

Directors' Report

The directors present their report together with the audited accounts of the company and of the group for the year ended 31st January, 2001.

Principal activities

The principal activities of the company are investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in note 2 to the accounts.

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

Accounts

	Group RM'000	Company RM'000
Profit after taxation	4,219	24

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

In the opinion of the directors, the results of the operations of the company and of the group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Significant event

Acquisition of Hong Wei Holdings Sdn. Bhd.

On 1st September, 2000, the company completed the acquisition of the entire issued and paid-up share capital of Hong Wei Holdings Sdn. Bhd. comprising 300,000 ordinary shares of RM1.00 each for a total cash consideration of RM7 million.

Subsequent event

At an Extraordinary General Meeting of the company held on 16th April, 2001, approval was granted by the shareholders for:

- (a) the proposed acquisition by the company of the entire issued and paid-up share capital of Lee Ling Timber Products Sendirian Berhad comprising 10,000,000 ordinary shares of RM1.00 each in accordance with the terms of the Conditional Sale and Purchase Agreement and Supplementary Conditional Sale and Purchase Agreement dated 18th November, 1999 and 5th March, 2001 respectively for a total purchase consideration of RM40,000,000 to be satisfied by the issuance of 20,000,000 new ordinary shares of RM1.00 each in Quality Concrete Holdings Berhad at an issue price of RM2.00 per share;
- (b) the proposed allotment and issuance of 6,800,000 new ordinary shares of RM1.00 each in the company at an issue price of RM1.23 per share to Bumiputra investors approved by the Ministry of International Trade and Industry;
- (c) the proposed employees' share option scheme of 5,680,000 ordinary shares of RM1.00 each in the company; and
- (d) the increase of the authorised share capital of the company from RM50,000,000 divided into 50,000,000 shares of RM1.00 each to RM100,000,000 divided into 100,000,000 shares of RM1.00 each by the creation of an additional 50,000,000 shares of RM1.00 each in the company.

Directors

The names of the directors of the company in office since the date of the last report and at the date of this report are:

Y. Bhg. Datuk Haji Mohamad Amin Bin Haji Satem	(Resigned on 9.2.2001)
Tiang Ming Sing Anne Kung Soo Ching Leslie Marjoribanks	(Resigned on 2.5.2001)
Hajjah Raziah @ Rodiah Binti Mahmud Alfed Ong Sze Lee Cheng Ah Teck @ Cheng Yik Lai Robin Lo Bing	(Appointed on 2.5.2001)

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the company is a party whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

Directors' Report

Directors (contd.)

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

	Ordinary shares of RM1.00 each					
	Shareholdings registered in the names of directors			Shareholdings in which directors are deemed to have an interest		
	At 1.2.2000	Bought during the year	Sold	At 31.1.2001	At 1.2.2000	At 31.1.2001
Hajjah Raziah @ Rodiah						
Binti Mahmud	20,000	2,000	-	22,000	-	-
Tiang Ming Sing	1,098,000	-	-	1,098,000	5,073,000	5,073,000

By virtue of his interest in shares of the company, Tiang Ming Sing is also deemed interested in the shares of the subsidiary companies to the extent of the company's interest in these companies.

None of the other directors who held office at the end of the financial year had according to the register required to be kept under Section 134 of the Companies Act, 1965, an interest in shares in the company or its related corporations during the financial year.

Since the end of the previous financial year no director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the accounts or the fixed salary of a full-time employee of the company) by reason of a contract made by the company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest required to be disclosed by Section 169(B) of the Companies Act, 1965 other than a deemed benefit arising from transactions disclosed in Note 26 of the accounts.

Other statutory information

- (a) Before the income statements and balance sheets of the company and of the group were made out, the directors took reasonable steps:
- (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any debts or the amount of the provision for doubtful debts of the company and of the group inadequate to any substantial extent; or
 - (ii) the values attributed to current assets in the accounts of the company and of the group misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the company and of the group misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or accounts of the company and of the group which would render any amount stated in the accounts and consolidated accounts misleading.
- (e) As at the date of this report there does not exist:
- (i) any charge on the assets of the company or of the group which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the company or of the group which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the company or of the group to meet its obligations when they fall due; and

Directors' Report

Other statutory information (contd.)

- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the company or of the group for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

On behalf of the Board,

Tiang Ming Sing
Director

Cheng Ah Teck @ Cheng Yik Lai
Director

Date: 14 May 2001

Q U A L I T Y C O N C R E T E

Statement by directors

We, **Tiang Ming Sing** and **Cheng Ah Teck @ Cheng Yik Lai**, being two of the directors of **Quality Concrete Holdings Berhad**, state that in the opinion of the directors, the accounts set out on pages 16 to 32 are drawn up in accordance with approved accounting standards so as to give a true and fair view of:

- (i) the state of affairs of the company and of the group as at 31st January, 2001 and of the results of the company and of the group for the year ended on that date; and
- (ii) the cash flows of the company and of the group for the year ended 31st January, 2001.

On behalf of the Board,

Tiang Ming Sing
Director

Cheng Ah Teck @ Cheng Yik Lai
Director

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

I, **Anne Kung Soo Ching**, the director primarily responsible for the financial management of **Quality Concrete Holdings Berhad**, do solemnly and sincerely declare that the accounts set out on pages 16 to 32 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.

Anne Kung Soo Ching

Subscribed and solemnly declared by
the abovenamed **Anne Kung Soo Ching**
at Kuching in the State of Sarawak
on 14 May 2001

T Y C O N C R E T E

Before me,
Lo Ming Lominus
OO16
Commissioner for Oaths
Kuching

Auditor's Report

We have audited the accounts set out on pages 16 to 32. These accounts are the responsibility of the company's directors. Our responsibility is to express an opinion on these accounts based on our audit.

