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## Cover Rationale



The cover design illustrates the continual growth, strength and vast potential of WCT Engineering Berhad. It reflects the Group's aspiration to establish a solid base for future growth, thus emphasizing that clear vision and time management are key attributes towards achieving greater success. The silhouette of a hand symbolizes the Group's strong positions and it embodies the focus and steering of the Group towards enhancing shareholder value and profitability.

# Corporate Information



## **Board of Directors**

From left to right (seated): Wong Sewe Wing, Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid, Taing Kim Hwa, Goh Chin Liong

From left to right (standing): Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa), Choo Tak Woh, Chua Siow Leng, Choe Kai Keong, Cheah Hon Kuen

## **Company Secretary**

Loo Shen Chang  
(MIA 7069, MICPA 2521)

## **Registered Office and Principal Place of Business**

No. 12, Jalan Majistret U1/26  
Seksyen U1, Lot 44  
Hicom-Glenmarie Industrial Park  
40150 Shah Alam  
Selangor Darul Ehsan  
Tel: 603-7805 2266  
Fax: 603-7804 9877  
E-mail: wctbhd@wcte.com.my

## **Auditors**

Ernst & Young  
Chartered Accountants  
4th Floor, Kompleks Antarabangsa  
Jalan Sultan Ismail  
50250 Kuala Lumpur

## **Share Registrar**

Malaysian Share Registration  
Services Sdn Bhd  
7th Floor, Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur  
Tel: 603-2026 8099  
Fax: 603-2026 3734

## **Principal Bankers**

Arab Malaysian Merchant Bank  
Berhad  
Bumiputra-Commerce Bank Berhad  
Hong Leong Bank Berhad  
HSBC Bank Malaysia Berhad  
Malayan Banking Berhad  
United Overseas Bank (M) Berhad

## **Solicitors**

Yip & Co  
Zaid Ibrahim & Co

## **Stock Exchange Listing**

Kuala Lumpur Stock Exchange –  
Main Board

# Board of Directors' Profile



**Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid\***  
Master Mariner  
FNI, FCIT.  
*Non-Executive Chairman*



**Taing Kim Hwa\***  
B. Arts (Hons) (Economics)  
*Managing Director*



**Goh Chin Liong\***  
B. Eng. (Hons) (Engineering)  
*Deputy Managing Director*



**Wong Sewe Wing**  
*Executive Director*



**Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa)\***  
*Independent Non-Executive Director*

YBhg DATO' CAPT. AHMAD SUFIAN, aged 53, was appointed to the Board on 12 August 1996. YBhg Dato' Ahmad Sufian has over thirty years of experience in the international maritime industry and is currently the Chairman of Global Maritime Ventures Berhad, a marine venture capital company formed by the Ministry of Finance, Malaysia. He chairs the Nomination Committee and Remuneration Committee and acts as an advisor to the Management Committee. He attended all of the six (6) Board Meetings held during the financial year ended 31 January 2002.

TAING KIM HWA, aged 49, was appointed to the Board on 14 January 1981 and is one of the co-founders of the Company. He is the driving force behind the company's growth since its early days as a private limited company right through the present times. Mr. Taing is a member of the Options Committee and acts as an advisor to the Management Committee. He is a major shareholder of WCT Capital Sdn Bhd which in turn is a major shareholder of WCT Engineering Berhad. He attended all of the six (6) Board Meetings held during the financial year ended 31 January 2002.

GOH CHIN LIONG, aged 43, was appointed to the Board on 12 August 1996. His main responsibility is overseeing all construction projects undertaken by the Group and liaising with clients, consultants and government departments on matters related to the works. Mr. Goh has been with the Company for more than nine years. He chairs the Management Committee and is a member of the Audit Committee and Options Committee. He attended all of the six (6) Board Meetings held during the financial year ended 31 January 2002.

WONG SEWE WING, aged 54, was appointed to the Board on 14 January 1981 and is also one of the co-founders of the Company. Mr. Wong has over twenty five years of experience in civil engineering, and is responsible for the efficient running of major site operations and utilisation of plant and machinery. Mr. Wong is a member of the Management Committee. He is a major shareholder of WCT Capital Sdn Bhd which in turn is a major shareholder of WCT Engineering Berhad. He attended four (4) of the six (6) Board Meetings held during the financial year ended 31 January 2002.

YBhg DATO' NIK MOHD KHALID, aged 63, was appointed on 30 May 2001. He has more than thirty years of experience in government service both at federal and state level. YBhg Dato' Nik Mohd Khalid began his career in 1960 as a Labour Officer with the Ministry of Labour and Industrial Relations then and joined the Terengganu State Civil Service 6 years later. His last post held was Terengganu Commissioner of Lands And Mines prior to his retirement in 1994. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee. Since his appointment, he attended three (3) of the four (4) Board Meetings held during the financial year ended 31 January 2002.



**Chua Siow Leng**

B. Sc., G Dip. Law, F.I.S.M.  
F.R.I.C.S., M.C.I. Arb.  
*Executive Director*



**Choe Kai Keong**

B. Sc. (Civil Engineering)  
*Executive Director*



**Cheah Hon Kuen**

B. Sc. (Education)  
*Independent Non-Executive Director*



**Choo Tak Woh**

CA, MIA  
*Independent Non-Executive Director*

CHUA SIOW LENG, aged 53, was appointed to the Board on 15 October 1996. Mr. Chua has more than 27 years' working experience in the construction industry. Mr. Chua is actively involved in overseeing the various overseas operations of the Group. He is a member of the Management Committee. He attended five (5) of the six (6) Board Meetings held during the financial year ended 31 January 2002.

CHOE KAI KEONG, aged 51, was appointed to the Board on 6 September 2000. He has been with the Company since 1990 and was previously working with an engineering consulting firm. He is mainly responsible for the management of property development projects of the Group. Mr. Choe is a member of the Management Committee. He attended all of the six (6) Board Meetings held during the financial year ended 31 January 2002.

CHEAH HON KUEN, aged 46, was appointed to the Board on 26 November 1994. Mr. Cheah is a member of Institute of Electrical and Electronic Engineers, USA. He chairs the Audit Committee and the Options Committee. He is also a member of the Remuneration Committee and Nomination Committee. He attended all of the six (6) Board Meetings held during the financial year ended 31 January 2002.

CHOO TAK WOH, aged 51, was appointed on 16 December 1999. Mr. Choo is a member of the Malaysian Institute of Accountants. He has considerable experience in corporate finance and general management. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee. He attended all of the six (6) Board Meetings held during the financial year ended 31 January 2002.

**Further Information**

All the Directors are Malaysian.

None of the Independent Non-Executive Directors has securities holdings in the Company. The securities holdings of other Director as at 31 January 2002 are disclosed on pages 23 to 24 of the Directors' Report. None of the Directors has any direct interest in any of the subsidiaries of the Group.

Except for certain recurrent related party transactions of revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which Mr. Taing, Mr. Wong and Mr. Choe are deemed to be interested as disclosed on page 6 of the Circular to Shareholders dated 31 May 2002, there are no family relationship between the Directors and/or major shareholders of the Company, or any personal interest in any business arrangement involving the Company.

None of the Directors has been convicted of any offences within the past ten years, other than traffic offences.

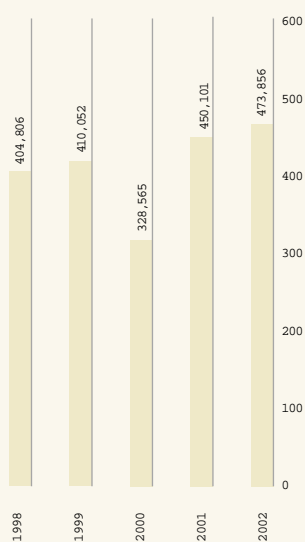
Note: \* Indicate Directors who retire according to the Articles of Association of the Company and being eligible to offer themselves for re-election.

# Financial Highlights

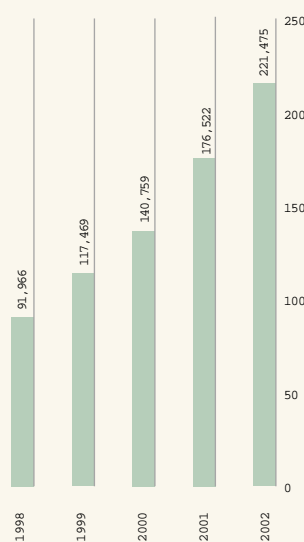
	<i>Year Ended 31 Jan 1998</i>	<i>Year Ended 31 Jan 1999</i>	<i>Year Ended 31 Jan 2000</i>	<i>Year Ended 31 Jan 2001</i>	<i>Year Ended 31 Jan 2002</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Turnover	404,806	410,052	328,565	450,101	473,856
Profit Before Taxation (after exceptional items and share of results in associated company)	21,866	34,234	46,519	57,118	74,370
Taxation	(10,723)	543	(14,023)	(17,363)	(22,567)
Profit After Taxation	11,163	34,777	32,496	39,755	51,803
Shares In Issue (Number)	37,620	56,928	57,780	93,998	96,006
Shareholders' Funds	91,966	117,469	140,759	176,522	221,475
Gross Dividends (%)	10	20	20	12.5	12.5
Earnings Per Share (sen)**	31	62	35	42	55
Net Tangible Assets Per Share (RM)	2.44	2.06	2.43	1.88	2.31

\*\* Computed based on the Weighted Average Number of Shares in Issue wherever applicable.

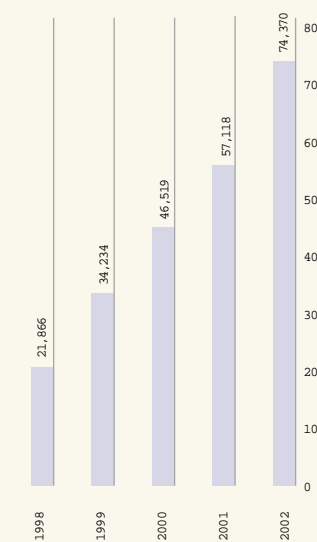
**Turnover (RM '000)**



**Shareholders' Funds (RM '000)**



**Profit Before Tax (RM '000)**



# Chairman's Statement



On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Accounts of the Company and Group for the financial year ended 31 January 2002.

## Financial Performance

The financial year ended 31 January 2002 had been very challenging but successful for WCT Engineering Berhad. The Group registered a pre-tax profit of RM74.37 million as against RM57.12 million in the previous financial year. Group turnover for the year is RM473.86 million, an increase of 5.3% from the RM450.10 million recorded in the previous financial year. Profit after tax attributable to the shareholders is RM51.80 million, which is a 30.3% increase from the previous financial year.

## Dividends

The Board is pleased to announce a proposed final tax-exempt dividend and a special tax-exempt dividend of 5 sen and 2.5 sen per share respectively, for the financial year ended 31 January 2002. Together with the interim tax-exempt dividend of 5 sen per share, which was paid out on 23 November 2002, the total tax-exempt dividend for the financial year is 12.5 sen per share.

## Review of Operations

The Group had another

successful year in its operations during the financial year ended January 2002. Despite the national and global slow down in economic growth in 2001, caused partly by the September 11 incident, the Group continues to perform well in its operations, outperforming the results of the previous financial year. The Group's performance continues to be dominated by its construction activities, which is the main contributor to profitability. Contribution from property development has increased from that of the previous financial year. The higher contribution is contributed from both its wholly owned subsidiary, Gemilang Waras Sdn Bhd and associated company, Labur Bina Sdn Bhd. Trading operations is relatively small in its contribution to the Group's overall results. Nevertheless, it has maintained consistency in its financial results over the years in spite of the difficult market conditions.

### ***Engineering and Construction***

Year 2002 was another successful construction period for the Group. The balance of construction order book brought forward from the previous financial year,

coupled with new contracts secured during the year was instrumental in maintaining the Group's busy construction activities for the said period. The Group's construction activities were also boosted by the launching of new phases of its property development activities by its wholly owned subsidiary Gemilang Waras Sdn Bhd at Bukit Tinggi, Klang. WCT Construction Sdn Bhd, another wholly owned subsidiary, undertook the construction works of the new phases.

The Company was the successful bidder in the tender for the design and construction of the Guthrie Corridor Expressway called by Kumpulan Guthrie Berhad. Physical works has started in the last quarter of 2001, with a construction period of twenty four months. The securing of the said highway project with a contract value of RM386 million is a boost to the Company's standing among other leading construction players, and helps to increase the construction order book significantly.

### ***Trading***

The Group's trading operations has remained virtually in-house. Its wholly owned subsidiary, WCT Products Sdn

Bhd provides the construction materials for its construction projects secured by the Group. It also supplies materials to the sub-contractors. Risks associated with debt collection from the sub-contractors are very much reduced through the arrangement of deduction from the progress certificates.

**Overseas Projects**

There are currently three overseas construction works in India in which the Group is actively involved. Participation is via its interest in CIDB Inventures Sdn Bhd as well as Swarna Tollway Private Limited. Through this vehicle, the Group is participating in the privatization of a highway project under the Build, Operate and Transfer (BOT) concept for a thirty-year concession period. The highway projects are at Tada to Nellore and Vijayawada to Ibrahimpatnam. The other two highway projects, in joint venture with Gamuda Berhad, are at Pangargh to Palsit and Palsit to Dankuni, on the fixed semi-annuity payment

scheme for fifteen years.

**Property Development**

The Group's property development sector was a hive of activity during the financial year with the launching of new phases by Gemilang Waras Sdn Bhd and Labur Bina Sdn Bhd. In spite of the country's economic slowdown, particularly in the third and fourth quarter of 2001, the Group's property development sector continues to perform well. An increase in contribution towards the Group's future profitability can be expected from the property development sector.

Gemilang Waras has to date launched seven phases of its property development project at Bukit Tinggi II, Klang. The phases launched comprise double-storey link houses, semi detached bungalows and low cost apartments. The cumulative sales since its maiden phase launched in February 2001 is RM241.80 million.

Labur Bina Sdn Bhd, which is developing Bandar Bukit



Guthrie Corridor Expressway - Piling works in progress

Tinggi I at the adjoining site, is performing equally well. Cumulative sales to-date since the maiden launch in mid 1998 is RM670.17 million. With the anticipated opening of two hypermarkets in the later part of 2002 and early 2003 respectively at the project location, demand for both commercial and residential properties will be further enhanced.

The success of Bukit Tinggi I and II have been attributed to location, pricing and the government's ongoing policy of home ownership. The

Guthrie Corridor Expressway - a section of design and build project in progress



availability of low cost financing for house buyers and the home ownership campaigns were also factors that had positive impact to the project's success. The success at Bukit Tinggi I and II will not make the Group complacent, and it will continue to be sensitive to market sentiments. New strategies and plans commensurate with the property market will be implemented to sustain the progress achieved to date.

**Corporate Development**

During the year the Group undertook a corporate rationalization exercise to streamline the Group's operating activities into a more structured organization reflecting each division's core activity. The exercise will ultimately result in the streamlining of three of wholly owned subsidiaries categorized under Engineering & Construction, Property and Overseas. Approval has been obtained from the Foreign Investment Committee and transfer of shares has also been effected.

The Company's Employees' Share Option Scheme, launched in February 1997 has lapsed in January 2002. A second Employees' Share Option Scheme was



Excavation of rock @ CH 125+300 (east Bound)



Launching of beams at Bridge over Sg. Bakapor @ CH 114+000

**EAST COAST EXPRESSWAY**

announced in February 2002 and implemented in April 2002. The Share Option schemes is to reward long service employees for their dedication and loyalty, and provide incentive to employees to share in the success and growth of the Company. Truly, the scheme reinforces the Company's belief in the value attached to the staff as an important asset.

Utilisation of the RM120 million unsecured five-year bonds raised in October 2000 was completed during the financial year. Building up of the Sinking Fund for the repayment of the bonds has also commenced.

The Company has also announced a change in its financial year-end from 31 January to 31 December. The next financial period ending 31 December 2002 will report results for an eleven-month operating period.

**Future Outlook**

The economic outlook for 2002 is that of optimism. The Malaysian economy is expected to grow by four to five percent for the year. The growth will be on the back of an anticipated recovery in world economy, which is forecasted to materialize in the later part of the year.

In addition to the recovery in world economy, the economic measures announced by the government in 2001, to counter the effects of the economic slowdown following the September 11 attack would contribute to the sustained growth of the construction business. In the construction domestic market, the revival of the Bakun Dam project, the electrified double tracking railway project and the Pahang-Selangor water transfer project will augur well for the industry. The Group, wherever possible, will look for opportunities to

**AERIAL VIEWS**



Property Development - Bandar Bukit Tinggi I



Property Development - Bandar Bukit Tinggi II



Tractors Engineering Complex

participate in these mega projects.

Opportunities for overseas construction projects will also be actively pursued. The Company has already been pre-qualified in the tender for the construction of the proposed Formula 1 racing circuit in Bahrain, and the



Tractors Engineering Complex

experience of building the F1 circuit at Sepang in 1998 within budget and time, will hopefully be an added advantage to the Company. There are still many opportunities for construction works in India, especially with the proposed plans by the Indian authorities to build new highways in the North-

South and East-West to link the vast country. The experience from the three projects already secured will place the Group on a better position to handle future construction works in the said country.

Demand for affordable houses are expected to remain steady, particularly in strategic locations such as Klang Valley, Penang and Johor Bahru.

Based on the anticipated improved economic performance for the country in 2002, and the Group's existing order book balance of approximately RM1.4 billion, the Group should continue to achieve another satisfactory performance in the current financial period.

#### Acknowledgement

On behalf of the Board of Directors, I would like to thank the Management and employees of the Group for their contribution, untiring

commitment, dedication and loyalty. I also wish to express our sincere appreciation to our shareholders, clients, sub-contractors, financial institutions, suppliers and the various government departments for their continued support.

The contribution and cooperation from other members of the Board of Directors is also appreciated. I welcome on board YB Dato' Nik Mohd Khalid bin Kamil, an Independent Non-Executive Director, whose long service in the government will be an asset to the Group.

