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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Ir Haji Harun bin Ahmad Saruji DPMP, AMP (Chairman)

Encik Kamaldeen bin Abdul Kader

Tuan Haji Iskhak bin Bardan PMP, KMN

YM Raja Ahmad Aminollah bin Raja Abdullah PCP, PMP

Dato' Abd Wahab bin Maskan DPTJ

Tuan Haji Megat Dziauddin bin Megat Mahmud

(alternate to Dato' Abd Wahab bin Maskan)

Dr Nawawi bin Mat Awin

Dato' Haji Mohd Zaim bin Haji Abu Hasan DPMP, AMP, PPT

Dato' Azian bin Osman DPMP, AMP

Cik Noor Asmah binti Mohd Nawawi

AUDIT COMMITTEE

Dr Nawawi bin Mat Awin

Chairman/Independent, Non-Executive Director

Encik Kamaldeen bin Abdul Kader

Non-Independent, Non-Executive Director

Dato' Haji Mohd Zaim bin Haji Abu Hasan

Independent, Non-Executive Director

Cik Noor Asmah binti Mohd Nawawi

Independent, Non-Executive Director

NOMINATION COMMITTEE

Encik Kamaldeen bin Abdul Kader (Chairman)

Non-Independent, Non-Executive

Dato' Ir Haji Harun bin Ahmad Saruji

Non-Independent, Non-Executive

Tuan Haji Iskhak bin Bardan

Non-Independent, Non-Executive

Dato' Haji Mohd Zaim bin Haji Abu Hasan

Independent, Non-Executive

REMUNERATION COMMITTEE

Tuan Haji Iskhak bin Bardan (Chairman)

Non-Independent, Non-Executive

Dato' Ir Haji Harun bin Ahmad Saruji

Non-Independent, Non-Executive

Dato' Azian bin Osman

Non-Independent, Non-Executive

Encik Kamaldeen bin Abdul Kader

Non-Independent, Non-Executive

FINANCE, ADMINISTRATION AND SECRETARIAL COMMITTEE

Dato' Ir Haji Harun bin Ahmad Saruji

Non-Independent, Non-Executive

Encik Kamaldeen bin Abdul Kader

Non-Independent, Non-Executive

Dato' Samsudin bin Hashim

Group Chief Executive

Encik Harbhajan Singh Ujagar Singh

Group GM Corporate Finance

BUSINESS DEVELOPMENT COMMITTEE

Dato' Ir Haji Harun bin Ahmad Saruji (Chairman)

Non-Independent, Non-Executive

Encik Kamaldeen bin Abdul Kader

Non-Independent, Non-Executive

Dato' Samsudin bin Hashim

Group Chief Executive

Encik Harbhajan Singh Ujagar Singh

Group GM Corporate Finance

MANAGEMENT GROUP

Dato' Samsudin bin Hashim

Group Chief Executive

Encik Harbhajan Singh Ujagar Singh

Group GM Corporate Finance

Encik Ibrahim Yaacob

Group GM Property Development

Encik Jimmy Ng Ah Yee

Group GM Consumer Products

Haji Hamsidi bin Haji Shaharah

Group Assistant GM Business Development

Hajah Sharifah Nor Hashimah bt Syed Kamaruddin

Group Manager Land & Property

Puan Sharifah Hanizah bt Syed Mustaffa

Group Accountant

COMPANY SECRETARY

Cheai Weng Hoong (LS 05624)

AUDITORS

Arthur Andersen & Co.

REGISTERED OFFICE

7th Floor, Wisma Wan Mohammad,

Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan, Malaysia.

Telephone: (05) 242 7277, 2427279 Fax: (05) 529 6617

E-mail: pkcorp@tm.net.my, pkcorp2@tm.net.my

REGISTRAR

Securities Services (Holdings) Sdn Bhd

Room 305, Asia Life Building,

45, Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan, Malaysia.

Telephone: (05) 241 7762 Fax: (05) 241 6761

PRINCIPAL BANKERS

Southern Bank Berhad

CitiBank Berhad

Malayan Banking Berhad

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange (Second Board)

Stock Code / Name – **8346 / PRKCORP**

SOLICITORS

Azman Davidson & Co.

Rusnah Loh & Ng



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at Dewan Persidangan, Tingkat 4, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan on Wednesday, 26 June 2002 at 12.00 noon to transact the following businesses:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2001 together with the Report of the Directors and Auditors thereon. [Resolution 1]
2. To approve the payment of a first and final dividend of 2 sen per share less 28% tax for the year ended 31 December 2001. [Resolution 2]
3. To approve the payment of Directors' fees for the year ended 31 December 2001. [Resolution 3]
4. To re-elect the following Directors who retire in accordance with Article 80 of the Company's Articles of Association:
 - a) YM Raja Aminollah bin Raja Abdullah [Resolution 4]
 - b) Dato' Abd Wahab bin Maskan [Resolution 5]
5. To re-elect the following Directors who retire in accordance with Article 87 of the Company's Articles of Association:
 - a) Dr Nawawi bin Mat Awini [Resolution 6]
 - b) Dato' Haji Mohd Zaim bin Haji Abu Hasan [Resolution 7]
 - c) Dato' Azian bin Osman [Resolution 8]
 - d) Cik Noor Asmah bt Mohd Nawawi [Resolution 9]
6. To re-appoint Messrs Arthur Andersen & Co as Auditors and to authorise the Directors to fix their remuneration. [Resolution 10]

As special business

7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature

To consider and if thought fit, to pass the following as Ordinary Resolution:

"THAT approval be and is hereby given for the Company and/or its subsidiary to enter into and give effect to specified recurrent transactions of a revenue or trading nature with specified classes of Related Parties which are necessary for day to day operations of the Company and its subsidiaries in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company, particulars of which are set out in Section 2.2 of the Circular to Shareholders dated 4 June 2002, and such approval shall continue to be in force until the next Annual General Meeting ("AGM") of the Company.

THAT the approval given in the paragraph above shall only continue to be in force until:-

- (a) the conclusion of the first AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act 1965 ("Act"), but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Act; or



NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

(c) revoked or varied by resolution passed by the shareholders in general meeting,
whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

[Resolution 11]

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

By order of the board

Cheai Weng Hoong
Company Secretary

Ipoh
4 June 2002

NOTICE OF FIRST AND FINAL DIVIDEND PAYMENT AND CLOSURE OF REGISTER

Subject to the approval of the shareholders, a first and final dividend of 2 sen per share less 28% tax will be paid on 25 September 2002.

Notice is hereby given that the Register of Members of the Company will be closed on 30 August 2002, to determine shareholders' entitlement to the dividend payment.

A depositor will qualify for entitlement only in respect of:

- a) Shares transferred into the Depositors' Securities account before 12.30 p.m. on 30 August 2002 in respect of ordinary transfers; and
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

Notes:

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply. Where a member appoints two (2) or more proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy.
2. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
3. The instrument appointing a proxy must be deposited at Room 305, 3rd Floor, Asia Life Building, 45 Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
4. The registration for the above Meeting will commence on Wednesday, 26 June 2002, at 11.30 a.m.

Explanatory Notes on Special Business

Resolution 11 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature

The Ordinary Resolution 11 proposed and if passed, will authorise the Company and each of its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the mandate related parties as contained in the Circular to Shareholders dated 4 June 2002, which are necessary for the PCB Group's day-to-day operations, provided that such transactions are in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and not detrimental to minority shareholders of the Company. This authority, unless revoked or varied by the Company at general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Please refer to the Circular to Shareholders dated 4 June 2002 for further details.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. DIRECTORS STANDING FOR RE-ELECTION AND THEIR DETAILS

A. RETIRING UNDER ARTICLES 80 OF THE COMPANY'S ARTICLES OF ASSOCIATION:

(i) **Dato' Abd Wahab bin Maskan**

Non-Independent, Non-Executive Director, 51 years of age, Malaysian.

YBhg Dato' Abd Wahab bin Maskan, obtained his Bachelor of Science in Management (Real Estate) from University of Reading, United Kingdom. He is a Fellow of the Institution of Surveyors, United Kingdom.

Other directorships in public listed companies:

1. Golden Hope Plantations Berhad
2. Negara Properties (M) Berhad
3. Mentakab Rubber (Malaya) Berhad
4. Pelaburan Hartanah Nasional Berhad

Shareholdings in the Company:	Direct	–	None
	Indirect	–	None

Family relationship with Directors/major shareholder: Chief Executive Officer of Golden Hope Plantations Berhad Group of Companies, Director of Golden Hope Plantations Berhad

He attended 2 out of the 5 board meetings held during the financial year ended 31 December 2001 and 3 were attended by his alternate. He has no conflict of interest with the Company and has never been convicted of any offence in the past 10 years.

(ii) **Raja Ahmad Aminollah bin Raja Abdullah**

Independent, Non-Executive Director, 46 years of age, Malaysian.

YM Raja Ahmad Aminollah bin Raja Abdullah read Law and graduated from the University of London, United Kingdom. He has more than 11 years experience in the corporate world and formerly served on the Board of Berjaya Group Berhad and Utusan Melayu Berhad.

Other directorships in public listed companies: None

Shareholdings in the Company:	Direct	–	None
	Indirect	–	None

Family relationship with Directors/major shareholder: None

He has not attended any board meeting during the financial year ended 31 December 2001. He has no conflict of interest with the Company and has never been convicted of any offence in the past 10 years.

B. RETIRING UNDER ARTICLE 87 OF THE COMPANY'S ARTICLES OF ASSOCIATION

(iii) **Dr Nawawi bin Mat Awin**

Independent, Non-Executive Director, 63 years of age, Malaysian, who was appointed on 20 December 2001.

Dr Nawawi bin Mat Awin serves as Chairman of the Audit Committee. He has vast experience in the banking sector and served on several public and professional bodies, nationally and internationally. These include as Chairman or President of, inter alia, the



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Asian Productivity Organisation, the National Productivity Council of Malaysia, ASEAN Chambers of Commerce and Industry, the National Chamber of Commerce and Industry of Malaysia and the Malaysian Association of Certified Public Accountants. He was also a member, inter alia, of the National Economic Consultative Committee, of the Panel on Takeovers and Mergers, of Parliament and of its Public Accounts Committee. He joined Coopers and Lybrand (now known as Price Waterhouse Coopers) in 1966, and was Chairman and Senior Partner until 1993 when he retired from practice.

Other directorships in public listed companies:

1. MBM Resources Berhad
2. Rubberex Corporation Berhad

Shareholdings in the Company:	Direct	–	None
	Indirect	–	None

Family relationship with Directors/major shareholder: None

He has no conflict of interest with the Company and has never been convicted of any offence in the past 10 years.

(iv) **Dato' Haji Mohd Zaim bin Haji Abu Hasan**

Independent, Non-Executive Director, 50 years of age, Malaysian, who was appointed on 20 December 2001.

YBhg Dato' Haji Mohd Zaim bin Haji Abu Hassan obtained his Bachelor of Arts (Hons) from University Kebangsaan Malaysia in 1979, Diploma in Public Administration from Institute Tadbiran Negara in 1982 and Certificate in Islamic Studies from University of Technology Malaysia in 2001. He has served the Perak State Government for 15 years since 1979. He was elected as Belanja State Assemblyman and also Perak Exco Member from 1995 – 1999. He is currently the Chairman of the Yayasan Pembangunan Rakyat Miskin Perak. He currently serves as a member of the Audit Committee and Nomination Committee of the Company.

Other directorships in public listed companies: None

Shareholdings in the Company:	Direct	–	None
	Indirect	–	None

Family relationship with Directors/major shareholder: None

He has no conflict of interest with the Company and has never been convicted of any offence in the past 10 years.

(v) **Dato' Azian bin Osman**

Non-Independent, Non-Executive Director, 42 years of age, Malaysian, who was appointed on 20 December 2001.

YBhg Dato' Azian bin Osman obtained his LLB from the University of Malaya. He has been practising as an Advocate and Solicitor for more than 16 years and has wide knowledge and experience in the field of corporate laws, land laws and banking laws. Currently, he is a partner of a legal firm in Ipoh, Messrs Faisal, Azian & Co.

Other directorships in public listed companies: Kinta Kellas Public Limited Company

Shareholdings in the Company:	Direct	–	None
	Indirect	–	None

Family relationship with Directors/major shareholder: His firm acts as one of the panel lawyers for the ultimate holding corporation.

He has no conflict of interest with the Company and has never been convicted of any offence in the past 10 years.

(vi) **Cik Noor Asmah bt Mohd Nawawi**

Independent, Non-Executive Director, 34 years of age, Malaysian, who was appointed on 20 December 2001.

Cik Noor Asmah bin Mohd Nawawi graduated from the International Islamic University, Malaysia with a Degree in Law. She has been practising as an Advocate and Solicitor for more than 10 years. She is currently a partner of a legal firm in Ipoh, Messrs Asmah, Juhaida & Partners.

Other directorships in public listed companies: None

Shareholdings in the Company:	Direct	–	None
	Indirect	–	None

Family relationship with Directors/major shareholder: None

She has no conflict of interest with the Company and has never been convicted of any offence in the past 10 years.

2. DETAILS OF BOARD MEETINGS HELD

During the financial year ended 31 December 2001, Board meetings were held in Bilik Gerakan, 8th Floor, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh.

	Date	Time
(i) 37 th Board Meeting	28.02.2001	10.00 a.m.
(ii) 38 th Board Meeting	23.05.2001	11.00 a.m.
(iii) 39 th Board Meeting	13.06.2001	10.00 a.m.
(iv) 40 th Board Meeting	28.08.2001	11.30 a.m.
(v) 41 st Board Meeting	28.11.2001	10.30 a.m.

3. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

	Date of Appointment	Attendance
(i) Dato' Ir Haji Harun bin Ahmad Saruji	19.02.1997	4/5
(ii) Encik Kamaldeen bin Abdul Kader	03.05.1994	5/5
(iii) Tuan Haji Iskhak bin Bardan	14.07.1998	5/5
(iv) Dato' Abd Wahab bin Maskan	16.12.1999	2/5
(v) Raja Ahmad Aminollah bin Raja Abdullah	01.07.1999	0/5
(vi) Tuan Haji Megat Dziauddin bin Megat Mahmud (alternate to Dato' Abd Wahab bin Maskan)	16.12.1999	3/5

Dr Nawawi bin Mat Awain, Dato' Haji Zaim bin Haji Abu Hasan, Dato' Azian bin Osman and Cik Noor Asmah binti Mohd Nawawi were all appointed on 20 December 2001. There was no Board meeting held between their date of appointment to the end of the financial year 2001.



BOARD OF DIRECTORS



CHAIRMAN

DATO' IR HAJI HARUN BIN AHMAD SARUJI, a Malaysian aged 64, was appointed to the Board of Directors on 19 February 1997. He is a Non-Independent, Non-Executive Chairman of the Company. He also serves as a member of the Nomination Committee and the Remuneration Committee.

Dato' Ir Haji Harun bin Ahmad Saruji, a Civil Engineer by profession, has served in Government Departments and Statutory Bodies for 35 years. Prior to his appointment as a member of the Board of Directors of Perak Corporation Berhad (PCB), he was the Chief Executive Officer of the Perbadanan Kemajuan Negeri Perak (PKNP).

Dato' Ir Haji Harun is currently a member of the Board of Directors of KUB Malaysia Berhad, listed in the KLSE main board. He also sits in the Board of Directors of a number of subsidiaries of Perak Corporation Berhad and KUB Malaysia Berhad. He is an Executive Director of PCB Development Sdn Bhd, a wholly owned subsidiary of PCB.

He does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. He has had no conviction for any offence within the past 10 years.



ENCIK KAMALDEEN BIN N. M. ABDUL KADER, a Malaysian aged 43, was appointed to the Board of Directors on 3 May 1994. He is a Non-Independent, Non-Executive Director of the Company. He is also the Chairman of the Nomination Committee of the Company and a member of the Audit Committee and the Remuneration Committee.

Encik Kamaldeen bin N.M. Abdul Kader obtained his professional qualification as an accountant with the accounting firm Hanafiah Raslan dan Mohamed and was admitted to the membership of the Malaysian Association of Certified Public Accountants (MACPA) on 25 March 1989. He joined Permodalan Nasional Berhad in 1989 as a consultant of PNB Corporate Development Sdn Bhd and subsequently worked in the investment division of PNB. He was transferred to the Accounts Department of a subsidiary company of PNB, Amanah Saham Nasional Berhad, in January 2002.

He does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. He has had no conviction for any offence within the past 10 years.



TUAN HAJI ISKHAK BIN BARDAN, a Malaysian aged 55, was appointed to the Board of Directors on 14 July, 1998. He is a Non-Independent, Non-Executive Director of the Company. He also serves as the Chairman of the Remuneration Committee and a member of the Nomination Committee.

Tuan Haji Iskhak bin Bardan graduated from University of Malaya with a Bachelor in Business Administration.

He has vast management experience from various responsibilities within PKNP for 29 years. Currently, he is the Deputy Chief Executive Officer of PKNP.

He does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. He has had no conviction for any offence within the past 10 years.



YM RAJA AHMAD AMINOLLAH BIN RAJA ABDULLAH, a Malaysian aged 46, was appointed to the Board of Directors on 1 July 1999. He is an Independent, Non-Executive Director of the Company.

YM Raja Ahmad Aminollah bin Raja Abdullah is a Law Graduate from the University of London.

He has more than 11 years of working experience in the corporate world. He was formerly on the Board of Berjaya Group Berhad and Utusan Melayu Berhad.

He does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. He has had no conviction for any offence within the past 10 years.



DATO' ABD WAHAB BIN MASKAN, a Malaysian aged 51, was appointed to the Board of Directors on 16 December 1999. He is a Non-Independent, Non-Executive Director of the Company.

Dato' Abd Wahab bin Maskan graduated from University of Reading, England with a Bachelor of Science in Management (Real Estate), and is a Fellow of the Institution of Surveyors, United Kingdom.

He holds directorships in a few public listed companies namely Golden Hope Plantations Berhad, Negara Properties (M) Berhad, Mentakab Rubber Company (Malaya) Berhad and Pelaburan Hartanah Nasional Berhad. He is also the Vice-President of the Business Council for Sustainable Development. Currently, he is the Group Chief Executive of Golden Hope Plantations Berhad.

He does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. He has had no conviction for any offence within the past 10 years.



TUAN HAJI MEGAT DZIAUDDIN BIN MEGAT MAHMUD, a Malaysian aged 55, was appointed to the Board of the Directors on 16 December 1999 as an Alternate Director to Dato' Abd Wahab bin Maskan.

Tuan Haji Megat Dziauddin bin Megat Mahmud is an Economics graduate from Queen's University of Belfast. He is a Fellow of the Institute of Chartered Accountants in Ireland and a Chartered Accountant with the Malaysian Institute of Accountants. He had previously served as a Treasury Accountant in the Accountant-General's Department, Finance Manager with Bank Simpanan Nasional and General Manager-Investment with Arab-Malaysia Merchant Bank Berhad. He is also a Board Member of Golden Hope Plantations Berhad and several of Golden Hope Group's subsidiaries. Currently, he is the Group Director-Finance of Golden Hope Plantations Berhad.

He does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. He has had no conviction for any offence within the past 10 years.



BOARD OF DIRECTORS (CONTINUED)



DR NAWAWI BIN MAT AWINI, a Malaysian aged 63, was appointed to the Board of Directors on 20 December 2001. He is an Independent, Non-executive Director of the Company. He also serves as a Chairman to the Audit Committee.

He was a Chairman and Senior Partner (1974 – 1982; 1985 – 1993) of Coopers and Lybrand (now known as Price Waterhouse Coopers) Malaysia which he joined in 1966. He also had experience in the banking sector and served in several public and professional bodies, national and international, including as Chairman or President of, inter alia, the Asian Productivity Organization, the National Productivity Council of Malaysia, ASEAN Chambers of Commerce and Industry, the National Chamber of Commerce and Industry of Malaysia, the Malaysian Association of Certified Public Accountants and as a Member, inter alia, of the National Economic Consultative Committee, of the Panel on Takeovers and Mergers, of Parliament and of its Public Accounts Committee. Other directorships in public listed companies are MBM Resources Bhd and Rubberex Corporation Bhd.

He does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. He has had no conviction for any offence within the past 10 years.



DATO' HAJI MOHD ZAIM BIN HAJI ABU HASAN, a Malaysian aged 50, was appointed to the Board of Directors on 20 December 2001. He is an Independent, Non-Executive Director of the Company. He also serves as a member of the Audit Committee and the Nomination Committee.