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

In our opinion:

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the company and of the group as at 31st January, 2001 and of the results of the company and of the group and the cash flows of the company and of the group for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the accounts and consolidated accounts.
- (b) the accounting and other records and the registers required by the Act to be kept by the company and by its subsidiaries for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the accounts of the subsidiaries that have been consolidated with the company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for those purposes.

The Auditors' Reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Companies Act, 1965.

ERNST & YOUNG

AF: 0039

Public Accountants

YONG VOON KAR

1769/04/02 (J/PH)

Partner

Kuching, Malaysia.

Date: 14 May 2001

Income statements for the year ended 31st January, 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue	3	87,832	51,422	1,572	2,486
Cost of sales		(70,634)	(41,979)	-	-
Gross profit		17,198	9,443	1,572	2,486
Other operating income		1,182	907	742	6
Selling expenses		(4,089)	(2,631)	-	-
Administrative expenses		(2,940)	(2,321)	(980)	(656)
Other operating expenses		(4,135)	(2,806)	(266)	(138)
Profit from operations		7,216	2,592	1,068	1,698
Finance costs		(2,016)	(1,087)	(847)	(464)
Profit before taxation	4	5,200	1,505	221	1,234
Taxation	5	(981)	(584)	(197)	(550)
Profit after taxation		4,219	921	24	684
Earnings per share (sen)	6	14.1	3	0.1	2.3

Q U A L I T Y C O N C R E T E

The notes set out on pages 21 to 32 form an integral part of the accounts.

Balance sheets as at 31st January, 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Non-current assets					
Property, plant and equipment	7	31,144	29,264	8,573	8,462
Investments in subsidiary companies	8	-	-	31,042	32,548
Other investments	9	13,275	12,770	13,275	12,770
Land held for development	10	11,313	-	-	-
Current assets					
Stocks	11	10,753	8,724	-	-
Trade debtors	12	41,185	33,816	609	609
Other debtors, deposits and prepayments	13	3,475	4,464	2,116	3,741
Fixed deposits with a licenced bank		-	400	-	-
Cash and bank balances		168	278	9	1
		<u>55,581</u>	<u>47,682</u>	<u>2,734</u>	<u>4,351</u>
Current liabilities					
Amount due to bankers, unsecured	14	25,673	15,540	2,696	3,633
Trade creditors		6,483	4,737	-	-
Other creditors and accruals		9,625	6,692	3,991	5,505
Term loans	15	1,481	1,030	584	446
Lease creditors	16	733	547	-	-
Provision for taxation		205	542	-	-
		<u>44,200</u>	<u>29,088</u>	<u>7,271</u>	<u>9,584</u>
Net current assets/(liabilities)		<u>11,381</u>	<u>18,594</u>	<u>(4,537)</u>	<u>(5,233)</u>
		<u>67,113</u>	<u>60,628</u>	<u>48,353</u>	<u>48,547</u>
Financed by:					
Share capital	17	30,000	30,000	30,000	30,000
Reserves	18	28,224	23,092	15,810	15,786
Shareholders' funds		<u>58,224</u>	<u>53,092</u>	<u>45,810</u>	<u>45,786</u>
Long-term and deferred liabilities					
Term loans	15	6,005	5,384	2,543	2,761
Lease creditors	16	817	320	-	-
Deferred taxation	19	2,067	1,832	-	-
		<u>67,113</u>	<u>60,628</u>	<u>48,353</u>	<u>48,547</u>

The notes set out on pages 21 to 32 form an integral part of the accounts.

Statements of changes in equity for the year ended as at 31st January, 2001

	Share capital RM'000	Revenue reserve RM'000	Share premium reserve RM'000	Capital reserve RM'000	Total RM'000
Group					
Balance at 31st January, 1999	30,000	17,436	3,838	-	51,274
Profit for the year	-	921	-	-	921
Profit guarantee receivable	-	897	-	-	897
Balance at 31st January, 2000	30,000	19,254	3,838	-	53,092
Arising from consolidation	-	-	-	913	913
Profit for the year	-	4,219	-	-	4,219
Balance at 31st January, 2001	<u>30,000</u>	<u>23,473</u>	<u>3,838</u>	<u>913</u>	<u>58,224</u>
Company					
Balance at 31st January, 1999	30,000	10,367	3,838	-	44,205
Profit for the year	-	684	-	-	684
Profit guarantee receivable	-	897	-	-	897
Balance at 31st January, 2000	30,000	11,948	3,838	-	45,786
Profit for the year	-	24	-	-	24
Balance at 31st January, 2001	<u>30,000</u>	<u>11,972</u>	<u>3,838</u>	<u>-</u>	<u>45,810</u>

Q U A L I T Y C O N C R E T E

The notes set out on pages 21 to 32 form an integral part of the accounts.