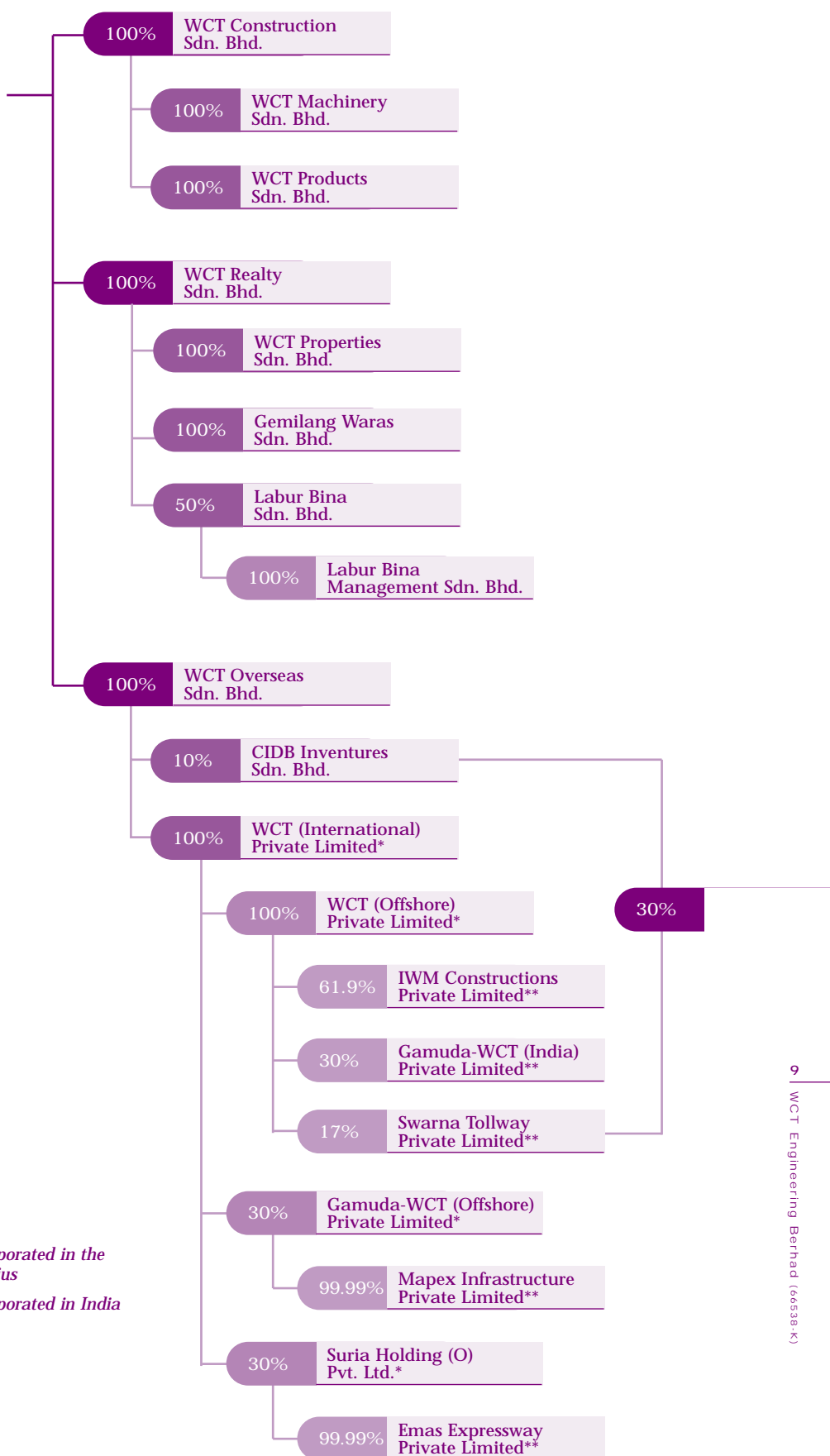
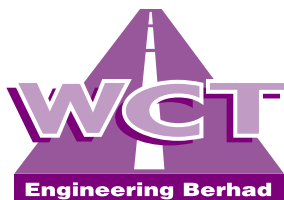
**Dato' Capt Ahmad Sufian  
@ Qurnain bin Abdul  
Rashid**

*Chairman*

Completed 1,200 units walk-up  
Low Cost Apartments, Bukit  
Subang



# Group Structure (as at 20 May 2002)



**Note:**

\* Corporations incorporated in the Republic of Mauritius

\*\* Corporations incorporated in India

# Statement on Corporate Governance

## Introduction

In March 2000, the Finance Committee on Corporate Governance issued the Malaysian Code on Corporate Governance ("the Code"). The Code sets out principles and best practices that companies may use in their operations towards achieving the optimal governance framework.

The Board of WCT Engineering Berhad ("WCT") welcomes the Code and expresses its commitment to ensure that a high standard of corporate governance is practised throughout the Group in discharging its responsibilities and to protect and enhance shareholders' value.

The Board acknowledges that corporate governance is a continuous improvement process that requires periodic reassessment and refinement of management practices and systems.

## DIRECTORS

### The Board

The Board has been entrusted with the overall responsibility for corporate governance, strategic direction and overseeing the investments of the Group.

The Board is currently formulating a formal schedule of matters, including strategic, financial and organisational matters, specifically reserved to it for decision to further ensure that the direction and control of the Company and the Group is firmly in its hands.

The Board holds meetings at least four times a year, with additional meetings convened, if necessary. During the financial year ended 31 January 2002, six Board meetings were held. Details of the attendance of the Directors at the Board Meetings are as follows:

Directors	Attendance
(i) YBhg Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	6/6
(ii) YBhg Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa)	3/4
(iii) Taing Kim Hwa	6/6
(iv) Goh Chin Liong	6/6
(v) Wong Sewe Wing	4/6
(vi) Chua Siow Leng	5/6
(vii) Choe Kai Keong	6/6
(viii) Cheah Hon Kuen	6/6
(ix) Choo Tak Woh	6/6

In the interval between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are sought via circular resolutions which are attached with sufficient information required for an informed decision. Additional discussions are also held with the Chairman where necessary during the year.

All the members of the Board have attended the Mandatory Accreditation Program ("MAP") as required and prescribed by Kuala Lumpur Stock Exchange ("KLSE"). In addition, the Board is further provided with opportunities to attend various external training and courses identified, on a continuous basis, by the Group's human resource function, which serve to assist and equip the members of the Board in effectively discharging their duties. The Board ensures that new recruits

to the Board are briefed on the Group's operations and is looking to enhance this process to include site visits.

Where appropriate, the following matters have been delegated to Board Committees, all of which have written constitutions and terms of references. Individual Directors, their roles and membership of separate committees are as follows:

### (i) Audit Committee

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to accounting and reporting practices of the Group. The Audit Committee Report is set out on pages 15 to 17.

The Audit Committee is supported by an Audit Sub-Committee, which reviews any related party transactions that may arise within the Group. Minutes of the meetings of the Audit Sub-Committee are escalated to the Audit Committee for review.

#### (ii) Nomination Committee

The Committee was established on 11 July 2001, comprising exclusively of Non-Executive Directors, a majority of whom are independent, with the responsibility for proposing new nominees to the Board and for assessing Directors on an on-going basis.

The members of the Nomination Committee are as follows:

- (i) YBhg Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid (Chairman)
- (ii) YBhg Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa)
- (iii) Cheah Hon Kuen
- (iv) Choo Tak Woh

The Nomination Committee is delegated with the following specific tasks:

- Recommend candidates to the Board for directorships;
- Consider, in making recommendations for directorships, candidates proposed by the Managing Director, other senior executives, Directors or shareholders; and
- Recommend to the

board, Directors to fill the seats on board committees.

The Board, through the Nomination Committee will review annually its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board. The assessment criteria and processes are currently being developed for individual Directors, Committees and Board of Directors. All Directors will be subject to the same

to the Board on all elements of remuneration and terms of employment for Executive Directors.

The first meeting of the Remuneration Committee was held on 23 January 2002. The members of the Remuneration Committee consists wholly of Non-Executive Directors and their attendance at the sole meeting during the year is as listed below:-

Members of Remuneration Committee	Attendance
(i) YBhg Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid (Chairman)	1
(ii) YBhg Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa)	1
(iii) Cheah Hon Kuen	-
(iv) Choo Tak Woh	1

assessment criteria and process.

The Nomination Committee will meet as required and there was no meeting held during the financial year.

#### (iii) Remuneration Committee

The Remuneration Committee was established on 11 July 2001 in line with the Code and is delegated with the following duties:

- to study and periodically review and implement policies governing the remuneration for Executive Directors.
- to make recommendations

#### (iv) Options Committee

The Options Committee was established to administer the Executives' Share Options Scheme of WCT in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required. The members of the Committee are as follows:

- (i) Cheah Hon Kuen (Chairman)
- (ii) Taing Kim Hwa
- (iii) Goh Chin Liong

Meetings of the Options Committee are held when necessary. There was one

meeting held during the financial year, on 29 November 2001, and all Committee members attended the meeting.

### Board Balance

Effective from July 2001, the Board has nine members, comprising four Non-Executive Directors (including the Chairman) and five Executive Directors. Three of the nine Directors are Independent Non-Executive Directors, which is in compliance with the statutory requirement of one-third independence. Together, the Directors have a wide range of business, financial and technical experience. The mixture of skill and experience is essential in driving the Group towards continued success in the future. The profile of each Director is presented on pages 2 and 3.

The roles and responsibilities of the Chairman and Managing Director for the Group are clearly defined and separated in order to provide for balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Managing Director has overall responsibilities over the operating units, organizational effectiveness and implementation of Board decisions.

The presence of the Independent Non-Executive Directors on the Board fulfils a pivotal role in ensuring corporate accountability. Despite all Directors having equal responsibility for the Group's overall operations, the role of these Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advice, opinions and

judgements to take into account the interests, not only of the Group but also the interest of the shareholders, employees, customers, suppliers and the many communities in which the Group conducts business.

In view of the current composition of the Board, particularly the clear and strong independent element and the separation of the roles of the Chairman and Managing Director, the Board does not consider it necessary to nominate a Senior Independent Non-Executive Director to whom concerns of other Directors may be conveyed.

### Supply of information

All scheduled meetings held during the financial year were preceded with a formal agenda issued by the Company Secretary in consultation with the Chairman and the Managing Director. The agenda for each of the meetings was accompanied by the minutes of preceding meetings of the Board and Board Committees, reports on group financial performance, industry trends, business plans and proposals, quarterly result announcements and other relevant information.

All Directors have access to the advice and services of the Company Secretary together with all information within the Group. Directors are informed and aware they may take independent professional advice, if necessary and appropriate in furtherance of their duties, at the expense of the Group.

### Appointments and re-elections to the Board

Procedures relating to the appointment and re-election of

Directors are contained in the Company's Articles of Association. All new Directors are subject to election at the Annual General Meeting, following their first appointment. In addition, one-third of the Directors are required by rotation to submit themselves for re-election by shareholders at every Annual General Meeting of the Company.

The Company Secretary ensures that all appointments are properly made, and that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations arising from the Listing Requirements of KLSE or other regulatory requirements.

### DIRECTORS' REMUNERATION

#### The level and make-up of remuneration

The current salary packages comprise a combination of basic salary to attract and retain talent in a competitive environment and a variable incentive that is measured against the performances of individual Directors. There are additional allowances payable to the members of the Board who sit as members on the Board Committees.

In accordance with Article 72 of the Company's Articles of Association, the shareholders had on 18 October, 2001 approved in advance an annual payment of Directors' fees of an aggregate amount not exceeding RM300,000 to be divided amongst the Directors in such manner as they may determine for financial year

ending 31 January 2002 and for each financial year thereafter. The total Directors' fees for the year ended 31 January 2002 was RM167,000 and the Board will seek fresh approval from shareholders when there is need to revise the said aggregate amount.

#### Procedure

The Remuneration Committee is looking into establishing a remuneration policy to assess all elements of remuneration and other terms of employment for Executive Directors and Senior Executives of the Group.

#### Disclosure

The Board has considered disclosure of details of the remuneration of each Director. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' Remuneration are appropriately served by the "band disclosure" as required by the Listing Requirements of the KLSE.

#### SHAREHOLDERS

##### Dialogue between the Company and Investors

The Board believes in clear and regular communication with its shareholders and institutional investors. Besides the various announcements made during the financial year, the Annual Report and release of financial results on a quarterly basis provide shareholders with an overview of the Group's performance and its business activities.

All enquiries made are normally dealt with as promptly as practicable. In addition, the Board plans to conduct regular dialogues with institutional

The remuneration received by the Directors from the Company for the financial year ended 31 January, 2002 is as follows:

Salary band (RM)	Chairman/Executive Director (Number of Directors)	Non-Executive Director (Number of Directors)
Less than 50,000	-	3
150,001 – 200,000	1	-
450,001 – 500,000	1	-
500,001 – 550,000	3	-
600,001 – 650,000	1	-

	Fees (RM)	Salaries (RM)	Bonuses and allowances (RM)	Other benefit-in-kind (based on an estimated money value) (RM)
Chairman/Executive Directors	135,000	2,236,432	336,800	145,654
Non-Executive Directors	32,000	-	20,000	-

investors, fund managers and analysts with the aim of fostering mutual understanding of the Group's objectives.

#### The Annual General Meeting

The Company has over the years used the Annual General Meeting as a forum of communication with its shareholders. The Board encourages participation from shareholders by having a question and answer session during the Annual General Meeting whereby the Directors are available to discuss aspects of the Group's performance and its business activities. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman declares the number of proxy votes received both for and against each separate resolution when appropriate.

For re-election of directors, the Board ensures that full information is disclosed through the notice of meetings regarding directors who are

retiring and who are willing to serve if re-elected.

#### Accountability and Audit

##### (a) Financial Reporting

In its financial reporting to shareholders and other interested parties by means of annual financial statements and quarterly results announcements, the Board aims to present a balanced and understandable assessment of the Group's financial position and prospects.

##### (b) Internal Control

The Board of Directors has frequently placed strong emphasis on maintaining a sound system of internal control which is necessary to safeguard the Group's assets and shareholders' investment. In this respect, the Board affirms its overall responsibility for the Group's internal control system, which encompasses risk management practices as well as financial, operational and compliance controls.

Information on the Group's internal control system is presented in the Statement on Internal Control laid out on pages 18 to 19.

**(c) Relationship with Auditors**

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's auditors, both external and internal in seeking professional advice and ensuring compliance with the accounting standards of Malaysia.

In relation to the Financial Statement, the role of the Audit Committee in relation to the external auditors can be found in the Audit Committee Report set out in pages 15 to 17.

**Statement of compliance with the Best Practice of Code.**

The Company is committed to achieving high standard of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all of its business dealings. Except as mentioned in the various sections above, the Board considers that it has complied throughout the financial year with the most of the Best Practices as set out in the Code.

Statement made in accordance with the resolution of the Board of Directors dated 23 May 2002.

**Additional corporate information**

In conformance with the Requirements of KLSE, the following information is provided:

**1. Utilisation of proceeds**

The status of utilization of proceeds from the issue of bonds with warrants during the financial year was disclosed in the financial statements on page 62.

**2. Shares Buy-Back**

The Company does not have Shares Buy-Back for the financial year.

**3. Exercise of options, warrants or convertible securities**

The options exercised in relation to the Employees' Share Options Scheme during the financial year had been disclosed in the financial statements on page 59.

There are no warrants being converted during the financial year.

**4. American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme**

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

**5. Imposition of Sanctions/Penalties**

The Company had on 24 February 2001 been publicly reprimanded by the KLSE for breach of Section 114 of the KLSE Main Board Listing Requirements for failing to make immediate announcements in respect of an acquisition and a disposal of 1.3 Million of shares in MTD Capital Berhad by Bulatan Gemilang Sdn Bhd (now

known as WCT Overseas Sdn Bhd), a wholly owned subsidiary of the Company.

The public reprimand was imposed pursuant to Section 392 of the KLSE Main Board Listing Requirements.

**6. Non-Audit fees**

The aggregate amount of non-audit fees paid to the external auditors by the Company and its subsidiaries for the financial year are RM72,000.

**7. Profit estimate, forecast or projection**

The Company did not release any profit estimate, forecast or projection during the financial year.

**8. Profit Guarantee**

There was no profit guarantee given by the Company during the financial year.

**9. Material Contracts (Recurrent related party transactions)**

Save as disclosed hereunder, there were no material contracts entered into by the Company and its subsidiaries which involve Directors' and major shareholders' interests since the previous financial year and during the financial year.

**10. Contracts relating to Loan**

There was an advance due from Labor Bina Sdn Bhd, an associated company during the financial year. The details are set out in the financial statements on page 51.

**RECURRENT RELATED PARTY TRANSACTIONS**

Related Parties	Nature of transactions	Transacted value for financial year ended 31 January 2002 (RM)
Labur Bina Sdn Bhd	Award of Contract (Construction and completion of building works)	4,920,300
Labur Bina Sdn Bhd	Award of Contract (Construction of pedestrian bridge and drainage works and landscape)	374,101
Labur Bina Sdn Bhd	Property management services	667,500
Labur Bina Sdn Bhd	Award of Contracts (Construction and completion of building works)	48,412,927
MTD Construction Sdn Bhd	Award of Contract (Earthworks & drainage)	41,067,361
MTD Construction Sdn Bhd	Award of Contract (Construction and completion of building works)	2,529,721
Alloy Consolidated Sdn Bhd	Award of Contract (Bridges)	8,431,361
	Aggregate Value	106,403,271

# Audit Committee Report

## A. TERMS OF REFERENCE

### I. COMPOSITION

1. The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfills the following requirements:

- (a) the Committee must be composed of no fewer than 3 members;
- (b) a majority of the Committee must be independent directors; and
- (c) at least one member of the Committee:
  - (i) must be a member of the Malaysian Institute of Accountant ;or
  - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience: and
    - (aa) he must have passed the examinations specified in Part I and of the 1st Schedule of the Accountants Act 1967;or
    - (bb) he must be a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

2. The members of the Committee shall elect a Chairman from among themselves who shall be an Independent Non-Executive Director.

3. No alternate director should be appointed as a member of the Committee.

4. In the event of any vacancy in the Committee resulting in the non-compliance of the listing requirement of the Kuala Lumpur Stock Exchange pertaining to composition of audit committee, the Board of Directors shall within three months of that event fill the vacancy.

5. The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

Members of the Audit Committee and their attendance are as follows:

Members of Audit Committee	Attendance
Cheah Hon Kuen (Chairman) (Independent Non-Executive Director)	5/5
YBhg Dato' Nik Mohd Khalid bin Kamil (Dato' Wangsa Kamal) (Independent Non-Executive Director) (Appointed on 30 May 2001)	2/3
Choo Tak Woh (Independent Non-Executive Director)	5/5
Goh Chin Liong (Deputy Managing Director) (Appointed on 27 September 2001)	1/1
Taing Kim Hwa (Managing Director) (Resigned on 27 September 2001)	4/4

### II. MEETING

#### Frequency

1. Meetings shall be held not less than four times a year, with additional meetings convened as and when necessary.
2. Upon the request of the external auditor, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditor believes should be brought to the attention of the Directors or shareholders.

#### Quorum

1. A quorum of the Committee shall be at least two members and consist of a majority of independent directors.

#### Secretary

1. The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorized by the Chairman of the Committee.

#### Reporting Procedure

1. The minutes of each meeting shall be circulated to the Committee members and to all members of the Board.

### Attendance

1. The Head of Corporate & Finance, the Head of Internal Audit and the representative of the external auditors (if required) shall normally attend meetings.
2. Other Directors and employees may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.
3. At least once a year, the Committee shall meet with the external auditors without any executive Board members present.

### III. AUTHORITY OF THE AUDIT COMMITTEE

- The Audit Committee is authorized by the Board of Directors to investigate into any activities within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to cooperate on any request made by the Audit Committee.
- The Audit Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- The Audit Committee shall be empowered to convene meetings with the external auditors without the presence of the executive members of the Audit Committee, whenever deemed necessary.
- The Audit Committee shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity, if any.

### IV. DUTIES AND RESPONSIBILITIES

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 auditors may wish to discuss (in the absence of management where 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 works;
  - 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 transactions 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 promptly report to the Kuala Lumpur Stock Exchange on matters reported by it to the Board that have not been satisfactory resolved resulting in a breach of the Listing Requirements of the Kuala Lumpur Stock Exchange.
- To consider other topics as defined by the Board.

## V. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR

The Audit Committee met 5 times during the financial year for the following purposes:

- (i) to review the financial statements before and recommend to the Board for approval before quarterly announcement to Kuala Lumpur Stock Exchange.
- (ii) to review the financial statements together with the external auditors 'management letter and management's response.
- (iii) to review the guidelines and procedures in relation to recurrent related party transactions.
- (iv) to consider the appointment of the external auditors, the audit fee and any question of resignation of the previous external auditors.
- (v) to discuss with external auditors the audit plan and scope for the year as well as the audit procedures to be utilised.
- (vi) to discuss with internal auditor on its scope of work, adequacy of resources and co-ordination with external auditors.

## VI. INTERNAL AUDIT FUNCTION

The Company has established an Internal Audit Department which provides assistance to the Audit Committee in the discharge of its duties and responsibilities. The role of the Internal Audit Department is to provide independent and objective reports on the organization's management records, accounting policies and controls to the Audit Committee. The internal audits are based on processes by which significant risks are identified, assessed and managed. Such audits also ensure instituted controls are appropriate and are effectively applied to achieve acceptable risks exposures.