Dato' Haji Mohd Zaim bin Haji Abu Hasan obtained his Bachelor of Arts (Hons) from Universiti Kebangsaan Malaysia in 1979, Diploma in Public Administration from Institut Tadbiran Negara in 1982 and Certificate in Islamic Studies from University of Technology Malaysia in 2001. He served in the Perak State Government for 15 years from 1979. He was elected as Belanja State Assemblyman and also Perak Exco Member from 1995-1999. Currently, he is the Chairman of Yayasan Pembangunan Rakyat Miskin Perak.

He does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. He has had no conviction for any offence within the past 10 years.



DATO' AZIAN BIN OSMAN, a Malaysian aged 42, was appointed to the Board of Directors on 20 December 2001. He is a Non-Independent, Non-Executive Director of the Company. He also serves as a member of the Remuneration Committee.

Dato' Azian bin Osman has been practising as an Advocate and Solicitor for more than 16 years and has wide knowledge and experience in the field of corporate laws, land laws and banking laws. He holds an LLB from the University of Malaya. Currently, he is a partner of a legal firm in Ipoh, Messrs Faizal, Azian & Co. which are panel lawyers of PKNP. Dato' Azian also sits on the Board of Kinta Kellas Public Limited Company and several other private limited companies.

He does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. He has had no conviction for any offence within the past 10 years.



CIK NOOR ASMAH BINTI MOHD NAWAWI, a Malaysian aged 34, was appointed to the Board of the Directors on 20 December 2001. She is an Independent, Non-Executive Director of the Company. She also serves as member of the Audit Committee.

Cik Noor Asmah binti Mohd Nawawi graduated from International Islamic University, Malaysia with a Degree in Law. Since then, she has been practising as an Advocate and Solicitor for more than 10 years. Currently, she is a partner of a legal firm in Ipoh, Messrs Asmah, Juhaida & Partners.

She does not have any family relationship with any Director and/or major shareholder and has no conflict of interest with the Company. She has had no conviction for any offence within the past 10 years.



MANAGEMENT TEAM



DATO' SAMSUDIN BIN HASHIM
Group Chief Executive



**HARBHAJAN SINGH
UJAGAR SINGH**
Group GM
Corporate Finance



IBRAHIM BIN YAACOB
Group GM
Property Development



JIMMY NG AH YEE
Group GM
Consumer Products



**HAJI HAMSIDI BIN
HAJI SHAHARAH**
Group Assistant GM
Business Development



**HAJAH SHARIFAH NOR HASHIMAH
BINTI SYED KAMARUDDIN**
Group Manager
Land and Property



**SHARIFAH HANIZAH
BINTI SYED MUSTAFA**
Group Accountant

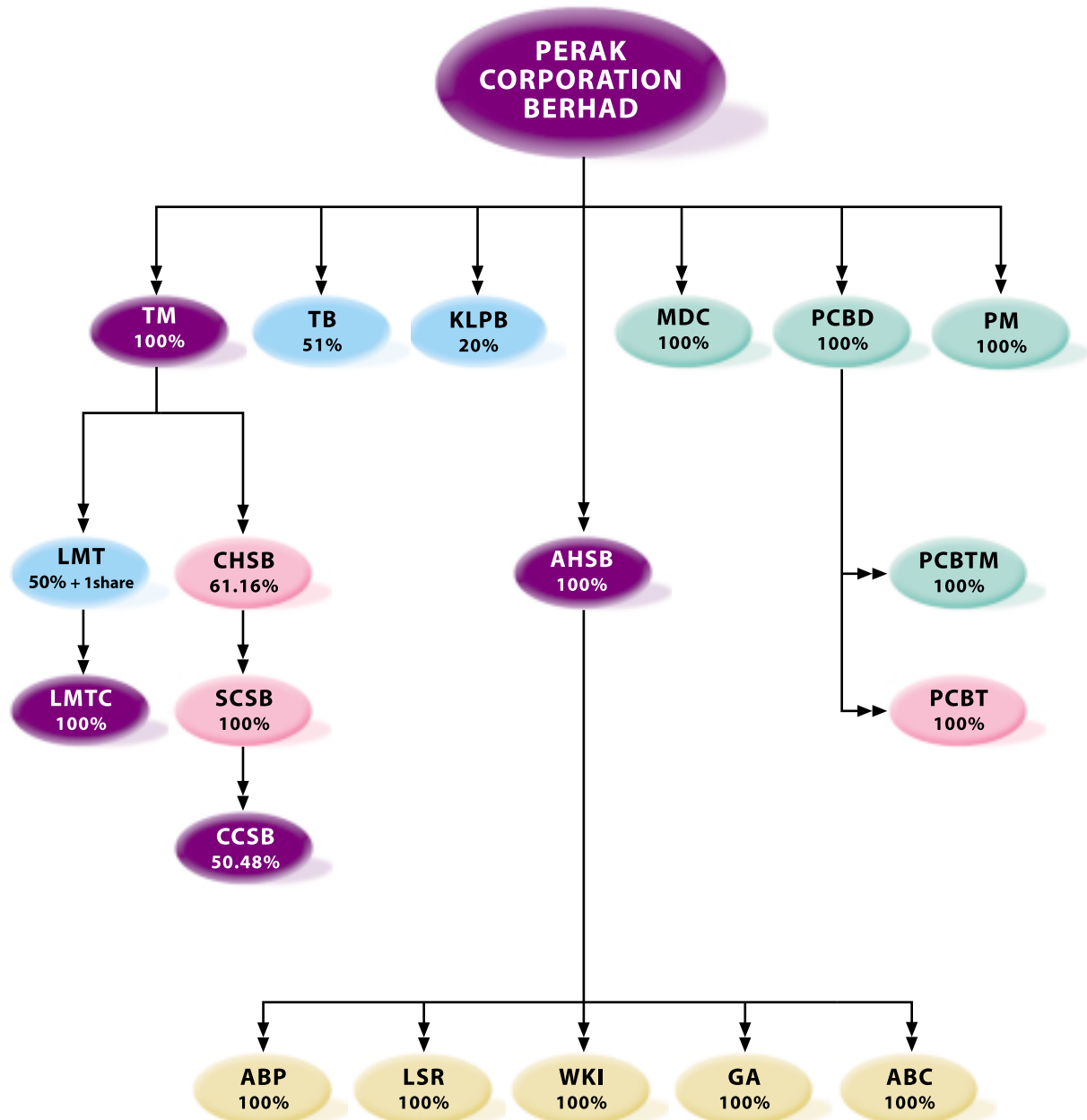


SUBSIDIARIES & ASSOCIATE

SUBSIDIARY		PRINCIPAL ACTIVITY	BUSINESS ADDRESS
(TM)	Taipan Merit Sdn Bhd	Investment Holding	Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan.
(TB)	Trans Bid Sdn Bhd	Water Privatisation and Supply Services	
(PCBD)	PCB Development Sdn Bhd	Investment Holding and Real Property Development	
(PCBTM)	PCB Trading & Manufacturing Sdn Bhd	Trading & Manufacture of Building Materials	
(PCBT)	PCB Transportation Travel & Tours Sdn Bhd	Provision of Transport and Travel Services	
(MDC)	Magni D'Corp Sdn Bhd	Property Investment	
(PM)	Premium Meridian Sdn Bhd	Property Development	
(LMT)	Lumut Maritime Terminal Sdn Bhd	Operation of Port and Port Related Activities and Industrial Park	Lot 1, Lumut Port Industrial Park, Mukim Lumut, Jalan Kampung Aceh, 32000 Sitiawan, Perak Darul Ridzuan.
(LMTc)	LMT Capital Sdn Bhd	Issuance and Redemption of Redeemable Preference Shares	
(CHSB)	Cash Hotel Sdn Bhd	Hotelier, Restaurateur and Property Developer	18, Jalan Gopeng, 30250 Ipoh, Perak Darul Ridzuan.
(SCSB)	Silveritage Corporation Sdn Bhd	Development of Tourism Projects	
(CCSB)	Cash Complex Sdn Bhd	Investment Holding	
(AHSB)	Anakku Holdings Sdn Bhd	Investment Holding	Lot 401, 4th Floor, Bangunan TH Uptown 3, Damansara Uptown 3, 3 Jalan SS 21/39, 47400 Petaling Jaya, Selangor.
(ABP)	Anakku Baby Products Sdn Bhd	Trading of Children's Wear and Related Products	
(LSR)	Anakku LSR Baby Products Sdn Bhd	Trading of Children's Wear and Related Products	
(WKI)	Weltex Knitwear Industries Sdn Bhd	Manufacture and Trading of Children's Wear and Related Products	
(GA)	Generasi Arif (M) Sdn Bhd	Trading of Children's Wear and Related Products, and Franchisor	
(ABC)	Anakku Baby Connection Sdn Bhd	Trading of Children's Wear and Related Products	
ASSOCIATE		PRINCIPAL ACTIVITY	BUSINESS ADDRESS
(KLPB)	Konsortium LPB Sdn Bhd	Construction and Operation of The Westcoast Highway	Level 20, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur.

CORPORATE STRUCTURE

as at 31 December 2001

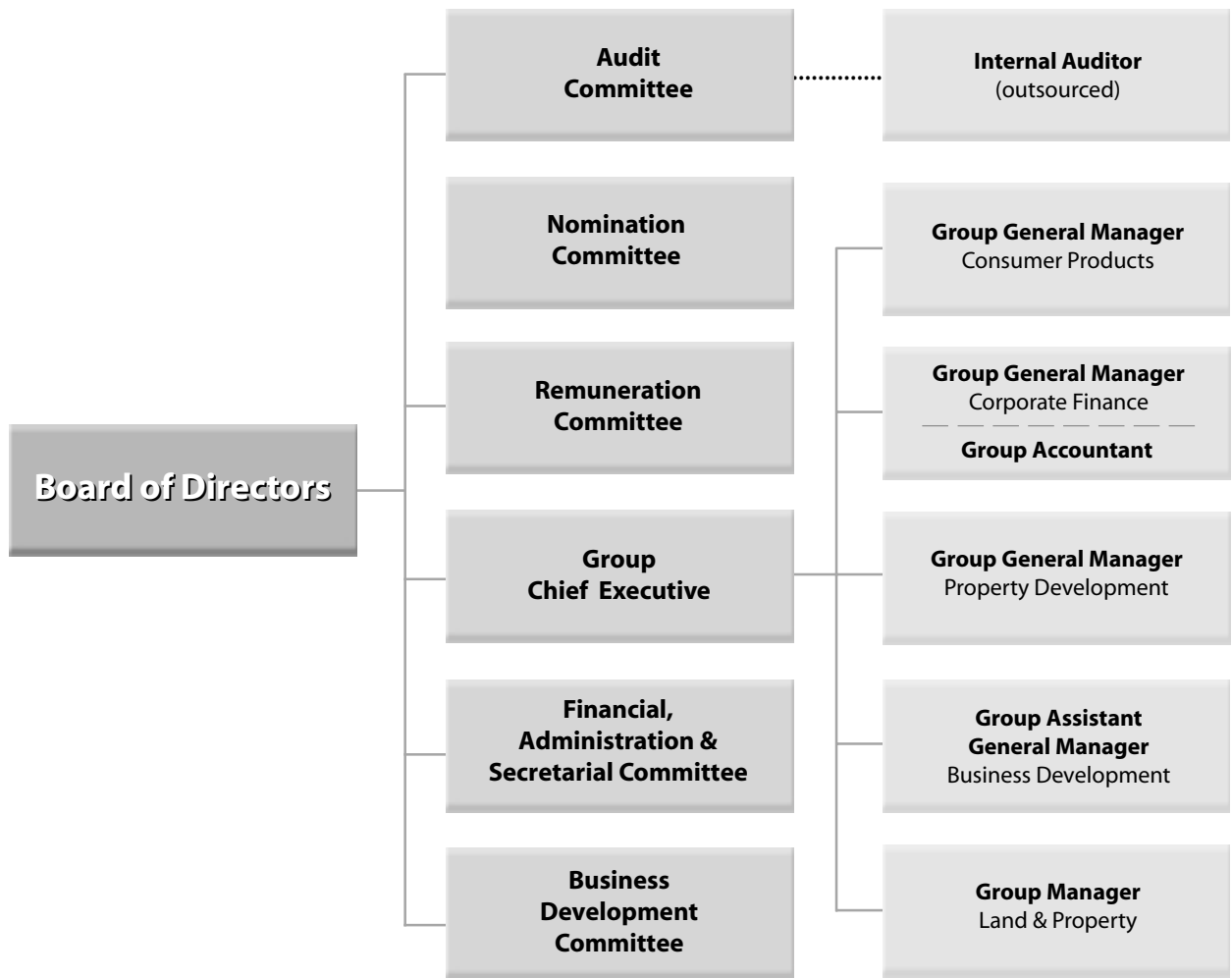


- Investment Holding & Others
- Property Development
- Infrastructure
- Manufacturing & Consumer Products
- Hotel & Tourism

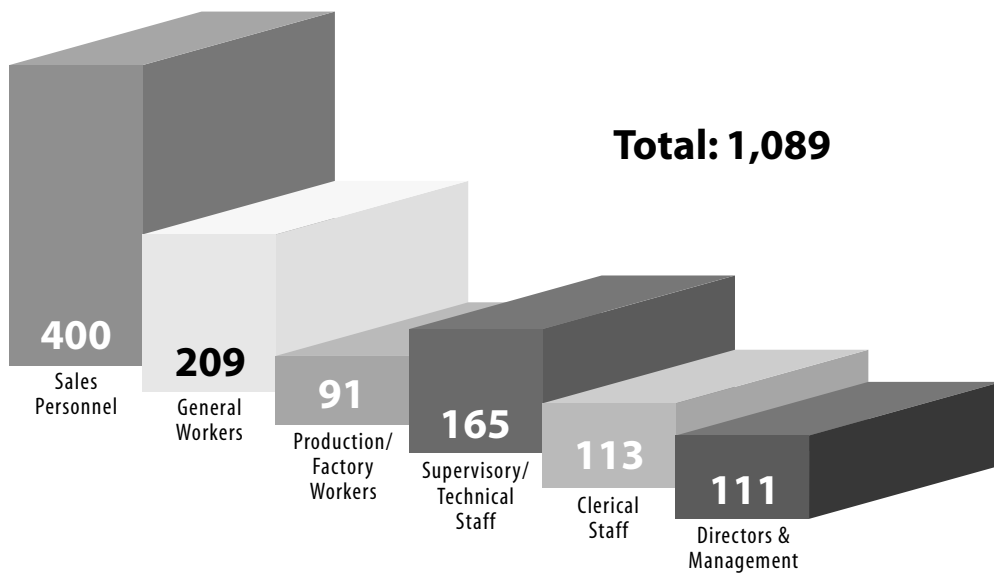
See page 12 for full names of the subsidiaries and the associate.



MANAGEMENT STRUCTURE



GROUP HUMAN RESOURCES as at 31 December 2001

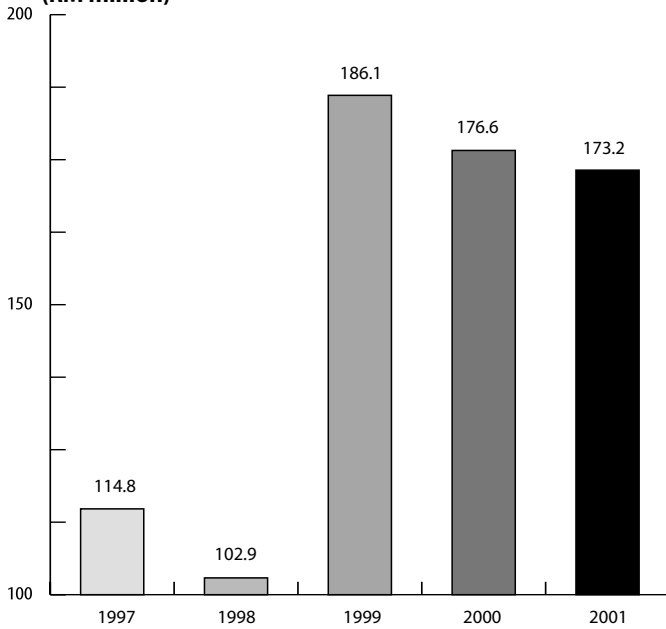




GROUP FINANCIAL HIGHLIGHTS

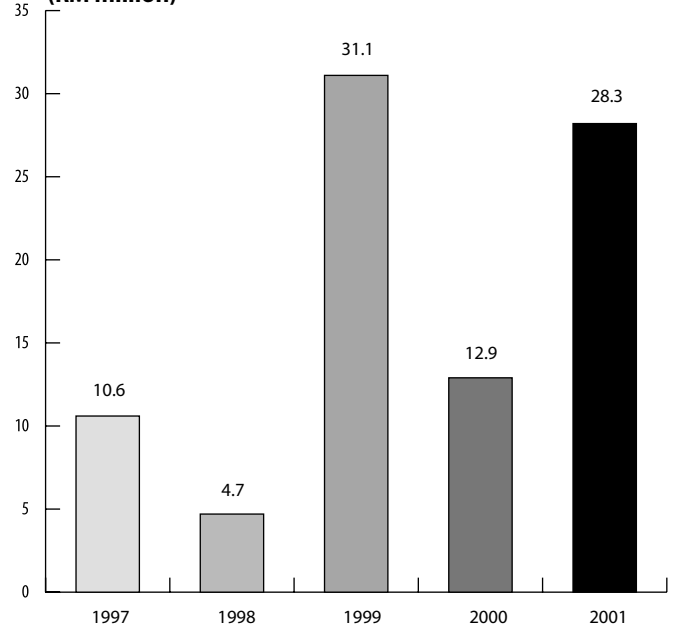
Revenue

(RM million)



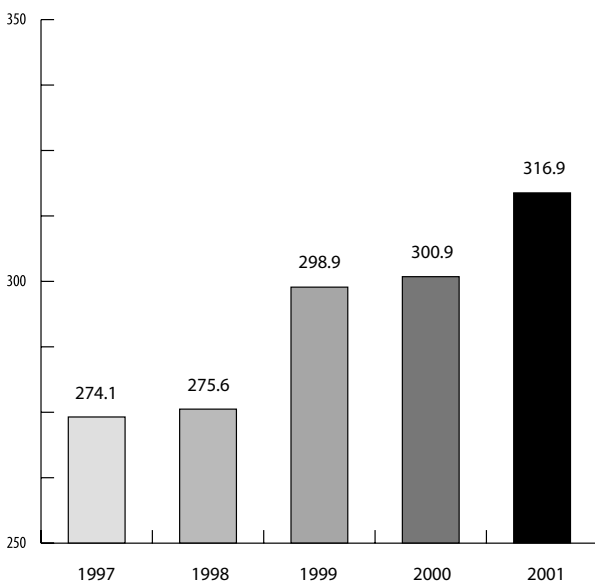
Profit Before Tax

(RM million)



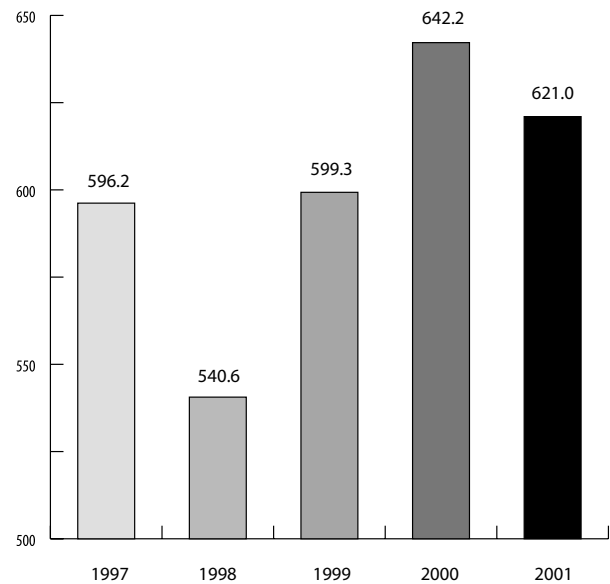
Shareholders' Funds

(RM million)



Total Assets

(RM million)





CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Perak Corporation Berhad, I am pleased to present the Annual Report and financial statements of the Group and the Company for the financial year ended 31 December 2001.