Cash flow statement for the year ended 31st January, 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash flows from operating activities					
Profit before taxation		5,200	1,505	221	1,234
Adjustments for:					
Provision for doubtful debts		818	108	-	-
Depreciation of property, plant and equipment		2,812	2,685	129	128
Interest expense		1,960	1,079	842	459
Gain on disposal of property, plant and equipment		(100)	(19)	-	-
(Gain)/loss on disposal of quoted investment		(568)	206	(568)	206
Property, plant and equipment written off		-	22	-	-
Gross dividend income		(71)	(13)	(1,326)	(2,371)
Interest income		(155)	(579)	-	(44)
Operating profit/(loss) before working capital changes		9,896	4,994	(702)	(388)
Increase in stocks		(2,270)	(3,277)	-	-
(Increase)/decrease in debtors		(8,902)	2,079	(430)	1,548
Increase/(decrease) in creditors		1,682	4,163	(1,514)	5,392
Decrease in amount due from subsidiary companies		-	-	8,606	5,303
Cash generated from operations		406	7,959	5,960	11,855
Interest paid		(1,960)	(1,079)	(842)	(459)
Taxation paid		(1,648)	(654)	-	(13)
Taxation refunded		124	155	124	-
Net cash (used in)/generated from operating activities		(3,078)	6,381	5,242	11,383
Cash flows from investing activities					
Purchase of quoted shares		(1,606)	(15,290)	(1,606)	(15,290)
Proceeds from sale of quoted investments		1,669	2,314	1,669	2,314
Proceeds from profit guarantee		-	1,049	-	1,049
Purchase of property, plant and equipment		(3,453)	(3,098)	(241)	(246)
Proceeds from sale of property, plant and equipment		244	63	3	-
Net cash paid on acquisition of a subsidiary company		(5,000)	-	(5,000)	-
Dividend received		54	12	958	1,740
Interest received		155	579	-	44
Net cash used in investing activities	20	(7,937)	(14,371)	(4,217)	(10,389)

Cash flow statement for the year ended 31st January, 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash flows from financing activities					
Repayment of lease creditors		(699)	(750)	-	(90)
Term loans obtained		5,407	3,300	3,557	-
Repayment of term loans		(4,336)	(4,720)	(3,637)	(4,627)
Net proceeds from bankers' acceptances		9,740	5,306	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash generated from/(used in) financing activities		10,112	3,136	(80)	(4,717)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net (decrease)/increase in cash and cash equivalents		(903)	(4,854)	945	(3,723)
Cash and cash equivalents at the beginning of the year		<u>(3,576)</u>	<u>1,278</u>	<u>(3,632)</u>	<u>91</u>
Cash and cash equivalents at the end of the year		<u><u>(4,479)</u></u>	<u><u>(3,576)</u></u>	<u><u>(2,687)</u></u>	<u><u>(3,632)</u></u>
Analysis of acquisition of a subsidiary					
				Group	
				2001	2000
				RM'000	RM'000
Non-current asset				11,313	-
Current liabilities				(3,400)	-
				<u> </u>	<u> </u>
Net assets acquired				7,913	-
Capital reserve on acquisition				(913)	-
				<u> </u>	<u> </u>
Purchase consideration				7,000	-
Less: Cash deposit paid in prior year				(2,000)	-
				<u> </u>	<u> </u>
Net cash paid on acquisition of a subsidiary				<u><u>5,000</u></u>	<u><u>-</u></u>

Q U A L I T Y C O N C R E T E

The notes set out on pages 21 to 32 form an integral part of the accounts.

Notes to the account – 31st January, 2001**1. Significant accounting policies****1.1 Basis of accounting**

The accounts of the company and of the group are prepared under the historical cost convention and comply with approved accounting standards issued by the Malaysian Accounting Standards Board.

1.2 Basis of consolidation

The consolidated accounts incorporate the accounts of the company and its subsidiary companies for the year ended 31st January, 2001. The subsidiary companies are consolidated on the merger method of accounting in accordance with Malaysian Accounting Standard No. 2 except for Hong Wei Holdings Sdn. Bhd. which is consolidated on the acquisition method of accounting.

(i) Under the acquisition method of accounting, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal.

Goodwill or reserve arising on consolidation represents the difference between the acquisition costs of shares in the subsidiaries and the fair values of assets acquired at the date of acquisition.

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

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

1.3 Subsidiary companies

Investments in subsidiary companies are stated at cost unless in the opinion of the directors, there has been a permanent decline in value in which case provision is made for the diminution in value.

Dividend income from investment in subsidiary companies is accounted for in the company's income statement as and when declared or proposed.

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

No depreciation is provided on an asset until the asset is put into use.

No amortisation is made on long leasehold land and capital work-in-progress. Short leasehold land is amortised over the remaining lease period of the land. Other property, plant and equipment are written off over their estimated useful lives on a straight line basis.

The estimated useful lives are as follows:

Buildings	-	4 - 50 years
Renovation	-	10 years
Plant and machinery	-	2 - 10 years
Motor vehicles	-	4 - 10 years
Office furniture and equipment	-	4 - 10 years
Operating equipment	-	10 years

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

1.5 Investments

Investments are stated at cost unless in the opinion of the directors, there has been a permanent decline in value in which case provision is made for the diminution in value.

Income arising on these investments is included in the income statement as and when received.

1.6 Land held for development

Land held for development comprises land stated at valuation and costs incurred on activities necessary to prepare the land for its intended use.

Notes to the account – 31st January, 2001

1. Significant accounting policies (contd.)

1.7 Capitalisation of borrowing costs

Interest on borrowed funds utilised for construction of property, plant and equipment that require a substantial period of time to get them ready for their intended use is capitalised as part of the cost of the property, plant and equipment up to the date of their completion.

Cost incurred in financing the acquisition and preparation of land held for development is capitalised as part of the carrying amount of the land.

1.8 Debtors

Known bad debts are written off and specific provision is made for any debts considered to be doubtful of collection. In addition, a general provision is made to cover possible losses which are not specifically identified.

1.9 Leases

Assets under finance lease facilities that give rights approximating to ownership are capitalised in the accounts and the corresponding obligation treated as a liability. The assets so capitalised are depreciated in accordance with the accounting policy on property, plant and equipment. The total interest, being the difference between the total instalments payable and the capitalised amount, is charged to the income statement over the period of the lease in proportion to the balance of capital repayments outstanding.

Leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statement as incurred.

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value and are valued on a first-in-first-out basis. In arriving at the net realisable value due allowance is made for all damaged, obsolete and slow-moving items.

