is eligible for re-appointment. This provides an opportunity for shareholders to renew their mandates. The election of each director is voted on separately. To assist shareholders in their decision, sufficient information on each director standing for election will be appended to the Notice of the Annual General Meeting (AGM).

### B. DIRECTORS' REMUNERATION

#### I. The Level and Make-up of Remuneration

##### Board Remuneration Committee

The Board Remuneration Committee was formed on 24 April 2001 and is made up of majority independent non-executive directors. The Chairman of the Committee is Dato' Ir. Harun Ahmad Saruji. The other Committee members are Datuk Ruhanie Haji Ahmad, Dato' Mohd Noor Yusof, Datuk Haji Ahmad Shahibuddin Haji Mohd Nor and Datuk Haji Mohamed Al Amin Haji Abdul Majid *JP*.

Its duties and responsibilities are to consider and recommend the level and make up of remuneration of the executive director of the Company in all forms to the Board and to review, on an annual basis, the benefits and entitlement of the Directors.

#### II. Procedure

The policy practised on Directors' remuneration is to provide remuneration packages necessary to attract, retain and motivate directors of the quality required to manage the business of the Group and to align the interest of the directors with those of the shareholders.

The Committee operates within agreed terms of reference and met twice during the year.

#### III. Disclosure

Details of Directors' remuneration are set out below and in the financial statements.

Name of Directors	Remuneration RM0 - RM50,000	Remuneration RM51,000 - RM100,000
Datuk Hassan Harun	-	✓
Datuk Ruhanie Haji Ahmad	-	✓
Dato' Syed Amin Aljefri	✓	
Dato' Mohd Noor Yusof	✓	
Datuk Haji Ahmad Shahibuddin Haji Mohd Nor	✓	
Tengku Mohamed Fauzi Hamid	✓	
Dato' Kamilia Ibrahim	✓	
Dato' Ir. Harun Ahmad Saruji	✓	
Datuk Haji Mohamed Al Amin Haji Abdul Majid <i>JP</i>	✓	

## **C. SHAREHOLDERS**

### **I. Dialogue between KUB and investors**

The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders as clear and complete a picture of the Company's performance and position as possible. Information is disseminated through KLSE announcements, press releases and press briefings.

### **II. The AGM**

The Company recognises the importance of communicating with its shareholders and does this through the annual report, AGM and Company's website.

## **D. ACCOUNTABILITY AND AUDIT**

### **Board Audit Committee**

The Board Audit Committee was formed in 1997. The details of its duties and responsibilities, membership composition and activities are summarized in the Board Audit Committee Report.

### **I. Financial Reporting**

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance at the end of the financial year, primarily through the annual financial statements as well as the Chairman's statement and review of operations in the annual report.

The Board is assisted by the Board Audit Committee to oversee the Group's financial reporting process and the quality of its financial reporting. The duties of the Board Audit Committee regarding financial reporting are outlined in the Board Audit Committee Report.

### **II. State of Internal Controls**

The Board is responsible for establishing a sound system of internal control to safeguard shareholders' investment and Group's assets, and to provide reasonable assurances on the reliability of the financial information. The Board Audit Committee reviews these issues.

The following are additional internal control system measures established by the Board Audit Committee:

#### **a) Fully Resourced Internal Audit Function**

- The Corporate Governance and Internal Control Division (CGIC), the internal audit function of the Group, develop an internal audit plan and execute internal audit projects based on the plan.
- CGIC also assists the Board Audit Committee in investigating issues identified by the Board Audit Committee.
- CGIC reports directly to the Board Audit Committee and is independent of the areas that it audits.

#### **b) KUB Management Guide (KUBMaG)**

- KUBMaG is an important corporate governance tool developed in July 1999 that outlines major policies, limits of authority (LOA), key business processes and internal control systems of the Company.
- The objective of KUBMaG is to facilitate dissemination of management policies while the LOA is to facilitate timely, effective and quality business decision-making in the Company.
- KUBMaG is an integral part of the internal control system established to achieve the planned business goals and objectives.

### **III. Relationship with the Auditors**

The Board maintains a formal and transparent relationship with the external auditors through the Board Audit Committee. Key features underlying the relationship of the Board Audit Committee with the external auditors are outlined in its duties in the Board Audit Committee Report.

A summary of the activities of the Board Audit Committee during the year is set out in the Board Audit Committee Report.

# Board Audit Committee Report

## 1. CONSTITUTION

The Board Audit Committee (the "Committee") was established on 7 May 1997 to assist the Board to implement and support the oversight function.

## 2. APPOINTMENT

The members of the Committee shall be appointed by the Board and their period of appointment shall be concurrent with their tenure on the Board.

## 3. COMPOSITION

The members of the Committee comprise:

Datuk Ruhanie Haji Ahmad (Chairman)	Independent Non-Executive Director	Appointed on 19 Nov 2001
Dato' Syed Amin Aljeffri	Non-Independent Non-Executive Director	Appointed on 7 May 1997
Datuk Haji Ahmad Shahibuddin Haji Mohd Nor	Independent Non-Executive Director	Appointed on 7 May 1997
Tengku Mohamed Fauzi Hamid	Non-Independent Non-Executive Director	Resigned on 19 Nov 2001
Dato' Kamilia Ibrahim	Non-Independent Non-Executive Director	Appointed on 19 Nov 2001
Dato' Ir. Harun Ahmad Saruji	Independent Non-Executive Director	Appointed on 24 Apr 2001
Datuk Mohamed Al Amin Haji Abdul Majid <i>JP</i>	Independent Non-Executive Director	Resigned on 19 Nov 2001

## 4. AUTHORITY

- i. Approve and revise the Annual Internal Audit Plan.
- ii. Approve Internal Audit standards and procedures.
- iii. Initiate an investigation within its Terms of Reference.
- iv. Have sufficient resources to perform its duties.
- v. Access to all activities, records, properties and personnel at all levels.
- vi. Direct communication channels to both external and internal auditors.
- vii. Convene meetings with external auditors, with no executives present, when deemed necessary.

## 5. RESPONSIBILITY

- i. Responsible to the Board of Directors.
- ii. Not responsible for the day-to-day running operating decisions, except to the limited extent of establishing an effective control environment.

## 6. DUTIES

The duties of the Committee include reviewing the following and reporting the same to the Board:

- With the external auditor, the audit plan;
- With the external auditor, his evaluation of the system of internal controls;
- With the external auditor, his audit report;
- The assistance given by the employees to the external auditor;
- 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;
- The internal audit program, processes, the results of the internal audit program, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- The quarterly results and year end financial statements, prior to the approval by the Board focusing particularly on:
  - i. Changes in or implementation of major accounting policies;
  - ii. Significant and unusual events;
  - iii. The going concern assumption; and
  - iv. Compliance with accounting standards and other legal requirements.

- Any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that arises question of management integrity;
- Any letter of resignation from the external auditors; and
- Where there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment.

The Committee is to recommend the nomination and remuneration of a person or persons as external auditors.

The Committee also should consider other topics as defined by the Board.

## 7. MEETINGS

The Committee convened six meetings during the financial year. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The Secretary was present during all the meetings. Representatives of the external auditors, Messrs KPMG Desa Megat & Co., the Head of Corporate Governance and Internal Control Division as well as the Group Chief Operating Officer and the Head of Group Finance Division also attended the meetings upon invitation.

Name of Committee Members	No. of Meetings Attended
Datuk Ruhanie Haji Ahmad (Chairman)	0/0
Dato' Syed Amin Aljeffri	5/6
Datuk Haji Ahmad Shahibuddin Haji Mohd Nor	6/6
Tengku Mohamed Fauzi Hamid	6/6
Dato' Kamilia Ibrahim	0/0
Dato' Ir. Harun Ahmad Saruji	4/4
Datuk Haji Mohamed Al Amin Haji Abdul Majid JP	6/6

## 8. QUORUM

Meetings shall be conducted as and when it is deemed necessary by the Chairman of the Committee.

In order to form a quorum for the meeting, any three members must be present. The majority of the members present must be independent non-executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst members present.

## 9. INTERNAL AUDIT FUNCTION

The Internal Audit function is known as the Corporate Governance and Internal Control Division (CGIC). It is a function independent of the activities or operations of other operating units. The principal role of CGIC is to coordinate independent, objective, assurance and consulting activity designed to add value and improve the Group's operations. It assists the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

It is also the responsibility of the CGIC to provide the Committee with independent and the objective reports on the state of internal controls of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

## 10. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Committee carried out its duties in accordance with its Terms of Reference during the year. The main activities undertaken by the Committee were as follows:

- Reviewed the quarterly unaudited financial results announcements before recommending to the Board for approval. Reviewed the Company's compliance, in particular the quarterly and year-end financial statements, with the Listing Requirements of the KLSE, MASB and other relevant legal regulatory requirements.
- Reviewed the Internal Audit Reports, which highlighted the operational risks, recommendations and management's response. Discussed with management actions taken to improve the system of internal control, based on operational risks identified in the Internal Audit Reports.
- Reviewed the annual report and audited financial statements of the Company prior submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by the MASB.
- Reviewed with external auditors the results of the audit, the audit report and the management letter, including management's response.

# Board Remuneration Committee

## 1. CONSTITUTION

The Board Remuneration Committee (the "Committee") is formed as a requirement under the Malaysian Code of Corporate Governance and the KLSE Listing Requirements to assist the Board in the determination of remuneration of the Directors.

## 2. APPOINTMENT

The Board shall appoint the members of the Committee and their period of appointment shall be concurrent with their tenure on the Board.

## 3. COMPOSITION

- The Committee shall be appointed by the Board from amongst their members, comprising not more than five members. The Committee shall compose exclusively of non-executive directors.
- The members of the Committee shall elect a Chairman amongst themselves.

## 4. RESPONSIBILITIES

- The Committee is responsible for establishing a formal and transparent procedure for developing policy on the remuneration packages of the executive and non-executive directors.
- The ultimate decision for the determination of the level of remuneration shall be the responsibility of the Board as a whole after considering the recommendations of the Committee. Directors, whether executive or non-executive, shall not participate on their own remuneration package.

## 5. DUTIES

- Recommend to the Board a policy for determining the executive and non-executive directors remuneration of the Company, drawing outside advice whenever necessary, to be structured so as to link rewards to corporate and individual performance, reflecting experience and level of responsibilities undertaken by the individual concerned and in accordance with financial resources available to the Company.
- To review on annual basis, the benefits and entitlements of the Directors.

## 6. ATTENDANCE

- The meetings shall be attended by members of the Committee and the Company Secretary or his/her nominee who will act as Secretary.
- The Committee may invite any person to be in attendance at each meeting.

## 7. MEETINGS

The Committee shall meet at least once a year, although additional meeting may be called at any time at the Chairman's discretion and if requested by any member of the Board. The Committee met twice during the financial year ended 31 December 2001.

## 8. QUORUM

Any two members present shall constitute a valid quorum.

## 9. MINUTES

Minutes of each meeting shall be kept and distributed to each member of the Committee and the Board. The Chairman shall report on each meeting to the Board. The minutes book shall be opened to the inspection of any Director of the Company. The secretary to the Committee shall be the Company Secretary.

## Executive Committee



**Datuk Hassan Harun**  
Chairman and Chief Executive Officer

**Shabaruddin Ibrahim**  
Deputy Chief Executive Officer



**Rahim Kamil Sulaiman**  
Group Chief Operating Officer

# Senior Management



**Wan Mohd Nor Wan Ahmad**  
Group General Manager,  
Corporate Planning

**Prof. Dr. Nik Rahimah Nik Yaacob**  
Group General Manager,  
Corporate Marketing



**Nik Fazila Shihabuddin**  
Group General Manager,  
Finance



**Hiruddin Hashim**  
Group General Manager,  
Human Resource Management

**Dr. Zuraidi Ishak**  
Group General Manager,  
Corporate Communications



**Rozliham Ali**  
Group General Manager,  
Corporate Governance and  
Internal Controls



**Aida Haniza Adnan**  
Group Senior Manager,  
Legal & Secretarial

# Analysis of Shareholding

as at 30 April 2002

## DISTRIBUTION OF SHAREHOLDING

Size of Shareholdings	No. of Shareholders	No. of Shares Held	Percentage of Shareholding
Less than 1,000	33,112	7,093,308	1.40
1,000 to 10,000	50,406	106,157,734	21.04
10,001 to 100,000	2,217	56,725,543	11.24
100,001 to less than 5% of issued shares	93	72,614,828	14.39
5% and above of issued shares	3	262,028,978	51.93
<b>Total</b>	<b>85,831</b>	<b>504,620,391</b>	<b>100.00</b>

## LIST OF SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares Held	Percentage
1. Sumber Serata Sdn Bhd		
Direct	735,630	0.15
Indirect*	146,844,520	29.10
<b>Total</b>	<b>147,580,150</b>	<b>29.25</b>
2. Koperasi Usaha Bersatu Malaysia Berhad (in liquidation)		
Indirect**	79,500,000	15.75
3. Mohamed Raslan Abdul Rahman		
Direct	35,684,458	7.07

\* The indirect shareholding of Sumber Serata Sdn Bhd is registered in the name of Cimsec Nominees (Tempatan) Sdn Bhd.

\*\* The indirect shareholding of Koperasi Usaha Bersatu (Malaysia) Berhad (in liquidation) is registered in the name of Cimsec Nominees (Tempatan) Sdn Bhd.

## DIRECTORS' SHAREHOLDING

	Shareholding Direct	Shareholding Indirect	Percentage
Datuk Hassan Harun	385,629 (0.07%)	147,580,150* (29.25%)	29.32
Datuk Ruhanie Haji Ahmad	10,000	-	0.00
Dato' Syed Amin Aljeffri	1,102	-	0.00
Dato' Mohd Noor Yusof	22,000	-	0.00
Datuk Haji Ahmad Shahibuddin Haji Mohd Nor	12,000	-	0.00
Tengku Mohamed Fauzi Hamid	2,000	-	0.00
Dato' Kamilia Ibrahim	3,000	-	0.00
Dato' Ir. Harun Ahmad Saruji	15,105	-	0.00
Datuk Haji Mohamed Al Amin Haji Abdul Majid JP	1,115	-	0.00

\* Deemed interest held through his substantial shareholdings in Daya Profil Sdn Bhd, a major shareholder of Sumber Serata Sdn Bhd, which is a substantial shareholder of KUB Malaysia Berhad.

None of the Directors has any share in the subsidiary or associate companies.

## THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares Held	Percentage of Shareholding
1. Cimsec Nominees (Tempatan) Sdn Bhd Pengurusan Danaharta Nasional Berhad A/C for Sumber Serata Sdn Bhd	146,844,520	29.10
2. Cimsec Nominees (Tempatan) Sdn Bhd Pengurusan Danaharta Nasional Berhad A/C for Koperasi Usaha Bersatu Malaysia Berhad (in liquidation)	79,500,000	15.75
3. Mohamed Raslan Abdul Rahman	35,684,458	7.07
4. Cimsec Nominees (Tempatan) Sdn Bhd Pengurusan Danaharta Nasional Berhad for Sasaran Era Sdn Bhd	20,000,000	3.96
5. Menteri Kewangan Malaysia A/C Section 29 (SICDA)	15,385,137	3.05
6. OSK Nominees (Tempatan) Sdn Bhd Danaharta Managers Sdn Bhd A/C for Puncak Kinta Sdn Bhd	14,202,114	2.81
7. RC Nominees (Tempatan) Sdn Bhd Perbadanan Kemajuan Negeri Perak (No. 1)	2,000,000	0.40
8. EB Nominess (Tempatan) Sendirian Berhad Pledged Securities A/C for Perbadanan Kemajuan Negeri Perak (Ipoh)	1,300,000	0.26
9. Citicorp Nominees (Asing) Sdn Bhd A/C CBNY for DFA Emerging Markets Fund	958,000	0.19
10. Chong Ah Him @ Chong Kum Kwan	799,000	0.16
11. Sumber Serata Sdn Bhd	735,630	0.15
12. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Hah Tiing Siu	730,000	0.14
13. Mohamad Daud Mohd Yusoff	649,202	0.13
14. Abu Hassan Omar	510,585	0.10
15. Lim Shiu Ho	500,018	0.10
16. Hong Leong Finance Berhad Pledged Securities A/C for Tan Siew Giap	445,000	0.09
17. Berjasa Corporation Sdn Bhd	423,875	0.08
18. Farudah @ Faridah Abu Hassan	420,000	0.08
19. Syed Mohd Yusof Tun Syed Nasir	418,160	0.08
20. Citicorp Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Kok Choon Hoong	413,000	0.08
21. Mayban Securities Nominees (Asing) Sdn Bhd A/C OCBC Securities Pte Ltd for Kwong Leong Onn	407,000	0.08
22. Ng Chin Thai	400,000	0.08
23. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Datuk Hassan Harun	385,629	0.07
24. Teoh Ewe Jin	357,500	0.07
25. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd A/C Dato' Abdullah Ahmad	350,205	0.07
26. Choo Soon Wah	350,000	0.07
27. Amanah Raya Nominees (Tempatan) Sdn Bhd A/C Kuala Lumpur Growth Fund	306,000	0.06
28. Ong Hung Hock	300,000	0.06
29. TH Travel Industries Sdn Bhd	263,780	0.05
30. Foo Yong	250,000	0.05

# Business Sectors

INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT)	Effective Holdings
KUB Telekomunikasi Sdn Bhd	(100%)
KUB Research Sdn Bhd	(100%)
KUB Teknologi Sdn Bhd	(100%)
United Multimedia Sdn Bhd	(100%)
KUB-Fujitsu Telecommunications (Malaysia) Sdn Bhd	(70%)
Muslimsconnect.com Pte Ltd	(62%)
Tele Dynamics Sdn Bhd	(60%)
KUB Sistem Sdn Bhd	(60%)
VisionScape Sdn Bhd	(51%)
Cybertrek (Malaysia) Sdn Bhd	(51%)
EDUCATION & TRAINING (E&T)	
Universiti Tun Abdul Razak Sdn Bhd	(100%)
ITTAR Sdn Bhd	(100%)
ITTAR-IPP (PJ) Sdn Bhd	(100%)
ITTAR-ILP (Prai) Sdn Bhd	(100%)
FOOD & BEVERAGE (F&B)	
Restoran Kualiti Sdn Bhd	(100%)
A&W (Malaysia) Sdn Bhd	(100%)
A&W (Singapore) Pte Ltd	(100%)
KUB Singgahsana (PJ) Sdn Bhd	(100%)
LIQUEFIED PETROLEUM GAS (LPG)	
KUB Gas Sdn Bhd	(100%)
Summit Petroleum (Malaysia) Sdn Berhad	(100%)
Keloil Pakistan (Pvt) Ltd	(50%)
ENGINEERING & CONSTRUCTION (E&C)	
KUB Prasarana Sdn Bhd	(100%)
KUB Power Sdn Bhd	(100%)
Bina Alam Bersatu Sdn Bhd	(55%)
Utama Steel Works Sdn Berhad	(51%)
PROPERTIES	
KUB Development Berhad	(100%)
KUB Realty (PJ) Sdn Bhd	(100%)
KUB Realty Sdn Bhd	(100%)
Peraharta Sdn Bhd	(100%)
Kesina Development Sdn Bhd	(100%)
Perbiba Sdn Bhd	(100%)
Adil Perdana Sdn Bhd	(70%)
PLANTATIONS	
KUB Agrotech Sdn Bhd	(100%)
Gerik Timber Industries Sdn Bhd	(100%)
KUB Sepadu Sdn Bhd	(60%)
CONSUMER PRODUCTS	
KUB Tekstil Sdn Bhd	(100%)
Maga Textile (M) Sdn Bhd	(100%)
Pernida Berhad	(86%)
KUBTrus Sdn Bhd	(73.5%)

# Business Profile

## INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT)

### KUB TELEKOMUNIKASI SDN BHD

KUB Telekomunikasi Sdn Bhd (KUBTel) focuses on the provision of telecommunications and ICT-related services. Principal businesses include the supply of telecommunications equipment, service provision, network management, consultancy services, research and systems engineering services.

Core products include Asymmetrical Digital Subscriber Lines (ADSL), telecommunications/broadcasting towers, Wireless in Local Loop (WiLL) and structured cabling.

Apart from servicing traditional clients like Telekom Malaysia Berhad, TM Touch and Putrajaya Holdings, KUBTel also secured sales of VSATs (Very Small Aperture Terminals) to the Ministry of Defence in 2001.

In 2002, KUBTel will focus strongly on its role as a service provider by rolling out the Broadband Wireless Internet Access Service or B-Wise. With B-Wise, customers who presently lack broadband access can enjoy powerful always-on Internet connections.

### UNITED MULTIMEDIA SDN BHD

United Multimedia Sdn Bhd (UMM) is a software and courseware developer targeting academic markets such as schools, colleges and universities.

Currently, UMM serves sister company UNITAR (Universiti Tun Abdul Razak) and has secured external clients such as international medical school Johns Hopkins University and the Department of Higher Education.

UMM's core businesses include courseware development, software development, customer relationship management, network and systems integration services, the e-Planet franchised virtual resource café, and learning resource centres.

For 2002, the outlook seems more positive, especially in the second quarter. UMM has secured new clients and projects including Bsmart and KLIK (Kolej Latihan Informasi dan Komunikasi) for 2002.

### KUB TEKNOLOGI SDN BHD

KUB Teknologi Sdn Bhd (KUBTek) provides ICT services and solutions for public and private sectors. KUBTek offers a comprehensive array of Professional Services. These are Enterprise Collaboration Services, Multimedia Services, Web-based Application Development, System Integration, Network Services and Security Services.

KUBTek also provides hosting services encompassing portal/website hosting and applications. Apart from its own products and services, KUBTek also works with industry partners to provide total solutions for its customers.

### KUB-FUJITSU TELECOMMUNICATIONS (MALAYSIA) SDN BHD

KUB-Fujitsu Telecommunications (Malaysia) Sdn Bhd (KFT) is primarily involved in the construction of information infrastructure. Core business activities are Supply and Engineering Services of Digital Telephone Switching Equipment, providing operations and maintenance services for telephone exchanges, and contract manufacturing. To date, KFT has installed 1.3 million fixed lines in total.

For 2002, KFT is concentrating on marketing Next Generation telecommunications equipment to the telecommunications industry. Meanwhile, KFT has secured a letter of intent from Telekom Malaysia Berhad for the supply of switching equipment. The existing operations and maintenance contract with Telekom Malaysia Berhad is expected to be renewed for another year ending 2003.

#### **MUSLIMSCONNECT.COM PTE LTD**

Muslimsconnect.com Pte Ltd (MC.com) is in the business of developing and managing digital e-Marketplaces to facilitate international trading of Halal food. The Group invested in this subsidiary in early 2001 and operations commenced in May 2001.

The MC.com portal – [www.muslimsconnect.com](http://www.muslimsconnect.com) - went live in September 2001, and offers services such as online trade negotiations, logistics, MuslimsTrust™ digital verification, online Halal certificate applications in conjunction with various Halal certifying bodies, integration services linking members' procurement systems and back-end processing to the MC.com portal, and Muslimsconnect-branded accounting software and ordering systems.

#### **TELE DYNAMICS SDN BHD**

Tele Dynamics Sdn Bhd is a leading distributor and solution provider of Information Communications Systems. Notably, Tele Dynamics is a market leader for Toshiba systems and solutions.

Despite intensive price competition in 2001, Tele Dynamics successfully defended its market share. Toshiba Notebooks - one of Malaysia's top-selling portable computers - continued to spearhead sales, while the best-selling Toshiba e-Studio digital copiers achieved record sales. Elsewhere, Tele Dynamics received four KUB Corporate Governance 2000 Awards in 2001, in recognition of company excellence in professionalism, management and operations. Globally, Tele Dynamics won two Best Distributor Awards for Service Administration in the Toshiba TEC Corporation Worldwide Quality Service Contest and for Toshiba Corporation PC Service Campaign for the Asia Region.

For 2002, prospects are bright particularly for solution products such as electronic imaging and telecommunications solutions. The PC market is also expected to recover in tandem with a reviving economy.

#### **KUB SISTEM SDN BHD**

KUB Sistem Sdn Bhd, an MSC-status company and subsidiary of KUB Malaysia Berhad, strives to be a preferred e-commerce service provider, developer and consultant.

The Group has divested its stake in KUB Sistem as of 18 March 2002.

#### **VISIONSCAPE SDN BHD**

VisionScape Sdn Bhd markets airtime for a network of giant outdoor electronic displays called *i-Board*, all of which are linked to a control centre located in Group headquarters KUB.com.

As an alternative and "intelligent" mass media, VisionScape offers advertising agencies and advertisers a complete package including content preparation, advertising planning and development, scheduling of airtime and audit confirmation of presentations.

VisionScape has attracted almost 40 advertisers despite a soft advertising market. Currently, VisionScape owns and operates *i-Boards* in Jalan Bukit Bintang, Jalan Raja Laut, and Jalan Tun Razak in Kuala Lumpur, whilst two more *i-Boards* in Johor Bahru are located at Jalan Meldrum and Jalan Wong Ah Fook.

## **CYBERTREK (MALAYSIA) SDN BHD**

Cybertrek (Malaysia) Sdn Bhd markets CHECKMATE, a solution that tracks, immobilises, locates and retrieves stolen vehicles using wireless communications technology. Currently, CHECKMATE is sold directly to the motoring public in general and marketed via distributors of OEM auto equipment.

For 2002, Cybertrek is targeting alliances and promotional campaigns with major insurance companies to jointly promote CHECKMATE to individual car owners. Cybertrek will also continue to support OEM distributors and sell direct to the public, while promoting Checkmate to new corporate customers and car distributors. Overall, the market potential for tracking and locating services remains untapped, as public awareness is still minimal.

## **EDUCATION & TRAINING (E&T)**

### **UNIVERSITI TUN ABDUL RAZAK SDN BHD**

Universiti Tun Abdul Razak (UNITAR) is the region's first MSC-Status virtual university, delivering education through the Internet, web-based or CD-based courseware, and facilitator-based tutorials or academic meetings in English. Established in 1997, UNITAR began operating in September 1998 and now offers 11 academic programmes in Information Technology, Business Administration, Humanities and Social Sciences at nine regional study centres in Kelana Jaya, Kuala Lumpur, Kota Bharu, Kuching, Kota Kinabalu, Trolak, Pekan, Johor Bharu and Phnom Penh, Cambodia.

Enrolments have risen steadily since inception, and grew from 3782 in 2000 to 5784 in 2001. Student enrolments are expected to reach a record peak of 9000 for 2002, boosted by several new courses and programmes under the Faculty of IT and the fact that the National Accreditation Board has certified eight UNITAR courses – including the online MBA programme - to date.

For the first quarter ended 31 March 2002, UNITAR's student population stood at 6131, and has since grown to more than 7000 as of 30 April. To generate extra revenue, UNITAR will explore the market for skill-based training programmes and short courses in 2002.

### **ITTAR SDN BHD**

ITTAR or Institut Teknologi Tun Abdul Razak is a private institution of higher learning offering academic programmes at certificate and diploma level as well as training programmes.

Academic programmes are delivered through the Schools of Information and Communications Technology, Management, Hotel and Tourism and Engineering. The programmes are accredited and recognised by the National Accreditation Board, the Ministry of Education and the Public Services Department.

ITTAR is also extremely focused on skills-based training. ITTAR's Institut Latihan Perindustrian (ILP) in Prai, Penang conducts skill programmes such as the MLVK (Majlis Latihan Vokasional Kebangsaan) Certificates Level 1, 2, and 3 in Engineering. The ILP also offers Diplomas in Mechanical Engineering and Electrical and Electronics Engineering in collaboration with Universiti Sains Malaysia.

The School of Hotel and Tourism in Petaling Jaya offers programmes at certificate and diploma-level in Hospitality Management, Culinary Arts and Tourism Management. Under an agreement with the renowned Swiss School of Hotel and Tourism in Chur, Switzerland, ITTAR's hotel and tourism diplomas are recognized as being on par with Switzerland's Diploma in Hotel and Restaurant Management.

ITTAR also offers training programmes tailored for both individuals and corporations via the School of Entrepreneurship and Executive Development and the Language Centre.

Currently, ITTAR also offers mandatory ROC (Registrar of Companies) training courses for company directors. To further boost revenue, ITTAR is offering new academic programmes, including 10 courses for retrenched and unemployed workers, three courses for unemployed graduates, and vocational computer training programmes.

The School of Entrepreneurship and Executive Development and the Language Centre will also offer new short training courses.

Enrolments at ITAR have risen steadily over the years, and stood at 4226 students as of 31 December 2001. As of 30 April 2002, enrolments stood at 4553 students.

## **FOOD & BEVERAGE (F&B)**

### **A&W (MALAYSIA) SDN BHD**

The Group's Food & Beverage business is spearheaded by Malaysia's most historic chain of quick-service restaurants, A&W (Malaysia) Sdn Bhd.

Today, the Group owns 36 A&W outlets in Malaysia via A&W Malaysia, 25 outlets via A&W (Thailand) Co. Ltd. and eight outlets via A&W (Singapore) Pte Ltd. The Group also owns the regional rights to the A&W brand, covering markets such as Brunei, Hong Kong and the Philippines. The Group controls A&W operations via holding company and wholly-owned subsidiary Restoran Kualiti Sdn Bhd.

For 2002, the first year of operations, the Group will focus on a major restructuring exercise to rejuvenate the A&W brand and sales. To win back market share, A&W will refurbish and renovate outlets, run co-branded promotions such as the recent Spider-man campaign, and improve customer service by introducing features like home delivery. The number of outlets will be consolidated in order to maximize resources while new outlets will be opened in strategic locations, such as the KUB site in Kampung Baru, Kuala Lumpur.

### **KUB SINGGAHSANA (PJ) SDN BHD**

Singgahsana Hotel Petaling Jaya focuses on providing Food & Beverage and external catering services.

The newly-completed Laman Putri Hall, which features an elevated stage and caters for 600 persons, will enable the Hotel to target the growing MICE (Meetings, Incentives, Conventions and Exhibitions) market. In line with its new focus on Food & Beverage, the Hotel is promoting new multi-racial wedding packages and the Sri Santapan restaurant.

## **LIQUEFIED PETROLEUM GAS (LPG)**

### **KUB GAS SDN BHD**

KUB Gas Sdn Bhd is involved in the marketing of Liquefied Petroleum Gas (LPG) in 12 and 14-kg cylinders under the brand KUB Gas. 2001 was KUB Gas' first full year of operations.

For 2002, KUB Gas is expected to carve out synergies with new Group acquisition Summit Petroleum (Malaysia) Sdn Bhd. Via the Summit acquisition, KUB Gas can share capacity with Summit's three plants strategically located in Johor Bharu, Pulau Indah and Seberang Prai. KUB Gas will also work to strengthen its foothold in its existing high-growth and densely populated markets of Klang Valley, Penang/Prai and Southern Johor.

### **SUMMIT PETROLEUM (MALAYSIA) SDN BERHAD**

One of Malaysia's largest independent LPG operators, Summit Petroleum (Malaysia) Sdn Berhad (Summit) has over 30 years' experience in LPG bottling and distribution.

Today, Summit's Solar Gas brand of LPG holds a five per cent share of Malaysia's LPG market. Summit targets primarily commercial markets through its efficient nationwide distribution network of 96 dealers.

Summit's three bottling plants are strategically located in Johor Bharu, Seberang Prai and Pulau Indah, thus ensuring easy access to the highly-industrialised markets in the Southern and Northern regions and the Klang Valley.