During the financial year, the Internal Audit Department conducted independent reviews and evaluated risk exposures relating to the Group's governance, operations and management information system as follows:

- (a) Reliability and integrity of financial and operational information.

- (b) Effectiveness and efficiency of operations.

- (c) Safeguarding of assets.

- (d) Compliance with policies and procedures, laws, regulations and contracts ie reasonably ensuring conformity and adherence to these matters.

The Internal Audit Department also established follow-up audit reviews to monitor and ensure that internal audit's recommendations have been effectively implemented. Reports, including where relevant, action plans agreed with the operational level management, are circulated to senior management and are tabled at the Audit Committee Meeting.

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

# Statement on Internal Control

## Responsibility

The Board recognises that it is responsible for the Group's system of internal control and for reviewing its effectiveness whilst the role of management is to implement Board policies on risk and control. The Board is committed to effective risk management practices as it understands that such practices are essential in the maintenance of a sound system of internal control. Notwithstanding, such a system can only provide reasonable assurance and not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Board acknowledges, and has communicated to management, through its Risk Management Policy, that risk management is a key discipline, within the system of internal control, not only to be able to link risk and control, but also to:

- Optimise the returns to and protect the interests of stakeholders (including shareholders, customers and staff)
- Safeguard the organisation's assets and maintain reputation
- Improve the organisation's operating performance
- Realise the Group's strategic objectives

## Key Processes

During the financial year, at the request of the Board, the Group's three main divisions, Engineering & Construction, Property and Overseas, developed detailed business plans which were reviewed and approved by the Management Committee and the Board. These plans were drawn up after considering divisional historical operating and financial performance, and assessment of the internal and external risk factors faced by the respective divisions. To ensure that the respective business plan objectives and the overall business objectives of the Group are realisable, given the risk considerations, action plans have also been drawn up which entail enhanced processes and controls.

In striving to operate a system of internal control that will drive the Group towards its goals, the Board relies upon balanced monitoring and reviewing of the system by the Management Committee and Audit Committee respectively.

The Management Committee oversees the day-to-day operations and conduct of the Group's business. Further, scheduled meetings are held at operational and management levels to identify, discuss and resolve business and operational issues. These include scheduled management meetings, project managers' meetings and site meetings at Group and individual subsidiary levels. Minutes of these meetings and management reports are escalated to the relevant Executive Directors on a timely basis.

The Audit Committee receives reports from the internal and external auditors on a regular basis. Subsequent to the financial year end, the Group entered into a co-sourcing arrangement with an independent professional accounting firm. This measure was taken in order to enhance its current internal audit function by adopting a risk-based internal audit approach.

During the current financial year, based on the Statement on Internal Control: Guidance for Directors of Public Listed Companies (the Guidance) issued by the KLSE's Task Force on Internal Control, the Board conducted a specific effectiveness review of the Group's system of internal control. Based on the review, the following internal control features are present in the Group:

- clear and formal reporting lines up to the Board
- clearly defined functions of the Board's Committees
- proper segregation of duties to ensure safe custody of the Group's assets
- formal and structured management reporting procedures which allow for effective monitoring of the Group's operations
- independent internal audit function
- processes are in accordance with the requirements of ISO 9002:1994 Quality Systems
- Internal Quality Audits are carried out on a regular basis

Nonetheless and following from the abovementioned review, action plans have been drawn up, with appropriate timelines, to further enhance the present system.

The Board, therefore, remains committed towards continuous improvement and enhancement of its system of internal control to ensure that there is increased certainty of the achievement of business objectives, thus enhancing shareholder value.

Statement made in accordance with the resolution of the Board of Directors dated 23 May 2002.

# Statement of Directors' Responsibility in Relation to the Financial Statements

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

The Directors consider that in preparing the financial statements,

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

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

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

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# Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2002.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in civil engineering, specialising in earthworks, highway construction, related infrastructure works and also in investment and trading of properties. The principal activities of the subsidiary companies are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## FINANCIAL RESULTS

	<i>GROUP</i> <i>RM</i>	<i>COMPANY</i> <i>RM</i>
Profit after taxation	51,802,999	29,287,836
Retained profit brought forward	78,340,912	47,334,101
	130,143,911	76,621,937
Transfer to capital reserve	(400,000)	-
Dividends	(9,514,420)	(9,514,420)
Retained profit carried forward	120,229,491	67,107,517

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

## DIVIDENDS

Dividends paid since the end of the Company's previous financial year were as follows:-

	<i>RM</i>
In respect of the financial year ended 31 January 2001, a final tax exempt dividend of 2.5% was paid on 31 July 2001	2,371,720
In respect of the financial year ended 31 January 2001, a special tax exempt dividend of 2.5% was paid on 31 July 2001	2,371,720
In respect of the current financial year, an interim tax exempt dividend of 5% was paid on 23 November 2001	4,770,980
	9,514,420

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 January 2002 of final and special tax exempt dividend of 5% and 2.5% on ordinary shares of RM1.00 each amounting to RM4,800,280 and RM2,400,140 respectively based on the issued and paid up share capital of the Company at the balance sheet date will be proposed for shareholders' approval. Such dividend, if approved by the shareholders will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2002.

## MOVEMENTS ON RESERVES AND PROVISIONS

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

## SHARE CAPITAL

The issued and paid up share capital of the Company was increased from RM93,998,200 to RM96,005,600 by way of issue of 2,007,400 fully paid ordinary shares of RM1 each arising from the exercise of share options under the Employees Share Option Scheme of the Company.

## DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:-

Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	
Taing Kim Hwa	
Goh Chin Liong	
Wong Sewe Wing	
Chua Siow Leng	
Choe Kai Keong	
Cheah Hon Kuen	
Choo Tak Woh	
Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa)	(Appointed on 30 May 2001; retired and re-appointed on 11 July 2001)

## DIRECTORS' INTERESTS

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

	<i>Number of ordinary shares of RM1 each</i>			
	<i>At 1.2.01</i>	<i>Bought</i>	<i>Sold</i>	<i>At 31.1.02</i>
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid - direct	328,800	226,400	-	555,200
Taing Kim Hwa - direct	4,118,080	240,000	-	4,358,080
- indirect	30,960,960	-	-	30,960,960
Goh Chin Liong - direct	538,640	261,000	100,000	699,640
Wong Sewe Wing - direct	4,304,000	192,000	354,000	4,142,000
- indirect	30,960,960	-	-	30,960,960
Chua Siow Leng - direct	508,000	198,000	10,000	696,000
Choe Kai Keong - direct	269,680	347,920	15,000	602,600

**DIRECTORS' INTERESTS (CONT'D)**

	<i>Number of warrants</i>			<i>At 31.1.02</i>
	<i>At 7.3.01</i>	<i>Bought</i>	<i>Sold</i>	
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid - direct	185,000	20,000	49,000	156,000
Taing Kim Hwa - direct	2,160,000	-	-	2,160,000
- indirect	16,481,000	-	-	16,481,000
Goh Chin Liong - direct	270,000	-	250,000	20,000
Wong Sewe Wing - direct	2,152,000	-	20,000	2,132,000
- indirect	16,481,000	-	-	16,481,000
Chua Siow Leng - direct	254,000	18,000	-	272,000
Choe Kai Keong - direct	135,000	127,000	-	262,000

By virtue of their interest in the shares of the Company and under Section 6A of the Companies Act, 1965, Taing Kim Hwa and Wong Sewe Wing are deemed interested in the shares of all the subsidiaries to the extent the Company has an interest.

**EMPLOYEES SHARE OPTION SCHEME**

The Company had received an exemption for disclosure of the relevant information in relation to the Employee Share Option Scheme under Section 169(11) of the Companies Act, 1965 for the financial year, from Companies Commission of Malaysia via their letter dated 18 April 2002.

Details of the scheme and options granted and not exercised as at 23 January 2002 are set out in Note 24 to the financial statements.

The Directors' share options in the Company pursuant to the Employees Share Option Scheme are as follows:-

	<i>Number of options over ordinary shares of RM1 each</i>				<i>At 23.1.02</i>
	<i>At 1.2.01</i>	<i>Granted</i>	<i>Exercised</i>	<i>Terminated</i>	
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	192,000	-	(192,000)	-	-
Taing Kim Hwa	840,000	-	(240,000)	(600,000)	-
Goh Chin Liong	672,000	-	(192,000)	(480,000)	-
Wong Sewe Wing	672,000	-	(192,000)	(480,000)	-
Chua Siow Leng	192,000	-	(192,000)	-	-
Choe Kai Keong	584,000	-	(224,000)	(360,000)	-

## DIRECTORS' BENEFITS

The other Directors holding office at the end of the financial year have no interests in the ordinary shares, warrants and options in the Company or its related corporations during the financial year.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of fees, emoluments or monetary value of benefits received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest.

Neither at the end of the financial year nor at any time during that financial year, did there subsist any arrangement to which the Company or any of its subsidiary companies is a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the Directors' share options in the Company pursuant to the Employees Share Option Scheme as disclosed above.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 27 March 2001, the Company announced that its investing company, CIDB Inventures Sdn. Bhd. ("CIDBI") entered into a Concession Agreement with the National Highways Authority of India.

The Concession Agreement is for the improvement and upgrading of certain stretches of highway in India and thereafter the operation, maintenance and toll collection of the highways. The Concession period is thirty years inclusive of construction period. On 29 June 2001, CIDBI assigned the Concession to Swarna Tollway Private Ltd. (Swarna), a newly incorporated company in India, whereby CIDBI holds a 30% equity interest.

- (b) On 12 June 2001, the Company transferred 10,000 ordinary shares representing 10% equity interest in CIDBI to its wholly owned subsidiary, WCT Overseas Sdn. Bhd. (formerly known as Bulatan Gemilang Sdn. Bhd.) ("WCT Overseas") at par for cash. On 25 July 2001, WCT Overseas further subscribed an additional 850,000 ordinary shares of RM1.00 in CIDBI at par for cash, maintaining its 10% equity interest.

On 25 July 2001, WCT Overseas acquired 1 ordinary share of USD1 representing 100% of the issued and paid up capital of WCT (International) Private Ltd. ("WCT (International)") at par for cash and which in turn owns 100% of issued and paid up capital of WCT (Offshore) Private Ltd. ("WCT (Offshore)"). Both of these companies are incorporated in the Republic of Mauritius.

- (c) On 14 August 2001, WCT Property And Development Sdn. Bhd., a subsidiary company, changed its name to WCT Properties Sdn. Bhd.
- (d) On 8 October 2001, the Company entered into a conditional shareholders' agreement ("Shareholders' Agreement") with CIDB Inventures Sdn. Bhd. ("CIDBI"), IJM Corporation Berhad ("IJM"), Bumi Hiway Ventures Berhad and MTD Capital Berhad, for the purpose of recording the terms of their co-operation, regulating their respective rights and obligations in respect of their investments, either directly or via their respective subsidiaries, in Swarna. Swarna is a joint venture special purpose company incorporated to, inter alia, design, engineer, build, operate and maintain certain sections of two highways in India.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

In conjunction with the Shareholders' Agreement, WCT (Offshore) together with CIDBI, IJMII (Mauritius) Limited, Bumi Hiway (India) Private. Ltd. and International MTDCap (Mauritius) Limited has on the same date entered into a conditional share sale agreement ("Share Sale Agreement") with IJM (India) Infrastructure Limited, 70%-owned subsidiary of IJM Construction Sdn. Bhd., which in turn is a wholly-owned subsidiary of IJM, and Dammavalam Sreenivasa Rao for the acquisition of Swarna Shares. Pursuant to the Share Sale Agreement, WCT (Offshore) will acquire 1,700 Swarna Shares representing 17% equity interest in Swarna for a total cash consideration of Rs17,000 or approximately RM1,373, assuming an exchange rate of Rs12.38 per RM1.00 as at 3 October 2001 ("Exchange Rate").

CIDBI, a company in which WCT Overseas has 10% equity interest, will acquire 3,000 Swarna Shares representing 30% equity interest in Swarna for a total cash consideration of Rs30,000 or approximately RM2,423 (based on the Exchange Rate). WCT Overseas' share of the cash consideration for the aforesaid acquisition by CIDBI will be Rs3,000 or approximately RM242 (based on the Exchange Rate). As a result of the above, the effective equity interest of the Company in Swarna pursuant to the Share Sale Agreement will be 20% comprising 2,000 Swarna Shares ("Sale Shares") and the total cash consideration for the Sale Shares is Rs20,000 or approximately RM1,615 (assuming the Exchange Rate) ("Proposed Acquisition").

The Proposed Acquisition is conditional upon approvals being obtained from the following:-

- (i) Bank Negara Malaysia, which was obtained on 20 July 2001;
  - (ii) The shareholders of the WCT at an extraordinary general meeting, which was obtained on 19 February 2002;
  - (iii) Foreign Investment Promotion Board in India, which was obtained on 15 April 2002;
  - (iv) The regulatory authorities in India; and
  - (v) Any other relevant authorities.
- (e) On 18 October 2001, the Company amended its Articles of Association to comply with the Listing Requirements of the Kuala Lumpur Stock Exchange.
- (f) On 15 November 2001, WCT (International) subscribed a 30% equity interest in Gamuda-WCT (Offshore) Private Limited ("GWOPL").

GWOPL is an investment holding company and was incorporated in the Republic of Mauritius. It is the holding company of Mapex Infrastructure Private Limited, the concession company which will undertake the Panagarh-Palsit Highway project in the State of West Bengal (India).

- (g) On 16 November 2001, WCT (International) subscribed a 30% equity interest in Gamuda-WCT (India) Private Limited ("GWIPL") through its wholly owned subsidiary, WCT (Offshore).

GWIPL was incorporated in India and is intended to be an engineering, procurement and construction company to undertake the Panagarh-Palsit Highway project in the State of West Bengal (India).

- (h) On 21 November 2001, a Concession Agreement ("CA") was signed between Mapex Infrastructure Private Limited ("Mapex") and the National Highways Authority of India wherein Mapex is awarded a contract to, inter alia, design, finance, construct, operate and maintain the highway project known as 4-laning of KM517 to KM 581.457 Panagarh-Palsit Section on the National Highway Project No.2 in the State of West Bengal.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

Mapex was incorporated in India for the purpose of the project. 99.99% of the shares in the Company are held by GWOPL and 0.01% held by Mr Yap Peng Loong. The share capital of GWOPL is in turn held 30% by WCT (International), 50% held by Gamuda (Offshore) Private Limited and 20% held by Sunfield Investment Limited, all incorporated in the Republic of Mauritius.

- (i) On 11 December 2001, the Company proposed to undertake a rationalisation exercise of WCT Group which involves the realignment of certain companies and assets within the WCT Group into strategic business groupings to enhance operational efficiency and competitiveness. In connection with the above, WCT has entered into the following rationalisation agreements:
- (i) Conditional Share Sale Agreement dated 11 December 2001 between the Company and WCT Construction Sdn. Bhd. ("WCT Construction"), a wholly-owned subsidiary of the Company, for the acquisition of 10,000,000 ordinary shares of RM1.00 each representing the entire equity interest of WCT Machinery Sdn. Bhd., a wholly-owned subsidiary of the Company for a total cash consideration of RM10,000,000;
  - (ii) Conditional Share Sale Agreement dated 11 December 2001 between the Company and WCT Construction for the acquisition of 1,000,000 ordinary shares of RM1.00 each representing the entire equity interest of WCT Products Sdn. Bhd., a wholly-owned subsidiary of the Company for a total cash consideration of RM200,000;
  - (iii) Conditional Share Sale Agreement dated 11 December 2001 between the Company and WCT Realty Sdn. Bhd. ("WCT Realty"), a wholly-owned subsidiary of the Company, for the acquisition of 2 ordinary shares of RM1.00 each representing the entire equity interest of WCT Properties Sdn. Bhd. (formerly known as WCT Property And Development Sdn. Bhd.) ("WCT Properties"), a wholly-owned subsidiary of the Company for a total cash consideration of RM2;
  - (iv) Conditional Sale and Purchase Agreement dated 11 December 2001 between the Company and WCT Properties for the acquisition of the Company's investment properties and properties held as stock for a total cash consideration of RM69,832,229; and
  - (v) Novation Agreement dated 11 December 2001 between the Company and WCT Properties and WCT Realty for the assignment and transfer of all undertakings, agreements, duties, liabilities, rights and obligations to pay the purchase consideration in respect of the investment properties and properties held as stock from WCT Properties to WCT Realty.

The above transactions were approved by the Foreign Investment Committee on 28 February 2002. The transfer of shares relating to the agreements mentioned in item (i), (ii) and (iii) above has been effected on 1 April 2002.

- (j) On 12 December 2001, the Company proposed a new employees' share option scheme for a duration of 10 years for its Eligible Employees after the expiry date of the existing employees' share option scheme. The Company implemented the existing employees' share option scheme on 24 January 1997 for a duration of 5 years which has expired on 23 January 2002.

The proposed new employees' share option scheme was approved by the Securities Commission on 18 January 2002 and at an Extraordinary General Meeting held on 13 March 2002.

### **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

- (k) On 31 January 2002, the National Highways Authority of India ("NHAI") has awarded to a consortium comprising Gamuda Berhad and the Company a contract to, inter-alia, design, finance, construct, operate and maintain the highway project known as "4-laning of existing Durgapur Expressway in State of West Bengal India. The estimated project cost is 420 Crores or RM350million based on an exchange rate of RS12 per RM1.00. The project is adjacent to the Panagarh-Palsit highway project.

As required by NHAI, Gamuda Berhad and the Company will incorporate in India a special purpose vehicle as a Concession Company to undertake the Project and to enter into Concession Agreement with NHAI.

### **SUBSEQUENT EVENTS TO THE BALANCE SHEET DATE**

Subsequent events to the balance sheet date are disclosed in Note 41 to the financial statements.

### **OTHER STATUTORY INFORMATION**

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps:-
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of circumstances which would render:-
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; and
  - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:-
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Group and of the Company which have arisen since the end of the financial year.

**OTHER STATUTORY INFORMATION (CONT'D)**

(f) In the opinion of the Directors:-

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

**AUDITORS**

The auditors, Ernst & Young, have expressed their willingness to accept re-appointment.

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

TAING KIM HWA  
Managing Director

GOH CHIN LIONG  
Deputy Managing Director

Kuala Lumpur, Malaysia  
Date: 23 May 2002

# Statement by Directors

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

We, TAING KIM HWA and GOH CHIN LIONG, being two of the Directors of WCT ENGINEERING BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 32 to 71 have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:-

- (i) the financial position of the Group and of the Company as at 31 January 2002 and the results of the Group and of the Company for the financial year then ended; and
- (ii) the cash flows of the Group and of the Company for the financial year ended 31 January 2002.

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

TAING KIM HWA  
Managing Director

GOH CHIN LIONG  
Deputy Managing Director

Kuala Lumpur, Malaysia  
Date: 23 May 2002

# Statutory Declaration

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

I, MD HILMI BIN DATUK HJ MD NOOR, being the Officer primarily responsible for the financial management of WCT ENGINEERING BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 32 to 71 are, in my opinion, 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 MD HILMI BIN DATUK HJ MD NOOR ) MD HILMI BIN DATUK HJ MD NOOR  
at Kuala Lumpur in the Federal Territory )  
on 23 May 2002 )

Before me,  
Commissioner for Oaths

# Report of the the Auditors

to the members of WCT Engineering Berhad

We have audited the financial statements set out on pages 32 to 71. 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. These 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 Directors, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the financial position of the Group and of the Company as at 31 January 2002 and the results and cash flows of the Group and of the Company for the financial year then ended; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries for which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements of the subsidiary companies for which we have not acted as auditors, as indicated in Note 6 to the financial statements which are included in the consolidated financial statements. The financial statements of these subsidiary companies have not been audited to date. However, for the purpose of our audit of the consolidated financial statements, we have reviewed those financial statements.