Finished goods and work-in-progress include cost of materials, direct labour and an appropriate proportion of fixed and variable factory overheads.

1.11 Deferred taxation

Provision is made using the liability method for taxation deferred due to timing differences except to the extent that it can be demonstrated with reasonable probability that the timing differences will continue in the foreseeable future. Timing differences that would result in a debit to the deferred tax balance are not recorded unless there is a reasonable expectation of their realisation.

1.12 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement represent fixed deposits, cash and bank balances and bank overdrafts.

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.13 Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded in Ringgit Malaysia at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are reported at year end rates of exchange. All exchange differences thus arising are dealt with in the income statement.

1.14 Income recognition

Income from sales of goods is recognised when goods are delivered and invoiced.

Notes to the account – 31st January, 2001

2. General

The company is incorporated in Malaysia and its principal activities are investment holding and the provision of management services. There have been no significant changes in the nature of these activities during the year.

The accounts of the company and the group are expressed in Ringgit Malaysia.

Details of subsidiary companies as at 31st January, 2001 are:

Name of company	Principal activities	Country of incorporation	Percentage of equity held	
			2001	2000
Quality Concrete Sdn. Bhd.	Manufacture and sale of ready-mixed concrete and cement products and trading of goods	Malaysia	100%	100%
Polyflow Pipes Sdn. Bhd.	Manufacture and sale of high density polyethylene pipes and fittings	Malaysia	100%	100%
Kutex Sdn. Bhd.	Manufacture and sale of woven polypropylene bags and polyethylene liners	Malaysia	100%	100%
Hong Wei Holdings Sdn. Bhd.	Property development	Malaysia	100%	-

3. Revenue

Revenue of the group represents dividend income, invoiced trading sales after allowance for goods returned and trade discounts, and commission earned.

Revenue of the company represents management fees received and dividend income.

4. Profit before taxation

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
(a) This is stated after charging/(crediting):				
Auditors' remuneration				
- current year provision	47	47	12	12
- underprovision in previous year	-	8	-	2
Depreciation of property, plant and equipment	2,812	2,685	129	128
Directors' fees				
- current year	175	212	56	28
- overprovision in previous year	-	(24)	-	-
Directors' other emoluments	446	247	387	169
Property, plant and equipment written off	-	22	-	-
Hire of plant and machinery	23	9	10	5
Loss/(gain) on disposal of property, plant and equipment	103	(19)	-	-
(Gain)/loss on disposal of quoted investments	(568)	206	(568)	206
Interest expenses	1,960	1,079	842	459
Provision for doubtful debts	818	108	-	-
Rental expense	348	364	52	54
Rental income	(173)	(65)	(174)	(168)
Dividend income				
- investment in subsidiary companies	-	-	(1,255)	(2,358)
- others	(71)	(13)	(71)	(13)
Interest income	(155)	(579)	-	(44)

Notes to the account – 31st January, 2001

4. Profit before taxation (contd.)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
(b) Employee information				
Staff costs	<u>3,919</u>	<u>3,310</u>	<u>617</u>	<u>299</u>
Number of employees at end of the year	<u>233</u>	<u>211</u>	<u>6</u>	<u>5</u>

5. Taxation

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Based on profit for the year	729	331	180	550
Deferred taxation	235	226	-	-
Under provision in prior years	<u>17</u>	<u>27</u>	<u>17</u>	<u>-</u>
	<u>981</u>	<u>584</u>	<u>197</u>	<u>550</u>

The disproportionate tax charge for the company is due to the disallowance of certain expenses for tax purposes.

The effective tax rate for the group is lower than the statutory tax rate in Malaysia of 28% because one of the subsidiary companies of the company qualifies for reinvestment allowance in respect of certain capital expenditure. Tax savings for which credit was taken during the year as a result of the realisation of reinvestment allowance brought forward amounted to approximately RM830,000.

6. Earnings per share

The earnings per share is calculated based on the profit after taxation of RM4,219,000 (2000: RM921,000) for the group and RM24,000 (2000: RM684,000) for the company and on the number of ordinary shares in issue during the year of 30,000,000 (2000: 30,000,000).

Q U A L I T Y C O N C R E T E

Notes to the account – 31st January, 2001

7. Property, plant and equipment

Group	Lease- hold land and buildings RM'000	Re- no- vation RM'000	Plant and mach- inery RM'000	Motor vehicles RM'000	Office furni- ture and equip- ment RM'000	Operating equip- ment RM'000	Total RM'000
Cost							
At 1.2.2000	17,999	82	15,929	11,393	1,095	563	47,061
Additions	523	3	2,516	1,286	84	426	4,838
Disposals	-	-	(30)	(418)	(10)	-	(458)
Reclassification	(202)	-	153	49	-	-	-
At 31.1.2001	<u>18,320</u>	<u>85</u>	<u>18,568</u>	<u>12,310</u>	<u>1,169</u>	<u>989</u>	<u>51,441</u>
Accumulated depreciation							
Charge for 2000	<u>280</u>	<u>8</u>	<u>1,264</u>	<u>999</u>	<u>83</u>	<u>51</u>	<u>2,685</u>
At 1.2.2000	1,436	8	9,146	6,351	593	263	17,797
Charge for the year	312	8	1,360	980	88	65	2,813
Disposals	-	-	(15)	(294)	(4)	-	(313)
Reclassification	(154)	-	130	24	-	-	-
At 31.1.2001	<u>1,594</u>	<u>16</u>	<u>10,621</u>	<u>7,061</u>	<u>677</u>	<u>328</u>	<u>20,297</u>
Net book value							
At 31.1.2001	<u>16,726</u>	<u>69</u>	<u>7,947</u>	<u>5,249</u>	<u>492</u>	<u>661</u>	<u>31,144</u>
At 31.1.2000	<u>16,563</u>	<u>74</u>	<u>6,783</u>	<u>5,042</u>	<u>502</u>	<u>300</u>	<u>29,264</u>