OVERVIEW

The year 2001 was a challenging year for the global economy as a whole, made worse by the continued slump in electrical and electronic industry as well as the terrorist attacks in New York, USA. Despite the global slowdown, Malaysia managed to post a marginal growth of 0.4% in 2001 due to the concerted efforts to promote local sources of growth and reduce its over-dependence on exports coupled with public sector spending via expansionary fiscal operations.

The operating environment during the financial year remained very challenging for the Group. However, the compensating effect on the Group's results due to the performance of the various segmental activities of the Group and disposals to reduce the Group's involvement in the manufacturing and trading of consumer products has enabled the Group to achieve greatly improved results as compared to the results of the previous financial year.

FINANCIAL REVIEW

For the financial year ended 31 December 2001, the Group registered revenue of RM173.2 million (2000: RM176.6 million). The Group achieved an operating profit before taxation of RM28.3 million (2000: RM12.9 million) and profit after taxation for the Group totalled RM21.7 million (2000: RM5.8 million). The increase is mainly due to the gain made on the disposal of 2 subsidiaries of RM8.8 million and better performance by most segments within the Group. The net tangible assets backing per share for the Group, as at 31 December 2001 was RM4.07 (2000: RM3.78).

At Company level, revenue was registered at RM3.9 million resulting in profit before taxation of RM2.0 million as compared to revenue of RM3.8 million in the year 2000, which achieved a profit before taxation of RM2.5 million. Profit after taxation was recorded at RM1.1 million, as against that of RM1.5 million achieved in the year 2000.

OPERATIONAL REVIEW

Given the Group's strength and experience in providing affordable quality homes and smart-township together with well-known baby products, expansion in port facilities and hotel restaurateur segments, the Group will remain competitive in the local economy.

Township Development

The Group via its wholly owned subsidiary PCB Development Sdn Bhd is developing a self-contained integrated modern and efficient corporate township which is set in over 1,080 acres of land in Mukim Ulu Kinta to be known as **Bandar Meru Raya**.

This segment has continued to contribute significantly to the Group by achieving RM29.2 million in revenue with profit before taxation totalling RM5.6 million (2000: RM0.7 million) in the current financial year. This was generated mainly from sales of land and its medium cost township development at Bandar Meru Raya.



A model of one of the double storey bungalows in Bandar Meru Raya targeted for completion in April 2004.



Brand names, both home grown and held under licence by the Anakku Group of Companies for the consumer products segment.



Lumut Maritime Terminal (LMT).



Lekir Bulk Terminal, maintained and operated by LMT.

Manufacturing and Consumer Products

Revenue contribution from the manufacturing operations to the Group in the current financial year amounted to RM103.8 million (2000: RM122.9 million) with profit before taxation of RM6.5 million (2000: RM5.8 million). During the year, the Group completed the disposal of two subsidiaries, being Consobiz Ventures Sdn Bhd and B.T.Engineering Sdn Bhd for a total gain of RM8.8 million.

Hospitality and Tourism

This segment achieved a revenue of RM16.5 million (2000: RM13.0 million) and managed to return a profit of RM0.1 million (2000: RM1.2 million loss). On 3 March 2001, in fulfilling its duties as a good corporate citizen, the Group launched its fourth art and handcraft exhibition at the Casuarina Parkroyal Hotel to promote the rich heritage and beautiful scenery of Perak and for local artists to display and sell their paintings.

The Group also owns two 22-seat coaches which provide transport service to local tourist destinations and also to serve the new township of Bandar Meru Raya.

Infrastructure

- ***Lumut Maritime Terminal (LMT)***

The port expansion is now almost complete and it will be able to fully utilise its 280 meters berth extension soon. The total quay length of the combined berth is 500 meters inclusive of mooring dolphin utilisation. The expansion will enable the port to handle around 3.5 million tonnes of throughput per annum.

- ***Lekir Bulk Terminal Operations and Maintenance***

The Lekir Bulk Terminal (LBT) is expected to commence operations in the second and third quarter of 2002 whereby the Company's subsidiary, Lumut Maritime Terminal Sdn Bhd (LMT) is the appointed operator.

The LBT Operations and Maintenance contract will contribute substantially to the Group's profitability. The contract is for a period of fifteen years.



CHAIRMAN'S STATEMENT (CONTINUED)

- ***Lumut Port Container Line (LPCL) Container Feeder Services***

LMT through LPCL has, in the last quarter of 2001, launched the integrated Container Feeder Services, to provide a better alternative to users – by land or by sea and to/from the port, and trans-shipment at Port Klang. This is a dedicated container feeder service to and from Port Klang, with two fixed-day sailing each week. LPCL provides Total Packaging Services to and from clients' doorsteps to final destination.

FUTURE PROSPECTS

In view of the proactive efforts of the Malaysian Government and the projected GDP growth of 3% in 2002, it can be anticipated that the Group may expect to maintain its performance, excluding the gain on disposals, for the current financial year 2002.

DIVIDEND

The Board of Directors of the Company is pleased to recommend, as in the previous year, a first and final dividend of 2 sen per share less 28% taxation, for approval at the forthcoming Annual General Meeting.

The recommended dividend upon approval by shareholders in the forthcoming Annual General Meeting shall be paid on 25 September 2002.

CHANGES IN DIRECTORATE

I take this opportunity to welcome Dr Nawawi bin Mat Awin, Dato' Haji Mohd Zaim bin Haji Abu Hasan, Dato' Azian bin Osman and Cik Noor Asmah bin Mohd Nawawi all of whom joined the Board on 20 December 2001. I am confident that their positive contributions shall benefit the Group in the years to come.

APPRECIATION

The continued strong performance has been made possible with the full dedication, loyalty and commitment of my fellow Directors, management, staff, together with the unwavering support of clients, customers, suppliers and business associates, bankers, various government authorities and shareholders.

Finally, on behalf of the Board of Directors, I wish to express our appreciation and heartfelt thanks for their continuous support and assistance in contributing positively in achieving the financial results.

Dato' Ir Haji Harun bin Ahmad Saruji

Chairman

4 June 2002



STATEMENT ON CORPORATE GOVERNANCE

The Board welcomes the Malaysian Code on Corporate Governance (the “Code”) as it sets out Principles (Part 1) and Best Practices (Part 2) on structures and processes the Group may use in their operations towards achieving the optimal framework in the discharge of its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

The Principles and Best Practices of the Code published in October 2000, were incorporated into the revamped Listing Requirements of the Kuala Lumpur Stock Exchange (KLSE) with effect from 1 June 2001. The principles of the Code are divided into four sections:

Section 1: Directors

Section 2: Directors’ Remuneration

Section 3: Shareholders

Section 4: Accountability and Audit

In preparing this report, the Board has considered the manner in which it has applied these Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

SECTION 1: DIRECTORS

Composition of the Board

The Board has nine members and an alternate to one of the members, all of whom are non-executive directors. Of these, four are independent and the rest are non-independent. Three of the independent directors were appointed on 20 December 2001. No individual or group of individuals dominates the Board’s decision making and the number of directors fairly reflects the nominees of each of the Company’s major shareholders.

Dato’ Ir Haji Harun bin Ahmad Saruji is the Chairman of the Board while Dato’ Samsudin bin Hashim, who is a non-board member, leads the management team. There is a clear division of responsibility between these two roles and between the non-executive board members and the executive non-board management team to ensure a balance of power and authority.

The Company considers that its complement of non-executive directors provide an effective Board with a mix of industry-specific knowledge and business and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgement to many aspects of the Company’s strategy and performance so as to ensure that the Company maintains the highest standard of conduct and integrity. The profile of the Board members are set out on pages 8 to 10.

More than one-third of the Board are independent directors since the Company recognises the contribution of independent directors as equal Board members in the development of the Company’s strategy, the importance of representing the interest of public shareholders and providing a balanced and independent view to the Board. All independent directors are independent of management and free from any relationship that could interfere with their independent judgement.

Board Responsibilities

The Board retains full and effective control of the Company. This includes responsibility for determining the Company’s overall strategic direction as well as development and control of the Group. Key matters, such as approval of annual and interim results, material acquisitions and disposals, as well as material agreements are reserved for the Board.

The Board has five regularly scheduled meetings annually, with additional meetings convened when urgent and important decisions need to be taken between scheduled meetings. In 2001, the Board held regular meetings on the following dates: 28 February, 23 May, 13 June, 28 August and 28 November. At each regularly scheduled meeting, there is a full financial and business review and discussion, including trading and financial performance to date against annual budget and financial plan previously approved by the Board for that year. The details of attendances at meetings of each individual director are set out on page 7.



STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

The Board has also delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. Standing Committees of the Board include the Audit Committee (please refer to the Report on Audit Committee set out on pages 23 to 25), a Nomination Committee and a Remuneration Committee.

The Board has also set up a Financial, Administrative and Secretarial Executive Committee (FASC) to assist the Board in evaluating major operating issues which arise out of the ordinary course of business. The FASC also reviews the Annual Budgets before they are submitted to the Board and annual salary reviews of the employees of the Company. The FASC comprises a Non-independent, Non-executive Director, the Group Chief Executive, the Group General Manager Corporate Finance, and is headed by the Chairman of the Board.

Supply of Information

Each Board member receives quarterly operating results, including comprehensive review and analysis. Prior to each Board meeting, Directors are sent an agenda and a full set of Board papers for each agenda item to be discussed at the meeting. This is issued in sufficient time to enable the directors to obtain further explanations, where necessary, in order to be properly informed before the meeting.

Directors have access to all information within the Company whether as full board or in their individual capacity, in furtherance to their duties. Directors have also direct access to the services of the Company Secretary who is responsible for ensuring that Board procedures are followed.

The Board, as a whole, determines whether to take independent professional advice where necessary and in appropriate circumstances, in furtherance of their duties at the Company's expense.

Appointments of the Board and Re-election

The Board has a Nomination Committee, which was established on 20 December 2001 comprising four Non-executive Directors of which one is also independent. The members are Dato' Ir Haji Harun bin Ahmad Saruji, Tuan Haji Iskhak bin Bardan and Dato' Mohd Zaim bin Haji Abu Hasan, and it is headed by Encik Kamaldeen bin Abdul Kader. This Committee is empowered to bring to the Board recommendations for the appointment of any new Executive or Non-executive Director.

The Board through the Nomination Committee ensures that appointments to the Board are from individuals of sufficient calibre, knowledge and experience to fulfill the duties of a Director. There is no formal training programme for Directors. However, the Chairman of the Board, together with the Group Chief Executive, shall give informal briefings to the new Directors. All the Directors shall attend and complete the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysis Malaysia (RIIAM), a training arm of the Kuala Lumpur Stock Exchange.

The directors have direct access to the services of the Company Secretary, who is responsible for ensuring that all appointments are properly made and all necessary information are obtained from Directors, both for the Group's own records and for the purposes of meeting the requirements of the Companies Act 1965, Listing Requirements of the KLSE and other regulatory requirements. Upon appointment, Directors are advised of their legal and other obligations as a Director of a public listed company.

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election at the next Annual General Meeting (AGM) after their appointment. The Articles also provided that at least one-third of the Board is subject to re-election at regular intervals of at least once every three years.

No Nomination Committee meeting was held during the financial year 2001.

SECTION 2: DIRECTORS' REMUNERATION**Remuneration Policy and Procedure**

The Remuneration Committee, which was established on 20 December 2001, comprises Tuan Haji Iskhak bin Bardan as the Chairman, Dato' Ir Haji Harun bin Ahmad Saruji, Dato' Azian bin Osman and Encik Kamaldeen bin Abdul Kader, all of whom are Non-independent, Non-executive Directors. The Committee reviews the annual fees, attendance allowance and other benefits for the directors, all of whom are Non-executive. The ultimate decision in determining the level of remuneration shall be the responsibility of the Board as a whole after considering recommendations from the Remuneration Committee with approval from shareholders at the AGM.

No Remuneration Committee Meeting was held during the financial year 2001.

Directors' Remuneration

Range of remuneration and number of Non-executive Directors

	All are Non-executives
Below RM50,000	8*
RM50,001 – RM100,000	-
RM100,001 – RM150,000	-
RM150,001 – RM200,000	1**

* Fees only

** Fees from Company and salary, bonus and benefits-in-kind from subsidiaries of the Company.

SECTION 3: SHAREHOLDERS**Investor Relations and Shareholders Communication**

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company through the Annual Report, AGM and the Extraordinary General Meeting. Announcements and release of financial results on a quarterly basis, and business acquisitions and disposals, provide the shareholders and the investing public with an overview of the Group's performance, operations and directions. Members of the public can obtain the full financial results and the Company's announcements from the KLSE website (<http://www.klse.com.my/>).

In addition, nominees of the Company's major shareholders sit on the Board. This provides a platform for interactions and direct communications between the Board, management and major shareholders. Any queries from other shareholders are communicated through the Company Secretary.

Annual General Meeting (AGM)

The AGM is the principal forum for dialogue with shareholders. Notice of the AGM and annual reports are sent out to shareholders at least 21 days before the date of the meeting.

Besides the usual agenda for the AGM, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. The Directors, with the help of the Group Chief Executive are available to provide responses to questions from the shareholders during these meetings.

For re-election of Directors, the Board shall ensure that full information shall be disclosed through the Notice of Meeting regarding Directors who are retiring and who would be willing to serve if re-elected.

An explanatory statement to facilitate full understanding and evaluation of the issues involved shall accompany items of special businesses included in the Notice of the Meeting.



STATEMENT ON CORPORATE GOVERNANCE (CONTINUED)

SECTION 4: ACCOUNTABILITY AND AUDIT

Financial Reporting

For financial reporting through quarterly reports to KLSE and the annual report to shareholders, the Directors have a responsibility to present a fair assessment of the Group's position and prospects. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 36 of this annual report.

Internal Control

The Board is of the view that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's assets and shareholders' investment.

Relationship with Auditors

The role of the Audit Committee in relation to the auditors may be found in the report on the Audit Committee set out on pages 23 to 25. The Company has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with accounting standards in Malaysia.

Statement of Compliance with the Best Practices of the Code

Saved as disclosed below, the Group has complied with the Principles and Best Practices of the Code:

- (a) *Appointment of a senior Independent, Non-executive Director to whom concerns may be conveyed.* — This has not been made as the Board believes to be not necessary since the Chairman encourages full participation during discussion and deliberation of issues affecting the Group by all the Board members;
- (b) *Establishment of a Nomination Committee with a majority of the members being independent.* — There were and shall be in the near future, no annual assessment process conducted as the Board considers that the mix of experience and expertise of the current Directors are sufficiently effective in addressing the issues affecting the Group;
- (c) *The Board and also the various committee members of the Board have been able to identify business risks and ensure implementation of appropriate measures to manage these risks.* — The Audit Committee members shall assist the Board of Directors to assess and manage internal risks. The Audit Committee is presently taking steps to establish a more structured risk management process to better identify, monitor and manage the business risks affecting the Group with the assistance of the outsourced Internal Auditor and consultant;
- (d) *The Board has formal schedule of matters reserved to itself for decision.* — The Board is of the view that this is done through the appointment of various committees which spell out the authority of the committees. Otherwise, this is achieved informally through the convention that the Board decides on issues at any Group level as a whole;
- (e) *The individual Director is allowed to obtain independent professional advice whenever necessary at the expense of the Company.* — The Directors, as a group, have access to the advice of the Company Secretary and External Auditors on an, as need basis;
- (f) *There is formal succession planning within the organisation.* — Middle Management is constantly being informally appraised to assess their capability of taking over the Senior Management positions;
- (g) *Remuneration of each member of the Board of Directors is detailed.* — The Directors are of the opinion that there was a necessity to safeguard the physical security of the Directors and members of their family.

Dato' Ir Haji Harun bin Ahmad Saruji

Chairman

4 June 2002



REPORT ON AUDIT COMMITTEE

COMPOSITION

Chairman

1. **Dr Nawawi bin Mat Awin**
Independent, Non-Executive (appointed on 20-12-2001)
2. **YM Raja Ahmad Aminollah bin Raja Abdullah**
Independent, Non-Executive (resigned on 20-12-2001)

Members

1. **Encik Kamaldeen bin Abdul Kader**
Non-Independent, Non-Executive (appointed on 7-6-1994)
2. **Dato' Haji Mohd Zaim bin Haji Abu Hasan**
Independent, Non-Executive (appointed on 20-12-2001)
3. **Cik Noor Asmah binti Mohd Nawawi**
Independent, Non-Executive (appointed on 20-12-2001)
4. **Dato' Harun bin Ahmad Saruji**
Non-Independent, Non-Executive (resigned on 20-12-2001)

All members of the Committee have a working familiarity with basic finance and accounting practices, and two of its members i.e. Dr Nawawi bin Mat Awin and Encik Kamaldeen bin Abdul Kader are members of Malaysian Association of Certified Public Accountants, a scheduled body approved by the Malaysian Institute of Accountants.

MEETINGS

The Committee meets at least four times annually, or more frequently as circumstances dictate. As part of its duty to foster open communications, the Group Chief Executive, the Group General Manager Corporate Finance and the Head of Internal Audit and a representative of the external auditors (if required) will normally attend the meetings. Other Board members may attend meetings upon invitation by the Committee.

The Committee met four times during the year for the following purposes:

- To review the financial statements before the quarterly announcements to KLSE.
- To review the year-end financial statements together with external auditors' management letter and management's response.
- To discuss with the external auditors the audit plan and scope for the year, as well as the audit procedures to be utilised.
- To discuss with the internal auditor on its scope of work, adequacy of resources and coordination with external auditors.
- To review the reports prepared by the internal auditor on the state of internal control of the Group.



REPORT ON AUDIT COMMITTEE (CONTINUED)

Attendance of the Audit Committee members for the year 2001:

Name	23 May 9.00 a.m.	28 Aug 9.30 a.m.	28 Nov 9.00 a.m.	12 Dec 10.30 a.m.	Attendance
Encik Kamaldeen bin Abdul Kader	√	√	√	√	4/4
Dato' Harun bin Ahmad Saruji	√	√	√	√	4/4
YM Raja Ahmad Aminollah bin Raja Abdullah (resigned on 20-12-2001)	X	X	X	X	0/4
Dr Nawawi bin Mat Amin (appointed on 20-12-2001)	No audit committee meeting was held between 20-12-2001 to 31-12-2001				
Dato' Haji Mohd Zaim bin Haji Abu Hasan (appointed on 20-12-2001)					
Cik Noor Asmah bt Mohd Nawawi (appointed on 20-12-2001)					

RESPONSIBILITIES AND DUTIES

The duties of the Committee shall be:

- To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal;
- To discuss with external auditors before the audit commences, the nature and scope of audit, and ensure co-ordination where more than one audit firm is involved;
- To review the quarterly and year-end financial statements of the Group and the Company, focusing particularly on any changes in or implementation of major accounting policies and procedures, significant adjustments arising from the audit, the going concern assumption and compliance with applicable approved accounting standards and other legal and regulatory requirements;
- To discuss problems and reservations arising from the interim and final audit, and any matter the external auditors may wish to discuss (in the absence of management, if necessary);
- To review external auditors' management letters and management's response;
- To do the following in respect of the internal audit function:
 - Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - Review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of members of the internal audit function; and
 - Approve any appointment or termination of senior staff members of the internal audit function and to provide the opportunity for the resigning staff member to submit his reasons for resigning;

- To consider any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To consider the major findings of internal investigations and the management's response;
- To have explicit authority to investigate certain matters, the resources which it needs to do so e.g. professional advice and full access to information;
- To promptly report to the Kuala Lumpur Stock Exchange on matters reported by it to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements of the Kuala Lumpur Stock Exchange; and
- To consider other topics as defined by the Board.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an adequately resourced internal audit function from the ultimate holding corporation's internal audit division which would outsource any consultant or professional firm if there is a requirement to do so. The Committee is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control.

The main role of the internal audit function is to review the effectiveness of the system of internal control and this is performed with impartiality, proficiency and due professional care.

During the financial year, the internal audit activities have been carried out according to the internal audit plan which has been approved by the Audit Committee.

Dr Nawawi bin Mat Awin

Chairman

4 June 2002



ADDITIONAL COMPLIANCE INFORMATION

Material Contracts

There were no material contracts other than in the ordinary course of business entered into by the Company or its subsidiaries involving Directors' and major shareholders' interests.

Share Buybacks

During the financial year, there was no share buyback by the Company.

Options, Warrants or Convertible Securities

The Company did not issue any kind of options, warrants or convertible securities during the financial year.