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

The Auditors' Reports on the financial statements of the subsidiary companies are not subject to any qualification and do not include any comment required to be made under Section 174(3) of the Companies Act, 1965.

ERNST & YOUNG AF: 0039  
Chartered Accountants

Kua Choo Kai 2030/03/04(J)  
Partner

Kuala Lumpur, Malaysia  
Date: 23 May 2002

# Balance Sheets

as at 31 January 2002

	Note	GROUP		COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM
PROPERTY, PLANT AND EQUIPMENT	3	48,741,193	46,100,282	8,740,877	10,492,639
LAND HELD FOR DEVELOPMENT	4	124,254,926	116,619,453	-	-
INVESTMENT PROPERTIES	5	57,263,072	57,388,072	57,263,072	57,388,072
SUBSIDIARY COMPANIES	6	-	-	10,837,832	10,837,832
ASSOCIATED COMPANIES	7	15,133,761	8,731,378	-	-
INVESTMENTS	8	1,000,000	10,000	-	10,000
SINKING FUNDS	9	2,661,517	-	2,661,517	-
		249,054,469	228,849,185	79,503,298	78,728,543
<b>CURRENT ASSETS</b>					
Development properties	10	76,500,591	49,979,765	-	-
Properties	11	17,002,667	20,546,033	17,002,667	20,546,033
Stocks	12	115,606	112,611	-	-
Trade receivables	13	175,987,421	131,116,006	98,103,536	97,694,245
Other receivables	14	20,934,240	2,512,827	1,608,033	2,199,894
Amounts due from subsidiary companies	15	-	-	323,154,121	255,953,865
Amounts due from associated companies	7	52,614,000	50,814,000	-	-
Deposits	16	44,986,918	55,284,559	17,287,992	32,159,150
Cash and bank balances	17	11,369,682	2,164,298	6,870,182	995,699
		399,511,125	312,530,099	464,026,531	409,548,886
<b>CURRENT LIABILITIES</b>					
Trade payables	18	187,785,583	196,099,790	66,563,948	75,755,978
Other payables	19	7,833,473	6,324,555	4,006,728	3,340,414
Amount due to subsidiary companies	15	-	-	105,747,814	129,668,464
Hire purchase creditors	20	4,731,206	3,846,502	500,143	571,773
Bank overdrafts	21	20,786,833	11,793,189	17,996,028	8,614,165
Bills payable	22	31,079,000	19,748,000	23,520,000	13,597,000
Term loans	23	25,189,996	90,808	25,189,996	90,808
Taxation		6,987,907	10,287,269	3,946,489	7,250,983
		284,393,998	248,190,113	247,471,146	238,889,585
<b>NET CURRENT ASSETS</b>		115,117,127	64,339,986	216,555,385	170,659,301
		364,171,596	293,189,171	296,058,683	249,387,844

	<i>Note</i>	<b>GROUP</b>		<b>COMPANY</b>	
		<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>FINANCED BY:</b>					
<b>CAPITAL AND RESERVES</b>					
Share capital	24	96,005,600	93,998,200	96,005,600	93,998,200
Share premium	25	1,071,323	413,754	1,071,323	413,754
Reserves	26	124,398,388	82,109,809	69,876,412	50,102,996
		221,475,311	176,521,763	166,953,335	144,514,950
<b>LONG-TERM LIABILITIES</b>					
Deferred taxation	27	3,323,958	4,382,000	454,000	257,000
Hire purchase creditors	20	11,822,492	9,215,020	1,101,513	1,545,506
Term loans	23	7,549,835	112,492	7,549,835	112,492
5% Redeemable unsecured bonds 2000/2005	28	120,000,000	102,957,896	120,000,000	102,957,896
		142,696,285	116,667,408	129,105,348	104,872,894
		364,171,596	293,189,171	296,058,683	249,387,844

The annexed notes form an integral part of these financial statements.

# Income Statements

for the financial year ended 31 January 2002

	<i>Note</i>	<i>GROUP</i>		<i>COMPANY</i>	
		<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
		<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
REVENUE	29	473,856,297	450,100,811	282,090,840	302,033,746
COST OF SALES		(397,258,890)	(388,487,654)	(238,827,975)	(260,562,659)
GROSS PROFIT		76,597,407	61,613,157	43,262,865	41,471,087
Other operating income	30	10,386,338	8,278,537	16,859,519	11,217,398
Administration costs		(12,727,981)	(11,213,299)	(7,386,545)	(7,817,741)
Other operating costs		(1,579,610)	(2,675,660)	(1,231,155)	(2,123,222)
PROFIT FROM OPERATIONS		72,676,154	56,002,735	51,504,684	42,747,522
Finance costs		(7,202,221)	(5,674,293)	(9,591,691)	(4,477,870)
NET PROFIT FROM OPERATIONS		65,473,933	50,328,442	41,912,993	38,269,652
Share of profits of associated company		8,896,541	6,789,340	-	-
PROFIT BEFORE TAXATION	31	74,370,474	57,117,782	41,912,993	38,269,652
TAXATION	32	(22,567,475)	(17,362,770)	(12,625,157)	(11,820,000)
PROFIT AFTER TAXATION		51,802,999	39,755,012	29,287,836	26,449,652
EARNINGS PER SHARE (SEN)	33	54.67	42.41		
FULLY DILUTED EARNINGS PER SHARE (SEN)	33	50.99	40.30		
NET DIVIDENDS PER SHARE (SEN)	34	10.00	20.00		

The annexed notes form an integral part of these financial statements.

# Statement of Changes in Equity

for the financial year ended 31 January 2002

	Note	← Non-Distributable →			Distributable		Total RM
		Share Capital RM	Share premium RM	Revaluation reserve RM	Capital reserve RM	Retained profit RM	
<b>GROUP</b>							
<b>2001</b>							
At 1 February 2000 as previously reported		57,779,500	10,780,061	3,416,396	400,000	68,382,840	140,758,797
Prior year adjustments	35 (a)	-	-	(647,501)	-	647,501	-
	35 (b)	-	-	-	-	7,222,438	7,222,438
At 1 February 2000 as restated		57,779,500	10,780,061	2,768,895	400,000	76,252,779	147,981,235
Incidental cost incurred in relation to bonds and share issue		-	(956,616)	-	-	-	(956,616)
Net gains and losses not recognised in the income statement		-	(956,616)	-	-	-	(956,616)
Share options exercised		970,500	489,270	-	-	-	1,459,770
Capitalised for bonus issue		35,248,200	(9,898,961)	-	-	(25,349,239)	-
Bonus issue of a subsidiary company		-	-	-	600,002	(600,002)	-
Profit after taxation		-	-	-	-	39,755,012	39,755,012
Dividends	34	-	-	-	-	(11,717,638)	(11,717,638)
At 31 January 2001 as restated		93,998,200	413,754	2,768,895	1,000,002	78,340,912	176,521,763
<b>2002</b>							
At 1 February 2001 as previously reported		93,998,200	413,754	3,416,396	1,000,002	72,993,501	171,821,853
Prior year adjustments	35 (a)	-	-	(647,501)	-	647,501	-
	35 (b)	-	-	-	-	4,699,910	4,699,910
At 1 February 2001 as restated		93,998,200	413,754	2,768,895	1,000,002	78,340,912	176,521,763
Incidental cost incurred in relation to bonds and share issue		-	(97,599)	-	-	-	(97,599)
Net gains and losses not recognised in the income statement		-	(97,599)	-	-	-	(97,599)
Share options exercised		2,007,400	755,168	-	-	-	2,762,568
Capitalised for bonus issue		-	-	-	400,000	(400,000)	-
Profit after taxation		-	-	-	-	51,802,999	51,802,999
Dividends	34	-	-	-	-	(9,514,420)	(9,514,420)
At 31 January 2002		96,005,600	1,071,323	2,768,895	1,400,002	120,229,491	221,475,311

The annexed notes form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY CONTINUED

		<u>Share capital</u>	<u>Non-Distributable Share premium</u>	<u>Revaluation reserve</u>	<u>Distributable Retained profit</u>	<u>Total</u>
	<i>Note</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
<b>COMPANY</b>						
<b>2001</b>						
At 1 February 2000 as previously reported		57,779,500	10,780,061	3,416,396	50,728,888	122,704,845
Prior year adjustments	35 (a)	-	-	(647,501)	-	(647,501)
	35 (b)	-	-	-	7,222,438	7,222,438
At 1 February 2000 as restated		57,779,500	10,780,061	2,768,895	57,951,326	129,279,782
Incidental cost incurred in relation to bonds and share issue		-	(956,616)	-	-	(956,616)
Net gains and losses not recognised in the income statement		-	(956,616)	-	-	(956,616)
Share options exercised		970,500	489,270	-	-	1,459,770
Capitalised for bonus issue		35,248,200	(9,898,961)	-	(25,349,239)	-
Profit after taxation		-	-	-	26,449,652	26,449,652
Dividends	34	-	-	-	(11,717,638)	(11,717,638)
At 31 January 2001 as restated		93,998,200	413,754	2,768,895	47,334,101	144,514,950
<b>2002</b>						
At 1 February 2001 as previously reported		93,998,200	413,754	3,416,396	42,634,191	140,462,541
Prior year adjustments	35 (a)	-	-	(647,501)	-	(647,501)
	35 (b)	-	-	-	4,699,910	4,699,910
At 1 February 2001 as restated		93,998,200	413,754	2,768,895	47,334,101	144,514,950
Incidental cost incurred in relation to bonds and share issue		-	(97,599)	-	-	(97,599)
Net gains and losses not recognised in the income statement		-	(97,599)	-	-	(97,599)
Share options exercised		2,007,400	755,168	-	-	2,762,568
Profit after taxation		-	-	-	29,287,836	29,287,836
Dividends	34	-	-	-	(9,514,420)	(9,514,420)
At 31 January 2002		96,005,600	1,071,323	2,768,895	67,107,517	166,953,335

The annexed notes form an integral part of these financial statements.

# Cash Flow Statements

for the financial year ended 31 January 2002

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	74,370,474	57,117,782	41,912,993	38,269,652
Adjustments for:-				
Depreciation	8,614,000	10,105,031	1,080,935	2,117,966
Interest expense	7,202,221	5,674,293	9,591,691	4,477,870
Share of profits in associated company	(8,896,541)	(6,789,340)	-	-
(Gain)/loss on disposal of property, plant and equipment	(1,287,543)	(788,173)	150,220	(241,961)
Interest income	(3,845,658)	(3,356,588)	(14,158,700)	(8,023,361)
Bad debts written off	-	5,256	-	5,256
Provision for doubtful debts	125,535	-	-	-
Write down of properties	-	878,292	-	878,292
(Gain)/loss on disposal of investment properties	(240,308)	45,500	(240,308)	45,500
Provision for doubtful debts written back	-	(197,850)	-	(197,850)
Provision for foreseeable losses	2,710,126	-	-	-
Provision for foreseeable losses no longer required	(2,531,726)	-	(2,531,726)	-
Operating profit before working capital changes	76,220,580	62,694,203	35,805,105	37,331,364
Associated company	(1,800,000)	(2,662,072)	-	-
Properties	3,543,366	(2,621,802)	3,543,366	(2,621,802)
Stocks	(2,995)	(16,927)	-	-
Receivables	(66,128,489)	800,290	182,570	(9,210,183)
Payables	(4,273,563)	39,019,187	(5,993,990)	(4,858,615)
Subsidiary companies	-	-	(91,120,906)	(132,467,931)
Cash flows generated from/(used in) operations	7,558,899	97,212,879	(57,583,855)	(111,827,167)
Interest paid	(6,285,268)	(7,323,681)	(3,668,403)	(2,477,870)
Interest income	3,845,658	3,356,588	14,158,700	8,023,361
Taxation paid	(24,424,879)	(18,138,420)	(15,732,651)	(11,537,457)
Net cash (used in)/generated from operating activities	(19,305,590)	75,107,366	(62,826,209)	(117,819,133)

## CASH FLOW STATEMENTS CONTINUED

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(7,164,605)	(9,365,250)	(253,366)	(827,958)
Purchase of land for development	-	(148,673,103)	-	-
Development expenditure incurred	(29,149,964)	(14,276,727)	-	-
Purchase of investment properties	-	(1,080)	-	(1,080)
Purchase of investments				
- associated companies	(5,842)	-	-	-
- unquoted shares	(990,000)	-	-	-
Proceeds from disposal of property, plant and equipment	4,630,084	1,138,017	773,973	345,263
Proceeds from disposal of investment properties	365,308	479,500	365,308	479,500
Proceeds from transfer of investment to a subsidiary	-	-	10,000	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(32,315,019)</b>	<b>(170,698,643)</b>	<b>895,915</b>	<b>(4,275)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid	(9,514,420)	(11,717,638)	(9,514,420)	(11,717,638)
Sinking funds	(2,661,517)	-	(2,661,517)	-
Proceeds from bills payable	11,331,000	4,684,434	9,923,000	2,728,434
Proceeds from term loans	33,341,030	-	33,341,030	-
Proceeds from issue of shares	2,762,568	1,459,770	2,762,568	1,459,770
Proceeds from issue of bonds	17,042,104	102,957,896	17,042,104	102,957,896
Payment of incidental costs to issue of bonds and shares	(97,599)	(956,616)	(97,599)	(956,616)
Coupon payment on bonds	(5,923,288)	(2,000,000)	(5,923,288)	(2,000,000)
Repayment to hire purchase creditors	(3,940,671)	(3,926,674)	(515,623)	(846,794)
Repayment of term loans	(804,499)	(97,312)	(804,499)	(97,312)
<b>Net cash generated from financing activities</b>	<b>41,534,708</b>	<b>90,403,860</b>	<b>43,551,756</b>	<b>91,527,740</b>

CASH FLOW STATEMENTS CONTINUED

	<i>Note</i>	<b>GROUP</b>		<b>COMPANY</b>	
		<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		(10,085,901)	(5,187,417)	(18,378,538)	(26,295,668)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		45,655,668	50,843,085	24,540,684	50,836,352
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	35,569,767	45,655,668	6,162,146	24,540,684

The annexed notes form an integral part of these financial statements.

# Notes to the Financial Statements - 31 January 2002

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention modified to include the revaluation of certain freehold land and investment properties, and comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Companies Act, 1965.

### (b) Basis of Consolidation

The consolidated balance sheet and income statement include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year using the acquisition method of accounting. The results of the subsidiary companies acquired or disposed of during a financial year are included in the consolidated income statement from the date of their acquisition or up to the date of their disposal. Inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The excess of the value of the net tangible assets of subsidiary companies at the date of acquisition over the purchase price is included in the consolidated balance sheet as reserve arising on consolidation. The deficit of the value of the net tangible assets of subsidiary companies at the date of acquisition over the purchase price is included in the consolidated balance sheet as goodwill arising on consolidation. There is currently no goodwill/reserves arising from consolidation.

### (c) Subsidiary Companies

Investments in subsidiary companies are stated at cost less provision for any permanent diminution in value, if any.

Subsidiary companies are those companies in which the parent company holds directly or indirectly more than 50% of the equity share capital and has the power to exercise control over the financial and operating policies so as to attain benefit from their activities.

Dividend income from subsidiary companies is included in the income statement of the Company when received.

### (d) Associated Companies

An associated company is a company in which the Group has a long term equity interest of between 20 and 50 percent and where the Group has the power to exercise significant influence over the financial and operating policies through board representation.

Investments in associated companies in the Company's financial statements are stated at cost less provision for any permanent diminution in value.

The Group's share of results and reserves of associated companies acquired or disposed of are included in the consolidated financial statements using the equity method of accounting from the date of acquisition or up to the date of disposal based on the audited or management financial statements of the associated companies, as applicable.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(e) Property, Plant and Equipment**

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

The freehold land is to be revalued at least once in every 5 years by Directors based on the opinion of independent professional valuers. Surplus arising from such valuation will be credited to shareholders' equity as a revaluation reserve and any deficit shall be charged against such surplus to the extent that decrease offset any increase. In all other cases, the deficit is charged to income statement.

Freehold land is not depreciated while leasehold land is amortised over the period of the lease.

Depreciation on other assets is calculated to write off the cost or amount of the valuation of property, plant and equipment on a straight line basis over the expected useful lives of the assets concerned.

The annual rates are:-	%
Freehold building	2
Plant and machinery	10 - 20
Motor vehicles	15 - 20
Office equipment	15 - 20
Furniture and fittings	15 - 20
Renovation	15

**(f) Land Held for Development**

Land and development expenditure whereby no significant development work has been undertaken is classified as land and development expenditure in long term assets.

Land held for development are stated at cost. Cost includes cost of land, incidental cost of acquisition and related development expenditure.

**(g) Capitalisation of Borrowing Cost**

Interest cost incurred on specific and identifiable borrowings to acquire land held for development and on the construction of development properties which require a period of time to get them ready for its intended use or sale are capitalised and included as part of the cost of the related assets.

Capitalisation of borrowing cost will cease when assets are ready for their intended use.

**(h) Investments**

Long term investments are stated at cost less provision for diminution in value, if any, which is considered to be permanent. Short term investments are stated at the lower of cost and net realisable value.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(i) Investment Properties**

Investment properties are landed properties which are not intended for resale in the ordinary course of business. The investment properties are to be revalued at least once in every 5 years by Directors based on the opinion of independent professional valuers. Surplus arising from such valuation will be credited to shareholders' equity as a revaluation reserves and any deficit shall be charged against such surplus to the extent that decrease offset any increase. In all other cases, the deficit is 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 attributable profits less progress billings and anticipated losses. Cost includes cost of land, all direct building cost and other related development expenditure and administrative overheads relating to the projects.

**(k) Stocks**

Stocks have been valued at the lower of cost and net realisable value after providing for obsolete and slow moving items.

Cost is determined on a first-in first-out basis. Cost comprises the cost of purchase plus the cost of bringing the stocks to its present condition.

**(l) Properties**

Properties held for trading purposes are classified as current assets and are stated at the lower of cost and net realisable value.

**(m) Construction Contracts**

Construction contracts comprise those costs directly related to specific uncompleted contracts and a proportion of attributable overheads plus attributable profits less progress billings and anticipated losses.

Cost consists of direct materials, direct labour, direct overhead, sub-contract charges and attributable expenses.

**(n) Receivables**

Known bad debts are written off and specific provision is made for any debts considered to be doubtful of collection.

**(o) Payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services rendered, whether billed or not billed to the Group and to the Company.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(p) Lease and Hire Purchase**

Assets acquired under finance leases, which transfer to the lessee substantially all benefits and risks of ownership are capitalised in the financial statements and the corresponding obligation treated as liability. The interest element of the lease obligation is charged against the income statement over the lease period using the sum-of-digits method.

Operating leases are leases other than finance leases. Lease rentals applicable to operating leases are charged to the income statement as incurred.

Assets acquired under finance leases and hire purchase agreements are capitalised at their purchase cost and depreciated over their estimated useful lives. The assets and corresponding lease obligations are recorded at the lower of the net present value of minimum lease payments or the fair value of the lease assets at the beginning of the respective lease terms.

Rental payable under operating leases are accounted for in the income statement on a straight line basis over the period of the respective lease.

**(q) Deferred Taxation**

Deferred taxation is provided using the liability method, on all material timing differences at balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Where such timing differences give rise to net deferred tax benefits, these timing differences are not accounted for.

**(r) Foreign Currency Translations**

Foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at rates of exchange ruling at the balance sheet date and income and expense items, where applicable, are converted at rates ruling on the transactions dates. Gains or losses on exchange are taken up in the income statement.

The financial statements of foreign subsidiary companies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. On consolidation, exchange differences arising on translation are taken to exchange fluctuation reserve.

In preparation of the consolidated financial statements, the following exchange rates were applied:

	<b>2002</b>	<b>2001</b>
1 US Dollar	RM3.80	RM3.80

**(s) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:-

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (s) Revenue Recognition (Cont'd)

#### **Contract Revenue**

Contract revenue is recognised by reference to the stage of physical completion of the contract based on completion of a physical proportion of the contract work. Contract revenue and costs are recognised as revenue and expense in the income statement in the accounting year in which the work is performed. The contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed. Profits expected to be realised on construction contracts are based on estimates of total revenue and costs at completion. These estimates are reviewed and revised periodically throughout the lives of the construction contracts and adjustment to the profits resulting from such revisions are recorded in the accounting year in which the revisions are made. If estimates of costs to complete the construction contracts indicate losses, provision is made for the full losses anticipated in the year in which they are identified.

#### **Sale of Goods and Properties**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

#### **Interest Income, Rental Income and Hiring of Machineries**

Interest income, rental income and hiring of machineries are recognised on an accrual basis when the rights to receive payments are established.

#### **Property Development Revenue**

Property development revenue is recognised using the percentage of completion method based on completion of a physical proportion of the contract work.

Prudent estimate of the profits attributable to work performed are recognised once the outcome of the property development can be reasonably or reliably determined. Where property development outcome is not reliably determined, profits are not recognised to the extent of the recoverable costs. In all cases, anticipated losses are provided in full.

Profits expected to be realised on property development are based on estimates of total revenue and cost at completion. These estimates are reviewed and revised periodically throughout the lives of the property development and adjustments to profits resulting from such revisions are recorded in the accounting period in which the revisions are made. If estimates of costs to complete property development indicate losses, provision is made for the full losses anticipated in the year in which they are identified.

### (t) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, fixed deposits and short-term, highly liquid investments with maturity of three months or less from the date of acquisition and are readily convertible into cash with insignificant risk of change in value, net of outstanding bank overdrafts.

**3. PROPERTY, PLANT AND EQUIPMENT**

	<i>Freehold land</i>	<i>Freehold building</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Furniture and fittings</i>	<i>Renovation</i>	<i>Total 2002</i>	<i>Total 2001</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
<b>GROUP</b>									
NET BOOK VALUE									
At 1 Feb	6,393,861	4,674,399	28,797,903	5,395,490	673,575	124,843	40,211	46,100,282	39,297,248
Addition	7,910	-	12,054,994	2,041,646	353,321	39,638	99,943	14,597,452	17,257,909
Disposal	-	-	(3,138,620)	(202,037)	(1,884)	-	-	(3,342,541)	(349,844)
Depreciation	-	(103,876)	(5,990,679)	(2,151,326)	(280,877)	(63,130)	(24,112)	(8,614,000)	(10,105,031)
At 31 Jan	6,401,771	4,570,523	31,723,598	5,083,773	744,135	101,351	116,042	48,741,193	46,100,282
<b>COMPANY</b>									
NET BOOK VALUE									
At 1 Feb	1,806,221	4,674,399	869,114	2,597,283	387,603	117,808	40,211	10,492,639	10,166,134
Addition	-	-	-	-	125,116	28,307	99,943	253,366	2,547,772
Disposal	-	-	(798,964)	(125,229)	-	-	-	(924,193)	(103,301)
Depreciation	-	(103,876)	(28,120)	(742,457)	(124,517)	(57,853)	(24,112)	(1,080,935)	(2,117,966)
At 31 Jan	1,806,221	4,570,523	42,030	1,729,597	388,202	88,262	116,042	8,740,877	10,492,639

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM14,597,452 (2001: RM17,257,909) of which RM7,432,847 (2001: RM7,892,659) was acquired by means of hire purchase arrangements. Cash payments of RM7,164,605 (2001: RM9,365,250) were made to purchase property, plant and equipment.

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of RM253,366 (2001: RM2,547,772) of which RMNil (2001: RM1,719,814) was acquired by means of hire purchase arrangements. Cash payments of RM253,366 (2001: RM827,958) were made to purchase property, plant and equipment.

**3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	<i>Cost/Valuation</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
<b>GROUP - 2002</b>			
Freehold land	6,401,771	-	6,401,771
Freehold building	5,193,779	623,256	4,570,523
Plant and machinery	48,574,835	16,851,237	31,723,598
Motor vehicles	15,637,047	10,553,274	5,083,773
Office equipment	2,225,563	1,481,428	744,135
Furniture and fittings	491,933	390,582	101,351
Renovation	160,753	44,711	116,042
	<b>78,685,681</b>	<b>29,944,488</b>	<b>48,741,193</b>
<b>GROUP - 2001</b>			
Freehold land	6,393,861	-	6,393,861
Freehold building	5,193,779	519,380	4,674,399
Plant and machinery	46,100,297	17,302,394	28,797,903
Motor vehicles	14,289,964	8,894,474	5,395,490
Office equipment	1,898,464	1,224,889	673,575
Furniture and fittings	452,295	327,452	124,843
Renovation	60,810	20,599	40,211
	<b>74,389,470</b>	<b>28,289,188</b>	<b>46,100,282</b>
<b>COMPANY - 2002</b>			
Freehold land	1,806,221	-	1,806,221
Freehold building	5,193,779	623,256	4,570,523
Plant and machinery	320,950	278,920	42,030
Motor vehicles	4,323,623	2,594,026	1,729,597
Office equipment	905,594	517,392	388,202
Furniture and fittings	404,662	316,400	88,262
Renovation	160,753	44,711	116,042
	<b>13,115,582</b>	<b>4,374,705</b>	<b>8,740,877</b>
<b>COMPANY - 2001</b>			
Freehold land	1,806,221	-	1,806,221
Freehold building	5,193,779	519,380	4,674,399
Plant and machinery	5,608,278	4,739,164	869,114
Motor vehicles	4,620,940	2,023,657	2,597,283
Office equipment	780,478	392,875	387,603
Furniture and fittings	376,355	258,547	117,808
Renovation	60,810	20,599	40,211
	<b>18,446,861</b>	<b>7,954,222</b>	<b>10,492,639</b>

**3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

## Analysis of Cost &amp; Valuation

	<i>Cost</i>	<i>Valuation</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
<b>GROUP - 2002</b>			
Freehold land	4,595,550	1,806,221	6,401,771
Freehold building	5,193,779	-	5,193,779
Plant and machinery	48,574,835	-	48,574,835
Motor vehicles	15,637,047	-	15,637,047
Office equipment	2,225,563	-	2,225,563
Furniture and fittings	491,933	-	491,933
Renovation	160,753	-	160,753
	76,879,460	1,806,221	78,685,681
<b>GROUP - 2001</b>			
Freehold land	4,587,640	1,806,221	6,393,861
Freehold building	5,193,779	-	5,193,779
Plant and machinery	46,100,297	-	46,100,297
Motor vehicles	14,289,964	-	14,289,964
Office equipment	1,898,464	-	1,898,464
Furniture and fittings	452,295	-	452,295
Renovation	60,810	-	60,810
	72,583,249	1,806,221	74,389,470
<b>COMPANY - 2002</b>			
Freehold land	-	1,806,221	1,806,221
Freehold building	5,193,779	-	5,193,779
Plant and machinery	320,950	-	320,950
Motor vehicles	4,323,623	-	4,323,623
Office equipment	905,594	-	905,594
Furniture and fittings	404,662	-	404,662
Renovation	160,753	-	160,753
	11,309,361	1,806,221	13,115,582
<b>COMPANY - 2001</b>			
Freehold land	-	1,806,221	1,806,221
Freehold building	5,193,779	-	5,193,779
Plant and machinery	5,608,278	-	5,608,278
Motor vehicles	4,620,940	-	4,620,940
Office equipment	780,478	-	780,478
Furniture and fittings	376,355	-	376,355
Renovation	60,810	-	60,810
	16,640,640	1,806,221	18,446,861

**3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Certain freehold land of the Group were revalued in 1999 based on an independent professional valuation using open market values on an existing basis. If the revalued freehold land had been stated at cost less accumulated depreciation, their carrying amounts would have been as follows:

<b>GROUP/COMPANY</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Freehold land	1,984,055	1,984,055

Included in the property, plant and equipment of the Group and of the Company are the net book values of the following assets acquired under hire purchase:

	<b>Net Book Value</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
Machinery	13,961,280	8,683,300
Office equipment	110,500	-
Motor vehicles	4,542,825	5,194,850
	18,614,605	13,878,150
<b>Company</b>		
Motor vehicles	1,704,565	2,445,298

**4. LAND HELD FOR DEVELOPMENT**

	<b>GROUP</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
At cost,		
Freehold land	103,766,775	151,227,675
Property development expenditure	55,925,463	15,371,543
	159,692,238	166,599,218
Less: Transfer to development properties	(35,437,312)	(49,979,765)
	124,254,926	116,619,453

Included in the land and property development expenditure is interest capitalised of RM3,003,801 (2001: RM2,554,572). The entire cost of land held for development are pledged to the bank for facilities granted.

**5. INVESTMENT PROPERTIES**

	<b>GROUP AND COMPANY</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
<b>At valuation</b>		
Freehold land	5,112,342	5,112,342
Leasehold land	4,895,486	4,895,486
Building	10,007,828	10,007,828
	47,255,244	47,380,244
	57,263,072	57,388,072

Investment properties are stated based on independent professional valuations using the comparison method carried out at 28 January 1999.

Under the historical cost convention, the carrying values of investment properties would be as follows:-

	<b>GROUP AND COMPANY</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
<b>At cost</b>		
Freehold land	4,404,397	4,404,397
Leasehold land	6,159,688	6,159,688
Building	10,564,085	10,564,085
	51,833,570	51,965,116
	62,397,655	62,529,201

Certain investment properties with carrying value of RM7,490,072 (2001: RM7,490,072) and RM297,000 (2001: RM297,000) have been pledged as securities for bank overdrafts and term loans respectively, by the Group and Company during the financial year.

**6. SUBSIDIARY COMPANIES**

	<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares - at cost	10,837,832	10,837,832

The subsidiary companies are:-

<b>Name of company</b>	<b>Note</b>	<b>Place of incorporation</b>	<b>Effective Interest</b>		<b>Principal activity</b>
			<b>2002</b>	<b>2001</b>	
			%	%	
Gemilang Waras Sdn. Bhd.	(a)	Malaysia	100	100	Property development

**6. SUBSIDIARY COMPANIES (CONT'D)**

<i>Name of company</i>	<i>Note</i>	<i>Place of incorporation</i>	<i>Effective Interest</i>		<i>Principal activity</i>
			<i>2002</i>	<i>2001</i>	
			%	%	
WCT Construction Sdn. Bhd.		Malaysia	100	100	Civil engineering and construction works
WCT Machinery Sdn. Bhd.		Malaysia	100	100	Hiring of machineries and repair of vehicles
WCT Overseas Sdn. Bhd. (Formerly known as Bulatan Gemilang Sdn. Bhd.)		Malaysia	100	100	Investment holding
WCT Products Sdn. Bhd.		Malaysia	100	100	Trading of building materials
WCT Properties Sdn. Bhd. (Formerly known as WCT Property And Development Sdn. Bhd.)		Malaysia	100	100	Property investment
WCT Realty Sdn. Bhd.		Malaysia	100	100	Investment holding
WCT (International) Private Ltd	(b)	Republic of Mauritius	100	-	Investment holding
WCT (Offshore) Private Ltd.	(c)	Republic of Mauritius	100	-	Investment holding

(a) Held through WCT Realty Sdn. Bhd.

(b) Held through WCT Overseas Sdn. Bhd. (Formerly known as Bulatan Gemilang Sdn. Bhd.)

(c) Held through WCT (International) Private Ltd.

The financial statements of WCT (International) Private Ltd. and WCT (Offshore) Private Ltd. are not audited by the Company's auditor, Ernst & Young or its members firm.

## 7. ASSOCIATED COMPANIES

The associated companies are:-

Name of company	Note	Place of incorporation	Effective Interest		Principal activity
			2002	2001	
			%	%	
Labur Bina Sdn. Bhd.	(a)	Malaysia	50	50	Property development
Labur Bina Management Sdn. Bhd.	(a)	Malaysia	50	50	Management services
Gamuda-WCT (Offshore) Private Limited	(b)	Republic of Mauritius	30	-	Investment holding
Mapex Infrastructure Private Limited	(b)	India	30	-	Concessionaire
Gamuda-WCT (India) Private Limited	(c)	India	30	-	Engineering, procurement and construction

(a) Held through WCT Realty Sdn. Bhd.

(b) Held through WCT (International) Private Ltd.

(c) Held through WCT (Offshore) Private Ltd.

	GROUP	
	2002	2001
	RM	RM
Unquoted shares, at cost	2,505,842	2,500,000
Group's share of post acquisition profits and retained reserves	12,627,919	6,231,378
	15,133,761	8,731,378
Amounts due from Labur Bina Sdn. Bhd. (associated company)		
- shareholder's advances	15,000,000	15,000,000
- interest on shareholder's advances	11,014,000	9,214,000
- share application money	26,600,000	26,600,000
	52,614,000	50,814,000
	67,747,761	59,545,378

The shareholder's advances represent the Group's share of the development expenditure incurred by an associated company. These advances are unsecured, carries an interest rate of 12% (2001: 12%) per annum and has no fixed terms of repayment.

The Share Application Monies is non-interest bearing and has no fixed term of repayment.

**7. ASSOCIATED COMPANIES (CONT'D)**

The Group's interest in the associated companies is as shown below:

	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Group's share of net identifiable assets	67,747,761	59,545,378
Premium on acquisition	-	-
	<b>67,747,761</b>	<b>59,545,378</b>

**8. INVESTMENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At cost, Unquoted shares, outside Malaysia	1,000,000	10,000	-	10,000

**9. SINKING FUNDS**

The Company has set up a sinking fund account for the purpose of bond redemption. The account is managed by the trustee of the bonds. As at 31 January 2002, the balance in this account amounts to RM2,661,517 and has been placed as deposits with licensed banks.

**10. DEVELOPMENT PROPERTIES**

	<b>GROUP</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
At cost, Freehold land	60,302,775	47,460,900
Property development expenditure	46,247,106	2,518,865
	<b>106,549,881</b>	<b>49,979,765</b>
Add: Attributable profit	10,469,488	-
	<b>117,019,369</b>	<b>49,979,765</b>
Less: Progress billings	(40,518,778)	-
	<b>76,500,591</b>	<b>49,979,765</b>

Included in development properties is interest capitalised of RM2,002,534 (2001: RM1,094,816). The entire cost of development properties are pledged to the bank for facilities granted.

**11. PROPERTIES**

	<b>GROUP AND COMPANY</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
At net realisable value	17,002,667	20,546,033

**12. STOCKS**

	<b>GROUP</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
At cost, Consumable stores	115,606	112,611

**13. TRADE RECEIVABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Amount due from contract customers	31,041,281	16,922,899	8,675,390	11,298,133
Retention sum	48,170,556	35,916,344	25,220,537	24,713,284
Trade receivables	96,917,480	78,293,124	64,223,970	61,699,189
	176,129,317	131,132,367	98,119,897	97,710,606
Provision for doubtful debts	(141,896)	(16,361)	(16,361)	(16,361)
	175,987,421	131,116,006	98,103,536	97,694,245

The following tabulation of construction contracts shows the elements included in amount due from and due to contract customers:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Aggregate costs incurred to date	655,357,335	420,558,307	446,799,889	317,565,777
Add: Attributable profits	105,477,688	77,555,547	36,223,263	18,777,052
Less: Anticipated losses	(2,710,126)	-	-	-
	758,124,897	498,113,854	483,023,152	336,342,829
Less: Progress billings	(768,007,639)	(499,628,080)	(486,679,105)	(333,025,763)
	(9,882,742)	(1,514,226)	(3,655,953)	3,317,066
Represented by:-				
Amount due from contract customers	31,041,281	16,922,899	8,675,390	11,298,133
Amount due to contract customers (Note 18)	(40,924,023)	(18,437,125)	(12,331,343)	(7,981,067)
	(9,882,742)	(1,514,226)	(3,655,953)	3,317,066
Amount of contract revenue recognised as revenue during the year	381,803,787	412,588,135	277,832,715	299,018,976
Amount of contract cost recognised as expenses during the year	329,272,602	356,818,960	238,827,975	257,547,889

**14. OTHER RECEIVABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Sundry receivables	9,091,535	1,064,459	825,798	1,341,213
Deposits	1,340,447	926,876	652,235	858,681
Share application monies	9,114,077	-	-	-
Advance to project debtors	-	190,033	-	-
Advances to sub-contractors	1,381,000	321,357	130,000	-
Prepayments	7,181	10,102	-	-
	<b>20,934,240</b>	<b>2,512,827</b>	<b>1,608,033</b>	<b>2,199,894</b>

**15. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES**

	<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Amounts due from subsidiary companies		
- trade accounts	20,882,447	1,690,730
- current accounts	302,271,674	254,263,135
	<b>323,154,121</b>	<b>255,953,865</b>
Amounts due to subsidiary companies		
- trade accounts	(106,024,223)	(128,155,429)
- current accounts	276,409	(1,513,035)
	<b>(105,747,814)</b>	<b>(129,668,464)</b>

The amounts due to subsidiary companies under trade accounts are unsecured, non-interest bearing and have no fixed term of repayment.

The amounts due from subsidiary companies under current accounts are unsecured, non-interest bearing and have no fixed term of repayment except for an amount of RM204,392,726 (2001: RM158,168,915) which carried interest rates ranging from 5% to 12% (2001: 5% to 12%) per annum.

**16. DEPOSITS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
With licensed discount house	33,020,255	51,503,987	7,821,329	30,878,578
With licensed banks	11,966,663	3,780,572	9,466,663	1,280,572
	<b>44,986,918</b>	<b>55,284,559</b>	<b>17,287,992</b>	<b>32,159,150</b>

Included in deposits with licensed banks of the Group and the Company is an amount of RM280,000 (2001: RM280,000) charged to a licensed bank for overdraft facility provided.

**17. CASH AND BANK BALANCES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash held under Housing Development Accounts	1,426,481	-	-	-
Cash and bank balances	9,943,201	2,164,298	6,870,182	995,699
	11,369,682	2,164,298	6,870,182	995,699

**18. TRADE PAYABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Amount due to contract customers (Note 13)	40,924,023	18,437,125	12,331,343	7,981,067
Advances received on contracts	1,181,935	4,022,205	1,181,935	4,022,205
Retention sum	74,357,777	35,716,623	11,749,382	15,801,938
Trade payables	71,321,848	137,923,837	41,301,288	47,950,768
	187,785,583	196,099,790	66,563,948	75,755,978

**19. OTHER PAYABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Sundry creditors	2,834,778	2,280,214	121,523	121,292
Accruals	3,242,952	3,159,454	2,333,904	2,454,106
Others	1,755,743	884,887	1,551,301	765,016
	7,833,473	6,324,555	4,006,728	3,340,414

**20. HIRE PURCHASE CREDITORS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Future minimum hire purchase payments:				
Amount due within 1 financial year	6,158,196	4,477,029	642,611	734,758
Amount due between 2 and 5 financial years	13,293,844	12,234,495	1,224,314	1,996,904
	19,452,040	16,711,524	1,866,925	2,731,662
Future finance charges	(2,898,342)	(3,650,002)	(265,269)	(614,383)
	16,553,698	13,061,522	1,601,656	2,117,279
Present value of hire purchase creditors:				
Amount due within 1 financial year	4,731,206	3,846,502	500,143	571,773
Amount due between 2 and 5 financial years	11,822,492	9,215,020	1,101,513	1,545,506
	16,553,698	13,061,522	1,601,656	2,117,279

**21. BANK OVERDRAFTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Secured	4,334,044	2,595,676	4,334,044	2,595,676
Unsecured	16,452,789	9,197,513	13,661,984	6,018,489
	<b>20,786,833</b>	<b>11,793,189</b>	<b>17,996,028</b>	<b>8,614,165</b>

The secured bank overdraft of the Group and the Company are secured against the Company's investment properties with carrying value of RM7,490,072 (2001: RM7,490,072) and a fixed deposit of RM280,000 (2001: RM280,000). The bank overdrafts bear interest rates ranging from 1.25% to 1.75% (2001: 1.25% to 1.75%) above the banks' base lending rate.

**22. BILLS PAYABLE**

The bills payable of the Group and the Company are unsecured and bear interest rates ranging from 3.00% to 6.86% (2001: 3.00% to 6.86%).

**23. TERM LOANS**

	<b>GROUP AND COMPANY</b>			
	<b>Term Loan I</b>	<b>Term Loan II</b>	<b>Bridging Loan</b>	<b>Total</b>
<b>2002</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Repayable within 12 months	109,244	11,324,752	13,756,000	25,189,996
Repayable after 12 months	-	7,549,835	-	7,549,835
	<b>109,244</b>	<b>18,874,587</b>	<b>13,756,000</b>	<b>32,739,831</b>
Ageing analysis:-				
Amount due within 1 financial year	109,244	11,324,752	13,756,000	25,189,996
Amount due between 2 and 5 financial years	-	7,549,835	-	7,549,835
	<b>109,244</b>	<b>18,874,587</b>	<b>13,756,000</b>	<b>32,739,831</b>
<b>2001</b>				
Repayable within 12 months	90,808	-	-	90,808
Repayable after 12 months	112,492	-	-	112,492
	<b>203,300</b>	<b>-</b>	<b>-</b>	<b>203,300</b>
Ageing analysis:-				
Amount due within 1 financial year	90,808	-	-	90,808
Amount due between 2 and 5 financial years	112,492	-	-	112,492
	<b>203,300</b>	<b>-</b>	<b>-</b>	<b>203,300</b>

Term loan I is secured against the Company's investment properties with carrying value of RM297,000 (2001: RM297,000), which is repayable in 180 monthly instalments commencing from March 1998 and interest is charged at rates ranging from 1.25% to 1.5% (2001: 1.25% to 1.5%) per annum above the bank's base lending rate.

Term loan II is secured against contract revenue from a construction project in Putrajaya, which is repayable in 33 monthly instalments commencing from September 2001 and interest rate is charged at 1.25% (2001: Nil) per annum above the bank's base lending rate.

Bridging loan is unsecured, bears interest rate at 1.5% above cost of funds and repayable on 13 June 2002.

**24. SHARE CAPITAL**

	<b>GROUP AND COMPANY</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Authorised 500,000,000 ordinary shares of RM1 each	500,000,000	500,000,000
Issued and fully paid		
At 1 February	93,998,200	57,779,500
Share options exercised	2,007,400	970,500
Bonus issue	-	35,248,200
At 31 January	96,005,600	93,998,200

During the financial year, the issued and paid up share capital of the Company was increased from RM93,998,200 to RM96,005,600 by the issue of 1,296,000, 304,800 and 406,600 new ordinary shares of RM1 each at option prices of RM1.00, RM1.61 and RM2.40 respectively pursuant to the Employees Share Option Scheme of the Company. The new shares issued rank pari passu with the existing shares of the Company.

**(a) Warrants**

Pursuant to the issue of RM120 million nominal amount of 5% redeemable unsecured bonds 2000/2005 with detachable warrants 2000/2005 at 100% of the nominal amount of the bonds to the Primary Subscriber, Arab-Malaysian Merchant Bank Berhad ("AMMB") structured on a "bought deal" basis, 46,999,100 warrants were issued to AMMB on 6 October 2000. The warrants were subsequently offered and allotted to shareholders of the Company on 15 February 2001 by AMMB at an offer price of 36.3 sen per warrant on a renounceable basis of one (1) warrant for every two (2) existing ordinary shares held in the Company. The warrants were subsequently listed on Kuala Lumpur Stock Exchange on 8 March 2001.

The salient features of the warrants 2000/2005 are as follows:-

- (i) Each warrant entitles the holder to subscribe for one ordinary share of RM1 each in the Company at an exercise price at RM2.25 per ordinary share at any time during normal business hours up to 5.00 pm on 6 April 2005.
- (ii) Full provisions regarding the transferability of the warrants to new ordinary shares, which will thereafter rank pari passu with the existing ordinary shares of the Company, adjustment to the Exercise Price in certain circumstances, quotation on the Kuala Lumpur Stock Exchange and other terms and conditions pertaining to the warrants are set out in detail in a Deed Poll executed by the Company on 29 September 2000 which is available for inspection at the registered office at the Company.
- (iii) After the expiry of the subscription period, any subscription rights represented by the warrants which have not been exercised and delivered to the Registrar will lapse and every such warrant will cease thereafter to be valid for any purposes.
- (iv) The proceeds from the exercise of warrants will be deposited in a sinking fund which shall be used to redeem the Bonds on maturity. Any surplus will be utilised to finance further expansions in the operations of the Group and/or for working capital purposes.

**24. SHARE CAPITAL (CONT'D)**

The movement in the warrants during the financial year to take up unissued new ordinary shares of RM1.00 each in the Company was as follows:-

	<i>Number of warrants</i>
At 1 February 2001	46,999,100
Exercised	-
At 31 January 2002	46,999,100

**(b) Employees' Share Option Scheme**

Pursuant to Employees' Share Option Scheme which became effective on 24 January 1997, granting and exercise of option to subscribe up to 10% of the issued and paid-up share capital of the Company were made available to eligible directors and employees of the Group. This Employees' Share Option Scheme has expired on 23 January 2002.

The main features of the Employees' Share Option Scheme were as follows:-

- (i) Eligible employees were those who have been confirmed in writing as employees of the Group and has served the Group for a continuous period of at least one year prior to the date of the offer.
- (ii) The option is personal to the grantee and is non assignable.
- (iii) The total number of shares to be offered under the Employees Share Option Scheme should not exceed 10% of the issued share capital of the Company at any point of time during the existence of the Scheme which should be in force for a period of 5 years commencing from 24 January 1997.
- (iv) The option price for each share was the average of the mean market quotation of the shares of the Company as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five market days preceding the date of offer, or at the par value of the shares, whichever is higher.
- (v) The options granted could be exercised at any time within a period of five years from the date of offer of the option subject to such other conditions or restrictions as the Employees' Share Option Scheme Committee may at its discretion decide and notify to the selected holder.
- (vi) The options granted could be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.
- (vii) The options granted should be capable of being exercised at any time during the option period.

**24. SHARE CAPITAL (CONT'D)**

As at 23 January 2002, the movement of options were as follows:-

<i>Date granted</i>	<i>Exercise price</i>	<i>Number of options over ordinary shares of RM1 each</i>				<i>At 23.1.02</i>
		<i>At 1.2.01</i>	<i>Options granted</i>	<i>Options exercised</i>	<i>Options terminated</i>	
24.01.97	4.03	3,285,300	-	-	(3,285,300)	-
17.01.98	1.00	1,316,400	-	(1,296,000)	(20,400)	-
09.06.99	1.61	322,200	-	(304,800)	(17,400)	-
03.10.00	2.40	529,600	-	(406,600)	(123,000)	-
		5,453,500	-	(2,007,400)	(3,446,100)	-

*New Employees' Share Option Scheme*

The Company's New Employees' Share Option Scheme ("New ESOS") is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 13 March 2002.

The main features of the New ESOS are as follows:-

- (a) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the New ESOS shall be at the discretion of the Options Committee appointed by the Board of Directors.
- (b) The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS, which shall be in force for a period of ten years from the date of the receipt of the last requisite approvals.
- (c) Not more than fifty percent (50%) of the Options available under the new ESOS shall be allocated, in aggregate, to Executive Directors and Senior Management of the WCT Group.
- (d) Not more than ten percent (10%) of the Options available under the new ESOS shall be allocated, to any Executive Directors or eligible employees who, either individually or collectively through his associates, holds twenty percent (20%) or more in the issued and paid-up capital of WCT.
- (e) The option price for each share shall be at a discount of not more than ten percent (10%) from the weighted average market price of WCT shares traded on the Kuala Lumpur Stock Exchange for the five trading days preceding the date of offer, or the par value of the shares of the Company of RM1, whichever is the higher.
- (f) No option shall be granted for less than 1,000 shares nor more than 500,000 shares to any eligible employee.
- (g) An option granted under the New ESOS shall be capable of being exercised by the grantee by notice in writing to the Company before the expiry of ten years from the date of the offer or such shorter period as may be specified in such offer.
- (h) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

The first option under the New ESOS was offered to the eligible employees on 12 April 2002 at an offer price of RM4.62 per option share.

**25. SHARE PREMIUM**

	<b>GROUP AND COMPANY</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
<b>Non-distributable</b>		
At 1 February	413,754	10,780,061
Arising from share options exercised	755,168	489,270
Incidental cost incurred in relation to bonds and share issues	(97,599)	(956,616)
Capitalised for the bonus issue	-	(9,898,961)
<b>At 31 January</b>	<b>1,071,323</b>	<b>413,754</b>

**26. RESERVES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Non-distributable</b>				
Revaluation reserve	2,768,895	2,768,895	2,768,895	2,768,895
Capital reserve	1,400,002	1,000,002	-	-
	<b>4,168,897</b>	<b>3,768,897</b>	<b>2,768,895</b>	<b>2,768,895</b>
<b>Distributable</b>				
Retained profit	120,229,491	78,340,912	67,107,517	47,334,101
<b>Total reserve</b>	<b>124,398,388</b>	<b>82,109,809</b>	<b>69,876,412</b>	<b>50,102,996</b>

The revaluation reserve of the Group and the Company represents the net surplus arising from revaluation of investment properties.

The capital reserve of the Group arises from bonus issue of subsidiary companies.

Subject to the agreement of the Inland Revenue Board, the Company has sufficient balance in its tax exempt income account and tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of its entire distributable reserve without having to incur additional tax liability.

**27. DEFERRED TAXATION**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At 1 February	4,382,000	5,332,000	257,000	257,000
Transfer from/(to) income statement (Note 32)	(1,508,042)	(950,000)	197,000	-
<b>At 31 January</b>	<b>3,323,958</b>	<b>4,382,000</b>	<b>454,000</b>	<b>257,000</b>

The deferred taxation liability is in respect of capital allowances claimed in excess of depreciation and interest capitalised which is tax allowable during the financial year for taxation purposes.

The deferred tax effects of revalued property, plant and equipment and investment properties are not disclosed because the Group has no intention to dispose of these assets in the foreseeable future. Timing difference on deferred tax liability not accounted for at the year end amounted to RM170,000 (2001: RM170,000).

**27. DEFERRED TAXATION (CONT'D)**

The tax effect of timing differences of the Group and the Company which give rise to deferred tax assets and are therefore not accounted for are as follows:-

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Provisions	(759,000)	-	-	-
Depreciation and corresponding taxation allowances	(308,000)	(325,000)	-	-
	(1,067,000)	(325,000)	-	-

**28. 5% REDEEMABLE UNSECURED BONDS 2000/2005**

Pursuant to a trust deed dated 29 September 2000, the Company issued RM120 million nominal amount of 5% redeemable unsecured bonds 2000/2005 with 46,999,100 detachable warrants 2000/2005 at 100% of the nominal value of the Bonds to Arab-Malaysian Merchant Bank Berhad, the Primary Subscriber on a " Bought Deal" basis.

The salient features of the bonds are as follows:-

- (a) The bonds bear a fixed coupon rate of 5% per annum based on the nominal amount of the bonds and will be payable semi-annually in arrears.
- (b) The bonds constitute direct, unsecured and unconditional obligation of the Company ranking pari-passu amongst themselves and with all other unsubordinated and unsecured obligations of the Company.
- (c) Unless previously redeemed, cancelled or purchased by the Company, the bonds will be redeemed at 100% of their nominal value together with the interest accrued on the maturity date.
- (d) The Company may at any time purchase the bonds in the secondary market or otherwise at any price.
- (e) The warrants are immediately detachable from the bonds.

**28. 5% REDEEMABLE UNSECURED BONDS 2000/2005 (CONT'D)**

- (f) The status of utilisation of proceeds from the issue of bonds with warrants as at 31 January 2002 were as follows:-

	<i>Originally approved by Securities Commission RM'million</i>	<i>Revised by the Board of Directors RM'million</i>	<i>Amount utilised RM'million</i>	<i>Balance RM'million</i>
(i) Repayment of a loan taken for the acquisition of land at Lot 46 and Lot 6677, Kelang, Selangor	84.000	84.000	84.000	-
(ii) Payment for estimated premium for the land conversion at Lot 46 and Lot 6677, Kelang, Selangor	22.000	14.770	14.770	-
(iii) Purchase of machinery and/or refinancing thereof	12.800	5.150	5.150	-
(iv) Estimated expenses	1.200	1.020	1.020	-
(v) Working capital	-	15.060	15.060	-
	120.000	120.000	120.000	-

**29. REVENUE**

	<i>GROUP</i>		<i>COMPANY</i>	
	<i>2002 RM</i>	<i>2001 RM</i>	<i>2002 RM</i>	<i>2001 RM</i>
Contract revenue on civil engineering and road construction works	384,802,387	415,237,182	277,832,715	299,018,976
Sale of trading goods	44,277,007	31,848,859	-	-
Sale of development properties	40,518,778	-	-	-
Property & investment holding	4,258,125	3,014,770	4,258,125	3,014,770
	473,856,297	450,100,811	282,090,840	302,033,746

**30. OTHER OPERATING INCOME**

	<i>GROUP</i>		<i>COMPANY</i>	
	<i>2002 RM</i>	<i>2001 RM</i>	<i>2002 RM</i>	<i>2001 RM</i>
Interest	3,845,658	3,356,588	14,158,700	8,023,361
Rental	1,610,063	1,494,607	1,602,526	1,494,607
Gain on disposal of investment properties	240,308	-	240,308	-
Gain on disposal of property, plant and equipment	1,437,763	788,173	-	241,961
Others	3,252,546	2,639,169	857,985	1,457,469
	10,386,338	8,278,537	16,859,519	11,217,398

**31. PROFIT BEFORE TAXATION**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
This is arrived at after charging:-				
Auditors' remuneration				
- current	80,000	36,750	30,000	13,000
- special	55,000	32,360	55,000	12,000
Hiring of machineries	309,016	453,391	74,888	91,179
Rental of premises	239,509	201,052	2,040	8,160
Rental of equipment	141,125	147,437	-	-
Depreciation of property, plant and equipment	8,614,000	10,105,031	1,080,935	2,117,966
Interest expense				
- bonds	984,788	2,000,000	5,923,288	2,000,000
- bank overdrafts	2,085,251	1,591,076	1,979,912	1,437,573
- term loans	338,469	21,327	338,469	21,327
- bankers acceptance	620,778	393,638	271,496	258,942
- short term revolving credit	743,863	524,342	743,863	524,342
- hire purchase	2,429,072	1,143,910	334,663	235,686
Provision for foreseeable losses	2,710,126	-	-	-
Provision for doubtful debts	125,535	-	-	-
Bad debts written off	-	5,256	-	5,256
Write down of properties	-	878,292	-	878,292
Loss on disposal of investment properties	-	45,500	-	45,500
Loss on disposal of property, plant and equipment	150,220	-	150,220	-
and crediting:-				
Provision for foreseeable losses no longer required	2,531,726	-	2,531,726	-
Gain on foreign exchange	-	1,333	-	1,333
Rental income-land and buidings	1,610,063	1,494,607	1,602,526	1,494,607
Interest income	2,045,658	1,556,588	1,338,022	1,284,372
Interest income				
- subsidiary companies	-	-	12,820,678	6,738,989
- associated company	1,800,000	1,800,000	-	-
Provision for doubtful debts written back	-	197,850	-	197,850
Gain on disposal of investment properties	240,308	-	240,308	-
Gain on disposal of property, plant and equipment	1,437,763	788,173	-	241,961
<b>Employee information</b>				
Staff costs (excluding directors' remuneration)	17,382,737	15,666,981	1,976,108	3,915,394
Number of employees (excluding directors) at 31 January	500	478	15	42

**31. PROFIT BEFORE TAXATION (CONT'D)**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>Directors' emoluments</u>				
In respect of Company's directors:				
<i>Executive</i>				
- fees	135,000	64,833	135,000	64,833
- remuneration	2,573,232	1,783,800	2,573,232	1,783,800
<i>Non-executive</i>				
- fees	52,000	24,000	52,000	24,000
<b>Total</b>	<b>2,760,232</b>	<b>1,872,633</b>	<b>2,760,232</b>	<b>1,872,633</b>
In respect of subsidiary companies' directors:				
<i>Executive</i>				
- fees	33,500	37,667	-	-
- remuneration	591,360	108,400	-	-
<i>Non-executive</i>				
- fees	10,500	-	-	-
<b>Total</b>	<b>635,360</b>	<b>146,067</b>	<b>-</b>	<b>-</b>
Monetary value of benefits given to:-				
- Directors of the Company	145,654	107,054	145,654	107,054
- Directors of subsidiary companies	26,870	-	-	-

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>Executive Directors</b>	<b>Non-executive Directors</b>	<b>Executive Directors</b>	<b>Non-executive Directors</b>
<b>Directors' emoluments</b>				
<b>(No. of directors)</b>				
<b>2002</b>				
0 to RM50,000	-	3	-	3
RM100,001 - RM150,000	1	-	1	-
RM400,001 - RM450,000	1	-	1	-
RM450,001 - RM500,000	1	-	1	-
RM500,001 - RM550,000	2	-	2	-
RM600,001 - RM650,000	1	-	1	-
	<b>6</b>	<b>3</b>	<b>6</b>	<b>3</b>
<b>2001</b>				
0 to RM50,000	-	2	-	2
RM100,001 - RM150,000	2	-	2	-
RM350,001 - RM400,000	2	-	2	-
RM400,001 - RM450,000	1	-	1	-
RM500,001 - RM550,000	1	-	1	-
	<b>6</b>	<b>2</b>	<b>6</b>	<b>2</b>

**32. TAXATION**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Taxation based on the profit for the financial year				
Malaysian income tax	21,142,276	16,800,000	12,416,489	11,820,000
Transfer from/(to) deferred taxation (Note 27)	(1,058,042)	(950,000)	197,000	-
	20,084,234	15,850,000	12,613,489	11,820,000
Taxation underprovided/ (overprovided) in respect of prior financial years	(16,759)	(437,230)	11,668	-
	20,067,475	15,412,770	12,625,157	11,820,000
Share of taxation of associated company	2,500,000	1,950,000	-	-
	22,567,475	17,362,770	12,625,157	11,820,000

The effective rate of taxation of the Group and the Company for the current and previous financial year is higher than the statutory tax rate because of certain expenses being disallowed for taxation purposes.

**33. EARNINGS PER SHARE (SEN)**

	<b>GROUP</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
<b>Basic Earnings Per Share</b>		
Profit for the financial year	51,802,999	39,755,012
Weighted average number of shares outstanding	94,757,125	93,729,563
Basic earnings per share (sen)	54.67	42.41
<b>Fully Diluted Earnings Per Share</b>		
Profit for the financial year	51,802,999	39,755,012
Weighted average number of shares outstanding	94,757,125	93,729,563
Number of shares under option/warrants	46,999,100	49,167,300
Number of shares that would have been issued at fair value	(40,162,543)	(44,249,657)
Number of shares used in the calculation of diluted earnings per share	101,593,682	98,647,206
Diluted earnings per share (sen)	50.99	40.30

**34. DIVIDENDS**

	<b>GROUP AND COMPANY</b>			
	<b>2002</b>		<b>2001</b>	
	<b>Dividend per share net of tax</b>	<b>Amount of dividend net of tax</b>	<b>Dividend per share net of tax</b>	<b>Amount of dividend net of tax</b>
	<b>SEN</b>	<b>RM</b>	<b>SEN</b>	<b>RM</b>
In respect of financial year ended 31 January 2000				
- final tax exempt dividend	-	-	2.50	1,462,338
- special tax exempt dividend	-	-	10.00	5,849,350
In respect of financial year ended 31 January 2001				
- interim tax exempt dividend	-	-	7.50	4,405,950
- final tax exempt dividend	2.50	2,371,720	-	-
- special tax exempt dividend	2.50	2,371,720	-	-
In respect of financial year ended 31 January 2002				
- interim tax exempt dividend	5.00	4,770,980	-	-
	<b>10.00</b>	<b>9,514,420</b>	<b>20.00</b>	<b>11,717,638</b>

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 January 2002 of final and special tax exempt dividend of 5% (2001: 2.5%) and 2.5% (2001: 2.5%) on ordinary shares of RM1.00 each amounting to RM4,800,280 (2001: RM2,371,720) and RM2,400,140 (2001: RM2,371,720) respectively based on the issued and paid up share capital of the Company at the balance sheet date will be proposed for shareholders' approval. Such dividend, if approved by the shareholders will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2002.

**35. PRIOR YEAR ADJUSTMENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
(a) Errors arising from recording of valuation of a subsidiary (Note 42(b))	647,501	647,501	647,501	647,501

(b) During the financial year, the Group complied with MASB 19 Event after the Balance Sheet Date, the Company discontinued the recognition of dividend declared or proposed after the balance sheet date, as a liability. This change in accounting policy has been applied retrospectively with the resulting adjustment reported as an adjustment to the opening balance of retained earnings. Comparative information has been restated accordingly. This change in accounting policy has no effect on the income statement of current and previous financial years.

**36. CASH AND CASH EQUIVALENTS**

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Deposits	44,986,918	55,284,559	17,287,992	32,159,150
Cash and bank balances	11,369,682	2,164,298	6,870,182	995,699
Bank overdrafts	(20,786,833)	(11,793,189)	(17,996,028)	(8,614,165)
	<b>35,569,767</b>	<b>45,655,668</b>	<b>6,162,146</b>	<b>24,540,684</b>

**37. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The Group and the Company have the following related parties transactions:-

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Contract revenue from MTD Construction Sdn. Bhd., a related company of the Company's substantial shareholder - MTD Equity Sdn. Bhd.	43,597,082	23,832,822	2,529,720	23,832,822
Contract revenue from Labor Bina Sdn. Bhd., the associated company	53,707,328	65,598,641	53,333,227	65,598,641
Contract Revenue from Alloy Consolidated Sdn. Bhd., a major shareholder of MTD Capital Berhad which in turn is a major shareholder of the company	8,431,361	-	-	-
Management fee payable to Labor Bina Sdn. Bhd., the associated company	667,500	-	-	-
Interest charged to Labor Bina Sdn. Bhd., the associated company	1,800,000	1,800,000	-	-
Contract revenue from a subsidiary company	-	-	141,510,799	129,740,387
Hiring of machineries from a subsidiary company	-	-	74,888	91,179
Rental charged to subsidiary companies	-	-	42,000	45,500
Interest charged to subsidiary companies	-	-	12,820,679	6,738,988
Purchases from a subsidiary company	-	-	7,872,669	13,499,387
Sale of property, plant and equipment to a subsidiary company	-	-	615,000	-
Hire of machinery from a subsidiary company	-	-	120,083	125,044
Progress billings to a subsidiary company	-	-	44,016,693	719,647

**37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**

The Group and the Company have the following related parties transactions (Cont'd):-

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Directors' emoluments				
- In respect of Company's directors	2,760,232	1,872,633	2,760,232	1,872,633
- In respect of subsidiary companies' directors	635,360	146,067	-	-
Monetary value of benefits given to:-				
- Directors of the Company	145,654	107,054	145,654	107,054
- Directors of subsidiary companies	26,870	-	-	-

The above transactions, were in the opinion of the Directors, entered into in the normal course of business and on terms that are not less favourable than those arranged with third parties.

**38. COMMITMENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Capital expenditure approved and contracted for	79,267,000	1,725,000	-	-

**39. CONTINGENT LIABILITIES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Indemnities and guarantees given to trade supplier for credit facilities granted to subsidiary companies	-	-	105,190,000	53,340,000
Performance and retention guarantee	84,933,000	53,893,000	84,933,000	53,893,000

**40. SEGMENT REPORTING**

	<b>Turnover</b>	<b>Profit</b>	<b>Assets</b>
		<b>before taxation</b>	<b>employed</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2002</b>			
Civil engineering and road construction works	384,802,387	42,671,856	227,543,183
Trading	44,277,007	2,125,414	1,995,928
Property development	40,518,778	24,232,568	262,943,853
Property and investment holding	4,258,125	1,494,978	96,095,712
Interest income	-	3,845,658	59,986,918
	473,856,297	74,370,474	648,565,594

**40. SEGMENT REPORTING (CONT'D)**

	<i>Turnover</i>	<i>Profit before taxation</i>	<i>Assets employed</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
<b>2001</b>			
Civil engineering and road construction works	415,237,182	44,942,900	176,208,039
Trading	31,848,859	1,428,519	1,125,351
Property development	-	6,789,340	209,381,476
Property and investment holding	3,014,770	600,435	84,379,859
Interest income	-	3,356,588	70,284,559
	<b>450,100,811</b>	<b>57,117,782</b>	<b>541,379,284</b>

No analysis of geographical segments is presented as the Group operates principally in Malaysia and the Group's foreign operations are considered not significant.

In the ordinary course of business, the Group and the Company have supply arrangements to and from companies within each segment. These transactions are carried out at prices which are mutually agreed to be reflective of a supplier/distributor relationship.

**41. SUBSEQUENT EVENTS TO THE BALANCE SHEET DATE**

- (a) On 18 March 2002, WCT (International) subscribed a 30% equity interest in Suria Holding (O) Private Limited ("SHOPL").

SHOPL was incorporated in Republic of Mauritius and is the holding company of Emas Expressway Private Limited ("Emas"), the special purpose/concession company which will undertake the Durgapur Expressway project in the State of West Bengal (India).

- (b) On 27 March 2002, a Concession Agreement ("CA") was signed between Emas and the National Highways Authority of India wherein Emas is awarded a contract to, inter alia, design, finance, construct, operate and maintain the highway project known as 4-laning of existing Durgapur Expressway (Dankuni-Palsit Section of the National Highway No.2) in the State of West Bengal.

Emas was incorporated in India for the purpose of the project. 99.99% of the shares in the Company are held by SHOPL and 0.01% held by Mr Looi Yee Kong. The share capital of SHOPL is in turn held 30% by WCT (International), 50% held by Gamuda (Offshore) Private Limited and 20% held by Sunfield Investment Limited, all incorporated in the Republic of Mauritius.

- (c) On 29 March 2002, the Company announced the change of its financial year end. Subsequent to the change, the next financial period for the Company will be 11 months ending 31 December 2002.
- (d) On 23 April 2002, the Company announced the financing arrangement structured on an Asset Backed Securitisation Programme (the "ABS" Programme) for the proposed construction and completion of Guthrie Corridor Expressway.

Under the ABS Programme, a non-related corporation, Road Asset Vehicle Sdn Bhd, was incorporated as a bankruptcy remote special purpose vehicle (the "SPV"), for the sole purpose of issuing commercial papers to fund the purchase of receivables, from the Company. The receivables refer to the endorsed progress certificates (the "certificates") arising from the Project.

**41. SUBSEQUENT EVENTS TO THE BALANCE SHEET DATE (CONT'D)**

The SPV will purchase the certificates on a discounted basis equivalent to 95% of the value of the certificates. Funding for the purchase of the certificates shall be via the issuance of 1 to 2 months commercial papers subject to a facility limit of RM350 million and within an availability period of up to 30 September 2004.

- (e) On 6 May 2002, the Company announced the acquisition of 61.9% equity interest in IWM Constructions Private Limited ("IWM") from IJM (India) Infrastructure Limited and Dammavalam Sreenivasa Rao through its wholly owned subsidiary, WCT (Offshore). The transfer of shares took effect on 29 April 2002 and was duly approved by Reserve Bank of India and Foreign Investment Promotion Board in India.

IWM is an engineering, procurement and construction company incorporated in Andhra Pradesh, Hyderabad, India. IWM has on 20 September 2001 signed a Contract Agreement with Swarna wherein IWM was awarded the contract to undertake the Tada-Nellore Highway project in Andhra Pradesh (India). The value of the contract is 246 Crores or RM205 million based on an exchange rate of Rs 12 per RM1.00 and the completion date is expected to be on or before 31 December 2003.

**42. COMPARATIVE FIGURES**

- (a) The presentation of financial statements for the current financial year has been changed to adopt the format as prescribed in MASB No. 1 - Presentation of Financial Statements, issued by the Malaysian Accounting Standards Board. Comparative figures have been reclassified to conform with the presentation, where necessary.
- (b) As indicated in Note 35(a), comparative figures have been restated due to errors arising from recording of valuation of a subsidiary.
- (i) In this respect, the Group's retained earnings as at 1 February 2001 have increased by RM647,501 with a corresponding decrease in revaluation reserve.
- (ii) In this respect, the Company's revaluation reserve as at 1 February 2001 have decreased by RM647,501 with a corresponding decrease in investment in subsidiary companies.
- (c) As indicated in Note 35(b), comparative figures have been restated due to the adoption of MASB 19 Events after Balance Sheet Date. In this respect, retained earnings as at 1 February 2001 have increased by RM4,669,910 with a corresponding decrease in proposed dividend.

**42. COMPARATIVE FIGURES (CONT'D)**

- (d) Certain comparative figures for segmental reporting have been restated due to over-elimination of inter-company transactions in previous financial year.

	<b>GROUP</b>	
	<b><i>As previously reported</i></b>	<b><i>As restated</i></b>
	<b><i>RM</i></b>	<b><i>RM</i></b>
Turnover		
- Trading	4,629,583	31,848,859

- (e) Certain comparative figures for segmental reporting have been reclassified to conform with the current year presentation.

	<b>GROUP</b>	
	<b><i>As previously reported</i></b>	<b><i>As restated</i></b>
	<b><i>RM</i></b>	<b><i>RM</i></b>
Asset employed		
- Property development	59,545,378	209,381,476
- Property and investment holding	249,216,457	84,379,859
- Interest income	55,284,059	70,284,559

# List of Properties

<i>Location</i>	<i>Tenure</i>	<i>Approximate Site / Floor Area</i>	<i>Description</i>	<i>Lease Expiry Date</i>	<i>Approximate Age of Building (Years)</i>	<i>Existing Use</i>	<i>Net Book Value at 31 Jan. 02 (RM)</i>	<i>Valuation (RM)</i>
1. Lot No. P.T. 891, Title No. HS (H) 6049, Sungai Penaga Mukim of Damansara Selangor Darul Ehsan	99 years Leasehold	2.7 acres	Industrial factory	20.10.2065	8	Vacant	6,000,000	6,000,000*
2. Lot 23, Lorong Keluli IC Kawasan Perindustrian Perdana Bukit Raja, 41050 Klang Selangor Darul Ehsan [Title No. HS (D) 30978 Lot No. P.T. 17408, Mukim of Kapar, District of Klang Selangor Darul Ehsan]	Freehold	2.5 acres	Industrial factory with office annexed	N / A	7	Leased out to manufacturing concern	7,490,072	7,460,000*
3. Lot Nos. 68 & 75 Industrial Lot, Bukit Beruntung Serendah, Selangor Darul Ehsan	Freehold	175,457 sq. ft.	Industrial land	N / A	2	Workshop	1,578,000	1,578,000*
4. Lot Nos. 165, 372 & 373 Bungalow Lot, Bukit Beruntung Township, Mukim of Serendah Selangor Darul Ehsan	Freehold	87,271 sq. ft.	Residential land	N / A	N / A	Vacant	746,000	746,000*
5. Nos. 19-G (Lot 3025-G) 21-G (Lot 3026-G), 23-G (Lot 3027-G) & 25-G (Lot 3028-G), Jalan Wawasan Ampang 2/2, Bandar Baru Ampang, 68000 Ampang Selangor Darul Ehsan	99 years Leasehold	7,930 sq. ft.	Shoplots	25.07.2088	10	Leased out to trading concern	1,107,000	1,107,000*
6. Nos. 23-A (Lot 3027-A) 23-B (Lot 3027-B), 25-A (Lot 3028-A), 25-B (Lot 3028-B), 25-C (Lot 3028-C) 25-D (Lot 3028-D), 25-E (Lot 3028-E) & 25-F (Lot 3028-F) Jalan Wawasan Ampang 2/2 Bandar Baru Ampang 68000 Ampang Selangor Darul Ehsan	99 years Leasehold	8,691 sq. ft.	Residential premises	25.07.2088	10	Leased out to trading concern	880,000	880,000*
7. Nos. 4-11-10 (Lot No. D1210A) Block 4, 5-11-07 (Lot No. E1215), Block 5 Meadow Park, Jalan 1/130 Off Jalan Kelang Lama 58200 Kuala Lumpur	Freehold	1,864 sq. ft.	Residential premises	N / A	10	Vacant	250,000	250,000*
8. SL6-07, Indah Villa Condominium Jalan PJS 11/12, Subang Indah 46000 Petaling Jaya, Selangor Darul Ehsan, [Parcel No. SL8-07 South Wing, 6th Floor Indah Villa Condominium Section PJS 11, Petaling Jaya Selangor Darul Ehsan]	Freehold	1,234 sq. ft.	Residential premises	N / A	8	Vacant	170,000	170,000*
9. No.12, Jalan Majistret U1/26, Seksyen U1 Lot 44, Hicom Glenmarie Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	45,740 sq. ft.	4 storey warehouse and office building	N / A	6	Owner occupied as corporate office	7,000,000	7,000,000*

## LIST OF PROPERTIES CONTINUED

<i>Location</i>	<i>Tenure</i>	<i>Approximate Site / Floor Area</i>	<i>Description</i>	<i>Lease Expiry Date</i>	<i>Approximate Age of Building (Years)</i>	<i>Existing Use</i>	<i>Net Book Value at 31 Jan. 02 (RM)</i>	<i>Valuation (RM)</i>
10. Lot Nos. 249 and 1620 (GM 212 and GM 213) Mukim of Labu, District of Sepang, State of Selangor Darul Ehsan	Freehold	6.9 acres	Agricultural land	N / A	N/A	Vacant	361,000	361,000*
11. A-1014, A-1015, 10th Floor Block A, Menara Pandan Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Leasehold	1,642 sq. ft.	Office lot	Title yet to be issued	3	Lease out to colleges	297,000	297,000*
12. HS (D) 104382, PT 34066 Mukim Sungai Buloh District of Petaling State of Selangor Darul Ehsan	99 years Leasehold	71,913 sq. ft.	Commercial land	1.10.2095	N / A	Occupied as site office	3,020,000	3,020,000*
13. Condominium No.B3-L2-02 Level 2, Block B3 Desaru Impian Beach Resort, Johor	99 years Leasehold	1,254 sq. ft.	Residential premises	6.11.2088	3	Vacant	364,000	364,000*
14. 10 Storey Office Suites and Car Parking Space of Block B, Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Leasehold	299,500 sq. ft.	Office block & car park	Title yet to be issued	3	Vacant	35,000,000	35,000,000*
15. HS (D) 14948, 14949 PT 97 & 98 Pekan Telok Keman Daerah Port Dickson Negeri Sembilan.	Freehold	4.89 acres	Commercial	N/A	N/A	Vacant	4,595,550	N / A**
16. Lot No. 6677, Title No. CT 21376, Kelang Selangor Darul Ehsan	Freehold	241.3944 acres	Integrated Development	N/A	N/A	Property Development Project	60,348,600	N / A***
17. Lot 46, Title No. Geran 24133, Kelang, Selangor Darul Ehsan	Freehold	319.9743 acres	Integrated Development	N/A	N/A	Property Development Project	79,993,575	N / A***

**Note:** \* The date of last revaluation was 28 January 1999

\*\* The acquisition date of the said properties was 19 March 1999

\*\*\* The acquisition date of the said properties was 17 November 1999

# Analysis of Shareholdings

as at 30 April 2002

Authorised share capital	-	RM500,000,000
Issued and paid up share capital	-	RM96,005,600
Class of shares	-	Ordinary shares of RM1.00 each
Voting rights	-	One vote per ordinary share

## ANALYSIS BY SIZE OF SHAREHOLDINGS (ORDINARY)

as at 30 April 2002

<i>Size of Shareholdings</i>	<i>No. of Shareholders</i>	<i>% of Shareholders</i>	<i>No. of Shares Held</i>	<i>% of Shareholdings</i>
Less Than 1,000	242	11.95	81,410	0.09
1,000 to 10,000	1,457	71.95	5,032,610	5.24
10,001 to 100,000	264	13.04	7,617,140	7.93
100,001 to Less Than 5%	60	2.96	36,623,760	38.15
5% And Above	2	0.10	46,650,680	48.59
<b>Total</b>	<b>2,025</b>	<b>100.00</b>	<b>96,005,600</b>	<b>100.00</b>

## LIST OF THIRTY (30) LARGEST SHAREHOLDERS (ORDINARY)

as at 30 April 2002

<i>Names</i>	<i>NRIC/Reg No.</i>	<i>Shares</i>	<i>%</i>
1. HLB Nominees (Tempatan) Sdn. Bhd. (A/C For WCT Capital Sdn. Bhd.)	47697U	30,757,200	32.04
2. Arab-Malaysian Nominees (Tempatan) Sdn. Bhd. (A/C For MTD Equity Sdn. Bhd.)	51181W	15,893,480	16.55
3. AllianceGroup Nominees (Tempatan) Sdn. Bhd. (Pheim Asset Management Sdn. Bhd. For Employees Provident Fund)	42234H	3,378,000	3.51
4. Wong Sewe Wing	7873220	2,902,000	3.02
5. Taing Kim Hwa	530604-10-5005	2,806,320	2.92
6. HSBC Nominees (Tempatan) Sdn. Bhd. (HSBC (M) Trustee Bhd For OSK-UOB Small Cap Opportunity Unit Trust)	258854D	2,551,000	2.66
7. Chan Soon Huat	460826-10-5069	1,533,600	1.60
8. Arab-Malaysian Nominees (Tempatan) Sdn. Bhd. (Arab-Malaysian Trustee Bhd For HLB Penny Stock Fund)	51181W	1,500,000	1.56
9. United Overseas Nominees (Tempatan) Sdn. Bhd. (A/C For Taing Kim Hwa)	10766A	1,440,000	1.50
10. Universal Trustee (Malaysia) Berhad (A/C for Alliance First Fund)	17540D	1,290,000	1.34
11. Ara Holdings Sdn. Bhd.	67361H	1,281,000	1.33
12. TA Nominees (Tempatan) Sdn Bhd (A/C for Sunmate Properties Sdn Bhd)	268290H	988,000	1.03
13. HSBC Nominees (Tempatan) Sdn. Bhd. (HSBC Malaysia Trustee Bhd For Arab-Malaysian Cumulative Growth Fund)	258854D	912,000	0.95
14. Amanah Raya Berhad (A/C For Tabung Ittikal Arab-Malaysian)	344986V	904,000	0.94
15. Amanah Raya Berhad (A/C For Arab-Malaysian First Fund)	344986V	902,000	0.94
16. Citicorp Nominees (Asing) Sdn. Bhd. (TNTC For Government of Singapore Investment Corporation Pte Ltd)	263875D	875,000	0.91
17. Employees Provident Fund Board	EPFACT1991	836,600	0.87
18. Mayban Nominees (Tempatan) Sdn. Bhd. (Mayban Trustees Bhd For MBF Balanced Fund)	258939H	725,000	0.76
19. Wong Chwee Lai @ Wong Chew	440229-10-5281	704,720	0.73
20. Goh Chin Liang	590829-10-6169	664,640	0.69
21. Chua Siow Leng	491215-01-5613	616,000	0.64