Q U A L I T Y C O N C R E T E

Notes to the account – 31st January, 2001

7. Property, plant and equipment (contd.)

Company	Lease- hold land and building RM'000	Renovation RM'000	Motor vehicles RM'000	Furni- ture and equip- ment RM'000	Total RM'000
Cost					
At 1.2.2000	8,184	82	335	134	8,735
Additions	232	3	-	6	241
Transfer in	-	-	-	4	4
Disposals	-	-	-	(3)	(3)
At 31.1.2001	<u>8,416</u>	<u>85</u>	<u>335</u>	<u>141</u>	<u>8,977</u>
Accumulated depreciation					
Charge for 2000	<u>73</u>	<u>8</u>	<u>34</u>	<u>13</u>	<u>128</u>
At 1.2.2000	146	8	101	18	273
Transfer in	-	-	-	2	2
Charge for the year	<u>73</u>	<u>9</u>	<u>33</u>	<u>16</u>	<u>129</u>
At 31.1.2001	<u>219</u>	<u>17</u>	<u>134</u>	<u>34</u>	<u>404</u>
Net book value					
At 31.1.2001	<u>8,197</u>	<u>68</u>	<u>201</u>	<u>107</u>	<u>8,573</u>
At 31.1.2000	<u>8,038</u>	<u>74</u>	<u>234</u>	<u>116</u>	<u>8,462</u>

Landed properties of the group and the company amounting to RM14,996,000 (2000: RM14,047,000) and RM8,196,000 (2000: RM8,038,000) respectively have been charged as securities for loans extended to the group and company as disclosed in note 15.

Included in plant and machinery and motor vehicles of the group are assets acquired under instalment payment plans with a net book value of RM2,850,334 (2000: RM3,116,198).

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Analysis of land and buildings:				
Short-term leasehold land	3,717	3,577	3,577	3,577
Long-term leasehold land	5,296	5,064	4,839	4,607
Buildings	9,307	9,358	-	-
	<u>18,320</u>	<u>17,999</u>	<u>8,416</u>	<u>8,184</u>

The titles to certain leasehold land and buildings belonging to the company and a subsidiary company respectively have yet to be issued by the relevant authorities.

Notes to the account – 31st January, 2001**8. Subsidiary companies**

	2001 RM'000	Company 2000 RM'000
Unquoted shares, at cost	28,566	21,464
Amount due from subsidiary companies	4,916	12,756
Amount due to subsidiary companies	(2,440)	(1,672)
	<u>31,042</u>	<u>32,548</u>

The amounts due from/(to) subsidiary companies are unsecured, interest-free and have no fixed terms of repayment.

9. Other investments

	2001 RM'000	Group/Company 2000 RM'000
Quoted shares and warrants of corporations in Malaysia		
At cost		
- shares	8,126	7,591
- warrants	5,149	5,149
	<u>13,275</u>	<u>12,770</u>
Market value:		
- shares in Malaysia	4,252	8,263
- warrants	2,117	5,795
	<u>6,369</u>	<u>14,058</u>

The directors are of the opinion that there is no permanent diminution in value of the quoted investments.

10. Land held for development

	2001 RM'000	Group 2000 RM'000
Short-leasehold land, at valuation	11,000	
Development costs	313	
	<u>11,313</u>	<u>-</u>

The land held for development relates to the subsidiary company, Hong Wei Holdings Sdn. Bhd., acquired during the year.

The revaluation of the short leasehold land was adopted by the directors of the subsidiary company based on an independent valuation carried out by a firm of professional valuers in the subsidiary company's financial year ended 31st December, 1999 on the comparison and residual basis. The surplus arising from the revaluation has been credited to revaluation reserve of the subsidiary company.

Notes to the account – 31st January, 2001

11. Stocks

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Raw materials	4,080	3,558	-	-
Semi-finished and finished goods	3,453	3,506	-	-
Spare parts and consumables	947	1,140	-	-
Properties held for resale	2,273	520	-	-
	<u>10,753</u>	<u>8,724</u>	<u>-</u>	<u>-</u>

Properties held for resale by a subsidiary company amounting to RM1,680,000 (2000: Nil) has been pledged as security for banking facilities granted to the subsidiary company.

12. Trade debtors

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade debtors	42,763	34,576	609	609
Provision for doubtful debts	(1,578)	(656)	-	-
	<u>41,185</u>	<u>33,816</u>	<u>609</u>	<u>609</u>

13. Other debtors, deposits and prepayments

Included in other debtors, deposits and prepayments for the group and the company is an amount of RM463,282 (2000: RM463,282) representing shortfall in profit guarantee receivable from certain shareholders of the company. The amounts are receivable in accordance with the provisions of the Profit Guarantee and Stakeholders' Agreement entered into between the company, the guarantors and HSBC (M) Trustee Berhad arising from the listing of the company's shares on the Kuala Lumpur Stock Exchange. This amount shall be recovered upon the sale of the shares currently pledged with the trustee.

14. Amount due to bankers

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Bank overdrafts	4,647	4,254	2,696	3,633
Bankers' acceptances	21,026	11,286	-	-
	<u>25,673</u>	<u>15,540</u>	<u>2,696</u>	<u>3,633</u>

The amount due to bankers is unsecured and bears interest at various rates ranging between 3.00% to 8.80% (2000: 3.00% to 8.80%) per annum.