## **ENGINEERING & CONSTRUCTION (E&C)**

### **KUB PRASARANA SDN BHD**

KUB Prasarana Sdn Bhd is primarily involved in infrastructure and telecommunications projects through joint-ventures with other companies.

In 2001, KUB Prasarana completed the Kuala Kangsar - Sauk road joint-venture. KUB Prasarana also secured a project to lay fibre optic cables for Petro Fibre Network (M) Sdn Bhd in Kulim, Kedah, in a joint-venture with Wellcom Communications (M) Sdn Bhd.

KUB Prasarana and Wellcom also secured a contract to erect 19 telecommunications towers (subsequently increased to 31) for Telekom Malaysia Berhad through Pernec, as well as a PKNS contract to install and commission a new toll system and lay the necessary cabling infrastructure for the new Kota Damansara Toll Plaza.

### **KUB POWER SDN BHD**

KUB Power Sdn Bhd's core business is the implementation of power infrastructure for Tenaga Nasional Berhad and other clients in the power industry.

Projects and clients in 2001 include a 33kV Underground Cable project for Muda Paper Mills, the Janamanjung Power Plant, ITTAR and Hotel Singgahsana.

For 2002, KUB Power is actively exploring other opportunities within the power sector. These include M&E (mechanical and electrical) infrastructure development for independent power producers, fuel cell utilization for the private sector and new technologies such as Automated Meter Reading (AMR) for billing systems.

### **BINA ALAM BERSATU SDN BHD**

Bina Alam Bersatu Sdn Bhd is primarily involved in construction. The company is a registered Class A contractor with Pusat Khidmat Kontraktor and has a G7 grade with the Construction Industry Development Board of Malaysia.

As the main subcontractor for the KUB Malaysia/Bina Puri consortium, Bina Alam Bersatu successfully completed its first design-and-build contract, the Kompleks Institut Latihan Perindustrian (ILP) in Kota Samarahan, Kuching, Sarawak, in 2001. The complex was then handed over on schedule to the Ministry of Human Resources.

### **UTAMA STEEL WORKS SDN BERHAD**

Utama Steel Works Sdn Berhad is the first Bumiputera producer of steel pipes and fittings with an annual production capacity of 20,000 metric tonnes. Marketed under the UTAMA brand, these mild steel pipes are primarily used to build water distribution systems. Target markets include government agencies like the Works and Waterworks Departments, privatized water companies, private contractors and trading companies.

Projects secured in 2001 included several Selangor Waterworks Department projects in the District of Hulu Langat.

## PROPERTIES

### KUB DEVELOPMENT BERHAD

KUB Development Berhad (KUBD) is principally involved in property development and project management. In 2001, KUBD successfully developed residential properties and shoplots in Cheras and Rawang with prices ranging from RM42,000 to RM300,000. Despite a soft property market in 2001, these projects generated excellent sales due to strategic project locations and affordable pricing.

For 2002, KUBD is developing 1,205 units of new housing at Bukit Jalil, Lot 55 in Baling, Kedah and in Jebong, Perak. KUBD is also developing six units of shops at Taman KUB Cendana in Kelantan, and 39 units of shops in Baling, Kedah.

### KUB REALTY (PJ) SDN BHD

KUB Realty (PJ) Sdn Bhd is principally involved in prime property investment. At present, KUB Realty (PJ) owns the KUB Head Office identified as KUB.com, located in Kuala Lumpur, which enjoyed full occupancy throughout the year.

Currently, KUB Realty (PJ) is in the final stage of acquiring three acres of land in Cyberjaya.

### KUB REALTY SDN BHD

KUB Realty Sdn Bhd is principally involved in property investment, property management and the provision of maintenance services. KUB Realty's properties are located at Pekeliling Business Centre (Kuala Lumpur), UNITAR (Kelana Jaya), Kompleks Langkawi (Langkawi) and Wisma KUB (Kota Bharu), all of which enjoyed full occupancy throughout the year.

For 2002, KUB Realty has secured two maintenance contracts with Universiti Teknologi Malaysia (UTM) Skudai and Mimos Berhad, commencing in March 2002 and April 2002 respectively.

### PERAHARTA SDN BHD

Peraharta Sdn Bhd is a realty company based in Perak. Currently, Peraharta manages 400,000 square feet of commercial and office space in Ipoh, and the company's main activities are rental of office space, building maintenance and upkeep, parking and security services. Tenants include a mix of government agencies and private sector companies.

## PLANTATIONS

### KUB AGROTECH SDN BHD

KUB Agrotech Sdn Bhd focuses on plantation management. As of 31 December 2001, KUB Agrotech's total plantation area was 18,000 acres.

The industry performance for 2001 was affected by low palm oil prices averaging RM900 per metric tonne. However, improved palm oil prices and higher yields are expected to boost the Group's performance in 2002.

KUB Agrotech estimates that the production per hectare will increase from 15 metric tonnes per hectare per year to 22 metric tonnes per hectare per year in 2002, as new maturing trees bear more fruits.

## GERIK TIMBER INDUSTRIES SDN BHD

Gerik Timber Industries Sdn Bhd (GETI) plans to produce and market laminated top lamella, using local bamboo as raw material. Lamella is the top layer of laminated bamboo flooring, which is usually produced in the form of triple layer parquet.

As the sole producer of bamboo lamella in Malaysia and ASEAN, wholly-owned subsidiary GETI has gained an invaluable first-mover advantage over potential competitors. Globally, laminated bamboo lamella is produced only in China. GETI, in collaboration with the Forest Research Institute of Malaysia (as the provider of research expertise), plans to produce 240,000 square meters of laminated top lamella per annum in its Mempaga plant in 2002.

## CONSUMER PRODUCTS

### KUB TEKSTIL SDN BHD

KUB Tekstil Sdn Bhd produces and markets quality school and sports apparel under the brands *Canggih* and *Canggih Arena*. Apart from stylish school uniforms boasting premium fabric and superior workmanship, *Canggih* offers an extensive line of school accessories, including shoes and satchels. Other sources of revenue included contract manufacturing activities for sportswear, school uniforms and other garments.

Thanks to rising consumer affluence and increasing demand for quality apparel, *Canggih* has grown in popularity, and sells at over 350 retail outlets throughout Peninsular and East Malaysia.

### MAGA TEXTILE (M) SDN BHD

Maga Textile (M) Sdn Bhd is primarily a contract manufacturer of apparel for KUB Tekstil and other OEM (original equipment manufacturers) textile producers. Annual manufacturing capacity is 1,000,000 pieces at Maga Textile's two plants in Bayan Lepas Free Trade Zone and Bukit Mertajam, Penang.

Currently, Maga Textile produces garments for *Canggih*, which is KUB Tekstil's flagship brand of school uniforms and accessories, and international brands like Oshkosh b'Gosh, Columbia and Nike.

### KUBTRUS SDN BHD

KUBTrus Sdn Bhd is a direct-selling company distributing consumer products through a wide network of distributors.

Currently, KUBTrus sells Brite household products, Harumi, Serinita and Miraclear cosmetics, perfume and toiletries, Gamatrus and TrusHealth food supplements and health products, Kid TRUS educational products and miscellaneous goods under the brandnames Trus, Kool Trus and Trusware.

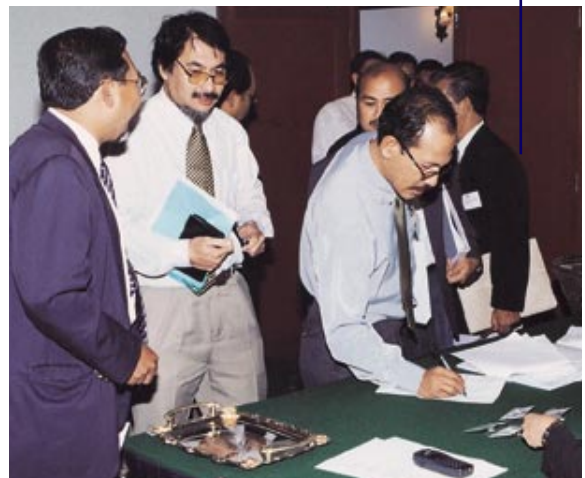
As at 31 March 2002, KUBTrus has 110,000 registered members, 140 mobile stockists and 15 main stockists.

# Calendar of Events



KUB Malaysia's 36th Annual General Meeting on 15 June 2001 at Grand Seasons Hotel.

Participants signing up for the Conference on Corporate Governance, 4 - 5 July 2001 at Hotel Singgahsana PJ .



Datuk Hassan Harun surrounded by children during KUB's Hari Raya open house on 29 December 2001 at Hotel Singgahsana PJ.



Datuk Hassan Harun fielding questions during KUB Malaysia's 36th Annual General Meeting on 15 June 2001.



Datuk Hassan Harun with newly elected committee members of Kelab Kakitangan KUB 2002 after the club's AGM on 1 March 2002.



Dato' Seri Dr Mahathir Mohamad at the launch of the KUB-driven Celik IT (IT Awareness) programme on 20 July 2001 in Kota Bharu, Kelantan.



Release of birds in conjunction with Dato' Seri Dr Mahathir Mohamad's launching of B-Wise, Broadband Wireless Internet Access Service in Kelantan on 20 July 2001.



Datuk Hassan Harun exchanging a Memorandum of Understanding during the Celik IT (IT Awareness) programme in Kota Bharu, Kelantan on 20 July 2001.



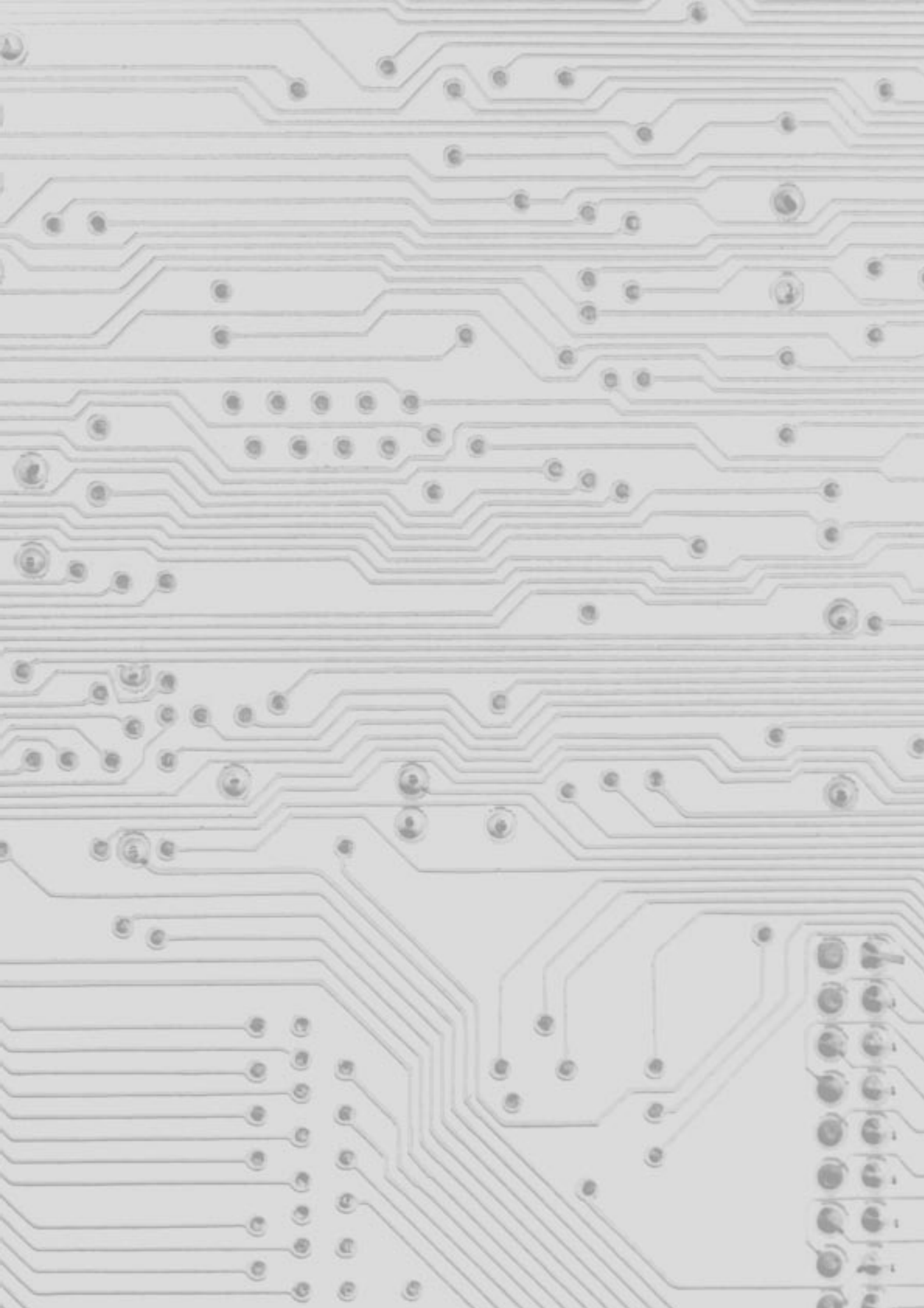
Tan Sri Khalil Yaakob, escorted by Datuk Hassan Harun during the former's visit to KUB.com on 15 January 2001.



Tan Sri Khalil Yaakob during his visit to KUB.com on 15 January 2001.

UNITAR's first 28 graduates show their unrestrained joy at their convocation on 18 August 2001.





# Financial Statements 2001

## Page

46	Directors' Report
50	Statement by Directors
51	Statutory Declaration
52	Report of the Auditors to the Members
54	Balance Sheet
55	Income Statements
56	Statement of Changes in Equity
57	Cash Flow Statements
60	Notes to the Financial Statements

# Directors' Report

for the year ended 31 December 2001

KUB Malaysia Berhad  
and its subsidiaries  
(Company No. 6022-D)  
(Incorporated in Malaysia)

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2001.

## Principal activities

The principal activities of the Company are that of investment holding and the provision of management services to companies in the Group.

The principal activities of the subsidiaries are set out in Notes 24 to the financial statements.

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

## Results

	Group RM'000	Company RM'000
Net (loss)/profit for the year	(18,720)	1,575

## Reserves and Provisions

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

## Dividends

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year under review.

## Directors of the Company

Directors who served since the date of the last report are:

Datuk Hassan Harun  
Datuk Ruhanie Haji Ahmad  
Dato' Syed Amin Aljeffri  
Dato' Mohd Noor Yusof  
Datuk Haji Ahmad Shahibuddin Haji Mohd Nor  
Tengku Mohamed Fauzi Hamid  
Dato' Kamilia Ibrahim  
Dato' Ir. Harun Ahmad Saruji  
Datuk Haji Mohamed Al Amin Haji Abdul Majid *JP*

In accordance with Article 97 of the Company's Articles of Association, Datuk Ruhanie Haji Ahmad, Dato' Mohd Noor Yusof and Datuk Haji Ahmad Shahibuddin Haji Mohd Nor retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

## Directors' Report

for the year ended 31 December 2001 (continued)

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:-

	Number of ordinary shares			Balance at 31.12.2001
	Balance at 1.1.2001	Bought	Sold	
Shareholdings in which Director has direct interest				
Datuk Hassan Harun	264,629	121,000	-	385,629
Datuk Ruhanie Haji Ahmad	10,000	-	-	10,000
Dato' Syed Amin Aljeffri	1,102	-	-	1,102
Dato' Mohd Noor Yusof	22,000	-	-	22,000
Datuk Haji Ahmad Shahibuddin Haji Mohd Nor	12,000	-	-	12,000
Tengku Mohamed Fauzi Hamid	2,000	-	-	2,000
Dato' Kamilia Ibrahim	3,000	-	-	3,000
Dato' Ir. Harun Ahmad Saruji	15,105	-	-	15,105
Datuk Haji Mohamed Al Amin Haji Abdul Majid <i>JP</i>	1,115	-	-	1,115
Shareholdings in which Director has indirect interest				
Datuk Hassan Harun*	147,580,150	-	-	147,580,150

\* Deemed interest held through his substantial shareholdings in Daya Profil Sdn Bhd, a major shareholder of Sumber Serata Sdn Bhd, which is a substantial shareholder in KUB Malaysia Berhad.

### Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) 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, except for professional fees and rental paid in the ordinary course of business to firms in which certain Directors are members.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### Issue of shares

There were no changes in the issued and paid-up share capital of the Company during the year.

## Directors' Report

for the year ended 31 December 2001 (continued)

### Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

### Other statutory information

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) 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, or
- iv) not otherwise dealt with in this report or the accounts, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

## Directors' Report

for the year ended 31 December 2001 (continued)

In the opinion of the Directors, except as disclosed in Note 16, the results of the operations of the Group and of the Company for the financial year ended 31 December 2001 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

The expression "provision for doubtful debts" is still used in the Director's report to comply with the terminology used in S.169(6) (i) and (j).

### Auditors

The auditors, Messrs KPMG Desa Megat & Co., have indicated their willingness to accept re-appointment.

Signed on behalf of the Board in accordance with a resolution of the Directors:



Datuk Hassan Harun



Datuk Ruhanie Haji Ahmad

Kuala Lumpur,

29 April 2002

## Statement By Directors

pursuant to Section 169 (15) of the Companies Act, 1965

KUB Malaysia Berhad  
and its subsidiaries  
(Company No. 6022-D)  
(Incorporated in Malaysia)

In the opinion of the Directors, the financial statements set out on pages 54 to 92, are drawn up in accordance with 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 at 31 December 2001 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:



Datuk Hassan Harun



Datuk Ruhanie Haji Ahmad

Kuala Lumpur,

29 April 2002

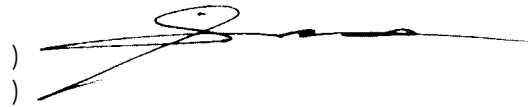
# Statutory Declaration

pursuant to Section 169 (16) of the Companies Act, 1965

KUB Malaysia Berhad  
and its subsidiaries  
(Company No. 6022-D)  
(Incorporated in Malaysia)

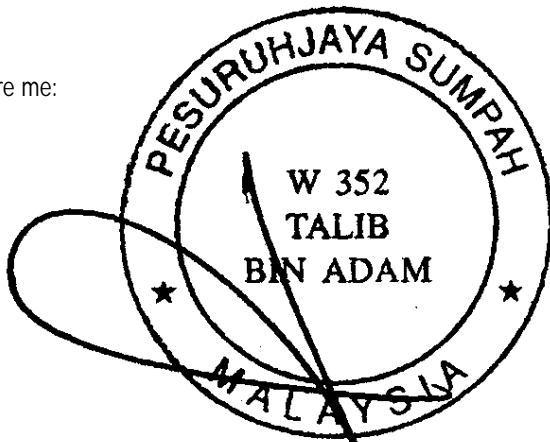
I, **Shabaruddin Ibrahim**, being the Deputy Chief Executive Officer primarily responsible for the financial management of KUB Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 54 to 92 are, to the best of my knowledge and belief, correct and I make this 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  
in Kuala Lumpur on 29th day of April 2002.



Shabaruddin Ibrahim

Before me:



Lot 2-42, 2nd Floor.  
The Mall, 100 Jalan Putera.  
50350 KUALA LUMPUR.

# Report of the Auditors to the Members

of KUB Malaysia Berhad

**KUB Malaysia Berhad  
and its subsidiaries**  
(Company No. 6022-D)  
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 54 to 92. 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 in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

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

The subsidiaries in respect of which we have not acted as auditors are identified in Note 24 to the financial statements and we have considered their financial statements and the auditors' reports thereon.

## Report of the Auditors to the Members

of KUB Malaysia Berhad (continued)

We are satisfied that the financial statements of the subsidiaries 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 audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

*KPMG Desa Megat & Co*

KPMG Desa Megat & Co.  
Firm Number: AF 0759  
Chartered Accountants

*Abdullah Abu Samah*

Abdullah Abu Samah  
Partner  
Approval Number: 2013/06/02(J)

Kuala Lumpur,

29 April 2002

# Balance Sheet

at 31 December 2001

**KUB Malaysia Berhad  
and its subsidiaries**  
(Company No. 6022-D)  
(Incorporated in Malaysia)

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Property, plant and equipment	2	411,008	329,994	4,300	5,653
Investments in subsidiaries	3	-	-	153,572	151,572
Amount due from subsidiaries	4	-	-	481,273	381,577
Investments in associates	5	43,901	32,788	41,365	30,443
Other investments	6	31,642	30,981	29,701	29,701
Development expenditure	7	197,273	187,319	8,075	4,876
Intangible assets	8	67,743	1,775	-	-
		751,567	582,857	718,286	603,822
<b>Current assets</b>					
Inventories	9	55,917	73,298	-	-
Development expenditure	7	16,510	6,276	-	-
Trade and other receivables	10	225,424	190,958	57,849	24,145
Cash and cash equivalents	11	151,522	275,793	88,453	204,529
		449,373	546,325	146,302	228,674
<b>Current liabilities</b>					
Trade and other payables	12	248,490	206,681	41,034	18,205
Borrowings	13	90,795	72,326	8,000	54
Taxation		9,944	6,003	3,759	2,257
		349,229	285,010	52,793	20,516
<b>Net current assets</b>		100,144	261,315	93,509	208,158
		851,711	844,172	811,795	811,980
<b>Financed by:</b>					
<b>Capital and reserves</b>					
Share capital	14	504,620	504,620	504,620	504,620
Reserves		197,695	214,980	296,932	295,357
		702,315	719,600	801,552	799,977
<b>Minority shareholders' interests</b>	15	28,902	31,690	-	-
<b>Long term and deferred liabilities</b>					
Deferred taxation		3,556	3,421	-	-
Amount due to subsidiaries	4	-	-	10,243	11,801
Borrowings	13	116,938	89,461	-	202
		120,494	92,882	10,243	12,003
		851,711	844,172	811,795	811,980

The notes set out on pages 60 to 92 form an integral part of, and, should be read in conjunction with, these financial statements.

# Income Statements

for the year ended 31 December 2001

KUB Malaysia Berhad  
and its subsidiaries  
(Company No. 6022-D)  
(Incorporated in Malaysia)

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue	16	496,496	480,087	8,014	8,287
<b>Operating loss</b>	16	(8,870)	(40,296)	(1,319)	(15,023)
Interest expense		(14,113)	(6,691)	(325)	-
Interest income		5,278	9,940	4,719	9,256
Share of profit/(loss) of associates		109	(919)	-	-
<b>(Loss)/Profit before taxation</b>		(17,596)	(37,966)	3,075	(5,767)
Tax expense	18	(3,930)	(8,579)	(1,500)	(2,257)
<b>(Loss)/Profit after taxation</b>		(21,526)	(46,545)	1,575	(8,024)
Less: Minority interests		2,806	(3,382)	-	-
<b>Net (loss)/profit for the year</b>		(18,720)	(49,927)	1,575	(8,024)
Basic loss per ordinary share (sen)	19	(3.71)	(9.89)		
Diluted loss per ordinary share (sen)	19	(3.52)	(9.40)		

The notes set out on pages 60 to 92 form an integral part of, and, should be read in conjunction with, these financial statements.

# Statements of changes in equity

for the year ended 31 December 2001

KUB Malaysia Berhad  
and its subsidiaries  
(Company No. 6022-D)  
(Incorporated in Malaysia)

	Share capital RM'000	Share premium RM'000	Non distributable Capital reserves RM'000	Translation reserves RM'000	Accumulated losses RM'000	Total RM'000
<b>Group</b>						
At 1 January 2000	504,620	295,862	13,430	-	(44,385)	769,527
Capitalised for bonus issue	-	-	2,285	-	(2,285)	-
Net loss for the year	-	-	-	-	(49,927)	(49,927)
At 31 December 2000	504,620	295,862	15,715	-	(96,597)	719,600
Net loss for the year	-	-	-	-	(18,720)	(18,720)
Currency translation differences	-	-	-	1,435	-	1,435
At 31 December 2001	504,620	295,862	15,715	1,435	(115,317)	702,315
	Note 14					
<b>Company</b>						
At 1 January 2000	504,620	295,862	4,613	-	2,906	808,001
Net loss for the year	-	-	-	-	(8,024)	(8,024)
At 31 December 2000	504,620	295,862	4,613	-	(5,118)	799,977
Net profit for the year	-	-	-	-	1,575	1,575
At 31 December 2001	504,620	295,862	4,613	-	(3,543)	801,552
	Note 14					

The notes set out on pages 60 to 92 form an integral part of, and, should be read in conjunction with, these financial statements.

# Cash Flow Statements

for the year ended 31 December 2001

KUB Malaysia Berhad  
and its subsidiaries  
(Company No. 6022-D)  
(Incorporated in Malaysia)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Cash flows from operating activities</b>				
(Loss)/Profit before taxation	(17,596)	(37,966)	3,075	(5,767)
Adjustments for:				
Allowance for diminution in value of an associate	-	10,000	-	10,000
Allowance for diminution in value of other investment	-	800	-	800
Amortisation	6,471	4,785	253	253
Depreciation	30,508	22,038	882	653
Development costs written off	-	481	-	235
Exceptional gain on waiver of debts	(34,881)	-	-	-
Gain on disposal of a subsidiary	(1,186)	-	-	-
Gain on disposal of property, plant and equipment	(291)	-	(2,020)	-
Goodwill written off	-	1,000	-	-
Interest expense	14,113	6,691	325	-
Interest income	(5,278)	(9,940)	(4,719)	(11,874)
Property development costs written off	-	700	-	-
Share of profit/(loss) of associates	(109)	919	-	-
Write-back of allowance for foreseeable losses	(1,300)	-	-	-
Write-off of property, plant and equipment	359	-	-	-
Operating loss before working capital changes	(9,190)	(492)	(2,204)	(5,700)
(Increase)/Decrease in working capital:				
Inventories	20,274	(12,864)	-	-
Trade and other receivables	(25,354)	(7,250)	1,311	3,576
Trade and other payables	12,369	45,756	(881)	3,601
Cash (used in)/generated from operations	(1,901)	25,150	(1,774)	1,477
Income taxes paid	(1,439)	(8,726)	-	-
<b>Net cash (used in)/generated from operating activities</b>	<b>(3,340)</b>	<b>16,424</b>	<b>(1,774)</b>	<b>1,477</b>

The notes set out on pages 60 to 92 form an integral part of, and, should be read in conjunction with, these financial statements.

## Cash Flow Statements

for the year ended 31 December 2001 (continued)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(73,034)	(177,109)	(937)	(1,179)
Acquisition of an associate	(10,921)	(980)	(10,710)	-
Settlement of debt to a third party	(7,600)	-	(7,600)	-
Purchase of other investments	(158)	-	-	-
Development expenditure	(28,434)	(18,141)	(3,896)	(624)
Acquisition of subsidiary companies, net of cash and cash equivalents acquired (Note 26)	(19,697)	(4,210)	(2,000)	-
Proceeds from disposal of property, plant and equipment	959	573	413	32
Proceeds from disposal of a subsidiary (Note 26)	3,999	-	-	-
Advances to subsidiaries	-	-	(101,710)	(154,449)
Interest received	5,278	9,940	4,719	9,256
(Increase)/Decrease in pledged deposits with licensed banks	(9,597)	127	-	-
<b>Net cash used in investing activities</b>	<b>(139,205)</b>	<b>(189,800)</b>	<b>(121,721)</b>	<b>(146,964)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(14,113)	(6,691)	(325)	-
Payment of finance lease/hire purchase liabilities	(1,823)	(2,121)	(256)	(89)
Repayment of short term borrowings	(11,606)	(7,132)	-	-
Proceeds from loans and other borrowings	16,152	57,739	8,000	-
Dividends paid to minority shareholders	-	(1,925)	-	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(11,390)</b>	<b>39,870</b>	<b>7,419</b>	<b>(89)</b>
Net decrease in cash and cash equivalents	(153,935)	(133,506)	(116,076)	(145,576)
Cash and cash equivalents at beginning of year	243,931	377,437	204,529	350,105
Foreign exchange differences	(15)	-	-	-
<b>Cash and cash equivalents at end of year</b>	<b>89,981</b>	<b>243,931</b>	<b>88,453</b>	<b>204,529</b>

The notes set out on pages 60 to 92 form an integral part of, and, should be read in conjunction with, these financial statements.

## Cash Flow Statements

for the year ended 31 December 2001 (continued)

i) *Cash and cash equivalents*

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

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash and bank balances	34,281	57,545	238	11,390
Deposits (excluding RM16,960,000 (2000:RM7,363,000), pledged as security for banking facilities of the Group)	100,281	210,885	88,215	193,139
Bank overdrafts	(44,581)	(24,499)	-	-
	<u>89,981</u>	<u>243,931</u>	<u>88,453</u>	<u>204,529</u>

The notes set out on pages 60 to 92 form an integral part of, and, should be read in conjunction with, these financial statements.

# Notes to the Financial Statements

for the year ended 31 December 2001

KUB Malaysia Berhad  
and its subsidiaries  
(Company No. 6022-D)  
(Incorporated in Malaysia)

## 1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except as disclosed in Note 1 (j)(i) on goodwill in accordance to Malaysian Accounting Standards Board (MASB) Exposure Draft 28.

### (a) Basis of accounting

The financial statements of the Group and of the Company are prepared in compliance with applicable approved accounting standards in Malaysia.

### (b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting except for certain subsidiaries which are consolidated using the merger method of accounting.

A subsidiary is excluded from consolidation when control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or reserve on consolidation as appropriate.

Under the merger method of accounting, the results of the subsidiaries are presented as if the companies had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves of the subsidiaries is taken to merger reserve.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

### (c) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 1. Summary of significant accounting policies (continued)

#### (c) Associates (continued)

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Goodwill on acquisition is calculated based on the carrying value of net assets acquired.

#### (d) Property, plant and equipment

Property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation.

The revaluation of long term leasehold land and building of the Group and Company in 1980 by the Directors was based on an independent professional valuation. The revaluation was not intended to effect a change in accounting policy and they are continued to be stated at their existing carrying amounts less accumulated depreciation.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

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

#### (e) Depreciation

Freehold land is not amortised. Leasehold land is amortised in equal installments over the period of the respective leases which ranges from 50 to 99 years. The straight-line method is used to write off the cost of the assets over the term of their estimated useful lives at the following principal annual rates:

Factory and buildings	1% - 10%
Plant, equipment and vehicles	10 - 33 1/3%
Courseware	12.5%

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 1. Summary of significant accounting policies (continued)

#### (f) Finance leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used.

#### (g) Hire purchase

Plant and equipment acquired under hire purchase arrangements are capitalised in the financial statements and the corresponding obligation recorded as a liability. Finance charges are allocated to the income statement over the hire purchase periods on the sum-of-digits method.

#### (h) Investments

Long term investments are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Short term quoted investments are stated at the lower of cost and market value on a portfolio basis. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

#### (i) Development expenditure

##### *i) Development costs*

These are in respect of development cost incurred for information and communications technology, Food and Beverages and bottling and trading of liquified petroleum gas.

Development costs comprises expenditure incurred on a plan or design for the production of new products or services prior to the commencement of commercial production or use. The expenditures are capitalised if the products or services are technically and commercially feasible and the Group has sufficient resources to complete the development. It includes cost of materials, direct labour and appropriate proportion of overheads. Capitalised development expenditure is amortised over a period of 5 to 10 years on a straight-line basis so as to reflect the pattern of which the related future economic benefits is expected to flow from the development activities. The amortisation commences when the product or services is available for sale.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 1. Summary of significant accounting policies (continued)

#### *ii) Plantation development expenditure*

Plantation development expenditure includes the costs incurred on the land, plantation infrastructure and development and capitalisation of interest expense on loans and advances utilised to finance the on-going development. The capitalisation of interest will cease when the plantation is ready for its intended use.

Plantation expenditure incurred for the land development, planting and trees maintenance is capitalised until maturity in the plantation development accounts. Upon maturity, the expenditure incurred is amortised based on estimated annual yield over 25 years.

#### *iii) Properties under development*

Properties under development comprising land and development expenditure are stated at cost plus attributable profit less foreseeable losses, net of progress billings. Development expenditure includes capitalisation of interest expense on loans and advances utilised to finance on-going development.

#### (j) Intangible asset

##### *i) Goodwill*

Goodwill represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired.

In previous years, goodwill on consolidation is charged to income statement in the year the goodwill arises. Effective from 2001, goodwill is amortised from the date of initial recognition over its estimated useful life of not more than 20 years. An impairment loss is also recognised when the Directors are of the view that there is a diminution in its value which is other than temporary.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associates.

##### *ii) Concession costs*

Concession costs is in respect of the rights to operate Institute Latihan Perindustrian Prai. Concession costs is stated at cost less accumulated amortisation. The concession costs is amortised through the income statement over 25 years.

#### (k) Inventories

Raw materials, work-in-progress and manufactured inventories are stated at the lower of cost and net realisable value with weighted average cost being the main basis for cost. For work-in-progress and manufactured stocks, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 1. Summary of significant accounting policies (continued)

#### (l) Amount due from contract customers

Amount due from contract customers on construction contracts is stated at cost plus attributable profits less foreseeable losses and less progress billings. Cost includes all direct construction costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in trade and other payables as amount due to contract customers.

#### (m) Capitalisation of borrowing costs

Borrowing costs incurred on development expenditure are capitalised. Capitalisation of borrowing costs will cease when the assets are ready for their intended use. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

#### (n) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

#### (o) Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

#### (p) Foreign currency

##### i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

##### ii) Financial Statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rate ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

Yen (100)	RM3.10 (2000 : RM2.84)
SGD	RM2.19 (2000 : RM2.02)
Baht (100)	RM8.58 (2000 : RM8.47)

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 1. Summary of significant accounting policies (continued)

#### (q) Revenue

##### *i) Goods sold and services rendered*

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed/the proportion that costs incurred to date that reflect services performed bear to the total estimated costs of the transaction. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

##### *ii) Construction contracts*

Revenue from long term fixed price construction contracts is recognised on the percentage of completion method, measured by reference to surveys of work performed/the proportion that contract costs incurred for contract work performed to date that reflect work performed bear to the total estimated contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on a contract is recognised immediately in the income statement.

##### *iii) Property development*

Profit from property development is recognised using the percentage of completion method. Where foreseeable losses are anticipated, full provision for these losses is made in the financial statements.

##### *iv) Dividend income*

Dividend income is recognised when the rights to receive payment is established.

##### *v) Interest income*

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

#### (r) Financing cost

All interest and other costs incurred in connection with borrowings (other than that capitalised in accordance to Note 1 (m)) are expensed as incurred. The interest component of finance lease payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 2. Property, plant and equipment

Group	Freehold land RM'000	Long term leasehold land RM'000	Factory and buildings RM'000	Plant, equipment and vehicles RM'000	Courseware RM'000	Total RM'000
<i>Cost/Valuation</i>						
Opening balance	4,826	7,062	179,813	201,981	21,031	414,713
Additions	-	-	41,972	24,986	6,076	73,034
Disposals	-	-	-	(5,505)	-	(5,505)
Reclassification	-	(261)	(8,699)	8,960	-	-
Transfers from development costs (Note 7.1)	-	-	-	2,051	-	2,051
Write-off	-	-	(310)	(1,210)	-	(1,520)
Acquisition of subsidiaries	-	-	25,601	60,245	-	85,846
Exchange differences	-	-	(504)	(1,187)	-	(1,691)
Closing balance	4,826	6,801	237,873	290,321	27,107	566,928
Representing items at:						
Cost	4,826	6,801	233,616	290,321	27,107	562,671
Directors' valuation	-	-	4,257	-	-	4,257
Closing balance	4,826	6,801	237,873	290,321	27,107	566,928
<i>Depreciation</i>						
Opening balance	-	1,273	17,736	63,184	2,526	84,719
Charge for the year	-	202	4,440	22,790	3,076	30,508
Disposals	-	-	-	(4,837)	-	(4,837)
Write-off	-	-	(33)	(1,128)	-	(1,161)
Acquisition of subsidiaries	-	-	8,161	39,468	-	47,629
Exchange differences	-	-	(160)	(778)	-	(938)
Closing balance	-	1,475	30,144	118,699	5,602	155,920
<i>Net book value</i>						
At 31 December 2001	4,826	5,326	207,729	171,622	21,505	411,008
At 31 December 2000	4,826	5,789	162,077	138,797	18,505	329,994
Depreciation charge for the year ended 31 December 2000	-	10	4,540	16,456	1,032	22,038

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 2. Property, plant and equipment (continued)

Company	Factory and buildings RM'000	Equipment and vehicles RM'000	Total RM'000
<i>Cost/Valuation</i>			
Opening balance	5,261	3,282	8,543
Additions	-	937	937
Disposals	(2,286)	(797)	(3,083)
Closing balance	2,975	3,422	6,397
Representing items at:			
Cost	1,004	3,422	4,426
Directors' valuation	1,971	-	1,971
Closing balance	2,975	3,422	6,397
<i>Depreciation</i>			
Opening balance	1,550	1,340	2,890
Charge for the year	116	766	882
Write off	(941)	(734)	(1,675)
Closing balance	725	1,372	2,097
<i>Net book value</i>			
At 31 December 2001	2,250	2,050	4,300
At 31 December 2000	3,711	1,942	5,653
Depreciation charge for the year ended 31 December 2000	88	565	653

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 2. Property, plant and equipment (continued)

#### *Revaluation*

The long term leasehold land and building of the Group and Company are stated at Directors' valuation based on independent professional valuation in 1980. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board (MASB) upon adoption of International Accounting Standards Board No. 16 (Revised) Property, Plant & Equipment, the valuation of these assets has not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation.

The tax effect in respect of the surplus arising on revaluation of land is not provided for as the intention is to hold for long term purposes.

#### *Security*

The following property, plant and equipment are pledged to banks as security for borrowings purposes:-

	Group	
	2001 RM'000	2000 RM'000
<b><i>Net Book Value</i></b>		
Freehold land	1,000	280
Long term leasehold land	787	482
Factory and buildings	122,553	107,524
Plant, equipment and vehicles	26,529	31,073
	150,869	139,359

#### *Assets under hire purchase and finance lease*

Included in the property, plant and equipment of the Group are plant, equipment and motor vehicles with net book value amounting to RM7,688,000 (2000 - RM6,808,000) acquired under hire purchase and lease agreements.

### 3. Investments in subsidiaries

	Company	
	2001 RM'000	2000 RM'000
Unquoted shares - at cost	163,749	161,749
Less: Allowance for diminution in value of investments	(10,177)	(10,177)
	153,572	151,572

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 4. Amount due from/(to) subsidiaries

	Company	
	2001 RM'000	2000 RM'000
Amount due from subsidiaries	530,554	398,929
Less: Allowance for doubtful debts	(13,272)	(13,272)
	<hr/>	<hr/>
	517,282	385,657
Less: Current portion (Note 10)	(36,009)	(4,080)
	<hr/>	<hr/>
	481,273	381,577
	<hr/>	<hr/>
Amount due to subsidiaries	(10,243)	(11,801)

The amounts due from/(to) subsidiaries are non-trade in nature, interest free and unsecured except for the following amount due from subsidiaries:

	Company	
	2001 RM'000	2000 RM'000
Secured by equipment with a net book value of RM49,255,000 (2000 - RM25,815,000), bear interest of 1.5% above BLR (2000 - 1.5% above BLR)	29,795	24,873
Unsecured, bear interest at 2.5% per annum above BLR (2000 - 2.5% above BLR)	4,080	4,080
Unsecured, bear interest at 6.1% to 12% per annum (2000 - 12% per annum)	30,566	13,500
Convertible shareholder's loan, bear interest at 2% above BLR per annum (2000 - 2%)	8,345	5,445
Secured by assets of RM1,674,000 (2000 : Nil), 2% above BLR per annum (2000 - Nil)	2,134	-
	<hr/>	<hr/>
	74,920	47,898

Detail of the subsidiaries are shown in Notes 24.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 5. Investments in associates

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Quoted shares	35,096	24,175	35,096	24,175
Unquoted shares	18,339	17,490	16,269	16,268
Share of post acquisition reserves	1,232	1,123	-	-
Less: Allowance for diminution in value - unquoted shares	(10,766)	(10,000)	(10,000)	(10,000)
	<u>43,901</u>	<u>32,788</u>	<u>41,365</u>	<u>30,443</u>
Represented by:				
Group's share of net assets other than goodwill	26,874	33,200		
Goodwill on acquisition	27,793	9,588		
Less: Allowance for diminution in value - unquoted shares	(10,766)	(10,000)		
	<u>43,901</u>	<u>32,788</u>		
Market value of quoted associates	12,869	9,184	12,869	9,184

Details of the associates are shown in Note 25.

### 6. Other investments

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<i>Long term</i>				
Other investments:				
Quoted shares	808	808	-	-
Unquoted shares	30,834	30,173	29,701	29,701
	<u>31,642</u>	<u>30,981</u>	<u>29,701</u>	<u>29,701</u>
<i>Market value of quoted investments:</i>				
<i>Long term</i>				
Other investments:				
Quoted shares	<u>878</u>	<u>993</u>		

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 7. Development expenditure

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Development costs (Note 7.1)	41,103	30,960	5,260	1,808
Plantation development expenditure (Note 7.2)	55,858	52,360	2,815	3,068
Properties under development (Note 7.3)	116,822	110,275	-	-
	213,783	193,595	8,075	4,876
Less: Properties under development - current portion (Notes 7.3)	16,510	6,276	-	-
	197,273	187,319	8,075	4,876

#### 7.1 Development costs

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At 1 January	38,391	30,502	1,808	1,419
Additions during the year	16,294	8,370	3,452	624
Transfer to property, plant and equipment (Note 2)	(2,051)	-	-	-
	52,634	38,872	5,260	2,043
Accumulated amortisation	(11,531)	(7,431)	-	-
Write off of development costs	-	(481)	-	(235)
	41,103	30,960	5,260	1,808
At 31 December	41,103	30,960	5,260	1,808
Amortisation during the year	4,100	3,865	-	-

	Group	
	2001 RM'000	2000 RM'000
Additions to development costs during the year include:		
Rental	1,050	-

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 7. Development expenditure (continued)

#### 7.2 Plantation development expenditure

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At 1 January				
Leasehold land - at cost	20,450	10,875	2,312	2,312
Plantation infrastructure	7,656	5,578	-	-
Plantation development	27,152	21,010	1,883	1,883
	55,258	37,463	4,195	4,195
Additions during the year	4,704	17,795	-	-
	59,962	55,258	4,195	4,195
Accumulated amortisation	(4,104)	(2,898)	(1,380)	(1,127)
At 31 December	55,858	52,360	2,815	3,068
Amortisation during the year	1,206	833	253	253

	Group	
	2001 RM'000	2000 RM'000
Additions to plantation development during the year include:		
Interest expense	568	371

Leasehold land amounting to RM18,052,000 (2000 - RM18,052,000) are charged to banks for banking facilities of the Group.

#### 7.3 Properties under development

	Group	
	2001 RM'000	2000 RM'000
At cost		
Leasehold land - at cost	88,266	85,024
Development expenditure	48,554	29,898
Attributable profits	3,438	514
Allowance for foreseeable loss	-	(2,000)
Write-off of development expenditure costs	-	(700)
	140,258	112,736
Less: Progress billings	(23,436)	(2,461)
	116,822	110,275
Less: Non-current portion	(100,312)	(103,999)
	16,510	6,276

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 7. Development expenditure (continued)

#### 7.3 Properties under development (continued)

Properties amounting to RM29,545,000 (2000 - RM29,545,000) are charged to banks for banking facilities of the Group.

	Group	
	2001	2000
	RM'000	RM'000
Additions to development expenditure during the year include:		
Interest expense	-	34

### 8. Intangible asset

	Goodwill	Concession costs	Group total
	RM'000	RM'000	RM'000
<b>Cost</b>			
At 1 January	-	1,946	1,946
Acquisition of subsidiaries	67,133	-	67,133
At 31 December	67,133	1,946	69,079
<b>Amortisation</b>			
At 1 January	-	171	171
Charge for the year	1,078	87	1,165
At 31 December	1,078	258	1,336
<b>Net book value</b>			
At 31 December 2001	66,055	1,688	67,743
At 31 December 2000	-	1,775	1,775

### 9. Inventories

	Group	
	2001	2000
	RM'000	RM'000
At cost		
Raw materials	8,456	12,996
Work-in-progress	5,769	12,858
Finished goods	35,778	47,444
Parts and components	5,914	-
	55,917	73,298

Inventories amounting to RM33,187,000 (2000 - RM23,494,000) are charged to banks for banking facilities of the Group.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 10. Trade and other receivables

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade receivables	157,691	146,006	-	-
Less: Allowance for doubtful debts	(10,091)	(9,712)	-	-
Amount due from contract customers (Note 10.1)	7,922	-	-	-
Amount due from subsidiaries (Note 4)	-	-	36,009	4,080
	155,522	136,294	36,009	4,080
Other receivables, deposits and prepayments	70,496	56,905	21,840	20,065
Less: Allowance for doubtful debts	(2,442)	(2,241)	-	-
	68,054	54,664	21,840	20,065
Amount due from associates	1,848	-	-	-
	225,424	190,958	57,849	24,145

Amount due from associates is trade related, unsecured, interest free and has no fixed terms of repayment.

#### 10.1 Amount due from contract customers

	Group	
	2001 RM'000	2000 RM'000
Aggregate cost incurred to date	211,081	68,010
Add: Attributable profit	15,076	8,805
	226,157	76,815
Less: Progress billings	(218,235)	(93,707)
Amount due from/(to) contract customers	7,922	(16,892)

#### Group

Trade and other receivables amounting to RM51,394,000 (2000 - RM15,773,000) are charged to banks as security for banking facilities of the Group.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 11. Cash and cash equivalents

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash and bank balances	34,281	57,545	238	11,390
Deposits	117,241	218,248	88,215	193,139
	<b>151,522</b>	<b>275,793</b>	<b>88,453</b>	<b>204,529</b>
Deposits are placed with:				
Licensed banks	103,760	158,221	78,215	153,139
Finance companies	13,481	60,027	10,000	40,000
	<b>117,241</b>	<b>218,248</b>	<b>88,215</b>	<b>193,139</b>

#### Group

Included in the Group's cash and bank balances is RM14,000 (2000 - Nil), the utilisation of which is subject to the Housing Developers (Housing Development Account) Regulations 1991.

Deposits with licensed banks amounting to RM16,960,000 (2000 - RM7,363,000) are pledged as security for banking facilities of the Group.

### 12. Trade and other payables

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade payable	51,930	58,725	-	-
Other payables and accrued expenses	181,515	130,743	41,034	18,205
Amount due to contract customers (Note 10.1)	-	16,892	-	-
Amount due to associates	15,045	321	-	-
	<b>248,490</b>	<b>206,681</b>	<b>41,034</b>	<b>18,205</b>

Amount due to associates is trade related, unsecured, interest free and has no fixed term of repayment.

### 13. Borrowings

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Current				
Revolving credit	- unsecured	8,000	8,000	-
Term loans	- secured	10,020	17,898	-
	- unsecured	6,000	-	-
Overdrafts	- secured	33,419	24,499	-
	- unsecured	11,162	-	-
Banker's acceptances	- secured	16,257	27,511	-
	- unsecured	4,076	-	-
Finance lease and hire purchase liabilities		1,861	2,418	54
	<b>90,795</b>	<b>72,326</b>	<b>8,000</b>	<b>54</b>
Non-current				
Long term loans	- secured	113,422	86,807	-
	- unsecured	2,128	-	-
Finance lease and hire purchase liabilities		1,388	2,654	202
	<b>116,938</b>	<b>89,461</b>	<b>-</b>	<b>202</b>

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 13. Borrowings (continued)

#### *Terms and debt repayment schedule*

The revolving credit is subject to interest between 5.1 % to 7.1% per annum (2000 - nil). The overdrafts and term loans are subject to interest between 4% to 11.5% per annum (2000 - 4% to 10.8%). Hire purchase/finance leases are subject to a fixed interest rate of between 5.3% to 12.5% (2000 - 5.3% to 12.5%). Bankers' acceptances are subject to interest between 0.85% and 2% (2000 - ranging from 0.85% and 2%) above the cost of funds and the lenders' base lending rates respectively.

Overdrafts and term loans of certain subsidiaries are secured by way of fixed and floating charges over the subsidiaries' property, plant and equipment, inventories, trade and other receivables.

The term loan is repayable in equal monthly and yearly installments over periods ranging from 2 years to 14 years.

#### *Finance lease and hire purchase liabilities*

Finance lease and hire purchase liabilities are payable as follows:

	Payments 2001 RM'000	Interest 2001 RM'000	Principal 2001 RM'000	Payments 2000 RM'000	Interest 2000 RM'000	Principal 2000 RM'000
<b>Group</b>						
Less than one year	2,322	461	1,861	3,097	679	2,418
Between one and five years	1,716	328	1,388	3,162	508	2,654
	<b>4,038</b>	<b>789</b>	<b>3,249</b>	<b>6,259</b>	<b>1,187</b>	<b>5,072</b>
<b>Company</b>						
Less than one year	-	-	-	68	14	54
Between one and five years	-	-	-	251	49	202
	<b>-</b>	<b>-</b>	<b>-</b>	<b>319</b>	<b>63</b>	<b>256</b>

### 14. Share capital

	Group and Company	
	2001 RM'000	2000 RM'000
Ordinary shares of RM1 each		
Authorised	1,000,000	1,000,000
Issued and fully paid	<b>504,620</b>	<b>504,620</b>

On 25 April 1997, KUB entered into a supplemental Sale and Purchase Agreement with Koperasi Usaha Bersatu Malaysia Berhad (in liquidation) to amend the Sale and Purchase Agreement dated 21 August 1996 whereby part of the Koperasi's assets to be acquired under the KUB Ekuiti Sdn Bhd's acquisition were the Malay Reserve Land and Restriction-in-Title land.

The acquisition value of the non-transferred land is RM48.08 million and this value will be satisfied by the issuance of 26,711,111 new ordinary shares of RM1 each in KUB at an issue price of RM1.80 per share. Upon the approvals being obtained for the transfer of the non-transferred lands, the issued and paid-up share capital of KUB would increase from 504,620,391 shares to 531,331,502 shares. Since the end of the previous financial year, certain land titles with purchase considerations of RM34.35 million have been transferred but the related number of shares of 19,082,778 have yet to be issued. The remaining land will be transferred to the Company upon obtaining the approvals of the relevant state land offices. Securities Commission (SC) vide its letter dated 2 January 2002 has granted KUB a further extension to 30 June 2002 to complete the transfer of the land.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 15. Minority shareholders' interests

This consists of minority shareholders' proportion of share capital and reserves of subsidiaries.

### 16. Operating loss

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue				
- contract revenue	201,994	207,182	-	-
- sale of goods	195,010	223,447	-	-
- services	66,257	45,285	2,364	5,669
- sale of properties	33,235	4,173	-	-
- interest	-	-	5,650	2,618
	<u>496,496</u>	<u>480,087</u>	<u>8,014</u>	<u>8,287</u>
Contract costs recognised as an expense	(190,277)	(180,545)	-	-
Cost of sales	(156,953)	(179,274)	-	-
Cost of services	(57,156)	(35,698)	-	-
Cost of properties sold	(21,905)	(3,488)	-	-
	<u>(426,291)</u>	<u>(399,005)</u>	<u>-</u>	<u>-</u>
Gross profit	70,205	81,082	8,014	8,287
Distribution costs	(14,804)	(20,267)	-	-
Administration expenses	(80,707)	(76,823)	(6,704)	(12,192)
Other operating expenses	(43,501)	(37,718)	(6,544)	(12,077)
Other operating income	59,937	13,430	3,915	959
	<u>(79,075)</u>	<u>(121,378)</u>	<u>(9,333)</u>	<u>(23,310)</u>
Operating loss	<u>(8,870)</u>	<u>(40,296)</u>	<u>(1,319)</u>	<u>(15,023)</u>
<b>Operating loss is arrived at after crediting:-</b>				
Exceptional gain on waiver of debts	34,881	-	-	-
Gain on disposal of property, plant and equipment	291	-	2,020	-
Gain on disposal of a subsidiary	1,186	-	-	-
Rental income	142	142	142	142
Write back of allowance for foreseeable loss	1,300	-	-	-
Write back of over accruals	3,604	5,869	800	-
	<u>36,304</u>	<u>5,869</u>	<u>2,962</u>	<u>142</u>

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 16. Operating loss (continued)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>and after charging:-</b>				
Allowance for diminution in value of other investment	-	800	-	800
Allowance for doubtful debts	580	2,896	-	-
Amortisation of development costs	4,100	3,865	-	-
Amortisation of plantation development expenditure	1,206	833	253	253
Amortisation of intangible asset	1,165	87	-	-
Auditors' remuneration	336	304	22	22
Company's Directors				
Remuneration	481	464	481	464
Fees	108	108	108	108
Depreciation	30,508	22,038	882	653
Development costs written off	-	481	-	235
Exceptional item:				
Allowance for diminution in value of an associate	-	10,000	-	10,000
Goodwill written off	-	1,000	-	-
Property development costs written off	-	700	-	-
Rental expense on land and buildings	5,968	4,739	1,066	858
Software license and technical agreement rights	-	528	-	-
Write off of property, plant and equipment	359	-	-	-

The estimated monetary value of Directors' benefits-in-kind is RM33,000 (2000 - RM25,000).

### 17. Employee information

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Staff costs	62,802	51,361	5,536	4,316

The number of employees of the Group and of the Company (including Directors) at the end of the year was 4,148 (2000 - 2,867) and 74 (2000 - 85) respectively.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 18. Tax expense

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Current tax expense				
Malaysian - current	5,380	8,579	1,500	2,257
- overprovision	(1,585)	-	-	-
	<hr/>		<hr/>	
	3,795	8,579	1,500	2,257
Deferred tax expense				
Malaysian - current	135	-	-	-
	<hr/>		<hr/>	
	<u>3,930</u>	<u>8,579</u>	<u>1,500</u>	<u>2,257</u>

The Group's effective tax rate is higher than the prima facie tax rate as the tax charge relates to tax on profits of certain subsidiaries which cannot be set-off against losses of other subsidiaries for tax purposes as group relief is not available.

The Company's effective tax rate is also higher than the prima facie tax rate as certain expenses are not deductible for tax purposes.

Subject to agreement by the Inland Revenue Board, the Company has potential deferred tax benefits not taken up in the financial statements under the liability method in respect of the following items:

	2001 RM'000	2000 RM'000
Unutilised tax losses	3,698	3,698
Other timing differences	1,038	2,074
	<hr/>	<hr/>

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 19. Loss per ordinary share - group

#### *Basic loss per share*

The calculation of basic earnings per share is based on the net loss attributable to ordinary shareholders of RM18,720,000 (2000 - net loss of RM49,927,000) and the number of ordinary shares outstanding during the year of 504,620,000 (2000 - 504,620,000).

#### *Diluted loss per share*

The calculation of diluted earnings per share is based on the net loss attributable to ordinary shareholders of RM18,720,000 (2000 - net loss of RM49,927,000) and the weighted average number of ordinary shares outstanding during the of 531,331,111 (2000 - 531,331,111) calculated as follows:

#### *Weighted average number of ordinary shares (diluted)*

	2001 RM'000	2000 RM'000
Issued ordinary shares at beginning of the year	504,620	504,620
Effect of new issue of ordinary shares as consideration for acquisition of certain Malay-Reserve and Restriction-in-Title land (Note 14)	26,711	26,711
Weighted average number of ordinary shares (diluted)	531,331	531,331

### 20. Segmental Information

Segment information is presented in respect of the Group's business segment and geographical locations.

Inter-segment pricing is determined based on the normal course of business and the terms have been established on a negotiated basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 20. Segmental Information (continued)

#### *Business segments:*

The Group comprises the following main business segments:

#### Core Business

Education and training (E&T)	Online and conventional education
Information and communications technology (ICT)	Information technologies and telecommunication services and their related infrastructures.
Liquified Petroleum Gas (LPG)	Bottling and trading of LPG.
Food and Beverage (F&B)	Quick - service restaurants and hotelier.

#### Non-core Business

Properties and constructions, Plantations and Consumer products.

#### Investments

Investment holding

	Revenue		Gross assets		(Loss)/Profit before tax	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<i>Analysis by activity</i>						
Core Business						
Education and training (E&T)	38,764	33,659	79,769	75,913	(25,801)	(18,446)
Information and communications technology (ICT)	215,329	248,823	347,132	331,851	(9,752)	4,881
Liquified Petroleum Gas (LPG)	8,613	2,929	33,251	30,591	(1,815)	(2,877)
Food and Beverage (F&B)	21,424	3,380	128,860	10,362	26,720	(3,852)
	284,130	288,791	589,012	448,717	(10,648)	(20,294)
Non-core Business	210,921	187,549	412,910	381,427	(9,036)	(11,162)
Investments	1,445	3,747	199,018	299,038	2,088	(6,510)
	496,496	480,087	1,200,940	1,129,182	(17,596)	(37,966)

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 20. Segmental Information (continued)

#### *Geographical segments:*

The Group comprises the following main geographical segments:

	Revenue		Gross assets		(Loss)/Profit before tax	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<i>Analysis by geographical location</i>						
Malaysia	489,081	480,087	1,121,485	1,129,182	(37,935)	(37,966)
Singapore	4,494	-	72,980	-	13,831	-
Thailand	2,921	-	6,475	-	6,508	-
	<u>496,496</u>	<u>480,087</u>	<u>1,200,940</u>	<u>1,129,182</u>	<u>(17,596)</u>	<u>(37,966)</u>

### 21. Contingent liabilities - unsecured

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Guarantees and contingencies relating to borrowings of subsidiaries	-	-	124,272	70,239
Litigation claims by certain third parties against subsidiaries	4,000	4,000	-	-
	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>-</u>

### 22. Commitments

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Capital commitments:				
Property, plant and equipment				
Authorised but not contracted for	118,600	102,900	700	900
Contracted but not provided for in the financial statements	26,731	112,440	13,731	37,440
	<u>145,331</u>	<u>215,340</u>	<u>14,431</u>	<u>38,340</u>
Investments				
Authorised but not contracted for	65,000	11,217	65,000	10,557
Contracted but not provided for in the financial statements	20,140	-	20,140	-
	<u>85,140</u>	<u>11,217</u>	<u>85,140</u>	<u>10,557</u>
	<u>230,471</u>	<u>226,557</u>	<u>99,571</u>	<u>48,897</u>

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 23. Related parties

Controlling related party relationships are as follows:

- i) Its subsidiaries as disclosed in Note 24.
- ii) The majority shareholder of the Company, Datuk Hassan Harun, through his substantial shareholdings in Daya Profil Sdn Bhd, which in turn a major shareholder of Sumber Serata Sdn Bhd; a substantial shareholder in KUB Malaysia Berhad.

#### *Transactions and balances with Directors*

Significant transactions and balances with Directors other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Legal fees:</b>				
With company in which Tengku Mohamed Fauzi Hamid, a Director, has interests:				
Tengku Mohamed & Alan Lim	491	168	49	55
Legal fees paid	(370)	(168)	(49)	(55)
Legal fees outstanding	121	-	-	-
<b>Rental:</b>				
Datuk Hassan Harun	41	41	-	-
With company in which Datuk Hassan Harun, a Director, has interests:				
Sumber Serata Sdn Bhd	96	81	-	-
Rental paid	137	122	-	-
Rental outstanding:	(41)	(82)	-	-
With company in which Datuk Hassan Harun, a Director, has interests:				
Sumber Serata Sdn Bhd	96	40	-	-
<b>Tax fees:</b>				
With company in which Dato' Syed Amin Aljeffri, a Director, has interests:				
Al-Jeffri Consulting Sdn Bhd	27	36	4	18
Tax fees paid	(16)	(23)	(4)	(18)
Tax fees outstanding	11	13	-	-

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 23. Related parties (continued)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<i>Professional fees:</i>				
With company in which Dato' Syed Amin Aljeffri, a Director, has interests:				
Al-Jeffri Consulting Sdn Bhd	165	-	-	-
Professional fees paid	(165)	-	-	-
Professional fees outstanding	-	-	-	-

#### *Other related party transactions*

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Subsidiaries				
Rental payable	-	-	1,066	858
Services and maintenance fees payable	-	-	342	303
Administration and support fees receivables	-	-	2,064	1,922
Interest receivables	-	-	5,650	2,618
Associates				
Purchases and services	28,344	24,501	-	-

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 24. Subsidiaries

The principal activities of the companies in the Group, all incorporated in Malaysia (unless otherwise stated) and the interest of KUB Malaysia Berhad are shown below:-

Name of Company	Principal Activities	Equity Interest	
		2001	2000
<b>24.1 Direct Subsidiaries of the Company</b>			
Gerik Timber Industries Sdn Bhd	Manufacturing and trading of bamboo related products.	51%	100%
KUB Ekuiti Sdn Bhd	Investment holding.	100%	100%
KUB Prasarana Sdn Bhd	Building and construction of infrastructure works.	100%	100%
Peraharta Sdn Bhd	Property management.	100%	100%
Perbiba Sdn Bhd	Property development.	100%	100%
Pernida Berhad	Distributor of cigarettes.	86%	86%
Peraming Sdn Bhd	Investment trading.	100%	100%
Utama Steel Works Sdn Berhad	Manufacturing and installation of steel pipes and fittings.	51%	51%
Restoran Kualiti Sdn Bhd#	Investment holding.	100%	-
KUB Network Sdn Bhd	Dormant.	100%	100%
Pelita Espipi Sdn Bhd	Dormant.	100%	100%
Perdaris Development Sdn Bhd	Dormant.	70%	70%
Perinding Plantations Sdn Bhd	Dormant.	100%	100%
<b>24.2 Subsidiaries of KUB Ekuiti Sdn Bhd</b>			
Bina Alam Bersatu Sdn Bhd	Civil engineering works, building works and housing development.	55%	55%
ITTAR Sdn Bhd	Education and training.	100%	100%
KUB Agrotech Sdn Bhd	Plantation and estate management.	100%	100%
KUB Development Berhad	Property development and project management.	100%	100%
KUB-Fujitsu Telecommunications (Malaysia) Sdn Bhd @	Assembling and commissioning of telecommunication equipment.	-	70%
KUB Gas Sdn Bhd	Bottling and trading of liquified petroleum gas.	100%	100%
KUB Power Sdn Bhd	Constructions of power substations.	100%	100%
KUB Realty Sdn Bhd	Property management and investment holding.	100%	100%
KUB Research Sdn Bhd @	Technical research.	-	100%

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 24. Subsidiaries (continued)

Name of Company	Principal Activities	Equity Interest	
		2001	2000
<b>24.2 Subsidiaries of KUB Ekuiti Sdn Bhd (continued)</b>			
KUB Teknologi Sdn Bhd	Trading of computer equipment and provision of related services.	100%	100%
KUB Telekomunikasi Sdn Bhd	Assembling and commissioning of telecommunication equipment.	100%	100%
KUB Sistem Sdn Bhd	Electronic commerce (EC) services and solutions.	60%	60%
KUB Tekstil Sdn Bhd	Garment manufacturing and trading.	100%	100%
KUBTrus Sdn Bhd	Direct selling.	73.5%	73.5%
Maga Textile (M) Sdn Bhd	Garment manufacturing.	100%	100%
Pembinaan Efektif (M) Sdn Bhd	Property development.	60%	60%
Tele Dynamics Sdn Bhd	Distributor of Toshiba office automation and telecommunications products.	60%	60%
Universiti Tun Abdul Razak Sdn Bhd	Higher education and training.	100%	100%
Affluent Vision Sdn Bhd	Dormant.	100%	100%
Hanidel Sdn Bhd @	Dormant.	-	100%
KUBAKI Pte Ltd ** +	Dormant.	60%	60%
KUB Drilling Sdn Bhd	Dormant.	78.4%	78.4%
KUB Hotel and Resort Management Sdn Bhd	Dormant.	100%	100%
KUB Microelectronics Sdn Bhd	Dormant.	78.5%	78.5%
KUB-TIS Controls Sdn Bhd	Dormant.	100%	100%
Perumahan KUB Sdn Bhd	Dormant.	100%	100%
Verein Sdn Bhd	Dormant.	100%	100%
<b>24.3 Subsidiaries of Bina Alam Bersatu Sdn Bhd</b>			
Cocoa Valley Sdn Bhd	Property development.	70%	70%
Bina Alam Management Sdn Bhd	Dormant.	75%	75%
Apsley Sdn Bhd	Dormant.	100%	100%
<b>24.4 Subsidiaries of ITTAR Sdn Bhd</b>			
ITTAR-IPP (PJ) Sdn Bhd	Hospitality education and training.	100%	100%
ITTAR-ILP (Prai) Sdn Bhd	Technical and vocational training.	100%	100%

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 24. Subsidiaries (continued)

Name of Company	Principal Activities	Equity Interest	
		2001	2000
<b>24.5 Subsidiaries of KUB Agrotech Sdn Bhd</b>			
KUB Sepadu Sdn Bhd	Oil palm plantation.	60%	60%
Radiant Orchards Sdn Bhd	Dormant.	100%	100%
<b>24.6 Subsidiaries of KUB Hotel and Resort Management Sdn Bhd</b>			
KUB Singgahsana (PJ) Sdn Bhd	Hotel management.	100%	100%
KUB Sajilera Sdn Bhd	Dormant.	100%	100%
KUB Singgahsana (Langkawi) Sdn Bhd	Dormant.	100%	100%
<b>24.7 Subsidiaries of KUB Telekomunikasi Sdn Bhd</b>			
KUB-Fujitsu Telecommunications			
(Malaysia) Sdn Bhd #	Assembling and commissioning of telecommunication equipment.	70%	-
KUB Research Sdn Bhd #	Technical research.	100%	-
Cybertek (Malaysia) Sdn Bhd	Development and trading of communication equipment.	51%	51%
Somatel (Malaysia) Sdn Bhd	Dormant.	70%	70%
<b>24.8 Subsidiaries of KUB Teknologi Sdn Bhd</b>			
VisionScape Sdn Bhd	Electronic billboard advertising.	51%	51%
Muslimsconnect.com Pte Ltd #**+	Electronic commerce (EC) services.	61%	-
<b>24.9 Subsidiaries of Tele Dynamics Sdn Bhd</b>			
Tele Dynamics Metro Sdn Bhd	Distribution of office automation products.	100%	100%
Tele Portable Sdn Bhd	Office equipment exchange.	100%	100%
Tele Dynamics Atec Sdn Bhd	Distribution of office automation products.	100%	65%
<b>24.10 Subsidiary of Universiti Tun Abdul Razak Sdn Bhd</b>			
United Multimedia Sdn Bhd	Trading of multimedia learning and provision of IT related services.	100%	100%
<b>24.11 Subsidiaries of KUB Realty Sdn Bhd</b>			
KUB Realty (PJ) Sdn Bhd	Property management.	100%	100%
KUB Realty (Prai) Sdn Bhd	Dormant.	100%	100%

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 24. Subsidiaries (continued)

Name of Company	Principal Activities	Equity Interest	
		2001	2000
<b>24.12 Subsidiaries of KUB Development Berhad</b>			
Kesina Development Sdn Bhd	Property development and project management.	100%	100%
KUB-Astana Development Sdn Bhd	Dormant.	51%	51%
Adil Perdana Sdn Bhd	Dormant.	70%	70%
<b>24.13 Subsidiary of KUB Microelectronics Sdn Bhd</b>			
KUB Microelectronics Sales and Service Sdn Bhd	Dormant.	100%	100%
<b>24.14 Subsidiary of Perbiba Sdn Bhd</b>			
Principal Properties Sdn Bhd	Dormant.	100%	100%
<b>24.15 Subsidiary of Peraharta Sdn Bhd</b>			
Villa-Annexe Sdn Bhd	Dormant.	100%	100%
<b>24.16 Subsidiary of Apsley Sdn Bhd</b>			
Lembayung Sukma Sdn Bhd	Dormant.	80%	80%
<b>24.17 Subsidiaries of Restoran Kualiti Sdn Bhd</b>			
A&W (Malaysia) Sdn Bhd #+	Operating a chain of restaurants.	100%	-
A&W (Singapore) Pte Ltd. #**+	Operating a chain of restaurants.	100%	-
<b>24.18 Subsidiaries of A&amp;W (Malaysia) Sdn Bhd</b>			
A&W Properties Sdn Bhd #+	Properties management.	100%	-
TDM Mark-Well Sdn Bhd #+	Food warehousing.	100%	-
Prosperous Avenue Sdn Bhd #+	Fast food outlets and retailing.	100%	-
Dysec (M) Sdn Bhd #+	Fast food outlets and retailing.	60%	-
Limpahan Laksana Sdn Bhd #+	Fast food outlets and retailing.	60%	-
Pleasant Harmony Sdn Bhd #+	Fast food outlets and retailing.	60%	-
Syarikat Ayam Mutiara Sdn Bhd #+	Dormant.	55%	-

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 24. Subsidiaries (continued)

Name of Company	Principal Activities	Equity Interest	
		2001	2000
<b>24.19 Subsidiaries of A&amp;W (Singapore) Pte Ltd.</b>			
A&W Restaurants (Thailand) Company Limited #^+	Food and beverage catering through retail outlets.	100%	-
Harbour Place Developments Pte Ltd #**+	Dormant.	100%	-
<b>24.20 Subsidiary of A&amp;W Restaurants (Thailand) Company Limited</b>			
A&W Distribution Company Limited ^+	Dormant.	95%	-

\*\* Incorporated in Singapore.

^ Incorporated in Thailand.

# Acquired during the year.

@ Disposed-off during the year.

+ The financial statements are audited by another firm of accountants.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 25. Associates

Name of Company	Principal Activities	Equity Interest	
		2001	2000
<b>25.1 Direct associates of the Company</b>			
Mambang Di Awan Sdn Bhd	Extraction of tin ore.	37.5%	37.5%
Polyolefins Pipe Berhad	Manufacture, marketing and installation of polyethylene and polypropylene pipes.	30%	30%
Rimba Raya Sdn Bhd	Agriculture, tourism and recreational services.	20%	20%
Computer Forms (Malaysia) Berhad *	Printing and distributing of computer forms, stock forms and specialised forms.	32%	32%
United Chemical Industries Berhad#	Manufacture and sale of polypropylene and polyethylene woven bags and geotextile fabrics.	24.8%	-
Editry Sdn Bhd	Dormant.	41%	41%
Penang Ferries Sdn Bhd	Dormant.	50%	50%
<b>25.2 Associates of United Multimedia Sdn Bhd</b>			
UMM Nadi Sdn Bhd	Development of multimedia learning materials.	30%	30%
UMM Hijau Sdn Bhd	Development of multimedia learning materials.	30%	30%
UMM Synergy Corporation Sdn Bhd	Development of multimedia learning materials.	30%	30%
UMM BT Media Sdn Bhd	Development of multimedia learning materials.	30%	30%
UMM Avex Sdn Bhd	Development of multimedia learning materials.	30%	30%
<b>25.3 Associates of KUB Telekomunikasi Sdn Bhd</b>			
Q-Telecell (Malaysia) Sdn Bhd	Manufacturing and distribution of wireless local loop system.	49%	49%
<b>25.4 Associates of Aspley Sdn Bhd</b>			
Lambaian Indah Sdn Bhd	Dormant.	50%	50%
<b>25.5 Associates of Lembayung Sukma Sdn Bhd</b>			
Lembayung Greens Sdn Bhd	Dormant.	40%	40%
<b>25.6 Associates of A&amp;W (Malaysia) Sdn Bhd</b>			
Success United Corporation Sdn Bhd +	Fast food outlets and retailing.	40%	-
Relk Food Services Sdn Bhd +	Fast food outlets and retailing.	49%	-

\* The Group's share of results in Computer Forms (Malaysia) Berhad, a company listed on the Kuala Lumpur Stock Exchange, which has non-coterminous year end has been equity accounted for based on the announcement of its results.

# Acquired during the year.

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 26. Acquisition and disposal of subsidiaries

#### Acquisitions

- i) On 19 June 2001, KUB Malaysia Berhad (KUB) entered into a Conditional Sale Agreement with TDM Berhad (TDM) for the acquisition of the entire issued and paid up capital of A&W (Malaysia) Sdn Bhd (AWM) and A&W (Singapore) Pte Ltd (AWS) comprising 7,200,000 ordinary shares of RM1.00 each and 46,415,238 ordinary shares of S\$1.00 each respectively for a total consideration of RM1.00. Besides the purchase consideration of RM1.00, KUB has settled all intercompany advances granted by TDM to AWM and AWS at a compromised sum of RM7.6 million. The acquisition has resulted in KUB operating fast food outlets in Malaysia, Singapore, Thailand and Brunei by way of franchise arrangements with Yorkshire Global Restaurants, Inc. The Agreement was completed on 5 September 2001. The acquisition was accounted for using the acquisition method of accounting. For the period ended 31 December 2001, the subsidiary contributed a net profit of RM30,653,000 (inclusive of exceptional gain on waiver of debts of RM34.8 million) to the consolidated net loss for the year.
- ii) On 23 January 2001 KUB Teknologi Sdn Bhd (KUBTek), a wholly owned subsidiary of KUB has entered into a Joint Venture Agreement (the "Agreement") to subscribe 60% equity in Muslimsconnect.com Pte Ltd, a private company limited by shares incorporated in Singapore. The objective of the acquisition was to set up Muslim internet portals to develop a global interconnected community for the advancement of Muslims through commerce, trade and communication over the internet. The equity participation pursuant to the Agreement was 60% KUBTek and the remaining 40% held by individuals. KUBTek has subscribed for 300,000 ordinary shares for the subscription price of S\$300,000. For the period ended 31 December 2001, the subsidiary contributed a net loss of RM832,000 to the consolidated net loss for the year.

#### Disposal

- iii) On 16 February 2001, KUB Ekuiti Sdn. Bhd., a wholly-owned subsidiary of KUB Malaysia Berhad (KUB) has disposed 3,378,384 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up capital of Hanidel Sdn. Bhd. (Hanidel), for a total cash consideration of RM4 million. The disposal of Hanidel gave rise to a gain of RM1,186,000 to the consolidated net loss for the year.

The acquisition and disposal had the following effect on the Group's assets and liabilities as at 31 December 2001.

	Acquisition 2001 RM'000	Disposal 2001 RM'000
Assets		
Property, plant and equipment	38,217	-
Property development expenditure	-	2,189
Other long term assets	503	-
Current assets	13,944	1,547
Current liabilities	(104,615)	(922)
Long term liabilities	(12,646)	-
Net liabilities	(64,597)	2,814
Goodwill on acquisition	67,133	-
Consideration paid / (received)	2,536	(4,000)
Less: Cash and cash equivalent acquired	17,161	1
Net cash outflow/(inflow)	19,697	(3,999)

## Notes to the Financial Statements

for the year ended 31 December 2001 (continued)

### 27. Event subsequent to the balance sheet date

Since the end of the financial year, the Group entered into the following transactions:

- i) On 6 December 2001, KUB entered into a Conditional Sale Agreement with Keloil International Sdn Bhd (KISB) for the acquisition of 50% equity in Keloil Pakistan (Pvt) Ltd (Keloil Pakistan) comprising 10,698,546 ordinary shares of Pakistan rupees (Rs) 10.00 each for a purchase consideration of USD2,000,000. KUB has simultaneously on the same date entered into a Conditional Shareholders' Agreement with Sterling Ventures International Ltd and KISB whereby pursuant to the Shareholders' Agreement, KUB shall subsequently inject assets valued at USD2,700,000 and cash of USD3,300,000 into Keloil Pakistan making Keloil Pakistan a 80% subsidiary of KUB. On 27 February 2002, Progas Holdings Ltd., a company based in Mauritius was incorporated as the holding company for Keloil Pakistan. The proposed subscription of shares in Keloil Pakistan is currently under finalisation stage.
- ii) On 8 March 2002, KUB entered into a Sale Agreement with Oceanic Gas LLC, Zatisah Holdings Sdn. Bhd, Oh Teik Soon and Yeo Siew Thye for the acquisition of the entire equity interest comprising 2,916,234 ordinary Shares of RM1.00 each in Summit Petroleum (Malaysia) Sdn Berhad (Summit) for a total purchase consideration of RM65 million. Upon completion of the proposed acquisition, Summit will be a wholly-owned subsidiary of KUB. The proposed acquisition is pending approval from Foreign Investment Committee (FIC).
- iii) On 18 March 2002, KUB Ekuiti Sdn Bhd (KUB Ekuiti) entered into a Subscription cum Shareholders Agreement (the "Agreement") with Cemara Ringkasan Sdn Bhd (CRSB), Wawasan Arif Sdn Bhd (WASB) and KUB Sistem Sdn Bhd (KUB Sistem) wherein WASB shall subscribe 1.5 million new ordinary shares of RM1.00 each in KUB Sistem, a 60% owned subsidiary of KUB Ekuiti. Upon completion of the Agreement and subscription of new shares by WASB, the equity interest of KUB Ekuiti in KUB Sistem will reduce from 60% to 24% and KUB Sistem will cease to be the subsidiary of KUB. WASB and CRSB will hold 60% and 16% equity in KUB Sistem respectively. The proposed subscription of shares in KUB Sistem by WASB is currently under finalisation stage.



Page

94 Properties Held

103 Proxy Form

## Properties Held

as at 30 April 2002

Location/ Address	Description	Usage	Area	Tenure	Net Book Value (RM'000)	Age of Building (years)
<b>KUB MALAYSIA BERHAD</b>						
Lot 10026 & 10027, Mukim of Bruas, District of Manjung, Perak	Oil Palm Plantation	Agricultural	853.9 and 305.7 acres respectively	Leasehold (50 years expiring 2021)	1,517	-
Lot 310-315, Kuala Kangsar, Perak	Shoplots	Commercial	9,638 sq. feet	Leasehold (60 years expiring 2029)	370	20
Lot 2729 Taiping, Perak	Shoplot	Commercial	4,200 sq. feet	Leasehold (60 years expiring 2031)	198	20
PT 345 Mukim of Gerik District of Hulu Perak, Gerik, Perak	Sawmill Factory and Office	Commercial	42 acres	Leasehold (60 years expiring 2036)	1,379	29
Lot 8982, 8983, 8984, 461 & 480 Town of Tanjung Malim, Perak	Shopoffice	Commercial	5,187 sq. feet	Leasehold (99 years expiring 2083)	1,602	4
<b>KUB REALTY SDN BHD</b>						
Lot 411 Section 41, Kuala Lumpur	Development	Commercial	1.33 acres	Freehold	34,822	-
PT 34 & 35 (E9-11) PT 49 (H4), PT 50 - 53 (H6, 8, 10, 11, 12) PT 46 & 47 (F31 - 33) Pekeliling Business Centre Kuala Lumpur	Office	Commercial	13,367 sq. metres	Freehold	15,891	6
PT No. 51, Section 16, Town and District of Kota Bharu, Kelantan	Shoplot Malay Reserve	Commercial	915 sq. metres	Leasehold (66 years expiring 2061)	1,728	11
Lot No. 736, Mukim of Bandaran Kota Tinggi, Johor	Shoplot	Commercial	1,708 sq. feet	Leasehold (99 years expiring 2093)	442	4
PT No. TLO 184 Town of Mersing, Johor	Shoplot Malay Reserve	Commercial	1,470 sq. feet	Leasehold (99 years expiring 2088)	276	6
PT No. 3722 to 3728, Mukim of Damansara, District of Petaling, Selangor	Office Building	Commercial	16,065 sq. feet	Freehold	21,318	7

## Properties Held

as at 30 April 2002

Location/ Address	Description	Usage	Area	Tenure	Net Book Value (RM'000)	Age of Building (years)
<b>KUB REALTY (PJ) SDN BHD</b>						
KUB.com, Block D, Level Ground, Level 1, Level 6 to Level 23, Megan Phileo Avenue, Jalan Yap Kwan Seng, Kuala Lumpur	Office Building	Commercial	240,000 sq. feet	Freehold	63,400	3
KUB.com, Block D, 4 Levels of Car Park Podium, Megan Phileo Avenue, Jalan Yap Kwan Seng, Kuala Lumpur	Car Park Podium	Commercial	134,392 sq. feet	Freehold	5,900	3
<b>KUB GAS SDN BHD</b>						
PT 64540, Pulau Indah Industrial Park, West Port, Port Klang, Selangor	Industrial Land	Commercial	7.77 acres	Leasehold (99 years expiring 2097)	4,815	-
<b>KUB DEVELOPMENT BERHAD</b>						
Lot 2198, 2199, 3578, 3579, 3580 & 3581 Mukim of Tawar, District of Baling, Kedah	Development Land	Agricultural	144.8 acres	Freehold	3,231	-
HS(M) 2079 Lot No. 3617, Mukim of Sungai Buloh, District of Petaling, Selangor	Agricultural Land	Agricultural	6 acres	Leasehold (expiring 2071)	2,298	-
No. 16, Batu 16, Phase 5B, Rawang, Selangor	Development Land	Residential and Commercial	11.4 acres	Leasehold (99 years expiring 2093)	2,323	-
PT 27158 - 27283 & PT 27660, Mukim of Cheras, District of Hulu Langat, Selangor	Development Land	Residential	10.8 acres	Freehold	4,224	-

## Properties Held

as at 30 April 2002

Location/ Address	Description	Usage	Area	Tenure	Net Book Value (RM'000)	Age of Building (years)
<b>KUB DEVELOPMENT BERHAD (continued)</b>						
Geran 36338, Lot No 55, Mukim of Tawar, District of Baling, Kedah	Agricultural Land	Agricultural	145.23 acres	Freehold	4,239	-
H.S.(D) 4280, P.T. 606, Mukim of Serting Ulu District of Jempol Negeri Sembilan	Development Land	Industrial	16.82 acres	Leasehold (99 years expiring 2083)	198	-
<b>MAGA TEXTILE (M) SDN BHD</b>						
Bayan Lepas Free Industrial Zone, Phase 3, Penang	Factory	Industrial	46,941 sq. feet	Leasehold (60 years expiring 2040)	597	21
Lot Nos. 876, 5773 and 5774, Mukim of 15, District of Seberang Prai Tengah, Penang	Factory	Industrial	71,095 sq. feet	Freehold	1,442	11
Nos. 10 & 12, Lorong Sejahtera 29, Taman Industri Ceruk To' Kun, Alma, Bukit Mertajam, Penang	Terrace House	Residential	333 sq. metres	Freehold	94	9
<b>KUB TEKSTIL SDN BHD</b>						
Lot E2(6), Pengkalan Chepa II Industrial Area, Mukim of Panchor, District of Kemumim, Kota Bharu, Kelantan	Factory	Commercial	3.8 acres	Leasehold (for 66 years)	2,928	5
<b>BINA ALAM BERSATU SDN BHD</b>						
Lot Nos. 30960 and 30961, Mukim and District of Petaling, Selangor	2 terrace factory lots rectangular in shape with building erected	Industrial	251 sq. metres per lot	Leasehold (99 years expiring 2086)	563	15

## Properties Held

as at 30 April 2002

Location/ Address	Description	Usage	Area	Tenure	Net Book Value (RM'000)	Age of Building (years)
<b>BINA ALAM BERSATU SDN BHD (continued)</b>						
PT Nos. 1101-1121, Mukim of Belanja, District of Kinta, Perak	19 plots of development land and 2 plots of commercial land	Commercial and Residential	1,158.3 acres agriculture status and 12.7 acres commercial status	Leasehold (99 years expiring 2095) respectively	2,642	7
PT No. 9139, Mukim of Setapak, District of Gombak, Selangor	End terrace shoplot rectangular in shape with, 3-storey shopoffice	Commercial	1,920 sq. feet	Freehold	268	18
Lot 806, Mukim of Batu Berendam, Melaka	Development	Commercial	354,246 sq. feet	Freehold	46	-
Lot 8713U, Title No. H.S.(D) KA, Ipoh, District of Kinta, Perak	A parcel of limited commercial (free-standing) development land	Commercial	2,149 sq. metres	Leasehold (99 years expiring 2092)	189	-
Lot 30713, 30701, 30803, 30908, Taman Batu Permai, Kuala Lumpur	4 apartments	Residential	266.36 sq. metres	Leasehold (95 years expiring 2086)	170	10
Lot 6036 and 9934, Taman Batu Permai, Kuala Lumpur	Double-storey terraced house	Residential	111 sq. metres	Leasehold (95 years expiring 2086)	100	10
PT No. 19355, Mukim of Batu Selangor, Gombak, Selangor	Agriculture Land	Agricultural	1.654 acres	Freehold	347	-
2-8-5 Menara, Bukit Ceylon, Jalan Ceylon Kuala Lumpur	Condominium	Residential	1,410 sq. feet	Strata Title	341	3
C-4-5, Idaman Putera Condo, 7, Jalan 6/21D, Medan Idaman, Kuala Lumpur	Condominium	Residential	120.10 sq. metres	Strata Title	178	3

## Properties Held

as at 30 April 2002

Location/ Address	Description	Usage	Area	Tenure	Net Book Value (RM'000)	Age of Building (years)
<b>PERAHARTA SDN BHD</b>						
Lot 4180N, Bangunan Sri Kinta, Jalan Sultan Idris Shah, Ipoh, Perak	4-storey podium block and 9 storey tower block	Commercial	15,667.4 sq. metres	Grant in perpetuity	13,287	19
Lot 534, 535, 539 & 541, Wisma Gerik, Jalan Sultan Iskandar, Gerik, Perak	4 1/2-Storey Building	Commercial	2,050 sq. meters	Leasehold (60 years expiring 2035)	1,017	26
Lot PT 2684 - 2686 APM factory, Jelapang Industrial Estate, Ipoh, Perak	Factory	Commercial	3,523 sq. metres	Leasehold (60 years expiring 2036)	831	25
Lot 193003-193005, Nos. 26, 28 and 39, Persiaran Orkid 1, Taman Orkid, Batu Gajah, Perak	3 Units of Double-Storey Shoplots	Commercial & Residential	5,120 sq. metres	Leasehold (99 years expiring 2090)	411	10
Lot PT 122810-122813, Nos. 24, 26, 28, 30, Laluan Rokan 15, Pekan Razaki, Ipoh, Perak	4 Units of Shophouses	Commercial & Residential	6,337 sq. feet	Leasehold (99 years expiring 2090)	573	10
Industrial Estate Seri Manjung, Perak	Industrial Land	Industrial	21,780 sq. feet	Pending issuance of title	53	-
Wisma Espipi, Kg. Baru, Kuala Lumpur	Commercial Building	Commercial	18,425 sq. feet	Malay Reserve	2,586	8
<b>KUB SEPADU SDN BHD</b>						
Lot 1, Oya/Sibu, Land District, Sibu Division, Sarawak	Oil Palm Plantation	Agricultural	2,728 hectares	Leasehold (60 years expiring 2050)	5,909	-
Lot 5, Oya/Sibu Land District, Sibu Division, Sarawak	Oil Palm Plantation	Agricultural	1,040 hectares	Leasehold (60 years expiring 2050)	1,523	-
Lot 6, Oya/Sibu Land District, Sibu Division, Sarawak	Oil Palm Plantation	Agricultural	872 hectares	Leasehold (60 years expiring 2050)	1,355	-

## Properties Held

as at 30 April 2002

Location/ Address	Description	Usage	Area	Tenure	Net Book Value (RM'000)	Age of Building (years)
<b>KUB SEPADU SDN BHD (continued)</b>						
Lot 221, Block 7 Oya Dalat Land District	Oil Palm Plantation	Agricultural	1.053 hectares	Leasehold (27 years expiring 2024)	69	-
Lot 227, Block 7 Oya Dalat Land District	Oil Palm Plantation	Agricultural	1.718 hectares	Leasehold (27 years expiring 2024)	74	-
Lot 49, Block 7 Oya Dalat Land District	Oil Palm Plantation	Agricultural	1.242 hectares	Leasehold (33 years expiring 2030)	55	-
<b>KUB AGROTECH SDN BHD</b>						
PTD No. 3545, Mukim of Paloh, PTD No. 3796, Mukim of Kahang, District of Kluang, Johor	Oil Palm Plantation	Agricultural	2,363 acres	Leasehold (99 years expiring 2086)	1,889	-
PT No 4901, Mukim of Kahang PT No 26005 & 26006, District of Kluang, Johor	Oil Palm Plantation	Agricultural	4,200 acres	Leasehold (99 years expiring 2093)	5,177	-
<b>TELE DYNAMICS SDN BHD</b>						
44, Jalan Molek 2/1, Taman Molek, 81100 Johor Bahru, Johor	2 Storey Shophouses	Commercial	1,920 sq. feet	Freehold	317	9
Lot 188, Hicom Glenmarie Industrial Park, Shah Alam, Selangor	Industrial Land	Commercial	67,404 sq. feet	Freehold	4,246	-
<b>PERNIDA BERHAD</b>						
Lot No. 2891, 2894, 2983, 2984, 2992, 2993, 2995, 2996, 3001, 3002, 3005, 3008, 3011, 3039, 3040- 3042, 3044, 3054, 3055, 3057, 3058, 3277, 3794- 3796, 3812, Mukim of Bidor, District of Batang Padang, Perak	Mining Land	Mining	79.32 acres	Freehold	1,103	-

## Properties Held

as at 30 April 2002

Location/ Address	Description	Usage	Area	Tenure	Net Book Value (RM'000)	Age of Building (years)
<b>PEMBINAAN EFEKTIF (M) SDN BHD</b>						
Lot No 37230 & 37231 Mukim of Petaling, District of Kuala Lumpur, Federal Territory	Development Land	Residential & Commercial	50.86 acres	Leasehold (99 years expiring 2094)	8,108	-
<b>UTAMA STEEL WORKS SDN BERHAD</b>						
H.S. (D) ka 1337/85 Lot 134905, District of Hulu Kinta, Perak	Factory and Office Building	Industrial	9.6 acres	Leasehold (60 years expiring 2045)	2,630	16
<b>ADIL PERDANA SDN BHD</b>						
Geran 32390, Lot No 272, 273 & 274, Mukim of Telui Kiri, District of Kuala Muda, Kedah	Development Land	Residential	209.85 acres	Freehold	10,287	-
<b>KESINA DEVELOPMENT SDN BHD</b>						
Lot No 364-473, Mukim of Cicha, District of Kota Bharu, Kelantan	Development Land	Residential	10 acres	Freehold Malay Reserve Land	4,025	-
<b>A&amp;W (MALAYSIA) SDN BHD</b>						
PT No 5070 Mukim of Cukai, District of Kemaman, Terengganu	Land	Commercial	56,037 sq. feet	Leasehold (60 years expiring 2053)	26	-
PT No 1897 Mukim Johor Bahru, District of Johor Bahru, Johor	Land	Commercial	13,966 sq. feet	Freehold	447	-

## Properties Held

as at 30 April 2002

Location/ Address	Description	Usage	Area	Tenure	Net Book Value (RM'000)	Age of Building (years)
<b>A&amp;W PROPERTIES SDN BHD</b>						
Unit No LG-07 HS (D) 39250 PT No 4, Mukim of Petaling Jaya District of Petaling Jaya Selangor	Retail Lot	Commercial	4,605 sq. feet	Leasehold (99 years expiring 2088)	2,743	3
<b>A&amp;W (SINGAPORE) PTE LTD</b>						
Block 713 Ang Mo Kio, Avenue 6 #1-4032 Singapore	1st & 2nd storey Shop Lot	Commercial	1st floor-292 sq. feet 2nd floor-82 sq. feet	Leasehold (66 years expiring 2059)	9,588	22
<b>A&amp;W RESTAURANTS (THAILAND) COMPANY LIMITED</b>						
Imperial World Court Ltd 999 room ABF3-4 basement Moo 1, No 1 North Samrong Muang Samuthprakarn Thailand	Retail Lot	Commercial	539.5 sq. feet	Leasehold	1,237	10

# PROXY FORM



Number of  
Shares Held

## 37<sup>th</sup> Annual General Meeting

*(Please see the notes below before completing this form)*

I/We \_\_\_\_\_ NRIC No \_\_\_\_\_  
(Block Letters)

of \_\_\_\_\_  
(Full Address)

being a member/members of KUB MALAYSIA BERHAD hereby appoint **CHAIRMAN OF THE MEETING\***,

or \_\_\_\_\_ NRIC No \_\_\_\_\_  
(Block Letters)

of \_\_\_\_\_  
(Full Address)

or failing him \_\_\_\_\_ NRIC No \_\_\_\_\_  
(Block Letters)

of \_\_\_\_\_  
(Full Address)

as my/our proxy to vote for me/us on my/our behalf at the 37th Annual General Meeting of the Company to be held on Thursday, 27 June 2002 and at any adjournment thereof.

\* If you wish to appoint other person(s) as your proxy/proxies, kindly delete the words "CHAIRMAN OF THE MEETING" and insert the name(s) of the desired person(s).

My/our proxy is to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Resolution 1	To adopt the Financial Statements of the Company and Group and the Reports of the Directors and Auditors thereon		
Resolution 2	To re-elect the Directors retiring under Article 97, Articles of Association of the Company i) Datuk Ruhanie Haji Ahmad		
Resolution 3	ii) Dato' Mohd Noor Yusof		
Resolution 4	iii) Datuk Haji Ahmad Shahibuddin Haji Mohd Nor		
Resolution 5	To approve the Directors' fees for the year 2001		
Resolution 6	To re-appoint Messrs KPMG Desa Megat & Co as Auditors of the Company and to authorise the Directors to fix their remuneration		
Resolution 7	To give authority to the Directors to issue shares under Section 132D of the Companies Act, 1965.		

With reference to the Agenda set out in the Notice of the Meeting, please indicate an "X" in the spaces provided above on how you wish your vote to be cast.

Signed this.....day of.....2002.

\_\_\_\_\_  
Signature/Seal

### NOTES:-

1. A member of the Company entitled to attend and vote at the abovementioned Meeting is entitled to appoint one other person or persons, whether a member or not as his/her proxy/proxies to attend and vote in his/her stead. Where a member appoints two or more proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised or if the appointer is a corporation, either under its common seal or the hand of its attorney.
3. The Proxy Form must be deposited at the office of the Company's Share Registrar, Malaysian Share Registration Services Sdn Bhd, 7th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur by hand or fax to 03-20263736 not less than twenty-four (24) hours before the time for holding the Meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

Affix Stamp

**KUB Malaysia Berhad (6022-D)**

Pendaftar Saham

Malaysian Share Registration Services Sdn Bhd (378993-D)

Tingkat 7, Exchange Square

Bukit Kewangan

50200 Kuala Lumpur

First fold here