<i>Names</i>	<i>NRIC/Reg No.</i>	<i>Shares</i>	<i>%</i>
22. Choe Kai Keong	510413-08-5701	602,600	0.63
23. Malaysia Nominees (Tempatan) Sdn. Bhd. (Malaysian Trustees Bhd For Alliance Vision Fund)	6193K	600,000	0.62
24. Sunmate Properties Sdn. Bhd.	206947D	582,600	0.61
25. Ahmad Sufian @ Qurnain Bin Abdul Rashid	490630-06-5103	555,200	0.58
26. Leong Yeon Thoong	610426-08-5039	549,600	0.57
27. HLG Nominee (Tempatan) Sdn. Bhd. (HLG Asset Management Sdn Bhd For Pertubuhan Keselamatan Sosial)	250650T	500,000	0.52
28. AllianceGroup Nominees (Tempatan) Sdn. Bhd. (Pheim Asset Management Sdn. Bhd. For Empat Nombor Ekor Selangor Sdn Bhd)	42234H 530714-10-5807	475,600 395,240	0.49 0.41
29. Phang Hock Loon			
30. Arab-Malaysian Nominees (Tempatan) Sdn. Bhd. (Arab-Malaysian Trustee Bhd For BHLB Pacific Dana Al-Ihsan)	51181W	302,000	0.31

**SUBSTANTIAL SHAREHOLDERS**

(In accordance with the register kept pursuant to Section 69L of the Companies Act, 1965)

<i>Name</i>	<i>Direct No of shares held</i>	<i>%</i>	<i>Indirect No of shares held</i>	<i>%</i>
Taing Kim Hwa	4,358,080 <sup>1</sup>	4.54	30,960,960 <sup>2</sup>	32.25
Wong Sewe Wing	3,142,000	3.27	30,960,960 <sup>2</sup>	32.25
WCT Capital Sdn Bhd	30,960,960 <sup>3</sup>	32.25	-	-
Cash Carat Sdn Bhd	-	-	30,960,960 <sup>4</sup>	32.25
Cranbrook & Worth Sdn Bhd	-	-	30,960,960 <sup>5</sup>	32.25
MTD Equity Sdn Bhd	16,098,040 <sup>6</sup>	16.77	-	-
MTD Capital Bhd	-	-	16,098,040 <sup>7</sup>	16.77
Nikvest Sdn Bhd	-	-	16,098,040 <sup>8</sup>	16.77

**Notes to interest in shares:**

- 1,440,000 shares held through United Overseas Nominees (Tempatan) Sdn Bhd and 111,760 shares held through Mayfin Nominees (Tempatan) Sdn Bhd.
- by virtue of their 50% shareholding each in Cash Carat Sdn Bhd which is deemed interested in the Company by virtue of its 64.28% shareholding in WCT Capital Sdn Bhd.
- 30,757,200 shares held through HLB Nominees (Tempatan) Sdn Bhd.
- by virtue of its 64.28% shareholding in WCT Capital Sdn Bhd.
- by virtue of its 35.72% shareholding in WCT Capital Sdn Bhd.
- 16,098,040 shares held through Arab-Malaysian Nominees (Tempatan) Sdn Bhd.
- by virtue of its 100% shareholding in MTD Equity Sdn Bhd.
- by virtue of its 21.84% shareholding in MTD Capital Bhd.

**DIRECTORS' SHAREHOLDINGS**

<i>Name</i>	<i>Direct No of shares held</i>	<i>%</i>	<i>Indirect No of shares held</i>	<i>%</i>
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	555,200	0.58	-	-
Taing Kim Hwa	4,358,080 <sup>1</sup>	4.54	30,960,960 <sup>2</sup>	32.25
Wong Sewe Wing	3,142,000	3.27	30,960,960 <sup>2</sup>	32.25
Goh Chin Liong	599,640	0.62	-	-
Chua Siow Leng	680,000 <sup>3</sup>	0.71	-	-
Choe Kai Keong	602,600	0.63	-	-
Cheah Hon Kuen	-	-	-	-
Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa)	-	-	-	-
Choo Tak Woh	-	-	-	-

**Notes to interest in shares:**

- 1,440,000 shares held through United Overseas Nominees (Tempatan) Sdn Bhd and 111,760 shares held through Mayfin Nominees (Tempatan) Sdn Bhd.
- by virtue of their 50% shareholding each in Cash Carat Sdn Bhd which is deemed interested in the Company by virtue of its 64.28% shareholding in WCT Capital Sdn Bhd.
- 64,000 shares held through BAM Nominees (Tempatan) Sdn Bhd.

**ANALYSIS BY SIZE OF SHAREHOLDINGS (WARRANTS)**

as at 30 April 2002

<i>Size of Shareholdings</i>	<i>No. of Shareholders</i>	<i>% of Shareholders</i>	<i>No. of Shares Held</i>	<i>% of Shareholdings</i>
Less Than 1,000	40	5.02	15,228	0.03
1,000 to 10,000	636	79.80	1,903,492	4.05
10,001 to 100,000	92	11.55	2,949,620	6.28
100,001 to Less Than 5%	26	3.26	12,410,520	26.40
5% And Above	3	0.37	29,720,240	63.24
<b>Total</b>	<b>797</b>	<b>100.00</b>	<b>46,999,100</b>	<b>100.00</b>

**LIST OF THIRTY (30) LARGEST SHAREHOLDERS (WARRANTS)**

as at 30 April 2002

<i>Names</i>	<i>NRIC/Reg No.</i>	<i>Shares</i>	<i>%</i>
1. WCT Capital Sdn. Bhd.	219912A	16,481,000	35.07
2. Arab-Malaysian Nominees (Tempatan) Sdn. Bhd. (A/C For MTD Equity Sdn. Bhd.)	51181W	10,812,240	23.01
3. HSBC Nominees (Tempatan) Sdn. Bhd. (HSBC (M) Trustee Bhd For OSK-UOB Small Cap Opportunity Unit Trust)	258854D	2,427,000	5.16
4. Sunmate Properties Sdn. Bhd.	206947D	2,074,800	4.41
5. Wong Sewe Wing	7873220	2,011,000	4.28
6. Taing Kim Hwa	530604-10-5005	1,284,000	2.73
7. Ara Holdings Sdn. Bhd.	67361H	951,000	2.02
8. AllianceGroup Nominees (Tempatan) Sdn. Bhd. (Pheim Asset Management Sdn. Bhd. For Employees Provident Fund)	42234H	900,000	1.91
9. United Overseas Nominees (Tempatan) Sdn. Bhd. (A/C For Chan Soon Huat)	10766A	800,000	1.70
10. United Overseas Nominees (Tempatan) Sdn. Bhd. (A/C For Taing Kim Hwa)	10766A	670,000	1.43
11. Citicorp Nominees (Asing) Sdn. Bhd. (TNTC For Government of Singapore Investment Corporation Pte Ltd)	263875D	468,800	1.00
12. CIMSEC Nominees (Tempatan) Sdn. Bhd. (A/C For Chia Kwoon Meng)	265449P	445,000	0.95
13. Universal Trustee (Malaysia) Berhad (A/C for Alliance First Fund)	17540D	396,800	0.84
14. Choe Kai Keong	510413-08-5701	262,000	0.56
15. Chua Siow Leng	491215-01-5613	240,000	0.51
16. United Overseas Nominees (Tempatan) Sdn. Bhd. (A/C For Lim King Huak)	10766A	172,000	0.37
17. Fong Moh Cheek @ Fong Mow Kit	1328396	170,000	0.36
18. Goh Hui Tiang	580111-11-5032	162,000	0.34
19. Malaysia Nominees (Tempatan) Sdn. Bhd. (Malaysian Trustees Bhd For Alliance Vision Fund)	6193K	160,000	0.34
20. Olive Lim Swee Lian	480530-10-5324	151,000	0.32
21. Ng Ming Kai	590111-05-5251	139,000	0.30
22. Sze See Chuen	630625-10-7171	134,000	0.29
23. Mayban Securities Nominees (Tempatan) Sdn Bhd (A/C for Siam Kim Chuan)	284597P	131,200	0.28
24. Tan Lee-Lin	S1235555F	121,000	0.26

## ANALYSIS OF SHAREHOLDINGS CONTINUED

<i>Names</i>	<i>NRIC/Reg No.</i>	<i>Shares</i>	<i>%</i>
25. Mayfin Nominees (Tempatan) Sdn Bhd (A/C for Wong Sewe Wing)	185506M	120,000	0.26
26. Phang Hock Loon	530714-10-5807	114,120	0.24
27. Malaysia Nominees (Tempatan) Sdn. Bhd. (Pheim Asset Management Sdn. Bhd. For Pintaras Jaya Berhad)	6193K	112,800	0.24
28. Ahmad Sufian @ Qurnain Bin Abdul Rashid	490630-06-5103	110,000	0.23
29. Kyang Meng Choon	510110-04-5323	110,000	0.23
30. Tan Suan Gaik	620202-07-5578	100,000	0.21

## DIRECTORS' WARRANTHOLDINGS

<i>Name</i>	<i>Direct No of warrants held</i>	<i>%</i>	<i>Indirect No of warrants held</i>	<i>%</i>
Dato' Capt. Ahmad Sufian @ Qurnain Bin Abdul Rashid	110,000	0.23	-	-
Taing Kim Hwa	2,010,000 <sup>1</sup>	4.28	16,481,000 <sup>2</sup>	35.07
Wong Sewe Wing	2,131,000	4.53	16,481,000 <sup>2</sup>	35.07
Goh Chin Liong	20,000	0.04	-	-
Chua Siow Leng	272,000 <sup>3</sup>	0.58	-	-
Choe Kai Keong	262,000	0.56	-	-
Cheah Hon Kuen	-	-	-	-
Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa)	-	-	-	-
Choo Tak Woh	-	-	-	-

## Notes to interest in warrants:

- 670,000 warrants held through United Overseas Nominees (Tempatan) Sdn Bhd and 56,000 warrants held through Mayfin Nominees (Tempatan) Sdn Bhd.
- by virtue of their 50% shareholding each in Cash Carat Sdn Bhd which is deemed interested in the Company by virtue of its 64.28% shareholding in WCT Capital Sdn Bhd.
- 32,000 warrants held through BAM Nominees (Tempatan) Sdn Bhd.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of WCT Engineering Berhad will be held at 3rd Floor, No.12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 27 June 2002 at 10.00 a.m., for the following purposes:-

## AGENDA

1. To receive and adopt the Audited Accounts for the year ended 31 January 2002 and the Reports of the Directors and Auditors thereon. *Resolution 1*
2. To approve a final tax exempt dividend of 5.0 sen per share and a special tax exempt dividend of 2.5 sen per share for the year ended 31 January 2002. *Resolution 2*
3. To re-elect the following Directors who retire as Directors of the Company pursuant to Article 65 of the Company's Articles of Association.
  - (i) Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid *Resolution 3*
  - (ii) Mr Taing Kim Hwa *Resolution 4*
  - (iii) Mr Goh Chin Liong *Resolution 5*
4. To re-elect Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa) who retires as a Director of the Company pursuant to Article 70 of the Company's Articles of Association. *Resolution 6*
5. To re-appoint Messrs Ernst & Young as Auditor of the Company and to authorise the Directors to fix their remuneration. *Resolution 7*

## As Special Businesses:-

### Authority to Allot Shares

6. To consider and if thought fit, pass the following Ordinary Resolution:-

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." *Resolution 8*

### Authority To Deal With Substantial Property Transactions Involving Directors

7. To consider and if thought fit, pass the following Ordinary Resolution:-

"THAT in accordance with Section 132E of the Companies Act, 1965, authority be and is hereby given to the Company or its related corporations to enter into arrangements or transactions with the Directors of the Company or any person connected with such Directors (within the meaning of Section 122A, Companies Act, 1965) whereby the Company or its related corporations may acquire from

or dispose to such Directors or connected persons non-cash assets including but not limited to capital equipment and related machineries and/or any other assets or products of the Company or its related corporations provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business, and such authority will continue to be in force until the conclusion of the next Annual General Meeting."

*Resolution 9*

**Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

8. To consider and if thought fit, pass the following Ordinary Resolution:-

"THAT subject always to the Listing Requirements of the Kuala Lumpur Stock Exchange, the Company shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature necessary for the day-to-day operations and with those related parties as specified in the Circular to Shareholders in pages 6 to 7 dated 31 May 2002, subject further to the following:-

- (i) the transactions are in the ordinary course of business on normal commercial terms and not to the detriment of the minority shareholder of the Group are on terms not more favourable than those generally available to the public;
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the date that the next Annual General Meeting of the Company is held, provided that such transactions are made on an arm's length basis and on normal commercial terms;
- (iii) the Directors and/ or any of them be and are hereby authorised to complete and so all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution; and
- (iv) for the avoidance of doubt, all such transactions entered into by the Company prior to the date of this resolution be and are hereby ratified and approved."

*Resolution 10*

9. To transact any other business of which due notice shall be given in accordance with the Articles of Association of the Company and the Companies Act, 1965. *Resolution 11*

***Notes to the Agenda:-***

1. Pursuant to Sections 169(1) and 174(1) of the Companies Act, 1965 and Article 99 of the Company's Articles of Association.
2. Pursuant to Article 104 of the Company's Articles of Association, the Company has declared and paid an interim dividend of 5.0 sen per share and the Directors of the Company have recommended a final tax exempt dividend of 5.0 sen per share and special tax exempt dividend of 2.5 sen per share. This amounts to a total dividend of 12.5 sen per share for the financial year ended 31 January 2002.
3. Re-election is pursuant to Article 65 of the Company's Articles of Association, which requires the rotation of one-third of the Directors in order of appointment every year.
4. Pursuant to Article 70 of the Company's Articles of Association, which requires Directors appointed by the Board to fill casual vacancies during the year to be confirmed by the shareholders in General Meeting.
5. Pursuant to Sections 172(2) and 173(1) of the Companies Act, 1965 and Article 100 of the Company's Articles of Association.

**EXPLANATORY NOTES ON SPECIAL BUSINESSES**

**Resolution No.8 (Ordinary)**

The Ordinary Resolution proposed under item 8, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at general meeting, will expire at the next Annual General Meeting of the Company.

**Resolution No.9 (Ordinary)**

The Ordinary Resolution proposed under item 9 in respect of the Section 132E of the Companies Act, 1965 (the "Act"), prohibits a company or its subsidiaries from entering into any arrangement or transaction with its directors or persons connected with such directors or connected persons any non-cash asset of the "requisite value" without prior approval of the Company in General Meeting. According to the Act, a non-cash asset, is considered to be of the "requisite value" if, at the time of arrangement or transaction, its value is greater than RM250,000 or 10% of the Company's net assets, subject to minimum of RM10,000.

**Resolution No.10 (Ordinary)**

The Ordinary Resolution proposed under item 10, if passed, will provide a renewal of general mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business based on commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the group's day to day operations and shall lapse at the conclusion of the next Annual General Meeting unless authority for its renewal is obtained from the shareholders of the Company at a general meeting. Shareholders are requested to refer to the enclosed Circular to Shareholders dated 31 May 2002 for additional information.

**NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT**

**NOTICE IS ALSO HEREBY GIVEN**, that a final tax exempt dividend of 5.0 sen per share and a special tax exempt dividend of 2.5 sen per share for the year ended 31 January 2002, if approved by the shareholders at the forthcoming Annual General Meeting will be payable on 31 July 2002.

The entitlement date shall be fixed on 19 July 2002 and a Depositor shall qualify for entitlement only in respect of:-

- a) Securities transferred into the depositor's securities account before 12.30 p.m. on 19 July 2002 in respect of ordinary transfers; and
- b) Securities bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

BY ORDER OF THE BOARD

LOO SHEN CHANG  
(MIA 7069, MICPA 2521)  
Secretary

Selangor Darul Ehsan

31 May 2002

Notes:-

1. *A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company.*
2. *The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised. Where a member appoints, two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. In the case of joint holding, the signatures of all joint holders are required.*
3. *The instrument appointing a proxy must be deposited at the registered office of the Company, No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting thereof.*

# Statement Accompanying Notice of Annual General Meeting

1. The names of the Directors standing for re-election are set out in agenda 3 and 4.
2. Summary of Directors' attendance at Board Meetings is set out in the Statement of Corporate Governance.
3. The Directors' securities holdings in the Company are set out in page 75 and 77 of the Annual Report and the Directors are deemed to have interest in the subsidiaries to the extent of their shareholdings in the holding company.
4. Other details of Directors are set out in the Board of Directors' Profile. \*

**\* Additional Information**

**Mr Cheah Hon Kuen**

A co-founder and former Vice Chairman of Informatics Holdings Ltd, a company listed on the Stock Exchange of Singapore. He is also a member of the Association for Computing Machinery, USA.

**Mr Choo Tak Woh**

He has been serving the New Straits Times Press Group since 1977 and is currently the Senior Manager, Finance and Administration of its IT subsidiary.



No. of ordinary shares held
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I/We \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member of **WCT ENGINEERING BERHAD**, hereby appoint \_\_\_\_\_

\_\_\_\_\_ (FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_ (FULL ADDRESS)

or failing him, the Chairman of the meeting \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting of the Company to be held at 3rd Floor, No. 12, Jalan Majistret U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 27 June 2002 at 10.00 a.m., and at any adjournment thereof.

I/We direct my/our proxy to vote for or against the resolutions to be tabled at the Twenty-First Annual General Meeting as hereunder indicated.

Resolutions	For	Against
ORDINARY RESOLUTION 1 - Adoption of Audited Accounts and Reports of the Directors and Auditors for the year ended 31 January 2002.		
ORDINARY RESOLUTION 2 - Declaration of final and special tax exempt dividends.		
ORDINARY RESOLUTION 3 - Re-election of Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid as Director of the Company.		
ORDINARY RESOLUTION 4 - Re-election of Mr Taing Kim Hwa as Director of the Company.		
ORDINARY RESOLUTION 5 - Re-election of Mr Goh Chin Liong as Director of the Company.		
ORDINARY RESOLUTION 6 - Re-election of Dato' Nik Mohd Khalid bin Kamil (Dato' Kamal Wangsa) as Director of the Company.		
ORDINARY RESOLUTION 7 - Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorize the Directors to fix their remuneration.		
ORDINARY RESOLUTION 8 - Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
ORDINARY RESOLUTION 9 - Authority to deal with substantial property transactions involving Directors.		
ORDINARY RESOLUTION 10 - Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
ORDINARY RESOLUTION 11 - Other Business.		

(Please indicate with an "X" in the space provided how you wish your vote to be cast on the resolution specified in the Notice of Twenty-First Annual General Meeting. If this form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain from voting at his/her discretion.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2002

\_\_\_\_\_  
Signature(s)/Common Seal of member(s)

**Notes:-**

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company.
2. The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised. Where a member appoints, two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. In the case of joint holding, the signatures of all joint holders are required.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 12, Jalan Majistret, U1/26, Seksyen U1, Lot 44, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting thereof.