15. Term loans

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Repayable within 1 year	1,481	1,030	584	446
Between 1 and 2 years	1,609	1,069	596	446
Between 2 and 5 years	4,200	3,339	1,797	1,339
After 5 years	196	976	150	976
	<u>6,005</u>	<u>5,384</u>	<u>2,543</u>	<u>2,761</u>
	<u>7,486</u>	<u>6,414</u>	<u>3,127</u>	<u>3,207</u>

Notes to the account – 31st January, 2001

15. Term loans (contd.)

The previous term loan of the company was settled during the year. The existing loan of the company, which was obtained during the year, is secured by a first party first charge over certain landed property of the company and is repayable by 72 monthly instalments commencing May, 2000. Interest was charged on the loan at 5.5% per annum during the year.

The term loan of one subsidiary company is secured by a deed of assignment over certain landed properties of the subsidiary, and first party first and second legal charges to be created over the said properties upon issuance of strata title. The loan carries interest at 6.8% per annum and is repayable by 72 monthly instalments commencing September, 2000.

The remaining two term loans are secured by way of fixed charges over certain machinery, equipment and factory building of the subsidiary company to which the loans are granted, and land belonging to the company. The first loan bears interest at 6.5% per annum and is repayable by 60 monthly instalments commencing January, 2000. The other loan carries interest at 7.0% per annum monthly rests and is repayable by 48 monthly instalments commencing February, 2002.

16. Lease creditors

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Repayable within 1 year	733	547	-	-
Between 2 to 5 years	817	320	-	-
	<u>1,550</u>	<u>867</u>	<u>-</u>	<u>-</u>

17. Share capital

	Group/Company	
	2001 RM'000	2000 RM'000
Authorised: 50,000,000 ordinary shares of RM1.00 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid: 30,000,000 ordinary shares of RM1.00 each	<u>30,000</u>	<u>30,000</u>

18. Reserves

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Non-distributable:				
Share premium reserve	3,838	3,838	3,838	3,838
Capital reserve	913	-	-	-
	<u>4,751</u>	<u>3,838</u>	<u>3,838</u>	<u>3,838</u>
Distributable:				
Revenue reserve	<u>23,473</u>	<u>19,254</u>	<u>11,972</u>	<u>11,948</u>
Total reserves	<u>28,224</u>	<u>23,092</u>	<u>15,810</u>	<u>15,786</u>

Movements in reserves are shown in the statements of changes in equity.

Notes to the account – 31st January, 2001

18. Reserves (contd.)

- (i) Unappropriated profits are retained by:

	Group	
	2001 RM'000	2000 RM'000
The company	11,972	11,948
Subsidiary companies	11,501	7,306
	<u>23,473</u>	<u>19,254</u>

- (ii) Based on the estimated tax credits available, approximately RM4.5 million (2000: RM4.5 million) of the revenue reserve of the company is available for distribution by way of dividends without incurring additional tax liability. In addition, the company has tax exempt credit estimated at RM1.7 million (2000: RM1.7 million) which is available for distribution as tax exempt dividends. These amounts are subject to agreement by the Inland Revenue Board.

- (iii) The ability of the company to distribute its retained earnings is subject to restrictions contained in Section 365 of the Companies Act 1965. In general, a company is allowed to declare dividends after making deduction for income tax for a financial year of an amount not exceeding the after-tax profit of that financial year or not exceeding the average dividends declared in respect of the two financial years immediately preceding that financial year, whichever is the greater. Any after-tax profit not declared as dividends for any financial year commencing on or after 1st July, 1997 may be accumulated and paid out as dividends in any subsequent financial year. Although it was announced on 29th October, 2000 in the 2001 Budget Speech that the aforesaid restrictions be removed with immediate effect, the amendment to Section 365 of the Companies Act, 1965 has thus far not been gazetted.

19. Deferred taxation

	Group	
	2001 RM'000	2000 RM'000
Balance at 1st February	1,832	1,606
Transfer from income statement	235	226
Balance at 31st January	<u>2,067</u>	<u>1,832</u>

The deferred taxation is respect of timing difference between depreciation and corresponding capital allowance on property, plant and equipment.

20. Cash and cash equivalents

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Fixed deposits with a licenced bank	-	400	-	-
Cash and bank balances	168	278	9	1
Bank overdrafts	(4,647)	(4,254)	(2,696)	(3,633)
	<u>(4,479)</u>	<u>(3,576)</u>	<u>(2,687)</u>	<u>(3,632)</u>

21. Capital commitments

	Group	
	2001 RM'000	2000 RM'000
Authorised capital expenditure not provided for in the accounts:		
- approved and contracted for	855	5,088
- approved but not contracted for	500	500
	<u>1,355</u>	<u>5,588</u>

Notes to the account – 31st January, 2001**22. Contingent liabilities**

	2001 RM'000	Group 2000 RM'000
Unsecured guarantees in respect of banking and credit facilities granted to subsidiary companies	46,823	46,808

23. Segmental reporting

	Revenue RM'000	Profit before taxation RM'000	Total assets employed RM'000
Group			
By industries			
2001			
Manufacturing and premixing	68,626	4,604	67,275
Trading	9,135	1,629	5,668
Investment and management services	1,572	222	66,934
	<u>89,333</u>	<u>6,455</u>	<u>139,877</u>
Less: Inter-company	(1,501)	(1,255)	(28,566)
	<u>87,832</u>	<u>5,200</u>	<u>111,311</u>
2000			
Manufacturing and premixing	36,796	1,085	49,633
Trading	14,781	1,544	16,291
Investment and management services	2,493	1,234	58,132
	<u>54,070</u>	<u>3,863</u>	<u>124,056</u>
Less: Inter-company	(2,641)	(2,358)	(34,340)
	<u>51,429</u>	<u>1,505</u>	<u>89,716</u>

24. Significant event**Acquisition of Hong Wei Holdings Sdn. Bhd.**

On 1st September, 2000, the company completed the acquisition of the entire issued and paid-up share capital of Hong Wei Holdings Sdn. Bhd. comprising 300,000 ordinary shares of RM1.00 each for a total cash consideration of RM7 million.