Impositions of Sanctions/ Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, the Directors or the Management by relevant authorities.

Non-audit fees

Non-audit fees payable to the external auditors by the Group for the financial year are RM33,462.

Profit Guarantees

The Company did not give any profit guarantee during the financial year.

Revaluation of Landed Properties

The Group does not have a revaluation policy on landed properties.

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

Recurrent Related Party Transactions ("RRPT") of Revenue Nature

RRPT of revenue nature conducted during the financial year are as follows:

Type of RRPT	Name of Related Party	Relationship with the Company	Mandate Period: 1/6/01-26/6/02 (RM)	Actual Value Period: 1/6/01-31/12/01 (RM)
Rental of office premises from the Company	Perbadanan Kemajuan Negeri Perak	Ultimate Holding Corporation	2,023,550	1,180,404
Management services, rental and disbursements payable by the Company	Perbadanan Kemajuan Negeri Perak	Ultimate Holding Corporation	650,000	500,000
Project expenditure payable by the Company	Perbadanan Kemajuan Negeri Perak	Ultimate Holding Corporation	2,000,000	1,505,950
Management services provided to a subsidiary	Halim Rasip Holdings Sdn Bhd (HRH)	Note 1	120,000	70,000
Port services provided to a subsidiary	Perak Freight Services Sdn Bhd (PFS)	Note 2	1,400,000	926,186
Container haulage services provided to a subsidiary	Perak Haulage Sdn Bhd (PH)	Note 3	471,000	101,060
Operations and maintenance services provided by a subsidiary	Lekir Bulk Terminal Sdn Bhd (LBT)	Note 4	4,200,000	480,000

Note:

1. Currently holds 10% less one (1) share of the equity interest in one of the Company's 50% plus one (1) share subsidiary and shall hold an additional 40% upon the completion of a conditional Sale and Purchase Agreement dated 6 December 2000.
2. Subsidiary of HRH which holds an effective interest of 57.43% and also an associated company of the Company's ultimate holding corporation which holds 40.58% equity interest.
3. A wholly-owned subsidiary of PFS.
4. A sub-subsidiary of the Company's fellow subsidiary which holds an effective equity interest of 40.8%.



SUMMARY OF PROPERTIES

As at 31 December 2001

Location	Approximate Land Area (acres)	Tenure	Description	Date of acquisition	Approximate Age Of Buildings (years)	Net Book Value at 31.1.2001 (RM'000)	Existing Use
Lot 6407N (PN 67134) Bandar Ipoh, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan.	0.73	Leasehold (99 years) expiring year 2081	9-storey office tower	10.1.1997	21 years	11,224	Leased to Perbadanan Kemajuan Negeri Perak (PKNP)
Part of Lot 140407, 15437, 25459, 33004, 52566, 21310, 18202. Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan.	194.62	Freehold	Agricultural Land	31.12.1997	–	24,923	Agriculture (proposed for mixed development)
PT 171441 KA92916 Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan (formerly Lot 138945 PN 43395).	6.40	Leasehold (99 years) expiring year 2100	Hotel	21.1.1985	15 years	54,833	Consists of a 4-star hotel
Lot PT 2273, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan.	27.46	Leasehold (99 years) expiring year 2094	Waterbody	30.9.1995	6 1/2 years	345	Port operations
Lot PT 6973, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan.	72.54	Leasehold (99 years) expiring year 2094	Wharf, warehouse & office complex building	10.4.1997	6 1/2 years	65,379 *	Port operations
* The value is inclusive of extension of building and port structures.							
Lot No. PT 7522, Jalan Perusahaan Satu, Seri Kembangan Light Industrial, Off Jalan College, Seri Kembangan, Selangor Darul Ehsan.	1,300 sq. ft.	Leasehold (40 years) expiring year 2017	Industrial shophouse	31.12.1988	25 years	109	Warehouse



ANALYSIS OF SHAREHOLDINGS

Authorised capital	: RM500,000,000
Issued and fully paid-up capital	: RM70,000,000
Class of shares	: Ordinary shares of RM1.00 each fully paid
Voting rights	: One vote per RM1.00 share

DISTRIBUTION OF SHAREHOLDERS as at 30 April 2002 (Based on the Record of Depositors)

No. of holders	Holdings	Total shareholdings	%
6	less than 1,000	1,000	0.001
2,692	1,000 - 10,000	6,263,000	8.947
103	10,001 - 100,000	2,291,000	3.273
10	100,001 - 3,499,999	4,354,000	6.220
3	3,500,000 and above	57,091,000	81.559
2,814		70,000,000	100.000

SUBSTANTIAL SHAREHOLDERS (excluding bare trustees) as at 30 April 2002

(Based on the Company's Register of Substantial Shareholders)

No.	Name of holders	No. of shares held			
		Direct	%	Deemed	%
1.	Perbadanan Kemajuan Negeri Perak	41,827,000*	59.75	206,000**	0.29
2.	Skim Amanah Saham Bumiputera	12,000,000	17.14	-	-
3.	Golden Hope Plantations Berhad	4,900,000	7.00	-	-

Note:

* 41,215,000 shares held through RC Nominees (Tempatan) Sdn Bhd

** Deemed interest through its wholly owned subsidiaries, Sergap Berkat Sdn Bhd and Cherry Blossom Sdn Bhd

DIRECTORS' SHAREHOLDINGS as at 30 April 2002 (Based on the Company's Register of Directors' Shareholdings)

Name of holders	No. of shares held			
	Direct	%	Deemed	%
Dato' Ir Haji Harun bin Ahmad Saruji	9,000	0.01	-	-
Tuan Haji Iskhak bin Bardan	10,000	0.01	-	-

30 LARGEST SHAREHOLDERS as at 30 April 2002 (Based on the Record of Depositors)

No.	Name	Number of Shares held	%
1.	RC Nominees (Tempatan) Sdn Bhd • Perbadanan Kemajuan Negeri Perak	41,215,000	58.879
2.	Amanah Raya Nominees (Tempatan) Sdn Bhd • Skim Amanah Saham Bumiputera	12,000,000	17.143
3.	Golden Hope Plantations Berhad	4,900,000	7.000
4.	Sisma Holdings Sdn Bhd	786,000	1.123
5.	Perbadanan Kemajuan Negeri Perak	612,000	0.874
6.	Cartaban Nominees (Asing) Sdn Bhd • Bank Of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	550,000	0.786
7.	KBB Nominees (Tempatan) Sdn Bhd • Exempted ESOS (PRKCRP)	391,000	0.559
8.	Mayfin Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Fawziah Binti Hussein Sazally	268,000	0.383
9.	Cheong Yoke Choy	200,000	0.286
10.	Chow Yoke Lee	200,000	0.286
11.	Sergap Berkat Sdn Bhd	198,000	0.283
12.	MIDF Sisma Securities Sdn Bhd	125,000	0.179
13.	Lim Cheong Goh	87,000	0.124
14.	Foo Lim Get	60,000	0.086
15.	PB Securities Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Sin Chee Boon	60,000	0.086
16.	Hiong Yee Tian @ Peter Hiong	53,000	0.076
17.	Tan Tiong Yeu	51,000	0.073
18.	Ismail Mokhtar Bin Mohd Noor	50,000	0.071
19.	Wong Shak On	49,000	0.070
20.	Low Bee Eng	48,000	0.069
21.	Cha Yuen Ching	46,000	0.066
22.	Hong Boon Siong	44,000	0.063
23.	Ng Kam Weng	44,000	0.063
24.	RC Nominees (Tempatan) Sdn Bhd • As Beneficial Owner (Investment A/C1)	43,000	0.061
25.	Perbadanan Kemajuan Ekonomi Islam Negeri Perak	41,000	0.059
26.	Wong Hoong Meng	39,000	0.056
27.	Awang Had bin Salleh	38,000	0.054
28.	Ngeo Kian Boon	38,000	0.054
29.	TA Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Low Koun	38,000	0.054
30.	Lim Eang Boon	37,000	0.053
		62,311,000	89.019



STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- Complied with the applicable approved Malaysian accounting standards
- Adopted and consistently applied appropriate accounting policies
- Made judgements and estimates that are prudent and reasonable

The Directors have responsibility for ensuring that the Company and the Group keep accounting records, which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

financial statements

FINANCIAL STATEMENTS

financial statements
2001

2001



DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of property and investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year other than the cessation of the manufacturing and trading of disposable baby diapers and parts and accessories for telecommunication, automatic and precision products, light mechanical and electrical engineering works as a result of the disposal of subsidiaries, Consobiz Ventures Sdn. Bhd. and B.T. Engineering Sdn. Bhd., respectively.

RESULTS

	GROUP RM	COMPANY RM
Profit after taxation	21,698,326	1,066,917
Minority interests	(3,581,075)	-
Net profit attributable to shareholders	<u>18,117,251</u>	<u>1,066,917</u>

DIVIDEND

The amount of dividend paid by the Company since 31 December 2000 was as follows:

	COMPANY RM
In respect of the financial year ended 31 December 2000:	
Ordinary final dividend of 2% less 28% taxation paid on 25 July 2001	<u>1,008,000</u>

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 December 2001 of 2% on 70,000,000 ordinary shares less 28% taxation amounting to a total dividend of RM1,008,000 (1.4 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2002.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amounts written off as bad debts or provided for as doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and the Company misleading.

VALUATION METHODS

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 Group and the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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



ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events during the financial year are as disclosed in Note 36 to the financial statements.

SUBSEQUENT EVENT

The subsequent events are as disclosed in Note 37 to the financial statements.

DIRECTORS

The directors who served since the date of last report are:

Dato' Ir Haji Harun bin Ahmad Saruji DPMP, AMP

Kamaldeen bin Abdul Kader

Tuan Haji Iskhak bin Bardan PMP

YM Raja Ahmad Aminollah bin Raja Abdullah PCP, PMP

Dato' Abd Wahab bin Maskan DPTJ

Tuan Haji Megat Dziauddin bin Megat Mahmud (alternate director to Dato' Abd Wahab bin Maskan DPTJ)

Dr Nawawi bin Mat Awin (appointed on 20 December 2001)

Dato' Hj Mohd Zaim bin Hj Abu Hasan (appointed on 20 December 2001)

Azian bin Osman (appointed on 20 December 2001)

Noor Asmah bt Mohd Nawawi (appointed on 20 December 2001)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party with 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.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 28 to the financial statements or the fixed salary of a full time employee of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than as disclosed in Notes 13, 14, 18, 19 and 33 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1 January 2001	Bought	Sold	31 December 2001
The Company				
Dato' Ir Haji Harun bin Ahmad Saruji <small>DPMP, AMP</small>	9,000	-	-	9,000
Tuan Haji Iskhak bin Bardan <small>PMP</small>	10,000	-	-	10,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

AUDITORS

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

Signed on behalf of the Board
in accordance with a resolution
of the directors

DATO' IR HAJI HARUN BIN AHMAD SARUJI DPMP, AMP

TUAN HAJI ISKHAK BIN BARDAN PMP

Ipoh

Date: 12 April 2002



STATEMENT BY DIRECTORS STATUTORY DECLARATION

STATEMENT BY DIRECTORS

We, DATO' IR HAJI HARUN BIN AHMAD SARUJI ^{DPMP,AMP} and TUAN HAJI ISKHAK BIN BARDAN ^{PMP} being two of the directors of PERAK CORPORATION BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 38 to 94 give a true and fair view of the state of affairs of Group and the Company as at 31 December 2001 and of their results and their cash flows for the year then ended and have been properly drawn up in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards in Malaysia.

Signed on behalf of the Board in accordance
with a resolution of the directors

DATO' IR HAJI HARUN BIN AHMAD SARUJI ^{DPMP,AMP}

TUAN HAJI ISKHAK BIN BARDAN ^{PMP}

Ipoh

Date: 12 April 2002

STATUTORY DECLARATION

I, DATO' SAMSUDIN BIN HASHIM ^{DPMP,PMP,AMP}, the officer primarily responsible for the financial management of PERAK CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 38 to 94 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 DATO' SAMSUDIN BIN
BIN HASHIM ^{DPMP,PMP,AMP} at Ipoh in
the State of Perak Darul Ridzuan
on 12 April 2002

DATO' SAMSUDIN BIN HASHIM ^{DPMP,PMP,AMP}

Before me:

S. Jagjit Singh, ^{PJK}
Commissioner for Oaths
Registration No. A023
Malaysia



To the Shareholders of PERAK CORPORATION BERHAD

We have audited the financial statements set out on pages 38 to 94. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

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

We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, as indicated in Note 5 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

ARTHUR ANDERSEN & CO.

No. AF 0103

Chartered Accountants

Ipoh

Date: 12 April 2002

ADRIAN TSEN KENG YAM

No. 1314/5/02(J)

Partner of the Firm



CONSOLIDATED BALANCE SHEET 31 December 2001

	Note	2001 RM	2000 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	106,312,916	123,151,556
Land and development expenditure	4	131,676,801	142,189,043
Subsidiaries	5	-	-
Associated company	6	2,783,107	3,020,816
Other investments	7	4,647,500	4,662,500
Net goodwill arising on consolidation	8	31,535,903	35,643,903
Other intangible assets	9	41,143	29,829
Sinking fund account	10	3,350,483	4,870,570
		280,347,853	313,568,217
CURRENT ASSETS			
Development properties	4	68,596,389	56,037,835
Inventories	12	17,900,789	28,863,812
Trade receivables	13	106,980,225	106,105,445
Other receivables	14	133,316,516	126,169,341
Cash and bank balances	15	13,890,271	10,430,446
		340,684,190	327,606,879
CURRENT LIABILITIES			
Short term borrowings	16	107,569,680	121,566,825
Trade payables	18	16,595,669	22,676,381
Other payables	19	32,536,351	29,108,232
Taxation		6,393,734	4,490,543
Dividend payable		-	1,008,000
		163,095,434	178,849,981
NET CURRENT ASSETS			
		177,588,756	148,756,898
		457,936,609	462,325,115
FINANCED BY:			
Share capital	20	70,000,000	70,000,000
Share premium		190,497,543	190,497,543
Retained profits		56,388,488	40,427,637
Shareholders' equity		316,886,031	300,925,180
Minority interests	21	130,590,814	130,613,390
		447,476,845	431,538,570
Due to ultimate holding corporation	22	-	11,659,710
Long term borrowings	23	6,545,680	16,041,767
Retirement benefits	24	220,284	169,068
Deferred taxation	25	3,693,800	2,916,000
Non-current liabilities		10,459,764	30,786,545
		457,936,609	462,325,115

The accompanying notes are an integral part of this balance sheet.



FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2001

	Note	2001 RM	2000 RM
Revenue	26	173,207,389	176,573,793
Cost of sales	27	(96,506,174)	(103,317,796)
Gross profit		76,701,215	73,255,997
Other operating income		2,395,271	1,785,207
Distribution costs		(3,703,423)	(4,090,955)
Administrative expenses		(19,613,879)	(19,454,305)
Other operating expenses		(32,950,708)	(34,529,218)
Gain on disposal of subsidiaries		8,857,566	-
Profit from operations	28	31,686,042	16,966,726
Finance costs	29	(3,201,118)	(3,817,586)
Share of loss of an associated company		(237,709)	(226,321)
Profit before taxation		28,247,215	12,922,819
Taxation	30	(6,548,889)	(7,071,691)
Profit after taxation		21,698,326	5,851,128
Minority interests		(3,581,075)	(2,818,176)
Net profit attributable to shareholders		18,117,251	3,032,952
Earnings per share (sen)			
Basic	31	25.9	4.3

The accompanying notes are an integral part of this statement.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2001

	Share capital RM	Non Distributable Share premium RM	Distributable Retained profits RM	Total RM
At 1 January 2000	70,000,000	190,497,543	39,469,927	299,967,470
Prior year adjustments				
- Intangible assets written off	-	-	(321,586)	(321,586)
- Share of losses of an associated company	-	-	(745,656)	(745,656)
At 1 January 2000 as restated	70,000,000	190,497,543	38,402,685	298,900,228
Net profit for the year	-	-	3,032,952	3,032,952
Dividend [Note 32(a)]	-	-	(1,008,000)	(1,008,000)
At 31 December 2000	70,000,000	190,497,543	40,427,637	300,925,180
Net profit for the year	-	-	18,117,251	18,117,251
Dividends paid in relation to redeemable preference shares of a sub-subsiary [Note 32(b)]	-	-	(2,156,400)	(2,156,400)
At 31 December 2001	70,000,000	190,497,543	56,388,488	316,886,031

The accompanying notes are an integral part of this statement.



FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2001

	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,247,215	12,922,819
Adjustments for:		
Amortisation of goodwill arising on consolidation	2,227,190	2,289,744
Amortisation of intangible assets	34,012	79,808
Amortisation of reserve arising on consolidation	(58,352)	(58,353)
Attributable profits on development projects	(5,302,512)	(9,175,369)
Bad debts written back	-	(21,153)
Bad debts written off	81,699	42,064
Depreciation	5,964,909	6,377,079
Development expenditure written off	1,532,588	-
Dividend income	(203,384)	(184,900)
Gain on disposal of property, plant and equipment	(1,270,542)	(95,339)
Gain on disposal of quoted shares	-	(186,830)
Gain on disposal of subsidiaries	(8,857,566)	-
Impairment loss on project expenditure	293,299	-
Intangible assets written off	2,500	180,663
Interest expense	3,085,848	3,699,420
Interest income	(949,218)	(1,279,935)
Inventories written back	-	(77,172)
Inventories written off	-	112,275
Property, plant and equipment written off	2,198	115,255
Provision for doubtful debts	11,939	497,997
Provision for doubtful debts written back	(71,677)	-
Provision for inventories obsolescence	-	1,371,139
Provision for retirement benefits	81,641	52,118
Share of loss of associated company	237,709	226,321
Operating profit before working capital changes	25,089,496	16,887,651
(Increase)/decrease in development properties	(7,610,496)	278,409
Increase in receivables	(20,395,413)	(16,447,740)
Decrease/(increase) in inventories	6,874,587	(8,647,948)
Increase in payables	3,026,788	7,310,921
Cash generated from/(used in) operations	6,984,962	(618,707)
Taxes paid	(3,127,532)	(2,454,003)
Royalties paid	(3,111,761)	(1,869,191)
Retirement benefits paid	(7,150)	(6,254)
Net cash generated from/(used in) operating activities	738,519	(4,948,155)



CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

for the year ended 31 December 2001

	2001 RM	2000 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to related companies	(70,000)	(12,670,506)
Dividends received	203,384	184,900
Interest received	949,218	15,585
Land and development expenditure	17,642,076	7,793,776
Net cash obtained from acquisition of a subsidiary [Note 5(b)]	64,351	-
Payments for preliminary expense	(2,500)	-
Payments for trademarks	(45,326)	(17,650)
Proceed from disposal of quoted shares	-	564,330
Proceeds from disposal of property, plant and equipment	1,943,900	125,747
Proceeds from disposal of subsidiaries [Note 5(c)]	11,610,211	-
Purchase of port facilities (Note 4)	(9,564,869)	(643,273)
Purchase of property, plant and equipment [Note 3(b)]	(2,969,348)	(12,001,997)
Share application monies	-	(350,000)
Net cash generated from/(used in) investing activities	<u>19,761,097</u>	<u>(16,999,088)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from ultimate holding corporation	1,683,211	4,860,348
Dividend paid	(1,008,000)	-
Drawdown of loan and financing facilities	-	7,418,694
Interest paid	(3,085,848)	(2,717,624)
Net (decrease)/increase in short term borrowings	(3,711,876)	20,136,866
Placement of deposits pledged	(1,386,545)	(1,747,674)
Repayment of advances to minority shareholders	(4,312,656)	(409,328)
Repayment of hire purchase and lease financing	(867,754)	(1,504,042)
Repayment of loan and financing facilities	(6,817,714)	(2,936,349)
Repayment to ultimate holding corporation	(842,429)	(3,883,900)
Withdrawal from/(placement for) sinking fund	1,520,087	(4,870,570)
Net cash (used in)/generated from financing activities	<u>(18,829,524)</u>	<u>14,346,421</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,670,092	(7,600,822)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,226,485	12,364,133
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>6,896,577</u>	<u>4,763,311</u>
Cash and cash equivalents comprise		
Cash and bank balances	5,383,825	3,545,967
Deposits with licensed banks	8,506,446	6,834,479
Deposit with a licensed finance company	-	50,000
Bank overdrafts	(3,295,149)	(2,891,961)
	<u>10,595,122</u>	<u>7,538,485</u>
Deposits pledged for guarantees and hire purchase facilities granted to certain subsidiaries	(3,698,545)	(2,775,174)
	<u>6,896,577</u>	<u>4,763,311</u>

The accompanying notes are an integral part of this statement.



BALANCE SHEET

31 December 2001

FINANCIAL STATEMENTS

	Note	2001 RM	2000 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	11,374,749	11,430,663
Subsidiaries	5	17,104,833	17,104,831
Associated company	6	3,992,793	3,992,793
Other investments	7	4,647,500	4,647,500
Due from subsidiaries	11	211,770,287	218,861,107
		248,890,162	256,036,894
CURRENT ASSETS			
Other receivables	14	123,815,140	116,175,891
Cash and bank balances	15	345,100	184,040
		124,160,240	116,359,931
CURRENT LIABILITIES			
Short term borrowings	16	100,369,599	100,595,644
Other payables	19	2,176,265	1,772,657
Dividend payable		-	1,008,000
Taxation		909,218	530,262
		103,455,082	103,906,563
NET CURRENT ASSETS			
		20,705,158	12,453,368
		269,595,320	268,490,262
FINANCED BY:			
Share capital	20	70,000,000	70,000,000
Share premium		190,497,543	190,497,543
Retained profits		7,680,351	6,613,434
Shareholders' equity		268,177,894	267,110,977
Due to a subsidiary	22	1,381,540	1,349,540
Long term borrowings	23	35,886	15,725
Deferred taxation	25	-	14,000
		1,417,426	1,379,265
		269,595,320	268,490,242

The accompanying notes are an integral part of this balance sheet.



INCOME STATEMENT

for the year ended 31 December 2001

	Note	2001 RM	2000 RM
Revenue	26	3,919,377	3,788,449
Cost of sales		-	-
Gross profit		3,919,377	3,788,449
Other operating income		930,155	977,549
Administrative expenses		(933,071)	(798,663)
Other operating expenses		(1,026,136)	(616,611)
Profit from operations	28	2,890,325	3,350,724
Finance costs	29	(891,108)	(876,781)
Profit before taxation		1,999,217	2,473,943
Taxation	30	(932,300)	(950,000)
Net profit for the year		1,066,917	1,523,943

The accompanying notes are an integral part of this statement.



STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2001

	Share capital RM	Non Distributable Share premium RM	Distributable Retained profits RM	Total RM
At 1 January 2000	70,000,000	190,497,543	6,097,491	266,595,034
Net profit for the year	-	-	1,523,943	1,523,943
Dividend [Note 32(a)]	-	-	(1,008,000)	(1,008,000)
At 31 December 2000	70,000,000	190,497,543	6,613,434	267,110,977
Net profit for the year	-	-	1,066,917	1,066,917
At 31 December 2001	70,000,000	190,497,543	7,680,351	268,177,894

The accompanying notes are an integral part of this statement.



CASH FLOW STATEMENT

for the year ended 31 December 2001

	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,999,217	2,473,943
Adjustments for:		
Amortisation of intangible assets	-	43,447
Depreciation	181,935	169,133
Dividend income	(1,597,828)	(1,484,900)
Interest expenses	891,108	876,781
Interest income	(918,155)	(778,719)
Profit on disposal of investment	-	(186,830)
Provision for doubtful debts	334,182	-
	<hr/>	<hr/>
Operating profit before working capital changes	890,459	1,112,855
Increase in receivables	(741,774)	(2,885,120)
Increase in payables	435,588	967,769
	<hr/>	<hr/>
Cash generated from/(used in) operations	584,273	(804,496)
Interest received	-	764,544
Taxes paid	(567,344)	(55,738)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	16,929	(95,690)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance to related companies	(70,000)	(16,477,446)
Dividends received	1,597,828	328,900
Interest received	6,536	14,175
Proceeds from disposal of quoted shares	-	564,330
Purchase of property, plant and equipment [Note 3(b)]	(81,021)	(7,010)
Purchase of shares in a subsidiary [Note 5(b)]	(2)	-
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	1,453,341	(15,577,051)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from ultimate holding corporation	1,683,211	4,860,348
Dividend paid	(1,008,000)	-
Interest paid	(891,108)	(876,781)
Net (decrease)/increase in short term borrowings	(233,545)	15,245,584
Repayment of hire purchase financing	(17,339)	(14,800)
Repayment to ultimate holding corporation	(842,429)	(3,883,900)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(1,309,210)	15,330,451
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	161,060	(342,290)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	184,040	526,330
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	345,100	184,040
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.



1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company consist of property and investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 5.

There have been no significant changes in the nature of these activities during the financial year other than the cessation of the manufacturing and trading of disposable baby diapers and parts and accessories for telecommunication, automatic and precision products, light mechanical and electrical engineering works as a result of the disposal of subsidiaries, Consobiz Ventures Sdn. Bhd. and B.T.Engineering Sdn. Bhd., respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Second Board of the Kuala Lumpur Stock Exchange. The registered office and principal place of business of the Company is located at 7th Floor, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak.

The holding and ultimate holding corporation of the Company is Perbadanan Kemajuan Negeri Perak, a body corporate established under Perak Enactment No.3 of 1967.

The number of employees in the Group and in the Company at the end of the financial year were 1,089 (2000: 1,209) and 8 (2000: 7) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 12 April 2002.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with the provisions of the Companies Act 1965 and applicable approved accounting standards in Malaysia.

(b) Revenue Recognition

(i) Dividend income

Dividend income from quoted investments and subsidiaries is recognised when the shareholder's right to receive payment is established. Dividend income from subsidiaries was recognised on a receivable basis in the previous year.

(ii) Development properties

Revenue from sale of development properties is accounted for under the percentage of completion method, where the outcome of the projects can be reliably estimated. The percentage of completion is determined by reference to the proportionate sales value of development properties sold attributable to the percentage of development work certified during the financial year. All anticipated losses are fully provided for.

Profit from joint development project of a subsidiary is recognised based on guaranteed amount received during the year.



2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue Recognition (continued)

(iii) Hotel related operations

Revenue from hotel related operations comprising rental of hotel rooms, sale of food and beverage and other related income are recognised on an accrual basis.

(iv) Management fees

Management fees in respect of the management services provided by the Company are recognised on receivable basis.

(v) Mobilisation fees

Mobilisation fees are recognised on receivable basis.

(vi) Port services

Revenue from port services and provision of container services are measured at the fair value of the consideration receivable and are recognised in the income statement on rendered basis.

(vii) Proceeds from bus fare collection and provision of charter services

Proceeds received from bus fare collections and provision of charter services are recognised when services are rendered.

(viii) Rental income

Rental income is recognised on a receivable basis.

(ix) Sale of goods

Revenue relating to sale of goods is recognised net of discounts and rebates when transfer of risks and rewards have been completed.

(x) Sale of land

Revenue relating to sale of port development land is recognised on a percentage of completion basis. Revenue relating to sale of vacant land represents the proportionate sales value of land sold attributable to the percentage of sales value received during the financial year. In sale of land where the subsidiary has insignificant risk of ownership, revenue is recognised in full.

(c) Basis of Consolidation

Consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. Companies acquired or disposed are included in the consolidated financial statements from the date of acquisition or to the date of disposal. Subsidiaries are consolidated using the acquisition method of accounting.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The difference between the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the balance sheet as goodwill or reserve arising on consolidation. Goodwill or reserve arising on consolidation is amortised or credited to the income statement over a period of 20 years. Goodwill arising on consolidation is reviewed at each balance sheet date and will be written down for impairment where it is considered necessary.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

(d) **Associated Company**

The Group treats as an associated company that company in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investment in an associated company is accounted for in the consolidated financial statements by the equity method of accounting based on the management financial statements of the associated company.

The Group's share of post-acquisition profits less losses of the associated company is included in the consolidated income statement and the Group's interest in the associated company is stated at cost less the Group's share of post acquisition accumulated losses and reserves.

Unrealised gains on transactions between the Group and the associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are eliminated unless cost cannot be recovered.

The difference between the purchase consideration and the fair value of net assets acquired is reflected as goodwill or reserve on acquisition and are amortised or credited to income statement over 20 years. Goodwill on acquisition is reviewed at each balance sheet date and will be written down for impairment when it is considered necessary.

(e) **Investments**

Investments in subsidiaries, associated companies and other non-current investments are stated at cost less provision for any permanent diminution in value. Such provision is made when there is decline other than temporary in the value of the investments and is recognised as an expense in the period in which the decline occurred. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.



2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Marketable Securities

Marketable securities are carried at lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are credited or charged to the income statement. On disposal of marketable securities, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(g) Currency Conversion and Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences, whether realised or unrealised, are taken to the income statement.

The principal exchange rate ruling at the balance sheet date used is as follows:

	2001	2000
	RM	RM
United States Dollar	3.80	3.80

(h) Property, Plant and Equipment and Depreciation

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

Freehold land and capital work-in-progress are not depreciated. Leasehold land is depreciated over the period of the respective lease which ranges from 30 to 99 years as follows:

Long term leasehold land	over 51 – 99 years
Short term leasehold land and buildings	over 30 years

Depreciation of other property, plant and equipment is provided on a straight line basis to write off the cost of each asset to their residual value over the estimated useful life at the following annual rates:

Buildings	2% – 5%
Plant and machinery	10% – 20%
Other assets	
Equipment, furniture and fittings	5% – 25%
Motor vehicles	10% – 25%
Linen and tableware	20% – 25%
Refurbishment and renovations	10 years

The carrying values of property, plant and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(i) **Land and Development Expenditure**

(i) **Land held for development**

Land held for development consists of land held for future development and where no significant development has been undertaken and are stated at cost. Cost includes cost of land and attributable development expenditure. Such assets are transferred to development properties when significant development work has been undertaken and are expected to be completed within the normal operating cycle.

(ii) **Development of port facilities and properties**

Land is stated at the lower of cost and net realisable value. Development expenditure comprises cost of land and all direct expenses relating to the development of port facilities and properties.

The principal annual rates of depreciation are:

Leasehold portland	over 99 years
Port structure	over 50 years
Port equipment	over 10 – 20 years

All expenditure incurred, associated with development of port facilities inclusive of interest cost, are capitalised in accordance with Note 2(o) and amortised over the estimated useful life.

Amortisation of the port structure is based on the revenue method where the cost is amortised based on the total actual revenue in the year over total expected revenue to be generated from the port operations during the period of its estimated useful life.



2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Land and Development Expenditure (continued)

(iii) Development of tourism projects

Development expenditure represents tourism projects related expenditure undertaken by a subsidiary and is stated at cost. Ultimate recovery of such expenditure is dependent on the successful implementation of the projects. Should the directors consider the implementation to be no longer successful, the accumulated expenditure applicable will be charged to income statement.

(j) Development Properties

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle are classified as development properties. Development properties are stated at cost plus profits less losses and applicable progress billings. Cost includes cost of land, all direct building cost, and other related development expenditure, including interest expenses incurred during the period of active development.

Development property of a subsidiary represents cost of land and other related expenditure incurred in a joint development project.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis except that in certain subsidiaries, it is determined on a first-in, first-out basis. Cost of finished goods and work-in-progress includes, where appropriate, direct materials, direct labour and an appropriate portion of production overheads. Cost of raw materials, sundry supplies and food and beverage comprise the purchase price and cost of bringing the inventories to location.

The impact of adopting different accounting policies as stated above does not have a material impact on the Group's results.

(l) Deferred Taxation

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse.

(m) Finance Lease and Hire Purchase

Property, plant and equipment acquired under hire purchase and finance lease arrangements are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 2(h). The corresponding outstanding obligations due under the hire purchase and finance lease arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance expenses are charged to the income statement over the period of the respective agreements.

Lease rental payments on operating leases are charged to the income statement in the year they become payable.

(n) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and at bank and deposits with licensed financial institutions, net of outstanding bank overdrafts but exclude deposits with licensed financial institutions which have been pledged and are not freely remissible to the Group.

(o) **Borrowings**

Borrowings are reported at their face values. Interest incurred on borrowings relating to the development properties are capitalised during the period of active development until:

- (i) port construction is completed and ready for use; and
- (ii) properties under development are brought to their saleable position.

(p) **Trade and Other Receivables**

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on review of all outstanding amounts as at the balance sheet date.

(q) **Retirement Benefits**

A subsidiary operates an unfunded defined benefit scheme under a Collective Agreement with the National Union of Hotel, Bar and Restaurant Workers, Peninsular Malaysia. The retirement benefits in respect of eligible employees as set out in the Collective Agreement will be provided for in the financial statements upon ten years prior to the respective employee's retirement age.

The subsidiary has done its own computation to determine the provision needed in respect of the scheme and an actuarial valuation has not been carried out. The Directors of the subsidiary are of the opinion that the effect of such provision in the financial statements is not material and as such does not justify the cost of the engagement of an actuary.

(r) **Other Intangible Assets**

The Group's other intangible assets represent cost incurred in the registration of trademarks which are amortised over a period of three years.



3. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings* RM	Plant and machinery RM	Other assets** RM	Total RM
<i>COST</i>				
At 1 January 2001	106,169,876	22,828,023	28,921,182	157,919,081
Reclassification	(32,500)	96,940	(64,440)	-
Additions	61,753	666,287	2,869,778	3,597,818
Disposals	(1,043,004)	-	(346,592)	(1,389,596)
Assets of acquired subsidiary	-	-	1,210	1,210
Disposal of subsidiaries	(2,678,056)	(19,530,629)	(1,586,811)	(23,795,496)
Write-offs	-	-	(13,810)	(13,810)
At 31 December 2001	102,478,069	4,060,621	29,780,517	136,319,207
<i>ACCUMULATED DEPRECIATION</i>				
At 1 January 2001	8,816,667	9,481,514	16,469,344	34,767,525
Reclassification	-	(129,602)	129,602	-
Charge for the year	1,304,138	1,018,068	2,571,807	4,894,013
Disposals	(402,279)	-	(313,959)	(716,238)
Disposal of subsidiaries	(846,018)	(6,987,166)	(1,094,213)	(8,927,397)
Write-offs	-	-	(11,612)	(11,612)
At 31 December 2001	8,872,508	3,382,814	17,750,969	30,006,291
<i>NET BOOK VALUE</i>				
At 31 December 2001	93,605,561	677,807	12,029,548	106,312,916
At 31 December 2000	97,353,209	13,346,509	12,451,838	123,151,556
<i>DEPRECIATION CHARGE FOR 2000</i>	1,388,755	1,703,920	2,436,253	5,528,928

* LAND AND BUILDINGS

Group	Long term leasehold land RM	Short term leasehold land and building RM	Buildings RM	Capital work-in- progress RM	Freehold land RM	Total RM
<i>COST</i>						
At 1 January 2001	29,781,486	999,433	47,578,056	2,888,401	24,922,500	106,169,876
Reclassification	-	-	-	(32,500)	-	(32,500)
Additions	-	-	-	61,753	-	61,753
Disposals	(247,486)	(795,518)	-	-	-	(1,043,004)
Disposal of subsidiaries	(730,000)	-	(1,948,056)	-	-	(2,678,056)
At 31 December 2001	28,804,000	203,915	45,630,000	2,917,654	24,922,500	102,478,069
<i>ACCUMULATED DEPRECIATION</i>						
At 1 January 2001	1,934,715	433,086	6,448,866	-	-	8,816,667
Charge for the year	344,569	6,798	952,771	-	-	1,304,138
Disposals	(57,555)	(344,724)	-	-	-	(402,279)
Disposal of subsidiaries	(136,781)	-	(709,237)	-	-	(846,018)
At 31 December 2001	2,084,948	95,160	6,692,400	-	-	8,872,508
<i>NET BOOK VALUE</i>						
At 31 December 2001	26,719,052	108,755	38,937,600	2,917,654	24,922,500	93,605,561
At 31 December 2000	27,846,771	566,347	41,129,190	2,888,401	24,922,500	97,353,209
<i>DEPRECIATION CHARGE FOR 2000</i>	346,609	33,315	1,008,831	-	-	1,388,755



3. PROPERTY, PLANT AND EQUIPMENT (continued)

** OTHER ASSETS

Group	Equipment, furniture and fittings RM	Motor vehicles RM	Linen and tableware RM	Refurbishment and renovations RM	Total RM
<i>COST</i>					
At 1 January 2001	25,691,410	2,530,601	267,386	431,785	28,921,182
Reclassification	(614,701)	550,261	-	-	(64,440)
Additions	2,155,127	714,651	-	-	2,869,778
Disposals	(38,450)	(308,142)	-	-	(346,592)
Asset of acquired subsidiary	1,210	-	-	-	1,210
Disposal of subsidiaries	(1,156,142)	(430,669)	-	-	(1,586,811)
Write-offs	(13,810)	-	-	-	(13,810)
At 31 December 2001	26,024,644	3,056,702	267,386	431,785	29,780,517
<i>ACCUMULATED DEPRECIATION</i>					
At 1 January 2001	14,673,208	1,485,572	267,386	43,178	16,469,344
Reclassification	(393,224)	522,826	-	-	129,602
Charge for the year	2,075,267	453,361	-	43,179	2,571,807
Disposals	(5,820)	(308,139)	-	-	(313,959)
Disposal of subsidiaries	(746,479)	(347,734)	-	-	(1,094,213)
Write-offs	(11,612)	-	-	-	(11,612)
At 31 December 2001	15,591,340	1,805,886	267,386	86,357	17,750,969
<i>NET BOOK VALUE</i>					
At 31 December 2001	10,433,304	1,250,816	-	345,428	12,029,548
At 31 December 2000	11,018,202	1,045,029	-	388,607	12,451,838
<i>DEPRECIATION CHARGE FOR 2000</i>	2,037,920	355,155	-	43,178	2,436,253

Company	Long term leasehold land and building RM	Equipment, furniture and fittings RM	Motor vehicles RM	Total RM
<i>COST</i>				
At 1 January 2001	11,934,000	41,088	106,000	12,081,088
Additions	-	180	125,841	126,021
At 31 December 2001	11,934,000	41,268	231,841	12,207,109
<i>ACCUMULATED DEPRECIATION</i>				
At 1 January 2001	568,286	18,539	63,600	650,425
Charge for the year	142,072	10,609	29,254	181,935
At 31 December 2001	710,358	29,148	92,854	832,360
<i>NET BOOK VALUE</i>				
At 31 December 2001	11,223,642	12,120	138,987	11,374,749
At 31 December 2000	11,365,714	22,549	42,400	11,430,663
<i>DEPRECIATION CHARGE FOR 2000</i>	142,071	5,862	21,200	169,133

(a) Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Plant and machinery	276,622	1,692,622	-	-
Other assets:				
Equipment, furniture and fittings	816,740	941,602	-	-
Motor vehicles	883,114	659,925	69,637	42,400
	1,976,476	3,294,149	69,637	42,400



3. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) During the year, the property, plant and equipment of the Group and the Company were acquired by means of:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Cash payments	2,969,348	12,001,997	81,021	7,010
Hire purchase and lease financing	628,470	362,900	45,000	-
	<u>3,597,818</u>	<u>12,364,897</u>	<u>126,021</u>	<u>7,010</u>

(c) The net book values of property, plant and equipment of the Group pledged to financial institutions for banking facilities granted to the subsidiaries as referred to Notes 16 and 23 are as follows:

	Group	
	2001 RM	2000 RM
Long term leasehold land and buildings	<u>54,941,765</u>	<u>56,689,332</u>

(d) Included in the property, plant and equipment of the Group are the following costs of fully depreciated assets which are still in use:

	Group	
	2001 RM	2000 RM
Plant and machinery	4,815,031	2,215,509
Other assets:		
Equipment, furniture and fittings	6,347,288	5,821,319
Motor vehicles	320,735	423,536
	<u>11,483,054</u>	<u>8,460,364</u>

4. LAND AND DEVELOPMENT EXPENDITURE/DEVELOPMENT PROPERTIES

	Group	
	2001	2000
	RM	RM
Land, at cost*		
At 1 January	92,944,618	97,040,261
Add: Transfer from property, plant and equipment	-	2,440,375
Add: Additions	9,745,167	918,488
Less: Disposal of a subsidiary	(11,659,710)	-
Less: Transfer to development expenditure	-	(7,454,506)
Less: Disposals	(1,601,877)	-
	89,428,198	92,944,618
Add: Development expenditure, at cost	131,606,461	116,320,664
Add: Development of port facilities**	77,423,011	68,529,038
	298,457,670	277,794,320
Less: Non-current portion, classified as land and development expenditure	(131,676,801)	(142,189,043)
	166,780,869	135,605,277
Add: Guaranteed profits	10,532,227	7,734,426
Add: Attributable profits	79,368,016	75,716,505
	256,681,112	219,056,208
Less: Foreseeable losses	(309,534)	(308,981)
Less: Proceeds received by a subsidiary	(11,332,227)	(8,534,426)
Less: Progress billings	(176,442,962)	(154,174,966)
	68,596,389	56,037,835
Current portion classified as development properties	68,596,389	56,037,835

* Certain of the land titles costing RM9,745,167 (2000: RM Nil) have yet to be issued to a subsidiary.

Included in development expenditure of the Group is management fee payable to Halim Rasip Holdings Sdn. Bhd., a corporate shareholder of a subsidiary, amounting to RM120,000 (2000: RM120,000).

Included in progress billings are amounts received and receivable as follows:

	Group	
	2001	2000
	RM	RM
Amounts received	123,142,167	102,668,108
Amounts receivable (Note 13)	53,300,795	51,506,858
	176,442,962	154,174,966
	176,442,962	154,174,966



4. LAND AND DEVELOPMENT EXPENDITURE/DEVELOPMENT PROPERTIES (continued)

** The development of port facilities comprises the following:

Group	Long term leasehold portland RM	Port structure RM	Port equipment RM	Total RM
<i>COST</i>				
At 1 January 2001	13,999,657	53,968,720	6,123,992	74,092,369
Additions	127,477	9,778,346	59,046	9,964,869
At 31 December 2001	14,127,134	63,747,066	6,183,038	84,057,238
<i>ACCUMULATED DEPRECIATION</i>				
At 1 January 2001	675,482	1,569,159	3,318,690	5,563,331
Charge for the year	141,948	311,529	617,419	1,070,896
At 31 December 2001	817,430	1,880,688	3,936,109	6,634,227
<i>NET BOOK VALUE</i>				
At 31 December 2001	13,309,704	61,866,378	2,246,929	77,423,011
At 31 December 2000	13,324,175	52,399,561	2,805,302	68,529,038
<i>DEPRECIATION CHARGE FOR 2000</i>	141,095	141,991	565,065	848,151

During the year, the port facilities of the Group were acquired by means of:

	Group	
	2001 RM	2000 RM
Cash payments	9,564,869	643,273
Hire purchase financing	400,000	-
	9,964,869	643,273

5. SUBSIDIARIES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Unquoted shares, at cost				
Ordinary shares	-	10,200	12,004,833	12,004,831
Preference shares	-	-	5,100,000	5,100,000
	-	10,200	17,104,833	17,104,831
Less: Provision for diminution in value	-	(10,200)	-	-
	-	-	17,104,833	17,104,831

(a) Details of subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of Company	Paid-up Capital RM	Effective Interest		Principal Activities
		2001 %	2000 %	
Anakku Holdings Sdn. Bhd.	11,352,326	100	100	Investment holding
Magni D'Corp Sdn. Bhd.	500,000	100	100	Property investment
PCB Development Sdn. Bhd.	100,000	100	100	Investment holding and real property development
Premium Meridian Sdn. Bhd. [Note (b)]	2	100	-	Property development
Taipan Merit Sdn. Bhd.	50,000	100	100	Investment holding
Trans Bid Sdn. Bhd.	1,000	51	51	Distribution, operation and management of the water supply services
Held by Anakku Holdings Sdn. Bhd.				
Anakku Baby Products Sdn. Bhd.	4,000,000	100	100	Trading of children's wear and related products
Anakku LSR Baby Products Sdn. Bhd.	2,500,000	100	100	Trading of children's wear and related products
Weltex Knitwear Industries Sdn. Bhd.	2,000,000	100	100	Manufacture and trading of children's wear and related products
Generasi Arif (M) Sdn. Bhd.	500,000	100	100	Trading of children's wear and related products
Anakku Baby Connection Sdn. Bhd.	100,000	100	100	Trading of children's wear and related products and entering into franchise agreements and to act as managers or consultants as in the business operations of the franchisees



5. SUBSIDIARIES (continued)

Name of Company	Paid-up Capital RM	Effective Interest		Principal Activities
		2001 %	2000 %	
Held by Anakku LSR Baby Products Sdn. Bhd.				
Consobiz Ventures Sdn. Bhd. [Note (c)(i)]	3,500,000	-	65	Manufacture and trading of disposable baby diapers
Held by PCB Development Sdn. Bhd.				
PCB Trading & Manufacturing Sdn. Bhd.	5,000	100	100	Trading and manufacture of building materials
PCB Transportation Travel & Tours Sdn. Bhd.	200,002	100	100	Provision of transport and travel services
Held by Taipan Merit Sdn. Bhd.				
Lumut Maritime Terminal Sdn. Bhd.*	9,800,000 200,000 redeemable preference shares	50 plus 1 share	50 plus 1 share	Development of an integrated privatised project encompassing an industrial park and multipurpose port facilities
Cash Hotel Sdn. Bhd.	42,800,000 51,000 preference shares	61.16	61.16	Hotelier, restaurateur and property developer
B.T. Engineering Sdn. Bhd.* [Note (c)(ii)]	800,000	-	100	Manufacture and trading of parts and accessories for telecommunication, automatic and precision products, light mechanical and electrical engineering works
Held by Lumut Maritime Terminal Sdn Bhd				
LMT Capital Sdn. Bhd.*	10 7,339 redeemable preference shares	100	100	Issuance and redemption of Redeemable Preference Shares in accordance with debts restructuring scheme. (Note 35 (b))
Held by Cash Hotel Sdn. Bhd.				
Silveritage Corporation Sdn. Bhd.	5,000,000	100	100	Development of tourism project
Luceri-Cash Hotel Sdn. Bhd.* [Note (c)(iii)]	20,000	-	51	Dormant
Held by Silveritage Corporation Sdn. Bhd.				
Cash Complex Sdn. Bhd.	1,840,000	50.48	50.48	Investment holding
Held by B.T. Engineering Sdn. Bhd.				
BT Realty Sdn. Bhd.* [Note (c)(ii)]	150,002	-	100	Property development
BTE Marketing and Service Sdn. Bhd.* [Note (c)(ii)]	1,000	-	100	Trading of automotive parts

* Audited by firms of auditors other than Arthur Andersen & Co.

The directors are of the opinion that the fair value of the subsidiaries is not less than the carrying value as at 31 December 2001. The Company and its ultimate holding corporation will continue to assist in the development of the projects undertaken by the respective subsidiaries as and when required.

(b) Acquisition of a subsidiary:

On 29 September 2001, the Company acquired the entire issued and paid up capital of Premium Meridian Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2.

The effect of the acquisition on the financial results of the Group from the date of acquisition to 31 December 2001 is as follows:

	Group 2001 RM
Other operating income	34,882
Administrative expenses	(8,140)
Other operating expenses	(19,447)
	7,295
Profit before taxation	7,295
Taxation	(2,400)
	4,895

The summary of effects of the acquisition on the financial position of the Group as at 31 December 2001 is as follows:

Development properties	9,745,167
Other receivables	29,519
Cash and bank balances	130,190
Other payables	(459,052)
Taxation	(2,400)
	9,443,424



5. SUBSIDIARIES (continued)

The fair value of the assets acquired and liabilities assumed from the acquisition of the subsidiary is as follows:

	Group 2001 RM
Net assets acquired:	
Land and development expenditure	1,913,146
Property, plant and equipment	1,210
Development properties	7,833,071
Other receivables	47
Cash and bank balances	64,353
Other payables	(365,459)
Due to holding company	(9,446,366)
	<hr/>
Net assets, representing total purchase consideration	2
Less: Cash and cash equivalents of subsidiary acquired	(64,353)
	<hr/>
Net cash obtained from acquisition of subsidiary	(64,351)
	<hr/> <hr/>

(c) Disposal of subsidiaries:

- (i) On 13 June 2001, Anakku LSR Baby Products Sdn. Bhd. disposed off its entire interest in the issued and paid up capital of Consobiz Ventures Sdn. Bhd. ("Consobiz") to JM Permata Sdn. Bhd. for a total cash consideration of RM2,725,450. Consobiz has ceased to be a subsidiary of the Company.
- (ii) On 10 July 2001, Taipan Merit Sdn. Bhd. disposed off its entire interest in the issued and paid up capital of B.T. Engineering Sdn. Bhd. ("BTE") to Unity Rally Sdn. Bhd. for a total consideration of RM9,446,368. The disposal has been completed and B.T. Engineering Sdn. Bhd. together with its wholly owned subsidiaries, namely BT Realty Sdn. Bhd. and BTE Marketing and Service Sdn. Bhd., have ceased to be subsidiaries of the Company.
- (iii) In the previous years, the investment in Luceri-Cash Hotel Sdn. Bhd. ("Luceri") had been written off and an application had been made to the Registrar of Companies by a director, Dato' Syed Hassan Nazari bin Syed Mohammad DPMP, JP, of the subsidiary to strike off from the Register under Section 308 of the Companies Act 1965. On 15 November 2001, Cash Hotel Sdn. Bhd., disposed off its entire interest in the issued and paid up capital of Luceri to the said director for a total consideration of RM1. Luceri has ceased to be a subsidiary of the Company.

The effect of the disposal on the financial results of the Group up to the date of disposal is as follows:

	———— Consobiz ————		———— BTE ————		———— Total ————	
	Financial period ended 31.5.2001 RM	Financial year ended 31.12.2000 RM	Financial period ended 30.6.2001 RM	Financial year ended 31.12.2000 RM	Financial period to disposal dates RM	Financial year ended 31.12.2000 RM
Revenue	2,131,550	8,672,821	4,027,024	10,213,544	6,158,574	18,886,365
Cost of sales	(1,411,687)	(6,120,194)	(4,080,357)	(11,534,271)	(5,492,044)	(17,654,465)
Gross profit	719,863	2,552,627	(53,333)	(1,320,727)	666,530	1,231,900
Other operating income	5,101	42,806	346,805	401,927	351,906	444,733
Distribution costs	-	-	(576,331)	(1,592,188)	(576,331)	(1,592,188)
Administrative expenses	(381,190)	(1,745,678)	(329,730)	(717,251)	(710,920)	(2,462,929)
(Loss)/profit from operations	343,774	849,755	(612,589)	(3,228,239)	(268,815)	(2,378,484)
Finance cost	(395,688)	-	(258,573)	(758,559)	(654,261)	(758,559)
(Loss)/profit before taxation	(51,914)	849,755	(871,162)	(3,986,798)	(923,076)	(3,137,043)
Taxation	(4,000)	(189,000)	(48,366)	(3,248)	(52,366)	(192,248)
(Loss)/profit after taxation	(55,914)	660,755	(919,528)	(3,990,046)	(975,442)	(3,329,291)
Minority interests	6,498	(251,378)	-	-	6,498	(251,378)
(Loss)/profit attributable to shareholders	(49,416)	409,377	(919,528)	(3,990,046)	(968,944)	(3,580,669)



5. SUBSIDIARIES (continued)

The summary of the effects of the disposal of the subsidiaries on the financial position of the Group is as follows:

	Consobiz		BTE		Total	
	As at 31.5.2001 RM	As at 31.12.2000 RM	As at 30.6.2001 RM	As at 31.12.2000 RM	At disposal dates RM	As at 31.12.2000 RM
Net assets disposed:						
Inventories	2,655,339	4,588,008	1,433,097	2,098,416	4,088,436	6,686,424
Investment	-	-	15,000	15,000	15,000	15,000
Land and development expenditure	-	-	1,764,139	2,014,999	1,764,139	2,014,999
Property, plant and equipment	11,334,776	11,379,416	3,533,323	3,851,719	14,868,099	15,231,135
Development properties	-	-	8,608,966	8,608,966	8,608,966	8,608,966
Trade and other receivables	4,550,685	1,699,330	6,695,895	6,823,271	11,246,580	8,522,601
Cash and bank balances	1,520,464	1,597,237	88,044	155,029	1,608,508	1,752,266
Goodwill	-	-	1,939,162	2,001,715	1,939,162	2,001,715
Trade and other payables	(4,283,551)	(2,099,419)	(8,119,169)	(8,779,270)	(12,402,720)	(10,878,689)
Short term borrowings	(4,034,603)	(5,974,143)	(2,143,093)	(1,860,181)	(6,177,696)	(7,834,324)
Taxation	(4,000)	-	(290,366)	(242,000)	(294,366)	(242,000)
Due to ultimate holding corporation	-	-	(11,659,710)	(11,659,710)	(11,659,710)	(11,659,710)
Long term borrowings	(7,157,697)	(6,553,102)	(1,239,054)	(1,419,639)	(8,396,751)	(7,972,741)
Deferred taxation	(446,000)	(446,000)	-	-	(446,000)	(446,000)
Minority interests	(1,447,395)	-	-	-	(1,447,395)	-
Net assets	2,688,018	4,191,327	626,234	1,608,315	3,314,252	5,799,642
Net assets	2,688,018	4,191,327	626,234	1,608,315	3,314,252	5,799,642
Gain on disposal	37,432		8,820,134		8,857,566	
Total consideration received from disposal	2,725,450		9,446,368		12,171,818	
Less: Cash and cash equivalents of subsidiaries disposed	(672,840)		111,233		(561,607)	
Net cash from disposal of interest in subsidiaries	2,052,610		9,557,601		11,610,211	

6. ASSOCIATED COMPANY

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Unquoted shares, at cost	3,992,793	3,992,793	3,992,793	3,992,793
Share of post acquisition losses	(1,209,686)	(971,977)	-	-
	<u>2,783,107</u>	<u>3,020,816</u>	<u>3,992,793</u>	<u>3,992,793</u>
Represented by:				
Share of net tangible assets	<u>2,783,107</u>	<u>3,020,816</u>		

The associated company, which is incorporated in Malaysia, is:

Name of Company	Paid-up Capital RM	Effective Interest		Principal Activities
		2001 %	2000 %	
Konsortium LPB Sdn. Bhd.	25,532,742	20	20	To construct, operate and manage the operation of the privatised project West Coast Highway for a 30 years concession period

7. OTHER INVESTMENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<i>AT COST:</i>				
Quoted shares	4,622,500	4,622,500	4,622,500	4,622,500
Unquoted shares	25,000	40,000	25,000	25,000
	<u>4,647,500</u>	<u>4,662,500</u>	<u>4,647,500</u>	<u>4,647,500</u>
Market value of quoted shares	<u>4,252,700</u>	<u>3,143,300</u>	<u>4,252,700</u>	<u>3,143,300</u>

The directors are of the opinion that the investment in quoted shares shall be held for long term in view of the current depressed market conditions with no intention of disposal below cost. Provision for diminution shall only be provided for any permanent diminution in value.



8. NET GOODWILL ARISING ON CONSOLIDATION

	Group	
	2001	2000
	RM	RM
At 1 January		
Goodwill arising on consolidation	45,794,879	45,794,879
Reserve arising on consolidation	(1,167,059)	(1,167,059)
	<hr/>	<hr/>
	44,627,820	44,627,820
Less: Realisation of goodwill [Note 5(c)]	(2,502,144)	-
	<hr/>	<hr/>
At 31 December	42,125,676	44,627,820
Cumulative amortisation of goodwill	(11,386,167)	(9,158,976)
Cumulative recognition of reserve	233,412	175,059
Less: Write back of amortisation of goodwill [Note 5(c)]	562,982	-
	<hr/>	<hr/>
	31,535,903	35,643,903
	<hr/> <hr/>	<hr/> <hr/>

9. OTHER INTANGIBLE ASSETS

	Group	
	2001	2000
	RM	RM
<i>AT COST:</i>		
Listing expenses	-	434,472
Pre-branding expenses	-	297,464
Preliminary expenses	2,500	6,075
Pre-operating expenses	-	4,063
Trademarks	209,822	164,223
	<hr/>	<hr/>
	212,322	906,297
Less: Accumulated amortisation	(168,679)	(695,805)
Write-offs	(2,500)	(180,663)
	<hr/>	<hr/>
	41,143	29,829
	<hr/> <hr/>	<hr/> <hr/>

10. SINKING FUND ACCOUNT

The sinking fund account of a subsidiary has been restructured in accordance with the Settlement Agreement dated 24 December 1999. Thereafter, funds shall be deposited by the subsidiary which shall be utilised progressively for the redemption of the Redeemable Preference Shares (“RPS”) issued by the sub-subsidiary to the syndicated lenders and the payment of the Final Settlement Sum over the tenure of the RPS according to the terms and conditions of the agreement [Note 35 (b)].

11. DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are unsecured, interest free and not repayable or due within the next twelve months.

12. INVENTORIES

	Group	
	2001	2000
	RM	RM
<i>AT COST:</i>		
Raw materials	288,432	2,527,097
Work-in-progress	335,840	1,875,080
Finished goods	17,103,274	24,211,850
Sundry supplies	123,323	163,519
Food and beverage	49,920	86,266
	17,900,789	28,863,812

The cost of inventories of the Group recognised as an expense during the financial year in the Group amounted to RM61,221,963 (2000: RM60,054,845).



13. TRADE RECEIVABLES

	Group	
	2001 RM	2000 RM
Trade receivables	54,272,448	55,272,696
Progress billings receivables (Note 4)	53,300,795	51,506,858
	<hr/>	<hr/>
	107,573,243	106,779,554
Less: Provision for doubtful debts	(593,018)	(674,109)
	<hr/>	<hr/>
	106,980,225	106,105,445
	<hr/> <hr/>	<hr/> <hr/>

Included in trade receivables are:

	Group	
	2001 RM	2000 RM
Due from ultimate holding corporation	727,500	727,500
Due from fellow subsidiaries	19,611,910	19,611,910
Due from companies in which certain directors of certain subsidiaries have or deemed to have substantial interests	3,610,292	4,429,536
Due from a corporate shareholder of a subsidiary	85,822	85,822
	<hr/> <hr/>	<hr/> <hr/>

The amounts are unsecured, interest free and have no fixed terms of repayment.

Included in trade receivables of a subsidiary are amounts of RM1,129,971 (2000: RM Nil) payable by means of contra for works performed as negotiated by the subsidiary.

14. OTHER RECEIVABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Due from ultimate holding corporation				
– trade	2,244,465	2,226,938	2,244,465	2,190,494
– non-trade	77,677,989	78,491,250	77,650,470	78,491,250
Due from subsidiaries – non-trade	-	-	2,989,922	4,317,162
Due from fellow subsidiaries – non-trade	22,801,888	21,171,043	22,801,888	21,171,043
Due from a corporate shareholder – non-trade	-	1,217,100	-	-
Earnest deposit	50,000	-	-	-
Deposits	19,854,723	11,317,001	18,449,117	9,659,141
Tax refundable	7,188,319	-	-	-
Project expenditure	293,299	-	-	-
Prepayments	1,373,528	6,952,846	1,629	334,970
Share application monies [Note 36(b)]	350,000	350,000	-	-
Sundry receivables	1,775,604	6,373,485	11,831	11,831
	133,609,815	128,099,663	124,149,322	16,175,891
Less: Impairment loss on project expenditure	(293,299)	-	-	-
Less: Provision for doubtful debts	-	(1,930,322)	(334,182)	-
	133,316,516	126,169,341	123,815,140	116,175,891

The amounts due from ultimate holding corporation of the Group and the Company are unsecured, interest free and have no fixed terms of repayment.

Included in the amounts due from fellow subsidiaries of the Group and the Company is an advance together with accrued interest of RM7,730,183 (2000: RM7,129,256) which is unsecured, bears interest rates of between 7.3% to 7.5% (2000: 6.9% to 7.5%) per annum, and has no fixed term of repayment.

Included in sundry receivables of the Group are amounts due from companies in which certain directors of certain subsidiaries have or deemed to have substantial interests of RM23,724 (2000: RM28,219). The amounts are unsecured, interest free and have no fixed terms of repayment.

The amounts due from subsidiaries of the Company are unsecured, interest free and have no fixed terms of repayment.



15. CASH AND BANK BALANCES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Cash on hand and at banks	5,383,825	3,545,967	295,100	84,040
Deposits with:				
licensed banks	8,506,446	6,834,479	50,000	100,000
licensed finance company	-	50,000	-	-
	<u>13,890,271</u>	<u>10,430,446</u>	<u>345,100</u>	<u>184,040</u>

Included in the deposits with licensed banks of the Group are amounts of RM3,698,545 (2000: RM2,725,174) pledged for guarantees and other bank facilities granted to certain subsidiaries as referred to in Notes 16 and 23.

The deposits with a licensed finance company of the Group in previous year was pledged for hire purchase facilities granted to a subsidiary.

16. SHORT TERM BORROWINGS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Secured:				
Bank overdrafts	3,292,506	2,891,961	-	-
Bankers acceptance	-	5,509,000	-	-
Trust receipts	-	2,432,503	-	-
Short term loan	-	2,500,000	-	-
Term loans, due within 12 months (Note 23)	3,303,000	6,253,000	-	-
Hire purchase payables (Note 17)	626,082	1,399,517	24,150	14,800
	<u>7,221,588</u>	<u>20,985,981</u>	<u>24,150</u>	<u>14,800</u>
Unsecured:				
Bank overdraft	2,643	-	-	-
Revolving credits	100,345,449	100,580,844	100,345,449	100,580,844
	<u>100,348,092</u>	<u>100,580,844</u>	<u>100,345,449</u>	<u>100,580,844</u>
Total	<u>107,569,680</u>	<u>121,566,825</u>	<u>100,369,599</u>	<u>100,595,644</u>

The short term borrowings of the Group are secured by:

- (a) long term leasehold land and buildings of certain subsidiaries as referred to in Note 3;
- (b) deposits with licensed banks of certain subsidiaries as referred to in Note 15;
- (c) fixed and floating charge over properties and assets of certain subsidiaries as referred to in Note 3; and
- (d) corporate guarantees from the Company.

The above facilities bear interest rates of between 5.2% to 8.9% (2000: 4.70% to 11.15%) per annum.

17. HIRE PURCHASE AND LEASE PAYABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Future minimum payments are as follows:				
Payable within one year	794,112	1,786,814	35,457	22,200
Payable between one and five years	1,072,281	776,923	42,725	24,050
	<u>1,866,393</u>	<u>2,563,737</u>	<u>78,182</u>	<u>46,250</u>
Less: Finance charges	(386,631)	(518,465)	(18,146)	(15,725)
	<u>1,479,762</u>	<u>2,045,272</u>	<u>60,036</u>	<u>30,525</u>
Representing hire purchase and lease liabilities:				
Due within twelve months (Note 16)	626,082	1,399,517	24,150	14,800
Due after 12 months (Note 23)	853,680	645,755	35,886	15,725
	<u>1,479,762</u>	<u>2,045,272</u>	<u>60,036</u>	<u>30,525</u>

The hire purchase and lease bear interest rates of between 4.6% to 11.0% (2000 : 5.35% to 11.00%) per annum.



18. TRADE PAYABLES

Included in trade payables of the Group in the previous year were amounts of RM3,191,078 due to companies in which a director of a former subsidiary has substantial interest.

19. OTHER PAYABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Due from ultimate holding corporation				
Due to ultimate holding corporation	315,182	472,065	-	-
Due to fellow subsidiaries	328,990	573,990	-	-
Due to directors	2,000	-	-	-
Deposits received	1,409,057	1,410,732	1,398,181	1,388,622
Provision for development expenditure	5,970,416	7,059,994	-	-
Advances from purchasers	1,224,167	123,878	-	-
Advances received on contracts for tender	335,144	54,050	-	-
Accruals	16,025,033	9,842,544	467,015	382,535
Retirement benefits (Note 24)	30,425	7,150	-	-
Sales tax payables	66,111	223,446	-	-
Sundry payables	6,829,826	9,340,383	311,069	1,500
	32,536,351	29,108,232	2,176,265	1,772,657

Included in sundry payables of the Group are:

	Group	
	2001 RM	2000 RM
Due to a corporate shareholder of a subsidiary	3,001,500	1,743,493
Due to companies in which certain directors of certain subsidiaries have or deemed to have substantial interests	10,792	185,865
Amount due arising from the acquisition of certain properties in a subsidiary, Lumut Maritime Terminal Sdn. Bhd.*	1,000,000	1,000,000

* The amount will be classified as Class B preference shares of the subsidiary when approval from the relevant authorities is obtained.

20. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2001	2000	2001	2000
	RM	RM	RM	RM
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid	70,000,000	70,000,000	70,000,000	70,000,000

21. MINORITY INTERESTS

Included in minority interests are amounts of RM73,390,000 representing redeemable preference shares ("RPS") issued by a subsidiary in connection with the subsidiary's debts restructuring scheme [Note 35 (b)].

22. DUE TO ULTIMATE HOLDING CORPORATION/A SUBSIDIARY

The amount due to ultimate holding corporation of the Group in the previous year was trade in nature, unsecured, interest free and repayable on demand.

The amount due to a subsidiary of the Company is non-trade in nature, unsecured, interest free and not repayable or due within the next twelve months.



23. LONG TERM BORROWINGS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Term loans, secured:				
Term loans				
- repayable by 11 half yearly instalments commencing May, 2000	8,000,000	11,000,000	-	-
- repayable by 54 equal monthly instalments *	-	4,620,694	-	-
- repayable by 54 equal monthly instalments commencing June, 1998	-	2,915,167	-	-
- repayable by 60 equal monthly instalments commencing January, 2000	-	1,815,151	-	-
- repayable by 60 equal monthly instalments commencing May, 2000	995,000	1,298,000	-	-
	8,995,000	21,649,012	-	-
Due within 12 months (Note 16)	(3,303,000)	(6,253,000)	-	-
Due after 12 months	5,692,000	15,396,012	-	-
Hire purchase and lease payables due after 12 months (Note 17)	853,680	645,755	35,886	15,725
	6,545,680	16,041,767	35,886	15,725
Maturity of borrowings (excluding hire purchase and lease):				
Within one year	3,303,000	6,253,000		
Between one and two years	3,303,000	6,102,604		
Between two and five years	2,389,000	9,293,408		
	8,995,000	21,649,012		

* The loan in the previous year should be repaid 6 months after the last drawdown or January 2002, whichever is earlier.

The term loans are secured by:

- (a) long term leasehold land and buildings of certain subsidiaries as referred to in Note 3;
- (b) deposits with licensed banks of certain subsidiaries as referred to in Note 15;
- (c) fixed and floating charge over the properties and assets of certain subsidiaries as referred to in Note 3; and
- (d) corporate guarantee from the Company.

Certain of the term loans of the Group in the previous year were also secured by:

- (a) a first charge over a piece of land together with the building erected thereon, a debenture creating a first fixed and floating charge for RM3,848,000 over all the assets of a former subsidiary, B.T. Engineering Sdn. Bhd. and corporate guarantee from the Company which is currently in the process of being released from the financial institutions (Note 35).
- (b) corporate guarantee from a corporate shareholder and two directors of a former subsidiary, Consobiz Ventures Sdn. Bhd. for a total of RM16,200,000 which is currently in the process of being released from the financial institutions (Note 35).

The term loans bear interest rates of between 6.4% to 8.9% (2000 : 6.50% to 11.15%) per annum.

24. RETIREMENT BENEFITS

	Group	
	2001	2000
	RM	RM
At 1 January	176,218	130,354
Charge to income statement	81,641	52,118
Utilised during the year	(7,150)	(6,254)
	250,709	176,218
At 31 December	250,709	176,218
At 31 December		
Current (Note 19)	30,425	7,150
Non-current:		
More than one year and less than five years	98,499	102,891
Five years or more	121,785	66,177
	220,284	169,068
	250,709	176,218



25. DEFERRED TAXATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
At 1 January	2,470,000	2,222,000	14,000	14,000
Transfer from/(to) income statement	1,223,800	694,000	(14,000)	-
At 31 December	3,693,800	2,916,000	-	14,000

As at 31 December 2001, the timing difference not accounted for in the financial statements of the Group amounted to RM1,834,000 (2000: RM947,000).

26. REVENUE

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Dividend income (gross)				
Subsidiaries	-	-	1,394,444	1,300,000
Quoted shares in Malaysia	203,384	184,900	203,384	184,900
Development properties				
Sale of development properties	17,726,893	17,079,155	-	-
Profit from joint development project	2,797,801	534,427	-	-
Hotel related operations	13,427,896	12,206,629	-	-
Management fees	-	-	298,000	280,000
Mobilisation fees	480,000	-	-	-
Port services	9,822,216	9,186,089	-	-
Proceeds received from bus fare collections and provision of charter services	67,916	4,996	-	-
Rental income	2,341,175	2,313,099	2,023,549	2,023,549
Sale of goods	103,858,492	122,924,808	-	-
Sale of land	22,481,616	12,139,690	-	-
	173,207,389	176,573,793	3,919,377	3,788,449

27. COST OF SALES

	Group	
	2001 RM	2000 RM
Cost of development properties	15,222,182	14,632,081
Cost of good sold	63,808,813	80,555,013
Cost of land sold	14,522,655	5,207,533
Cost of services	2,952,524	2,923,169
	96,506,174	103,317,796

28. PROFIT FROM OPERATIONS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Profit from operations is stated after charging/ (crediting):				
Amortisation of goodwill arising on consolidation	2,227,190	2,289,744	-	-
Amortisation of intangible assets	34,012	79,808	-	43,447
Auditors' remuneration				
statutory audit				
- current year	138,900	150,100	15,000	12,000
- underprovision in prior year	-	500	-	-
other services	33,462	32,258	2,000	2,000
Bad debts written off	81,699	42,064	-	-
Directors' remuneration*				
Directors of the Company:				
fees	106,000	106,000	96,000	96,000
Other directors:				
fees				
- current year	117,040	66,000	-	-
- underprovision in prior year	-	16,000	-	-
Other emoluments	1,602,223	724,668	-	-
Depreciation**	5,964,909	6,377,079	181,935	169,133
Development expenditure written off	1,532,588	-	-	-
Impairment loss on project expenditure	293,299	-	-	-
Intangible assets written off	2,500	180,663	-	-
Inventories written off	-	112,275	-	-
Lease rental	33,405	50,107	-	-
	96,506,174	103,317,796	96,506,174	103,317,796



28. PROFIT FROM OPERATIONS (continued)

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Profit from operations is stated after charging/ (crediting):				
Property, plant and equipment written off	2,198	115,255	-	-
Provision for doubtful debts	11,939	497,997	334,182	-
Provision for retirement benefits	81,641	52,118	-	-
Royalties	2,007,351	2,032,474	-	-
Provision for stock obsolescence	-	1,371,139	-	-
Rental of premises	5,110,847	3,949,569	125,160	88,624
Staff costs	17,446,022	17,057,242	692,254	533,530
Amortisation of reserve arising on consolidation	(58,352)	(58,353)	-	-
Bad debts recovered	-	(6,860)	-	-
Bad debts written back	-	(21,153)	-	-
Gain on foreign exchange - realised	-	(33,146)	-	-
Provision for doubtful debts written back	(71,677)	-	-	-
Gain on disposal of property, plant and equipment	(1,270,542)	(95,339)	-	-
Gain on disposal of quoted shares	-	(186,830)	-	(186,830)
Interest income	(949,218)	(1,027,431)	(918,155)	(778,719)
Rental income	(2,047,549)	(264,600)	(2,023,549)	(2,023,549)
Inventories written back	-	(77,172)	-	-

* The estimated monetary value of other benefits not included in the above received by the directors of the Group and the Company are:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Directors of the Company	18,575	21,550	-	-
Directors of subsidiaries	15,000	12,300	10,200	6,600
	33,575	33,850	10,200	6,600

** A portion of these expenses is charged to land and development expenditure whereby profits attributable to the percentage of completion of each individual project have been recognised in the income statement (Note 4).

29. FINANCE COSTS

Included in finance costs are:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Interest expenses	3,085,848	3,465,122	891,108	876,781
Agency fee	10,000	10,000	-	-
	<u>3,095,848</u>	<u>3,475,122</u>	<u>891,108</u>	<u>876,781</u>

30. TAXATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Current year's provision	5,071,181	6,695,400	946,300	950,000
Taxation under/(over) provided in respect of prior years	253,908	(317,709)	-	-
	<u>5,325,089</u>	<u>6,377,691</u>	<u>946,300</u>	<u>950,000</u>
Transfer to/(from) deferred taxation	1,223,800	694,000	(14,000)	-
	<u>6,548,889</u>	<u>7,071,691</u>	<u>932,300</u>	<u>950,000</u>

Despite certain expenses being disallowed for tax purposes and the losses incurred by certain subsidiaries, the effective tax rate on the Group's profit is lower than the statutory tax rate principally due to the gain on disposal of subsidiaries which is not taxable.

The effective tax rate on the Company's profit is higher than the statutory tax rate principally due to certain expenses being disallowed for tax purposes.

Subject to the agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 and sufficient balance in the tax exempt account to frank the payment of dividends out of its entire retained profits as at 31 December 2001.



31. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2001	2000
	RM	RM
Net profit attributable to shareholders (RM)	18,117,251	3,032,952
Weighted average number of shares	70,000,000	70,000,000
Basic earnings per share (sen)	<u>25.9</u>	<u>4.3</u>

32. DIVIDEND

	Amount		Dividend per share	
	2001	2000	2001	2000
	RM	RM	Sen	Sen
(a) Final ordinary dividend of 2% less 28% taxation	-	1,008,000	-	1.4

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 December 2001 of 2% on 70,000,000 ordinary shares less 28% taxation amounting to a total dividend of RM1,008,000 (1.4 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2002.

- (b) During the financial year, a sub-subsidiary, LMT Capital Sdn. Bhd. ("LMTc"), paid a total dividend of RM5,990,000 less 28% taxation amounting to RM4,312,800 on 7,339 Redeemable Preference Shares ("RPS") of RM1 each for the financial year ended 31 December 2000 to its RPS holder [see Note 35(b)] as approved by LMTc's shareholder at the second Annual General Meeting of LMTc.

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group and the Company for the year are as follows:

Transactions with the ultimate holding corporation:

Name of company	Nature	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Perbadanan Kemajuan Negeri Perak	Advances received	1,683,211	4,860,348	1,683,211	4,860,348
	Disbursements	87,701	47,300	38,467	11,411
	Management fee expense	300,000	150,000	300,000	150,000
	Project expenditure	1,505,950	1,714,500	1,505,950	1,714,500
	Rental payable	125,160	150,000	125,160	150,000
	Project income	(34,447)	(727,500)	-	-
	Management fee income	-	(36,444)	-	-
	Rental income	(2,023,549)	(2,023,549)	(2,023,549)	(2,023,549)
	Repayment of advances	(842,429)	(3,883,900)	(842,429)	(3,883,900)

Transactions with subsidiaries:

Name of company	Nature	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Anakku Holdings Sdn. Bhd.	Gross dividend income received	-	-	(694,944)	(600,000)
Magni D'Corp Sdn. Bhd.	Management fee income	-	-	(18,000)	-
Premium Meridian Sdn. Bhd.	Advances paid	-	-	(9,438,527)	-
Cash Hotel Sdn. Bhd.	Interest income	-	-	(94,702)	-
B.T.Engineering Sdn. Bhd.	Interest income	-	-	(8,375)	(16,796)
PCB Development Sdn. Bhd.	Accounting fees	-	-	(12,000)	(12,000)
	Advances paid	-	-	-	(2,575,000)
	Disbursements	-	-	(24,215)	-
	Interest income	-	-	(277,615)	(234,298)
	Gross dividend income received	-	-	(700,000)	(700,000)
	Management fee income	-	-	(280,000)	(280,000)
	Repayment of advances	-	-	7,399,394	-



33. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

Transactions fellow subsidiaries (subsidiaries of the ultimate holding corporation):

Name of company	Nature	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Cherry Blossom Sdn. Bhd.	Interest income	(530,927)	(513,450)	(530,927)	(513,450)
	Advances paid	70,000	-	70,000	-
	Repayment of advances	(230,000)	-	-	-
Kuda Sejati Sdn. Bhd.	Advances paid	-	13,700,000	-	13,700,000
Perak Industrial Resources Sdn. Bhd.	Sale of land	-	(8,195,795)	-	-

Transactions with related parties:

A corporate shareholder of a subsidiary, Lumut Maritime Terminal Sdn. Bhd., and a company in which certain directors of the subsidiary, Amin bin Halim Rasip and Harun bin Halim Rasip, have substantial interests

Name of company	Nature	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Halim Rasip Holdings Sdn. Bhd.	Management fee expense	120,000	120,000	-	-
	Recharges payable	-	1,500	-	-
	Advance received	1,510,000	1,743,493	-	-
	Port services payable	119,603	-	-	-

A company in which a director, Johari bin Maarof, of a former subsidiary, Consobiz Ventures Sdn. Bhd., has substantial interest

Name of company	Nature	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
JM Permata Sdn. Bhd.	Sales	(19,087)	(5,560,180)	-	-

A company in which certain directors, Amin bin Halim Rasip and Harun bin Halim Rasip, of a subsidiary, Lumut Maritime Terminal Sdn. Bhd., have substantial interests

Name of company	Nature	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Perak Freight Services Sdn. Bhd.	Port revenue	(1,417,794)	(786,942)	-	-
	Land revenue receivable	-	(1,264,427)	-	-

Companies in which a director, Chow Yoke Yee, of a former subsidiary, B.T. Engineering Sdn. Bhd., has substantial interest

Name of company	Nature	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Tri Alliance Building Sdn. Bhd.	Purchases	-	2,700	-	-
Tri Alliance Engineering Sdn. Bhd.	Sales	-	(202,473)	-	-
	Purchases	-	3,448,455	-	-
Tri Alliance Services Sdn. Bhd.	Consultancy fees paid	-	180,000	-	-
Tri Alliances Plastics Industries Sdn. Bhd.	Purchases	-	198,763	-	-

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

Account balances with significant related parties of the Group and the Company at year end are as follows:

Account balances with the ultimate holding corporation

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Perbadanan Kemajuan Negeri Perak				
Receivables	80,649,954	81,445,688	79,894,935	80,681,744
Payables	(315,182)	(472,065)	-	-

Account balances with subsidiaries

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Receivables:				
Anakku Holdings Sdn. Bhd.	-	-	2,626,639	3,236,373
PCB Development Sdn. Bhd.	-	-	108,047,536	115,130,515
Premium Meridian Sdn. Bhd.	-	-	9,438,527	-
Taipan Merit Sdn. Bhd.	-	-	94,284,224	103,730,592
Trans Bid Sdn. Bhd.	-	-	17,584	14,870
Cash Hotel Sdn. Bhd.	-	-	-	697,840
Silveritage Corporation Sdn. Bhd.	-	-	11,517	11,517
BT Engineering Sdn. Bhd.	-	-	-	356,546
Payables:				
Magni D' Corp Sdn. Bhd.	-	-	(1,381,540)	(1,349,560)



33. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

Account balances with fellow subsidiaries (subsidiaries of the ultimate holding corporation)

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Receivables:				
Brand Equity Sdn. Bhd.	2,330,787	2,330,787	-	-
Cherry Blossom Sdn. Bhd.	7,730,183	7,129,256	7,730,183	7,129,256
Kuda Sejati Sdn. Bhd.	14,779,784	14,041,787	14,779,784	14,041,787
Perak Industrial Resources Sdn. Bhd.	17,573,044	17,821,123	291,921	-
Payables:				
Cherry Blossom Sdn. Bhd.	(233,990)	(463,990)	-	-
Maju Bangun Sdn. Bhd.	(95,000)	(110,000)	-	-

Account balances with related parties

A corporate shareholder of a subsidiary, Lumut Maritime Terminal Sdn. Bhd., and a company in which certain directors of the subsidiary, Amin bin Halim Rasip and Harun bin Halim Rasip, have substantial interests

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Halim Rasip Holdings Sdn. Bhd.				
Receivables	85,822	85,822	-	-
Payables	(3,001,050)	(1,743,493)	-	-

A company in which certain directors, Amin bin Halim Rasip and Harun bin Halim Rasip, of a subsidiary, Lumut Maritime Terminal Sdn. Bhd., have substantial interests

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Perak Freight Services Sdn. Bhd.				
Receivables	3,610,292	3,527,218	-	-
Payables	(10,792)	-	-	-

A company in which certain directors, Dato' Ismail Mokhtar bin Mohd Noor, DPMP, PMP, AMP and Noraihan binti Abdul Rahman, of a subsidiary, Cash Hotel Sdn. Bhd., have substantial interests

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Receivables:				
Silveritage Worldwide Management Sdn. Bhd.	23,724	23,724	-	-

Companies in which a director, Chow Yoke Yee, of a former subsidiary, B.T. Engineering Sdn. Bhd., has substantial interest

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Receivables:				
Tri Alliance Advance Sdn. Bhd.	-	878,822	-	-
Tri Alliance Engineering Sdn. Bhd.	-	23,496	-	-
Payables:				
Tri Alliance Advance Sdn. Bhd.	-	(4,965)	-	-
Tri Alliance Building Sdn. Bhd.	-	(2,900)	-	-
Tri Alliance Engineering Sdn. Bhd.	-	(2,820,037)	-	-
Tri Alliance Plastic Industries Sdn. Bhd.	-	(371,041)	-	-
Tri Alliance Services Sdn. Bhd.	-	(178,000)	-	-

A company in which certain directors, Dato' Ir Haji Harun bin Ahmad Saruji, DPMP, AMP and Chow Yoke Yee, of a former subsidiary, B.T. Engineering Sdn. Bhd., have substantial interests

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
BT Motorcycle Manufacturing Sdn. Bhd.	-	4,495	-	-

34. COMMITMENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
(a) Capital commitment				
Authorised but not contracted for				
Land and buildings	8,400,000	-	-	-
Property, plant and equipment	7,304,000	442,000	100,000	-
	<u>15,704,000</u>	442,000	<u>100,000</u>	-
Approved and contracted for	-	12,750,000	-	-
	<u>15,704,000</u>	<u>13,192,000</u>	<u>100,000</u>	<u>-</u>
(b) Lease commitment				
Repayable within 12 months	-	33,405	-	-
	<u>15,704,000</u>	<u>13,225,405</u>	<u>100,000</u>	<u>-</u>

The lease commitment in the previous year represented an agreement entered into for leasing of plant and machinery.



35. CONTINGENT LIABILITIES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
(a) Unsecured:				
Guarantees given to banks in respect of facilities granted to subsidiaries	5,017,141	25,751,278	5,017,141	9,969,356
Secured:				
Performance guarantee given to a third party				
- on behalf of a subsidiary which was disposed during the year*	873,530	-	873,530	-
- on behalf of a subsidiary	-	1,094,178	-	1,094,178
Guarantees given to banks in respect of facilities granted to subsidiaries disposed during the year*	15,536,783	-	2,702,569	-
Guarantees given to banks in respect of financial assistance provided by a subsidiary to a third party	3,312,000	-	-	-
	<u>24,739,454</u>	<u>26,845,456</u>	<u>8,593,240</u>	<u>11,063,534</u>

* These relate to corporate guarantees given by the Company on behalf of former subsidiaries, Consobiz Ventures Sdn. Bhd. and B.T. Engineering Sdn. Bhd., for banking facilities granted in the previous years and these are currently in the process of being released by the respective financial institutions.

(b) In accordance to the Settlement Agreement dated 24 December 1999 between Lumut Maritime Terminal Sdn. Bhd. ("LMT"), a subsidiary incorporated in Malaysia and the financial institutional creditors ("the lenders") to restructure its syndicated loan, in the event that the Redeemable Preference Shares ("RPS") issued to the syndicated lenders to LMT are not fully redeemed by LMT Capital Sdn. Bhd. ("LMTC") within six years or there occurs a default by LMTC, the RPS holders have a put option to redeem the RPS from LMT ("Put Option I") and thereafter by a put option on the Company as one of the shareholders of LMT on a several and proportionate basis ("Put Option II").

The Put Option I on LMT is fully secured as follows:

- (i) a first legal charge on both portland which includes the land held for development and industrial land;
- (ii) a fixed and floating charge over all the assets and undertakings of LMTSB, both present and future;
- (iii) an assignment of the relevant insurance policies;
- (iv) assignment of port revenues less port operating expenses and proceeds of industrial land sales less development cost.

The holders of the RPS are not entitled to any voting rights and shall rank in priority to the ordinary shares of LMTC in respect of payment or distribution by LMTC.

In the event at any time the total issue price of all RPS (which have not been redeemed) plus the Cumulative Dividend attributable thereto (hereinafter referred to as the "Amount Outstanding") is less than RM30,000,000 and the total value of the assets of LMT is at least three times the value of the Amount Outstanding, the Put Option II on the Company shall lapse and the RPS holders shall not have any rights or claims against the Company and other shareholders of LMT under this Put Option II.

The RPS carry a cumulative and annual dividend obligation with a provision for a minimum annual dividend of 2% per annum for the first three years and 3.5% for the subsequent three years. Dividends are determined by reference to each RPS holders' effective cost of funds obtainable on a 3 or 6 months basis plus 1.25%. The total cumulative gross dividend to be declared to the RPS holders as at 31 December 2001 amounted to approximately RM18,492,521 (2000: RM20,174,000), excluding the proposed RPS dividend described below.

At the forthcoming Annual General Meeting of LMTC, an annual RPS dividend in respect of the current financial year ended 31 December 2001 of RM1,467,800 less 28% taxation amounting to RM1,056,816 will be proposed for the approval of LMTC's shareholders. Such dividend, which has been included as minority interest, if approved by the shareholders of LMTC will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2002.

The total value of RPS which has not been redeemed as at 31 December 2001 is RM73,390,000 (2000: RM73,390,000).

- (c) There is a contingent liability of a subsidiary amounting to approximately RM371,525 in respect of a claim by a supplier against a subsidiary for preparatory works done and costs incurred to commence or complete the contract works. However, this subsidiary has in defence, counter claimed against the supplier for costs, expense, loss and damages based on the breach of contract by the supplier to provide the services agreed and within the stipulated period. The directors of the subsidiary are of the opinion that no provision is required.

The subsidiary has also filed a civil action against a land buyer for default payment of the balance purchase price amounting to RM3,299,964 for the purchase of land. However, the buyer has in defence, counter claimed against the subsidiary for the repayment of 10% deposit amounting to RM326,439. The Court judgement on 7 February 2002 dismissed the subsidiary's claim and allowed the defendant to counter claim the refund of the deposit with interest at 8% per annum charged from 10 May 1996 till the date of payment. However, the subsidiary had on 11 February 2002 filed a Notice of Appeal to the Court and based on this, the directors of the subsidiary are of the opinion that no provision is required.



36. SIGNIFICANT EVENTS

- (a) On 15 January 1996, Cash Hotel Sdn. Bhd. ("CHSB"), a 61.16% subsidiary incorporated in Malaysia, entered into an agreement with Keris Properties Sdn. Bhd. ("KP") to jointly develop the land held by the CHSB by way of mixed development of condominiums and offices blocks. Due to the recent economic downturn, the proposed development project has been deferred. Subsequently, CHSB has agreed to vary certain terms and conditions pertaining to the agreement. As at todate, the variations have yet to be completed.

On 22 October 2001, CHSB entered into an agreement with Badan Perhubungan UMNO Negeri Perak to dispose off part of CHSB's land together with a building to be constructed by CHSB for a total consideration of RM9,653,000. Certain terms and conditions on the sale and purchase agreement are yet to be completed as at todate.

During the financial year, CHSB disposed off its entire interest in the issued and paid up capital of Luceri-Cash Hotel Sdn. Bhd. as detailed in Note 5(c)(iii).

- (b) On 3 April 2000, the Company entered into a Shareholders Agreement with Cherry Blossom Sdn. Bhd., a subsidiary company of Perbadanan Kemajuan Negeri Perak ("PKNP"), and a third party for the purpose of acquiring 35% of the equity interest in PCB Communications Sdn. Bhd. ("PCB Communication"), a company incorporated in Malaysia. PCB Communication has an authorised share capital of RM1 million with the main objective of setting up a factory for the manufacturing, fabrication, integration and trading of specialised products and components of base material composite and metal and for the supply and integration of telecommunication and IT services. As at todate, the above proposed acquisition has yet to be finalised.
- (c) During the financial year, Magni D'Corp Sdn. Bhd. ("Magni D'Corp"), a wholly owned subsidiary incorporated in Malaysia, disposed off its entire rights and interests in a Joint Venture Agreement entered into on 26 September 1997 with Intellview Sdn. Bhd. ("ISB") for the purpose of developing a piece of land measuring approximately 31.5 acres forming part of the land described as Lot 3650, Mukim Hulu Kinta, Daerah Kinta to ISB. The total consideration of the disposal are a cash consideration of RM50,000 and 1.5 acres of the developed land forming part of the land described above to be allotted to the subsidiary [Note 37(c)].
- (d) During the financial year, Anakku Holdings Sdn. Bhd., a wholly owned subsidiary incorporated in Malaysia, through it subsidiaries,
- (i) Weltex Knitwear Industries Sdn. Bhd. disposed off a parcel of leasehold land and building to a third party for a cash consideration of RM491,000.
 - (ii) Anakku Baby Products Sdn. Bhd. disposed off four parcels of leasehold land and buildings to a third party for a cash consideration of RM1,300,000.
 - (iii) Anakku LSR Baby Products Sdn. Bhd. disposed off the entire interest in the issued and paid up capital of Consobiz Ventures Sdn. Bhd. as detailed in Note 5(c)(i).
- (e) On 10 July 2001, Taipan Merit Sdn. Bhd. ("TM"), a wholly owned subsidiary, disposed off its entire interest in the issued and paid up capital of B.T. Engineering Sdn. Bhd. as detailed in Note 5(c)(ii).

On 21 September 2001, TM entered into a Shareholders Agreement with Halim Rasip Holdings Sdn. Bhd. (“HRH”) to govern the relationship between the shareholders in respect of Lumut Maritime Terminal Sdn. Bhd. (“LMT”), a subsidiary incorporated in Malaysia, and to waive its pre-emptive rights as provided under the Shareholders Agreement dated 12 August 1992 and varied by Addendum No. 1 of 2 September 1993 and to reject any mandatory offer from HRH to acquire all the remaining ordinary and redeemable preference shares of LMT, not already owned by the Company, as a consequence of the Sale and Purchase Agreement (“IPCO-SPA”) entered into between IPCO International Ltd. and HRH on 6 December 2000.

The above waiver of rights has been completed subsequent to the end of the financial year upon the completion of the IPCO-SPA.

On 21 September 2001, TM also entered into Addendum No. 1 to the above Shareholders Agreement with HRH to vary certain terms and conditions in respect of the Settlement Agreement dated 24 December 1999 as detailed in Note 35(b). The variations are dependent on the outcome of HRH on-going corporate exercise. As at todate, this has not been completed.

- (f) On 29 September 2001, the Company acquired the entire issued and paid up capital of Premium Meridian Sdn. Bhd. as detailed in Note 5(b).

37. SUBSEQUENT EVENTS

- (a) On 31 January 2002, the Company has entered into a Heads of Agreement with Audrey International (M) Bhd. (“AIMB”) for the proposed disposal of the entire interest in the issued and paid up capital of its wholly owned subsidiary, Anakku Holdings Sdn. Bhd. (“AHSB”) (“the Proposed Disposal”) for a total consideration of RM50 million, which is to be satisfied by cash and shares of AIMB to be issued to the Company.

Subject to the completion of a satisfactory due diligence to be performed by AIMB on AHSB and its subsidiaries, the two parties have agreed in principle that a definitive Sale and Purchase Agreement (“SPA”) containing salient terms in the Heads of Agreement and such other terms and conditions shall be entered into between the Company and AIMB by 15 April 2002 or such extended period as may be mutually agreed upon between the two parties.

Upon the completion of the Proposed Disposal as shall be determined by the definitive SPA to be signed, AHSB together with its subsidiaries shall cease to be the subsidiaries of the Company and AIMB shall become an associate of the Company.

The financial effect of the Proposed Disposal will be determined upon the signing of the definitive SPA.

- (b) Subsequent to the end of the financial year, the issued and paid up capital of PCB Development Sdn. Bhd., a wholly owned subsidiary incorporated in Malaysia, was increased from RM100,000 to RM1,000,000 by the issuance of 900,000 ordinary shares of RM1 each at par to the Company, in satisfaction of part of the indebtedness due by the subsidiary to the Company to the extent of RM900,000.

The new shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (c) On 5 March 2002, Magni D’Corp entered into an agreement with the ultimate holding corporation, Perbadanan Kemajuan Perak Corporation and ISB in relation to the disposal as detailed in Note 36(c). ISB shall cause to be carried out on the Magni D’Corp’s land, all earthwork including levelling and filling and construction of roads and drains and all other necessary main infrastructure at no costs and expense. In addition, ISB has an option to purchase the Magni D’Corp’s land for RM165,000 which ISB has exercised on the same date.



38. SEGMENTAL INFORMATION

The Group is organised into five major business segments:

- (i) Manufacturing and consumer products – manufacture and trading of children’s wear and related products, parts and accessories for telecommunication, automatic and precision products, light mechanical and electrical engineering works. Upon disposal of subsidiaries as detailed in Note 5(c), the manufacturing and trading of disposable baby diapers and parts and accessories for telecommunication, automatic and precision products, light mechanical and electrical engineering works were sold.
- (ii) Hotel and tourism – operation of hotels and development of tourism projects;
- (iii) Infrastructure – development of an integrated privatised project encompassing an industrial park and multipurpose port facilities;
- (iv) Township development – the township development of real property; and
- (v) Management services and others – provision of management services and other business segments which include property investment, distribution, operation and management of water supply services, none of which are of a sufficient size to be reported separately.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on negotiated terms.

2001	Manufacturing and consumer products RM	Hotel and tourism RM	Infra- structure RM	Township develop- ment RM	Management services and others RM	Eliminations RM	Consolidated RM
REVENUE AND EXPENSES							
Revenue							
External revenue	103,830,079	16,543,323	21,367,525	29,239,529	2,226,933	-	173,207,389
Inter-segment revenue	-	-	-	-	1,692,444	(1,692,444)	-
Total revenue	103,830,079	16,543,323	21,367,525	29,239,529	3,919,377	(1,692,444)	173,207,389
Result							
Segment results	7,635,904	985,073	9,088,767	6,247,224	2,544,165	5,184,909	31,686,042
Unallocated corporate expenses							-
Profit from operations							31,686,042
Finance costs	(1,151,461)	(852,557)	(18,209)	(668,475)	(891,108)	380,692	(3,201,118)
Share of results of associated companies							(237,709)
Taxation	(1,237,074)	-	(3,015,275)	(1,720,100)	(940,440)	364,000	(6,548,889)
Profit after taxation							21,698,326

2000	Manufacturing and consumer products RM	Hotel and tourism RM	Infra- structure RM	Township develop- ment RM	Management services and others RM	Eliminations RM	Consolidated RM
REVENUE AND EXPENSES							
Revenue							
External sales	122,924,808	13,030,606	20,175,779	18,234,151	2,208,449	-	176,573,793
Inter-segment sales	-	-	-	-	1,580,000	(1,580,000)	-
Total revenue	122,924,808	13,030,606	20,175,779	18,234,151	3,788,449	(1,580,000)	176,573,793
Result							
Segment results	7,678,140	(194,798)	8,394,463	1,497,750	3,398,945	(3,807,774)	16,966,726
Unallocated corporate expenses							-
Profit from operations							16,966,726
Finance costs	(1,826,945)	(978,729)	(5,713)	(323,092)	(934,201)	251,094	(3,817,586)
Share of results of associated companies							(226,321)
Taxation	(3,339,291)	-	(2,317,600)	(464,400)	(950,400)	-	(7,071,691)
Profit after taxation							5,851,128
2001							
ASSETS AND LIABILITIES							
Segment assets	53,094,592	63,905,293	164,937,244	152,812,120	464,764,517	(281,264,830)	618,248,936
Investment in equity method of associates					3,992,793	(1,209,686)	2,783,107
Unallocated corporate assets							-
Consolidated total assets							621,032,043
Segment liabilities	(20,329,854)	(13,714,248)	(13,546,006)	(133,427,314)	(198,642,991)	216,192,749	(163,467,664)
Unallocated corporate liabilities							(140,678,347)
Consolidated total liabilities							(304,146,011)
OTHER INFORMATION							
Capital expenditure	2,927,457	397,764	9,994,714	116,731	126,021	-	13,562,687
Depreciation	3,046,316	1,436,465	1,144,121	156,072	181,935	-	5,964,909
Amortisation	34,012	(25,289)	-	-	-	2,194,127	2,202,850
Non-cash expenses other than depreciation and amortisation							
- gain on disposal of subsidiaries	(37,432)	-	-	-	-	(8,820,134)	(8,857,566)
- others	(1,231,237)	1,627,534	-	3,710	668,364	(334,182)	734,189



38. SEGMENTAL INFORMATION (continued)

2000	Manufacturing and consumer products RM	Hotel and tourism RM	Infra- structure RM	Township develop- ment RM	Management services and others RM	Eliminations RM	Consolidated RM
ASSETS AND LIABILITIES							
Segment assets	95,935,045	66,944,223	153,254,155	144,648,139	473,530,722	(295,298,168)	639,014,116
Investment in equity method of associates					3,992,793	(971,977)	3,020,816
Unallocated corporate assets							-
Consolidated total assets							642,034,932
Segment liabilities	(67,813,805)	(15,974,859)	(4,600,327)	(129,873,912)	(208,494,909)	224,527,829	(202,229,983)
Unallocated corporate liabilities							(138,019,933)
Consolidated total liabilities							(340,249,916)
OTHER INFORMATION							
Capital expenditure	8,752,755	658,479	761,306	2,828,620	7,010	-	13,008,170
Depreciation	3,609,618	1,526,456	973,928	97,943	169,133	-	6,377,078
Amortisation	36,361	(25,289)	-	-	43,447	2,315,033	2,369,552
Non-cash expenses other than depreciation and amortisation							
- gain on disposal of quoted shares	-	-	-	-	(186,830)	-	(186,830)
- others	2,117,596	251,717	(31,170)	-	-	-	2,338,143

39. CURRENCY

All amounts are stated in Ringgit Malaysia.

40. COMPARATIVE FIGURES

The presentation of segmental information for the current year has been changed upon early adoption of MASB 22 – Segmental Reporting. Comparative figures have been changed to conform with this presentation.



proxy form

I/We _____
of _____
being a member/members * of the abovenamed Company, hereby appoint the Chairman of the Meeting or

of _____
or failing him/her _____
of _____
as *my/our proxy to vote for *me/us and on *my/our behalf at the Eleventh Annual General Meeting of the Company to be held at Dewan Persidangan, Tingkat 4, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan on Wednesday, 26 June 2002 at 12.00 noon and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy will vote as he thinks fit or abstain from voting):-

No.	Ordinary Resolutions	For	Against
1.	To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2001 together with the Report of the Directors and Auditors thereon. (Resolution 1)		
2.	To approve the payment of a first and final dividend of 2 sen per share less 28% tax for the year ended 31 December 2001. (Resolution 2)		
3.	To approve the payment of Directors' fees for the year ended 31 December 2001. (Resolution 3)		
4.	To re-elect the following Directors who retire in accordance with Article 80 of the Company's Articles of Association: a) YM Raja Aminollah bin Raja Abdullah (Resolution 4) b) Dato' Abd Wahab bin Maskan (Resolution 5)		
5.	To re-elect the following Directors who retire in accordance with Article 87 of the Company's Articles of Association: a) Dr Nawawi bin Mat Awin (Resolution 6) b) Dato' Hj Mohd Zaim bin Hj Abu Hasan (Resolution 7) c) Dato' Azian bin Osman (Resolution 8) d) Cik Noor Asmah bt Mohd Nawawi (Resolution 9)		
6.	To re-appoint Messrs Arthur Andersen & Co. as Auditors and to authorise the Directors to fix their remuneration. (Resolution 10)		
7.	As Special Business: Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature. (Resolution 11)		

Dated this _____ day of _____ 2002

No. of shares held	
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Signature/Seal of member

Notes:

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply. Where a member appoints two (2) or more proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy.
2. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
3. The instrument appointing a proxy must be deposited at Room 305, 3rd Floor, Asia Life Building, 45 Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
4. The registration for the above meeting will commence on Wednesday, 26 June 2002, at 11.30 a.m.

* Strike out if inapplicable.

First Fold



THE SECRETARY

PERAK CORPORATION BERHAD Co.No. 210915-U

Room 305, 3rd Floor, Asia Life Building,
45 Jalan Tun Sambanthan,
30000 Ipoh,
Perak Darul Ridzuan,
Malaysia.

Second Fold