25. Subsequent event

At an Extraordinary General Meeting of the company held on 16th April, 2001, approval was granted by the shareholders for:

- (a) the proposed acquisition by the company of the entire issued and paid-up share capital of Lee Ling Timber Products Sendirian Berhad comprising 10,000,000 ordinary shares of RM1.00 each in accordance with the terms of the Conditional Sale and Purchase Agreement and Supplementary Conditional Sale and Purchase Agreement dated 18th November, 1999 and 5th March, 2001 respectively for a total purchase consideration of RM40,000,000 to be satisfied by the issuance of 20,000,000 new ordinary shares of RM1.00 each in Quality Concrete Holdings Berhad at an issue price of RM2.00 per share;
- (b) the proposed allotment and issuance of 6,800,000 new ordinary shares of RM1.00 each in the company at an issue price of RM1.23 per share to Bumiputra investors approved by the Ministry of International Trade and Industry;
- (c) the proposed employees' share option scheme of 5,680,000 ordinary shares of RM1.00 each in the company; and
- (d) the increase of the authorised share capital of the company from RM50,000,000 divided into 50,000,000 shares of RM1.00 each to RM100,000,000 divided into 100,000,000 shares of RM1.00 each by the creation of an additional 50,000,000 shares of RM1.00 each in the company.

Notes to the account – 31st January, 2001

26. Significant related party transactions

During the financial year, the group and the company had, in the ordinary course of business, transacted on normal commercial terms the following transactions:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Transactions with subsidiary companies				
Dividend received	-	-	1,255	2,358
Management fee received	-	-	246	115
Rental income received	-	-	168	168
Transactions with companies in which certain directors have substantial interest				
Office rental and service charge paid	69	64	69	64
Sale of ready-mixed concrete and concrete products	2,121	-	-	-
Sale of logs	10,910	8,608	-	-
Sale of steel bars	499	-	-	-
Transactions with a substantial shareholder of the company				
Purchase of logs	<u>10,704</u>	<u>8,096</u>	<u>-</u>	<u>-</u>

27. Comparative figures

The presentation of the accounts for the current year has been changed to adopt the format as prescribed in Malaysian Accounting Standards Board (MASB) Standard No. 1 - Presentation of Financial Statements. Comparative figures have been reclassified to conform with this presentation, where necessary.

Q U A L I T Y C O N C R E T E

Analysis of shareholdings – as at 4th May 2001

Class of Share : Ordinary Shares of RM1.00 each
 Voting Rights : 1 Vote Per Ordinary Share

Size of Holdings	No. of Holders	%	No. of Shares	%
1-1000	2,286	52.82	2,282,845	7.61
1001 - 5000	1,571	36.30	4,478,745	14.93
5001 - 10000	255	5.89	2,077,686	6.93
10001 and above	216	4.99	21,160,724	70.54
Total	4,328	100.00	30,000,000	100.00

Top 30 Shareholders as at 4th May 2001

Name of Shareholders	No. of Shares	%
1 HSBC Nominees (Asing) Sdn bhd HSBC Inti Trustee (S) Ltd for Classic Enterprises Ltd	4,000,000	13.33
2 OSK Nominess (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Lee Ling Holdings Sdn Bhd	2,200,000	7.33
3 OSK Nominees (Tempatan) Sdn Bhd OSK Captial Sdn Bhd For San Thye Trading Sdn Bhd	2,000,000	6.67
4 HDM Nominees (Tempatan) Sdn Bhd A U Credit Sdn Bhd	1,496,000	4.99
5 OSK Nominees (Tempatan) Sdn Bhd Tiang Ming Sing	1,098,000	3.66
6 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Encorp Properties Sdn Bhd	935,000	3.12
7 San Thye Trading Sdn Bhd	873,000	2.91
8 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Metas Holdings Sdn Bhd	717,000	2.39
9 Encorp Properties Sdn Bhd	528,594	1.76
10 Yong Lin Lin	375,998	1.25
11 Satria Nominees (Tempatan) Sdn Bhd Lim Choon Yong	273,000	0.91
12 Robin Lo Bing	222,405	0.74
13 Lee Choon Chin	201,998	0.67
14 Satria Nominees (Tempatan) Sdn Bhd Law King Kiu	193,000	0.64
15 Wong Nga Siu	183,000	0.61
16 Lynne Yong Seik Lian	164,772	0.55
17 Liew Kee Moi	163,721	0.55
18 Satria Nominees (Asing) Sdn Bhd Robert Geneid	129,000	0.43
19 Siew Chee Chung	124,000	0.41
20 Chieng Lee Hock	106,000	0.35
21 Robert Geneid	100,000	0.33
22 Citicorp Nominees (Asing) Sdn Bhd TNTC for Middlesbrough Borough Council Teesside Pension	100,000	0.33

Analysis of shareholdings – as at 4th May 2001**Top 30 Shareholders as at 4th May 2001** (contd.)

Name of Shareholders	No. of Shares	%
23 Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Bhd for Amanah Saham PAB	98,000	0.33
24 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Lee Choon Chin	95,000	0.32
25 Hee Foo Wah	92,000	0.31
26 Sii Hing Kung	83,000	0.28
27 Satria Nominees (Tempatan) Sdn Bhd Chew Pok Fah	78,000	0.26
28 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Roy Chew Pok Fah	71,000	0.24
29 Satria Nominees (Asing) Sdn Bhd Frederick Geneid	64,000	0.21
30 Balia Bin Munir	60,216	0.20
Total	16,825,704	56.08

Substantial Shareholders as at 4th May 2001

According to the Register of substantial shareholders, the substantial shareholders of the company as at 4 May 2001 are as follow:

Name of Substantial Shareholders	No. of Shares Held	%
1 Classic Enterprise Ltd	4,000,000	13.33
2 San Thye Trading Sdn Bhd	2,873,000	9.58
3 Lee Ling Holdings Sdn Bhd	2,200,000	7.33
4 Tiang Ming Sing	1,098,000	3.66
5 A U Credit Sdn Bhd	1,496,000	4.99
6 Encorp Properties Sdn Bhd	1,463,594	4.88
7 Pristine Corporation Sdn Bhd	717,000	2.39

List of Directors' Direct Interest

According to the Register of Directors' Shareholdings, the interest of Directors in the ordinary shares of the Company as at 21st February 2001 are as follows:-

	Direct	No. of Shares Held		%
		Direct	Indirect	
1 Tiang Ming Sing	1,098,000	3.66	5,073,000	16.91
2 Hajjah Raziah @ Rodiah Binti Mahmud	22,000	0.07	-	-
3 Leslie Marjoribanks	-	-	-	-
4 Anne Kung Soo Ching	-	-	-	-
5 Cheng Ah Teck @ Cheng Yik Lai	-	-	-	-
6 Alfred Ong Sze Lee	-	-	-	-
	<u>1,120,000</u>	<u>3.73</u>	<u>5,073,000</u>	<u>16.91</u>

List of properties – as at 31st January 2001

Location	Description	Tenure	Year of expiry	Land area/ Built up area	Age of Buildings	Net Book Value (RM)
Lot 27, Blk 4 Muara Tebas Land District	Industrial land & factory building	Leasehold	2027	6.062 Hectares	2	10,802,075
Lot 1355, Blk 3 Miri Concession Land District	Industrial Zone Land with site workshop, laboratory	Leasehold	2047	1.4081 Hectares	-	3,453,760
Lot 2160, Section 66 KTLD, Pending Industrial Estate (Formerly known as plot 2 of Lot 648)	Land & buildings	Leasehold	2059	7,233 Sq. metres	-	617,812
Industrial Lot # 103, Tanjung Manis Timber processing zone	Industrial land & building	Leasehold	60 years from title issue	1.6637 Hectares	3	591,028
Sublot 1006 of Lots 45, Blk 10, Miri Concession Land District	Three-Storey Commercial Shophouse	Leasehold	2059	136.8 Sq. metres	6	420,000
Sublot 3 (Survey Lot 4794) of Lot 1728 Lambir Land District	Double storey semi-detached dwelling house	Leasehold	2017	Approx. 300 Sq. metres	1	245,000
No. 8, Level 10, Chonglin Plaza, Kuching	1 unit Condominium	Leasehold	60 years from title issue	1,226 Sq. feet	3	164,000
Sibujaya low cost housing, 27 kilometre, During Road, Sibujaya	Site office, store & laboratory	-	-	-	8	138,258
Lot 2168, Section 66, KTLD, Lorong Tenaga Satu, Jalan Tenaga Pending Industrial Estate, 93450 Kuching	Warehouse extension	-	-	Approx. 1,200 Sq. feet	6	113,141
M3-324, Seniawan Sbrang, Bau	Mixed Zone Land	Leasehold	2034	2.934 Hectares	-	139,689
Lot 553, Jalan Limpaki, Limbang	Site office, workshop & store	-	-	-	1	40,864



I / We _____ NRIC No _____

of _____

being a member / members of Quality Concrete Holdings Berhad (Company No. 378282-D) and entitled to _____

vote / votes, hereby appoint _____

of _____ or failing him / her _____

of _____

as my / our proxy to vote for me / us and on my / our behalf at the 5th Annual General Meeting of the QUALITY CONCRETE HOLDINGS BERHAD to be held at Room 209, Level 2, Wisma Bukit Mata Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak, on Thursday, 31st May, 2001 at 11:00 am and at any adjournment thereof.

My / our proxy is to vote either on a show of hands or on a poll as indicated below with an "X".

No.	Resolutions	For	Against
1.	To receive and adopt the report of the Directors and the Audited Financial Statements for the year ended 31 st January, 2001 and the Report of the Auditors thereon.		
2.	To approve Directors' Fees.		
3.	To re-elect the following director who retires in accordance with Article 74 of the Articles of Association of the Company:- (i) Robin Lo Bing And to re-elect the following directors who retire in accordance with Article 82 of the Articles of Association of the Company:- (i) Anne Kung Soo Ching (ii) Alfred Ong Sze Lee		
4.	To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
5.	To consider and, if thought fit, to pass the following as ordinary resolution: "That pursuant to Section 132D of the Companies Art, 1965 approval be and is hereby given to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten (10) per cent of the issued share capital of the Company for the time being, subject always to the approval of the relevant regulatory authorities being obtained for such allotment and issue and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."		
6.	To transact any other business of which due notice shall have been given.		

Dated this _____ day of _____ 2001

Number of shares held_____
Signature of Member(s)

Notes:

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. Where a holder appoints two or more proxies, he shall specify the proportion of his shareholdings to be represented in each proxy.
2. A corporation which is a member may by resolution of its directors authorise such person as it thinks fit to act as its representative at the meeting pursuant to Section 147 of the Companies Act, 1965.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney, and the person so appointed may attend and vote at the meeting at which the appointor is entitled to vote.
4. The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Room 209, Level 2, Wisma Bukit Mata Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting.