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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Dato' Lim Keng Kay
B.Sc. (Mining Eng.), ARSM, MIMM, MIME, C.Eng.

Group Managing Director

Chin Yoong Ngok
B.E.(Melb.), P. Eng., MIEA, MIEM, C.Dip.A&F

Executive Director

Chew Wei Keong
FCCA, CPA, CA(M)

Non-Executive Directors

Yong Fook Shin
B.Sc. (Mining Geology), ARSM, MIMM, MIME, P.Eng., C.Eng.

* Michael Yee Kim Shing
B.Comm. (Melb.), ACA (Aust.), CA(M), CPA(S)

* Dato' Haji Abu Hanifah Noordin
B.Ec. (Hons)Acc, CA(M), CPA

Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin
MA (Hons)

David William Boyd
FCPA (Aust.), AIDC

Lim Si Boon
B.Eng. (Hons), DIC, MBA, AMIEE

* Sivalingam s/o Munusamy
LLB (Hons), S'pore

A.M. Yusof bin Abd. Razak
BA (Hons)
(Alternate to Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin)

EXECUTIVE COMMITTEE OF THE BOARD

Chin Yoong Ngok (Chairman)
Chew Wei Keong
David William Boyd

AUDIT COMMITTEE OF THE BOARD

* Michael Yee Kim Shing (Chairman)
* Dato' Abu Hanifah Noordin
* Sivalingam s/o Munusamy
Chin Yoong Ngok

(*) - Independent Director

REMUNERATION COMMITTEE OF THE BOARD

Dato' Lim Keng Kay (Chairman)
Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin
Sivalingam s/o Munusamy

GROUP COMPANY SECRETARY

Yong Lai Sim, ACIS

REGISTERED OFFICE

8th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03 2072 5199
Fax : 03 2072 3600
E-mail : mfcb@mega-first.com

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Malaysian Share Registration Services Sdn. Bhd.
(Company No. 378993-D)
7th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Tel : 03 2026 8099
Fax : 03 2026 3736

AUDITORS

Deloitte KassimChan
(AF: 0080)

PRINCIPAL BANKERS

Alliance Merchant Bank Berhad
Affin Bank Berhad
Affin Merchant Bank Berhad
Arab-Malaysian Bank Berhad
Arab-Malaysian Merchant Bank Berhad
Aseambankers Malaysia Berhad
Bank Utama (Malaysia) Berhad
Barclays Bank plc
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Overseas Union Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange, Main Board

SECTOR

Trading/Services

STOCK CODE

3069

- Material Contracts

  There are no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year by the Company and its subsidiaries which involves interests of directors and major shareholders.

- Sanctions and/or Penalties Imposed

  There are no fines or sanctions imposed on the Company and its subsidiaries, directors or management.

- Share Buy-backs

  There was no share buy-back by the Company.

- Options, Warrants or Convertible Securities

  No options, warrants or convertible securities were issued or exercised by the Company during the financial year.

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

  The Company did not sponsor any ADR or GDR programme.

- Non-audit Fees

  The non-audit fees paid to the external auditors for the financial year have been reflected under Note 6 of the Financial Statements.

- Profit Estimate, Forecast or Projection

  The Company did not issue any profit estimate, forecast or projection for the financial year. There is no variance between the results for the financial year and the unaudited results previously announced by the Company.

- Profit Guarantee

  The Company did not give any profit guarantee.

- Revaluation of Landed Properties

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

DIRECTOR'S PROFILE

Dato'Lim Keng Kay
B.Sc. (Mining Engineering), ARSM, MIMM, MIME, C.Eng.
Chairman/Non-executive Director
Malaysian

Dato'Lim Keng Kay, age 65, joined the Board as Deputy Chairman and Group Managing Director on 11 April 1991. He stepped down as Group Managing Director on 1 July 1998 but remained Deputy Chairman until 3 April 2001 when he took over as Chairman of the Board. He is a mining engineer by profession and has worked in both the government and private sector. He is a non-executive non-independent director of the Company, and is the father of Mr Lim Si Boon. He has a direct interest in 10,000 fully paid ordinary shares of RM1.00 each in the Company. He also has a deemed interest in 62,755,000 fully paid ordinary shares of RM1.00 each in the Company by virtue of his interest in Kay Lim Holdings Sdn Bhd, Bonanza Venture Holdings Sdn Bhd and Bonanza Resources Sdn Bhd.

Chin Yoong Ngok
B.E. (Melb.), P.Eng, MIEA, MIEM, C.Dip. A&F
Group Managing Director
Malaysian

Mr Chin Yoong Ngok, age 44, was appointed as an Executive Director on 30 March 1995 and subsequently as Group Managing Director on 1 July 1998. A civil engineer by training, he has 12 years experience holding positions of Project Engineer and Project Manager with several engineering consulting firms and property developers before joining MFCB in September 1992 as Group Project Manager. Mr Chin also sits on the Boards of the associate companies, Rock Chemical Industries (Malaysia) Berhad (listed on KLSE Second Board) and Perilya Limited (listed on Australian Stock Exchange). He has a direct interest in 60,000 fully paid ordinary shares of RM1.00 each in the Company.

Chew Wei Keong
FCCA, CPA, CA (M)
Executive Director
Malaysian

Mr Chew Wei Keong, age 45, was appointed an Executive Director of MFCB on 30 March 1995. He joined MFCB in September 1990 as Group Accountant after having spent more than 10 years with a major accounting firm as well as other public listed companies, holding management positions. He also sits on the Board of Perilya Limited. He has a direct interest in 5,000 fully paid ordinary shares of RM1.00 each in the Company.

Yong Fook Shin
B.Sc. (Mining Geology), ARSM, MIMM, MIME, P.Eng., C. Eng.
Non-executive Director
Malaysian

Mr Yong Fook Shin, age 58, was appointed to the Board on 30 March 1995. He has more than 30 years of experience in the mining industry, having worked in tin mines in Malaysia and Brazil. He was the Managing Director of Mamut Copper Mining Sdn Bhd during the last five years of Mamut Copper Mine's operation; its closure was in June 1999. Mr Yong is also a non-executive director of Perilya Limited, representing the interest of MFCB Group. He has a direct interest in 60,000 fully paid ordinary shares of RM1.00 each in the Company.

Michael Yee Kim Shing
B. Comm (Melb.), ACA (Aust.), CA (M), CPA (S)
Independent Director
Malaysian

Mr Michael Yee Kim Shing, age 63, joined the Board on 5 April 1990 and is the longest serving member of the Board. He has been actively involved with MFCB since 1990. He has held the position as Chairman of the Board from 5 April 1990 until 5 December 1990 when he assumed the position of Director in charge of Finance and Administration until 28 February 1992, but continued to serve as a non-executive director. Prior to joining MFCB, Mr Michael Yee spent 26 years in the accounting profession before retiring as a Senior Partner of Ernst & Whinney. He is also a non-executive director of Pacific & Orient Berhad, a public company listed on KLSE. He has a direct interest in 50,000 fully paid ordinary shares of RM1.00 each in the Company.

Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin, MA (Hons)
Non-executive Director
Malaysian

Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin, age 54, holds a Master of Arts (Hons) Degree from the University of Canterbury, New Zealand. He has been with Sabah Economic Development Corporation (SEDCO) since 1973 and is presently its Group General Manager. He was appointed a Director of MFCB on 12 April 1991. He does not have any interest in shares in the Company.

Lim Si Boon
B.Eng. (Hons), DIC, MBA, AMIEE
Non-executive Director
Malaysian

Mr Lim Si Boon, aged 34, joined the Board on 8 April 1999. He is presently the Managing Director of Rock Chemical Industries (Malaysia) Berhad, an associate company of MFCB. Prior to this, he worked as a senior consultant for an international management consulting company, A.T. Kearney. He has consulted in the areas of business strategy, restructuring and operations improvement for multi-national companies and state-owned enterprises in South East Asia. He is the son of Dato' Lim Keng Kay. He has a deemed interest in 62,755,000 fully paid ordinary shares of RM1.00 each in the Company by virtue of his interest in Kay Lim Holdings Sdn Bhd, Bonanza Venture Holdings Sdn Bhd and Bonanza Resources Sdn Bhd.

Dato'Haji Abu Hanifah Noordin
B.Ec. (Hons) Acc, CA (M), CPA
Independent Director
Malaysian

Dato' Haji Abu Hanifah Noordin, age 49, was appointed to the Board on 5 December 1990 and is one of the longest serving independent member of the Board. He graduated from University of Malaya with an honours degree in Economics and subsequently qualified as a Public Accountant and a Certified Public Accountant.

Dato' Hanifah spent over 20 years in the accountancy profession, both in Malaysia and abroad, and has been actively involved in the development of the profession. He was Chairman and Managing Partner of Turquand Young & Co./Ernst & Whinney for 9 years. He was also President of the Malaysian Institute of Accountants (MIA) for 13 years and was a Board member of the International Accounting Standards Committee. He is a director of several companies including United Engineers (Malaysia) Berhad, Pacific & Orient Berhad, Pacific & Orient Insurance Co. Berhad and Hanifah Noordin group of companies. He does not have any interest in shares in the Company.

David William Boyd
FCPA (Aust.), AIDC
Non-executive Director
Australian

Mr David William Boyd, age 59, an accountant by profession currently is a management consultant. He has 20 years experience in Australian coal and shipping industries holding senior management positions, 4 years experience in distribution business in Singapore holding senior management positions.

Mr Boyd joined the Board on 14 October 1997. He is also a non-executive Director of Perilya Limited representing the interest of MFCB Group, consultant to Rio Tinto Corporation - Coal Division, and non-executive Director of Hunter Water Corporation in Australia. He has a direct interest in 40,000 fully paid ordinary shares of RM1.00 each in the Company.

Sivalingam s/o Munusamy
LLB (Hons.), Singapore
Independent Director
Malaysian

Mr Sivalingam, age 61, is a lawyer and has been in active legal practice for about 30 years. He has held the position as legal consultant to various corporations, including KLSE. He was an Executive Director of MFCB from 5 December 1992 to 29 February 1996, and re-joined the Board on 3 April 2001 as an independent director. He has a direct interest in 157,000 fully paid ordinary shares of RM1.00 each in the Company.

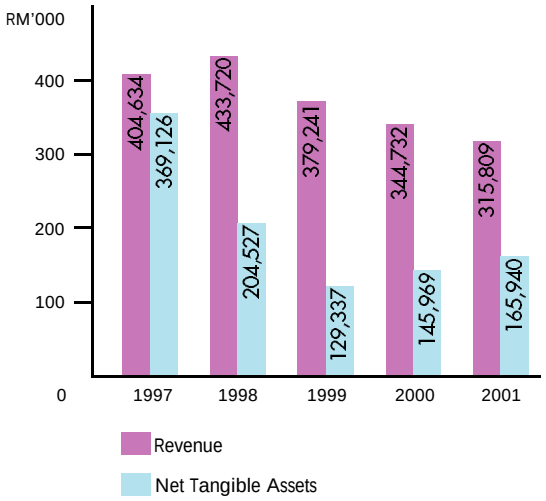
A.M. Yusof bin Abd. Razak
BA (Hons)
Non-executive Alternate Director
Malaysian

Encik A.M. Yusof bin Abd. Razak, age 46, holds a Bachelor of Arts (Hons) Degree from University Malaya. He has been with Sabah Economic Development Corporation (SEDCO) since 1978 and is presently its Deputy Group General Manager, Corporate Affairs and Finance. He was appointed as alternate Director to Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin on 23 August 2001. He does not have any interest in shares in the Company.

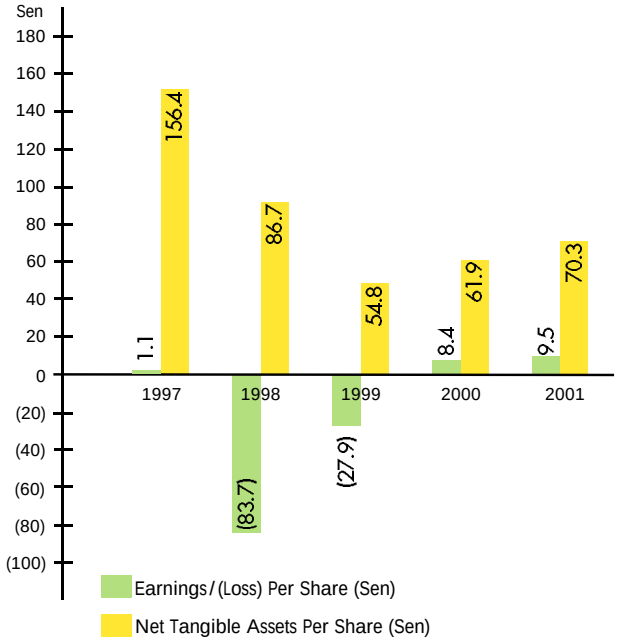
FIVE-YEAR FINANCIAL HIGHLIGHTS

Year Ended 30 June	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Results					
Revenue	404,634	433,720	379,241	344,732	315,809
Profit/(Loss) Before Exceptional Items And Tax	10,688	(24,001)	(10,242)	27,846	36,880
Exceptional Items	–	(165,118)	(50,180)	3,041	2,481
Profit/(Loss) Before Tax	10,688	(189,119)	(60,422)	30,887	39,361
As Of June					
Shareholders'Equity	373,031	207,905	131,553	152,798	171,915
Net Tangible Assets	369,126	204,527	129,337	145,969	165,940
Per Ordinary Share					
Earnings/(Loss) (sen)	1.1	(83.7)	(27.9)	8.4	9.5
Gross Dividend (sen)	3.0	–	–	–	–
Net Tangible Assets (sen)	156.4	86.7	54.8	61.9	70.3

REVENUE & NET TANGIBLE ASSETS



EARNINGS/(LOSS) PER SHARE (SEN) & NET TANGIBLE ASSETS PER SHARE (SEN)



STATEMENT ON APPLICATION OF THE PRINCIPLES OF CORPORATE GOVERNANCE

The following are statements on application of the Principles of Corporate Governance pursuant to Part 1 of Chapter 5 of the Malaysian Code on Corporate Governance.

BOARD OF DIRECTORS

The MFCB Board is made up of Directors who are qualified and experienced professionals in the fields of accountancy, engineering, law and economics. All these different skills working together enables the Board to effectively lead and control the Company.

The composition of the Board includes sufficient numbers of independent, executive and non-executive directors as prescribed by the KLSE Listing Requirements. This is to ensure that no individual or small groups of individual dominate the Board's decision-making process.

Board meetings were held four times in FY 2001. At least five days prior to the Board meeting, all Directors were provided with a complete set of Board Papers which includes a comprehensive write-up on the latest status of the Company's finance, operations and administrative matters. This is to enable the Directors to participate actively in the overall management (stewardship) of the Company.

With effect from the next Annual General Meeting, all Directors (including the Managing Director) will retire at regular intervals by rotation once at least every three years and they shall be eligible for re-election.

When appointing new directors, the Board is first provided with the curriculum vitae of the candidate beforehand for consideration. The appointment is then finalised after discussions at a Board meeting, giving ample time for deliberations on the suitability of the candidate.

In FY 2001, the composition of the Board, together with the attendance of the respective Directors at Board meetings are as follows:-

Name of Director	Attendance Record
Tan Sri Dato'Haji Anuar bin Dato' Haji Zainal Abidin *(resigned on 23 February 2001)*	2/2
Dato' Lim Keng Kay	3/4
Mr Chin Yoong Ngok	4/4
Mr Chew Wei Keong	3/4
Mr Yong Fook Shin	4/4
Mr Michael Yee Kim Shing	3/4
Dato' Haji Abu Hanifah Noordin	4/4
Mr David William Boyd	3/4
Mr Lim Si Boon	4/4
Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin	3/4
Mr Sivalingam s/o Munusamy *(appointed on 3 April 2001)*	1/1
Mr John Ho Cheong Hon *(Alternate to Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin)* *(ceased on 23 August 2001)*	–

Dato' Lim Keng Kay and Mr Lim Si Boon are directors and substantial shareholders in certain other companies which are involved in property development activities. Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin represents SEDCO on the Board. SEDCO has subsidiaries which are involved in property development activities. Save as disclosed, none of the Directors of the Company have conflict of interest with the Company.

DIRECTORS' REMUNERATION

The Board maintains that the current remuneration for each category of director commensurate with that adopted by companies of similar standing, and is sufficient to attract and retain directors of high calibre.

The aggregate remuneration of Directors during the year and categorized into appropriate components are as follows:-

	Emolument (RM'000)	Fee (RM'000)	Consultancy (RM'000)	Total (RM'000)
Executive Directors	1,059	Nil	Nil	1,059
Non-Executive Directors	–	95	270	365

Remuneration categories of Directors during the financial year are as follows :-

Range of remuneration	Number of Directors	
	Executive Director	Non-Executive Director
Below RM50,000	–	7
RM100,001 - RM150,000	–	1
RM150,001 - RM200,000	1	1
RM300,001 - RM350,000	1	–
RM550,000 - RM600,000	1	–

SHAREHOLDERS

Shareholders are kept well informed of developments and performances of the Company through disclosures to the KLSE and press (where appropriate) as well as the annual report. The annual report contains all the necessary disclosures in addition to facts and figures about the Company. In addition, efforts have been made to ensure that the report is user-friendly so that shareholders have a good understanding about the Company and its operations.

Adequate time is given during Annual and Extraordinary General Meetings to allow the shareholders to seek clarifications or ask questions on pertinent and relevant matters.

In addition to the above, the Company is always willing to meet up with institutional investors when the need arises, to elaborate or further clarify information already disclosed to the other shareholders.

ACCOUNTABILITY AND AUDIT

Directors' Responsibility Statement on annual audited accounts
The Directors are responsible for the preparation of the annual audited accounts and the Board ensures that the accounts and the other financial reports of the Company and of the Group are prepared in accordance with applicable approved accounting standards and the provisions of the Companies Act, 1965.

Audit Committee

The Audit Committee plays an active role in helping the Board discharge its governance responsibilities. The Committee works within the purview of the Terms of Reference, which have been drafted in accordance with the KLSE Listing Requirements, a copy of which is reproduced in a later section of this report.

Internal Audit

The Internal Audit Department reports directly to the Audit Committee. Their role is to carry out regular visits to the operating units to ensure compliance with the Group's policies, procedures and internal control systems. Of late, they have also adopted a 'risk based'approach when carrying out their audits. The findings are all properly documented and presented to the Audit Committee, with copies to the parties concerned, so that timely corrective measures can be taken.

Financial Reporting

On a quarterly basis, the Company releases to the KLSE details of the Company's performance as well as information on current issues and concerns. These announcements are only released after scrutiny by the Audit Committee and approved by the Board of Directors. At the end of each financial year, a comprehensive annual report is published and sent to all the shareholders. This report is prepared in accordance with the latest KLSE guidelines and is available to the public.

Internal Control Statement

The Board acknowledges that it is responsible for the overall internal control systems for the Group, and for reviewing its adequacy and integrity. However, the Board recognizes that such systems are designed to manage, rather than to eliminate, the risk of failure to achieve business objectives.

Key elements of the Group's systems of internal control are: -

a) Operating Procedures Manuals that set out the policies, procedures and practices to be adopted by all companies in the Group, to ensure clear accountabilities and control procedures are in place for all business units.

b) Comprehensive annual budgets which include business plans are prepared by all business units, and approved by the Board. Monthly results are then monitored against budgets and key performance indicators by management, focusing on variances and important operational issues, and feedback to the business units. On a quarterly basis, the Board reviews and deliberates on a comprehensive Group Managing Director's report, covering the Group's performance in the preceding quarter.

c) Regular internal audits are carried out to review the adequacy and integrity of the internal control systems of the business units. The reports are submitted to the Audit Committee, which reviews the findings with management at its quarterly meetings. These, together with the External Auditors' reports, provide reasonable assurance that control procedures are in place, and being followed

COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE

The Group was substantially in compliance with the Best Practices of Corporate Governance throughout FY2001, with the exception of the following:-

- We have not appointed a senior independent non-executive director, to whom concerns can be conveyed. We do not believe there is such a necessity because all our Board members actively and freely participate during Board meetings.

- Establishment of a Nominations Committee has not been effected as its functions are carried out by the Board.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Mega First Corporation Berhad, I am pleased to present the 35th Annual Report and Financial Statements of the Group and of the Company for the financial year ended 30 June 2001 ("FY 2001").

RESULTS

In FY 2001, the Group's revenue was RM315.8 million as compared to RM344.7 million previously. The revenue for FY 2001 is lower following the disposals of Lime and Lime Products (Sdn.) Berhad. ("LLP") and CEL Tractors Sdn. Bhd. ("CEL") during the year and lower sales by our UK operations.

During the year under review, the Group registered profits before exceptional items and tax of RM36.9 million. This is a gain of RM9.1 million or 33% over last year's results. After taking into consideration an exceptional gain of RM2.5 million, total profit before tax for the Group was RM39.4 million, as compared to RM30.9 million previously. This improvement was mainly due to better performances by the Power and Property Divisions.

At the Company level, profits before exceptional items and tax improved by 10% to RM7.7 million, as compared to the previous year's RM7.0 million. This increase was due to higher dividends received.

CORPORATE EVENTS

A number of corporate events, which are part of the Group's rationalisation and refocusing exercise, took place during the year under review. These are as follows:

1. On 25 August 2000, the Company entered into a conditional agreement to dispose of its wholly-owned subsidiary company, Lime and Lime Products (Sdn.) Berhad and the entire 97.5% equity interest in Parrange Sdn. Bhd. for a total cash consideration of RM14.0 million. Approval from the Ministry of International Trade and Industry was obtained on 20 February 2001, and the exercise was completed on 15 March 2001. This resulted in an exceptional gain of RM6.0 million.

2. On 20 October 2000, Bloxwich Engineering Limited, a 96.9% owned subsidiary, acquired 100% equity interest in Agile Manufacturing Limited ("Agile"), a company incorporated in the United Kingdom, comprising 500,000 fully paid ordinary shares of £1.00 each, for a cash consideration of approximately £350,000 (RM1.9 million). Agile subsequently changed its name to Bloxwich Fabrications Limited.

3. On 15 March 2001, the Group, through its wholly-owned subsidiary company, Mega First Industries Sdn. Bhd., disposed of its 60% equity interest in CEL Tractors Sdn. Bhd. ("CEL") for a nominal cash consideration of RM1.00. The disposal, which is not subject to any approval of shareholders or relevant authorities, resulted in an exceptional gain of RM34.1 million, arising mainly from the reversal of accumulated losses of CEL Group previously consolidated.

4. On 1 June 2001, the Group through its wholly-owned subsidiary, Mega First Engineering Sdn. Bhd. ("MFE") diluted its 100% equity interest in Mega Fortris (Malaysia) Sdn. Bhd. ("MFM") to 51% by the issue and allotment of 793,000 new shares to MFE and two individuals. This increase the issued and paid-up capital of MFM from RM0.35 million to RM1.143 million, comprising fully paid ordinary shares of RM1.00 each.

   On the same day, MFM entered into an Equity Joint-Venture Contract ("JV contract") with Qixian Heat and Power Co. Ltd., a company incorporated in the People's Republic of China ("PRC"). This was done through subscribing for a 60% equity interest (for a cash consideration of Rmb1.2 million or RM0.552 million) in Shaoxing Mega Fortris Seals Co. Ltd., the company incorporated in PRC under the JV.

PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah Mega First Corporation Berhad, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Kumpulan dan Syarikat yang ke 35 bagi tahun kewangan berakhir pada 30 Jun 2001 ("TK 2001").

PENCAPAIAN

Pada TK 2001, perolehan Kumpulan dicatatkan pada RM315.8 juta berbanding dengan RM344.7 juta sebelumnya. Perolehan bagi TK 2001 telah berkurangan berikutan daripada penjualan Lime and Lime Products (Sdn.) Berhad ("LLP") dan CEL Tractors Sdn. Bhd. ("CEL") dalam tahun berkenaan serta penyusutan jualan yang dialami oleh operasi kami di UK.

Bagi tahun yang ditinjau ini, Kumpulan telah mencatatkan keuntungan sebelum perkara luarbiasa dan cukai berjumlah RM36.9 juta. Ini merupakan peningkatan sebanyak RM9.1 juta atau 33% berbanding dengan pencapaian pada tahun lepas. Selepas mengambil kira keuntungan luarbiasa sebanyak RM2.5 juta, jumlah keuntungan sebelum cukai bagi Kumpulan adalah sebanyak RM39.4 juta, berbanding dengan RM30.9 juta sebelumnya. Peningkatan ini adalah disebabkan terutamanya oleh prestasi yang lebih baik oleh Bahagian Tenaga dan Hartanah.

Pada peringkat syarikat, keuntungan sebelum perkara luarbiasa dan cukai telah meningkat sebanyak 10% kepada RM7.7 juta, berbanding dengan keuntungan RM7.0 juta pada tahun sebelumnya. Peningkatan ini adalah disebabkan oleh penerimaan dividen yang lebih tinggi.

PERKEMBANGAN KORPORAT

Beberapa perkembangan korporat, yang merupakan sebahagian daripada aktiviti rasionalisasi dan penumpuan semula Kumpulan, telah berlangsung sepanjang tahun yang ditinjau ini. Ianya termasuklah perkara-perkara berikut:

1. *Pada 25 Ogos 2000, Syarikat telah memeterai perjanjian bersyarat untuk menjual anak syarikat milik penuhnya, Lime and Lime Products (Sdn.) Berhad dan keseluruhan 97.5% kepentingan ekuiti di dalam Parrange Sdn. Bhd. pada harga tunai berjumlah RM14.0 juta. Kelulusan daripada Kementerian Perdagangan Antarabangsa dan Industri telah diperolehi pada 20 Februari 2001, dan aktiviti ini telah lengkap dilangsungkan pada 15 Mac 2001. Ianya telah menyumbangkan keuntungan luarbiasa sebanyak RM6.0 juta.*

2. *Pada 20 Oktober 2000, Bloxwich Engineering Limited, sebuah anak syarikat yang dimiliki sebanyak 96.9%, telah membeli 100% kepentingan ekuiti di dalam Agile Manufacturing Limited ("Agile"), sebuah syarikat yang ditubuhkan di United Kingdom, terdiri daripada 500,000 saham biasa berbayar sepenuhnya pada £1.00 setiap satu, dengan bayaran tunai kira-kira £350,000 (RM1.9 juta). Berikutan itu, Agile telah ditukarkan namanya kepada Bloxwich Fabrications Limited.*

3. *Pada 15 Mac 2001, Kumpulan, menerusi anak syarikat milik penuhnya, Mega First Industries Sdn. Bhd., telah menjual kepentingan ekuitinya sebanyak 60% di dalam CEL Tractors Sdn. Bhd. ("CEL") pada harga tunai nominal RM1.00. Penjualan tersebut, yang tidak memerlukan kelulusan daripada pemegang-pemegang saham ataupun pihak berkuasa yang berkenaan, telah menghasilkan keuntungan luarbiasa sebanyak RM34.1 juta, disebabkan terutamanya oleh penimbalan balik kerugian terkumpul Kumpulan CEL yang telah digabungkan sebelumnya.*

4. *Pada 1 Jun 2001, Kumpulan, menerusi anak syarikat milik penuhnya, Mega First Engineering Sdn. Bhd. ("MFE") telah mencairkan kepentingan ekuitinya sebanyak 100% di dalam Mega Fortris (Malaysia) Sdn. Bhd. ("MFM") kepada 51% dengan penerbitan dan peruntukan 793,000 saham baru kepada MFE dan dua orang individu. Perkara ini telah meningkatkan modal terbitan dan berbayar MFM daripada RM0.35 juta kepada RM1.143 juta, terdiri daripada saham-saham biasa berbayar sepenuhnya pada RM1.00 setiap satu.*

   Pada hari yang sama, MFM telah memeterai Kontrak Usahasama Ekuiti ("kontrak JV") dengan Qixian Heat and Power Co Ltd, sebuah syarikat yang ditubuhkan di Republik Rakyat China ("RRC"). Perkara ini telah dilaksanakan menerusi langganan 60% kepentingan ekuiti (pada harga tunai Rmb1.2 juta atau RM0.552 juta) di dalam Shaoxing Mega Fortris Seals Co. Ltd, sebuah syarikat yang ditubuhkan di RRC di bawah kontrak JV ini.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

In recognition of the employees'contribution to the growth of the Group's business, MFCB obtained shareholders' approval on 30 October 2000 to establish an ESOS. The scheme was subsequently approved by the Securities Commission on 9 November 2000 and is now pending implementation.

DIVIDEND

After giving due consideration to the Group's net cash position and the uncertain times ahead, your Board is adopting a prudent approach by not recommending a dividend payment for FY 2001. This will enable us to continue building up our cash reserves as well as further reducing our borrowings in the coming year.

PROSPECTS

The outlook for FY 2002 will continue to be full of uncertainties. This is because Asian economies that have just barely recovered from the fallout of the last economic crisis now face the spectre of another one. How severe it will turn out to be, is still uncertain, as it depends heavily on the performances of the two largest economies in the world, Japan and USA. To their credit, our Malaysian government is already taking pre-emptive steps to mitigate its impact on our economy. Hopefully these measures will succeed.

Gloomy though it may seem, the impact of such a recurrence on the Group is not expected to be significant. This is because our gearing is a lot lower and our businesses more balanced, following our rationalisation exercise in recent years. Nevertheless, management will continue their prudent approach in the coming year, avoiding unnecessary risks whilst continuing to strengthen our financial position. Barring a severe downturn, we expect the Group to perform satisfactorily in FY 2002.

ACKNOWLEDGEMENT

During the year, I took over the Chairmanship of MFCB following the resignation of our previous Chairman, Tan Sri Dato' Haji Anuar Bin Dato' Haji Zainal Abidin. We wish Tan Sri well and thank him for his invaluable contributions to the Group.

We also welcome back Mr. Sivalingam s/o Munusamy to the Board. He rejoined the Board on 3 April 2001 as a non-Executive Independent Director, and was subsequently appointed to be on the Remuneration and Audit Committee.

On 25 July 2001, Mr. John Ho Cheong Hon stepped down as alternate to Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin from the Audit Committee on 3 August 2001. We wish to thank Mr. John Ho Cheong Hon for his invaluable contributions to the Group particularly on the Audit Committee.

We welcome Encik AG Mat Yusof bin Abdul Razak who joined the Board on 23 August 2001 as alternate to Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin.

On behalf of the Board, I would like to extend my appreciation to the management and staff of the Group for their dedication and commitment. My warm regards and thanks also go to my fellow Directors for their invaluable advice and contributions to the Group.

The Board also wishes to express its appreciation to all shareholders, business associates, customers, suppliers, bankers and all the regulatory authorities for their continual support and confidence.

DATO' LIM KENG KAY
Chairman

4 October 2001

SKIM OPSYEN SAHAM KAKITANGAN ("ESOS")

Sebagai menghargai sumbangan pihak kakitangan terhadap pertumbuhan perniagaan Kumpulan, MFCB telah memperolehi kelulusan para pemegang saham pada 30 Oktober 2000 untuk mengasaskan skim ESOS. Skim ini kemudiannya diluluskan oleh pihak Suruhanjaya Sekuriti pada 9 November 2000 dan kini sedang menanti perlaksanaannya.

DIVIDEN

Setelah memberikan pertimbangan terhadap kedudukan tunai bersih Kumpulan dan keadaan yang tidak dapat dipastikan untuk masa depan, pihak Lembaga telah mengambil langkah berhati-hati dengan tidak mencadangkan bayaran dividen bagi TK 2001. Ini akan membolehkan proses pemantapan rizab tunai dan seterusnya mengurangkan kedudukan pinjaman bagi tahun yang akan datang.

PROSPEK

Suasana TK 2002 akan terus berada di dalam kedudukan yang penuh dengan keraguan. Ini adalah kerana keadaan ekonomi Asia yang baru sahaja sedang mengalami pemulihan akibat daripada kemelesetan ekonomi yang lalu dijangka terpaksa menempuhi satu lagi krisis ekonomi yang akan berulang. Tahap kesukaran yang perlu dilalui masih belum dapat ditentukan kerana ianya bergantung rapat dengan prestasi 2 gergasi ekonomi dunia iaitu Jepun dan Amerika Syarikat. Namun demikian, pujian harus diberikan kepada pihak kerajaan Malaysia atas langkah-langkah pencegahan yang telah terlebih dahulunya diambil untuk mengurangkan kesannya terhadap ekonomi negara. Adalah diharapkan agar langkah-langkah tersebut akan berjaya.

Walaupun keadaan kelihatan agak suram, kesan krisis yang berulang terhadap Kumpulan dijangka tidak begitu mendalam. Ini adalah kerana nisbah pinjaman kami kini berada di dalam kedudukan yang jauh lebih rendah dan kedudukan perniagaan kami adalah lebih seimbang, berikutan daripada langkah rasionalisasi yang telah diambil kebelakangan ini. Namun demikian, pihak pengurusan akan meneruskan langkah berhati-hati bagi tahun yang akan datang, dengan mengelakkan risiko-risiko yang tidak perlu dihadapi sambil terus mengukuhkan kedudukan kewangan kami. Sekiranya tidak berlaku kemelesetan ekonomi yang buruk, kami menjangkakan Kumpulan akan mencatat prestasi memuaskan bagi TK 2002.

PENGHARGAAN

Pada tahun ini, saya telah mengambilalih sebagai Pengerusi bagi MFCB selepas Pengerusinya yang terdahulu, Tan Sri Dato'Haji Anuar Bin Dato'Haji Zainal Abidin, meletakkan jawatan. Kami ingin mengucapkan selamat sejahtera kepada Tan Sri dan merakamkan ucapan ribuan terima kasih atas sumbangan beliau yang tidak ternilai kepada Kumpulan.

Kami juga ingin mengalu-alukan perlantikan semula En. Sivalingam a/l Munusamy ke Lembaga Pengarah. Beliau telah menyertai semula Lembaga Pengarah pada 3 April 2001 sebagai Pengarah Bebas Bukan Eksekutif dan telah seterusnya dilantik menganggotai Jawatankuasa Audit dan Remunerasi.

Pada Julai 2001, En. John Ho Cheong Hon telah melepaskan jawatan sebagai alternat kepada Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin di dalam Jawatankuasa Audit mulai 3 Ogos 2001. Kami ingin mengucapkan terima kasih kepada En. John Ho Cheong Hon atas sumbangannya yang tidak ternilai kepada Kumpulan, khususnya kepada Jawatankuasa Audit.

Kami ingin mengalu-alukan perlantikan Encik AG Mat Yusof bin Abdul Razak ke Lembaga Pengarah pada 23 Ogos 2001 sebagai alternat kepada Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin.

Bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan kepada pihak pengurusan dan kakitangan Kumpulan atas sikap dedikasi dan komitmen mereka. Saya juga ingin mengucapkan terima kasih kepada rakan-rakan Pengarah atas nasihat dan sumbangan mereka yang tidak ternilainya kepada Kumpulan.

Lembaga Pengarah juga ingin menyampaikan ucapan terima kasih kepada para pemegang saham, rakan kongsi, pelanggan, pembekal, bank dan semua pihak berkuasa yang berkaitan atas sokongan dan keyakinan mereka yang berterusan.

DATO' LIM KENG KAY
Pengerusi

4 Oktober 2001

GROUP MANAGING DIRECTOR'S OPERATIONS REVIEW

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001 ("FY 2001")

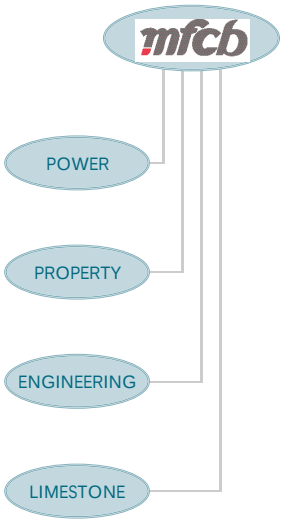
OVERVIEW OF GROUP OPERATIONS

During the year, the major part of our rationalisation plans for the Group was completed. As a result of this exercise, the Group is now more focussed, with four core activities (Power, Property, Engineering and Limestone). In addition, through our associate company in Australia, the Group retains its presence in Mining.

The Group's operating profits (before exceptional items and tax) for FY 2001 improved by 33% to RM36.9 million over previous year's results. This was despite lower revenue for the same period, RM315.8 million versus RM344.7 million previously, because of the two disposals during the year. As they did last financial year, the Power and Property Divisions were the best performers.

As a result of our rationalisation exercise, the Group's portfolio of remaining businesses is also a lot more balanced than previously. We have a mix of businesses that are already generating steady and good earnings, as well as those that are start-ups with good growth potentials. On top of this, our earnings are now in a basket of currencies because of our overseas operations, giving us some degree of protection against the vagaries of currency movements.

Our recovery will continue into the coming year. The focus now will be on building up our cash position. This will enable us to fund the growth of our continuing businesses, and to continue reducing our borrowings. Performing these tasks will not be easy going, as the outlook for FY 2002 is not very positive. However, notwithstanding the rough times ahead, we will continue to enhance shareholders'value in FY 2002, albeit at a reduced pace.



MFCB's Core Activities

TINJAUAN OPERASI OLEH PENGARAH URUSAN KUMPULAN

BAGI TAHUN BERAKHIR 30HB JUN 2001 ("TK 2001")

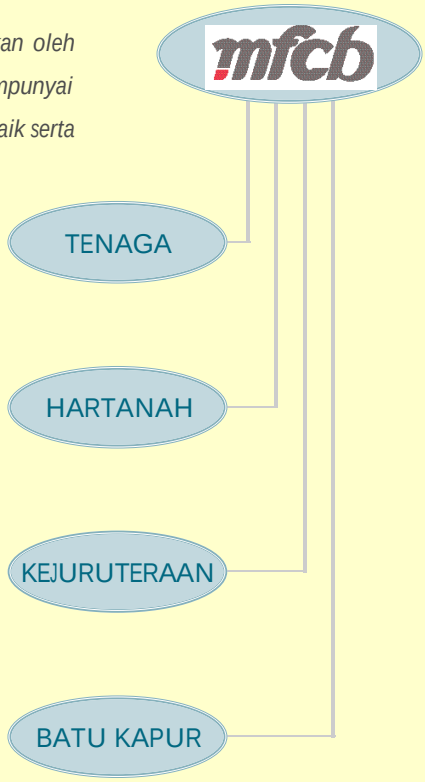
TINJAUAN OPERASI KUMPULAN

Pada tahun ini, bahagian utama dalam rancangan rasionalisasi Kumpulan telah disempurnakan. Hasil daripada langkah ini, Kumpulan kini adalah lebih tertumpu, dengan empat aktiviti utama (Tenaga, Hartanah, Kejuruteraan dan Batu Kapur). Tambahan lagi, menerusi syarikat bersekutunya di Australia, Kumpulan turut mempunyai penglibatan di dalam bidang Perlombongan.

Keuntungan operasi Kumpulan (sebelum perkara luarbiasa dan cukai) bagi TK 2001 telah meningkat 33% kepada RM36.9 juta berbanding pencapaian tahun lepas. Perkara ini berlaku sungguhpun terdapat penyusutan dalam nilai jualan bagi tempoh yang sama, iaitu RM315.8 juta berbanding RM344.7 juta sebelumnya, disebabkan oleh penjualan dua syarikat dalam tahun berkenaan ini. Seperti juga pada tahun lepas, Bahagian Tenaga dan Hartanah telah muncul dengan prestasi terbaik.

Hasil daripada aktiviti rasionalisasi kami, portfolio perniagaan yang dikekalkan oleh Kumpulan adalah lebih seimbang berbanding sebelumnya. Kumpulan kini mempunyai jurusan perniagaan yang sedang menyumbangkan perolehan yang sekata dan baik serta juga perniagaan baru yang berdaya maju dari segi prestasi pertumbuhannya. Selain itu, sumber perolehan kami turut merangkumi bentuk pelbagai jenis matawang disebabkan oleh operasi luarnegara kami, yang memberikan perlindungan terhadap pergerakan matawang asing yang tidak menentu.

Proses pemulihan kami akan berterusan sehingga tahun berikutnya. Tumpuan kini diberikan untuk mengukuhkan kedudukan tunai kami. Pengukuhan ini akan membolehkan kami untuk membiayai pertumbuhan perniagaan yang berterusan disamping mengurangkan kedudukan pinjaman. Tugas untuk melaksanakan rancangan ini bukanlah sesuatu yang mudah memandangkan keadaan masa depan bagi TK 2002 adalah tidak begitu positif. Namun demikian, disebalik kesukaran masa depan tersebut, kami akan terus berusaha untuk meningkatkan nilai pegangan saham bagi TK 2002 walaupun pada kadar yang lebih perlahan.



Aktiviti Utama MFCB

POWER DIVISION

Main activities:

Power generation and operation and maintenance ("O&M") of power plants.

Major subsidiary companies:

Mega First Power Industries Sdn. Bhd. ("MFPI")
Serudong Power Sdn. Bhd. ("SPSB")
Shaoxing Mega Heat And Power Co. Ltd., PRC ("SMHP")
Mega First Power Services Sdn. Bhd. ("MFPS")

Turbine generating set in SMHP's China plant
Janakuasa turbin dalam loji tenaga SMHP, China

SMHP's power plant in China
Loji tenaga SMHP di China

The Power Division continues to be the best performing division of the Group. For the year under review, revenue and profit before tax were RM120.4 million and RM29.5 million respectively, as compared to RM100.6 million and RM20.4 million respectively. These improvements were due to higher steam sales in China .

Both the power plants operated by MFPS in Sabah (in Tawau and Kota Kinabalu) performed well and did not face any problems. A lot of credit must go to our staff for their diligence and hard work adhering to a stringent maintenance schedule right from the very beginning. Notwithstanding these good track records, we are continually looking at ways to further improve the efficiencies and performances of the plants.

In China, the completion of the new boiler and steam pipelines during the year has increased both the revenues and profits. We are in the midst of seeking approvals for a further expansion of the plant to supply steam to a large industrial park being developed in the vicinity.

The Power Division should continue its good performance in the coming year, as demand from our customers are expected to remain strong. Barring unforeseen circumstances, the Power Division will also be the main contributor to the Group's earnings in FY 2002.

BAHAGIAN TENAGA

Aktiviti utama:

Penjanaan kuasa serta khidmat operasi dan penyelenggaraan ("O&M") loji-loji tenaga.

Anak syarikat utama:

Mega First Power Industries Sdn. Bhd. ("MFPI")
Serudong Power Sdn. Bhd. ("SPSB")
Shaoxing Mega Heat And Power Co. Ltd., PRC ("SMHP")
Mega First Power Services Sdn. Bhd. ("MFPS")

SPSB's power plant in Tawau
Loji tenaga SPSB di Tawau

Control Room of SPSB's Power plant
Bilik kawalan loji tenaga SPSB

Bahagian Tenaga kekal terus sebagai bahagian berprestasi terbaik untuk Kumpulan. Bagi tahun yang ditinjau ini, perolehan dan keuntungan sebelum cukai dicatatkan masing-masingnya pada RM120.4 juta dan RM29.5 juta, berbanding dengan pencapaian RM100.6 juta dan RM20.4 juta sebelumnya. Peningkatan ini disebabkan oleh penjualan bahan wap yang lebih tinggi di China.

Kedua-dua loji tenaga di bawah operasi MFPS di Sabah (di Tawau dan Kota Kinabalu) telah menunjukkan prestasi baik dan tidak menghadapi sebarang masalah. Pujian harus diberikan kepada kakitangan kami di atas kerajinan dan kecekalan usaha mereka dalam mematuhi jadual penyelenggaraan yang ketat sejak dari mula lagi. Walaupun rekod kerja sekarang adalah baik, kami akan terus berusaha untuk meningkatkan keberkesanan serta prestasi loji-loji berkenaan.

Di China, kelengkapan dandang yang baru serta jalinan saluran paip wap yang telah disiapkan dalam tahun ini telah meningkatkan perolehan dan keuntungan. Kami sedang dalam proses untuk mendapatkan kelulusan bagi membesarkan kemudahan loji berkenaan sebagai persediaan untuk membekalkan bahan wap kepada sebuah taman perindustrian yang sedang dibangunkan di kawasan berhampiran.

Bahagian Tenaga dijangka akan berupaya untuk meneruskan prestasi yang baik untuk tahun berikutnya, disebabkan permintaan pelanggan dijangka akan kekal tinggi. Sekiranya tidak berlaku sebarang perkara yang tidak dijangkakan, Bahagian Janakuasa akan terus menjadi penyumbang utama terhadap perolehan Kumpulan bagi TK 2002.

PROPERTY DIVISION

Main activities:

Property development

Major subsidiary companies:

Gombak Land Sdn. Bhd. ("GLSB")

Mega First Housing Development Sdn. Bhd. ("MFHD")

Paya Emas Sdn. Bhd. ("PESB")

Despite the overall slowdown in the property industry, the Property Division performed well, registering revenue and profits surpassing that of the previous year (RM64.2 million and RM11.6 million, versus RM50.7 million and RM6.7 million respectively).

GLSB's Greentown Project, Ipoh
Projek Greentown GLSB di Ipoh

There were a number of launches during the year in Ipoh and Malacca, with good results. These can be attributed to attractive prices, good locations and the Company's track record in these areas. To replenish our land bank, we are continually pursuing new opportunities, especially those in joint ventures with landowners.

In the coming year, we will continue to focus on affordable housing for owner-occupiers. However, bearing in mind the expected difficult market conditions ahead, we will take a prudent and cautious approach when planning new launches.

BAHAGIAN HARTANAH

Aktiviti utama:

Pembangunan hartanah

Anak syarikat utama:

Gombak Land Sdn. Bhd. ("GLSB")
Mega First Housing Development Sdn. Bhd. ("MFHD")
Paya Emas Sdn. Bhd. ("PESB")

Di sebalik kelembapan menyeluruh dalam industri hartanah, Bahagian hartanah telah menunjukkan prestasi yang baik dengan mencatatkan peningkatan perolehan dan keuntungan yang melepasi tahap sebelumnya (masing-masing pada RM64.2 juta dan RM11.6 juta, berbanding RM50.7 juta dan RM6.7 million sebelumnya).

Part of the development in Greentown, Ipoh
Sebahagian dari pembangunan di Greentown, Ipoh

Taman Mawar Project in Salak Tinggi, Sepang
Projek Taman Mawar di Salak Tinggi, Sepang

Beberapa program pelancaran telah dijalankan dalam tahun yang berkenaan di Ipoh dan Melaka dengan hasil pencapaian yang baik. Pencapaian tersebut adalah disumbang oleh faktor-faktor seperti harga yang menarik, lokasi yang baik serta reputasi baik Syarikat di kawasan-kawasan berkenaan. Dalam usaha mengisi semula simpanan tanah untuk dibangunkan, kami sedang meneruskan carian bagi peluang-peluang baru, terutamanya melibatkan usahasama dengan pemilik-pemilik tanah.

Bagi tahun yang akan datang, kami akan terus memberi tumpuan ke atas pembangunan perumahan mampu-milik bagi kediaman sendiri oleh para pembeli. Namun demikian, berdasarkan keadaan pasaran masa depan yang sukar, kami akan terus mengambil langkah cermat dan berhati-hati apabila merancang pelancaran-pelancaran baru.

LIMESTONE DIVISION

Main activities:

Limestone quarries, white portland cement, quicklime, hydrated lime, calcium carbonate powder and sand lime bricks

Major subsidiary company:

Syarikat Cheng Sun Quarry Sdn. Bhd. ("CSQ")

Associated company:

Rock Chemical Industries (Malaysia) Berhad ("RCI")

Following the disposal of Lime and Lime Products (Sdn.) Berhad, the activities of this Division are limited to those of CSQ and our associate company, RCI.

The revenue of CSQ for FY 2001 is lower at RM3.0 million versus RM3.8 million previously, with a corresponding drop in earnings from RM0.4 million to RM0.2 million. This drop is due to the increasingly competitive market for CSQ's products because of excess capacities in the industry. This situation is expected to continue in the coming year due to the slow down of the economy.

White cement kiln at RCI, Ipoh
Ketuhar simen putih RCI, Ipoh

White cement being packed
Proses membungkus simen putih

RCI

Our associate company, RCI's contribution to the Group's profit for FY 2001 was RM0.3 million as compared to RM1.4 million previously. This reduction arose as a result of RCI divesting 60% of its wholly owned subsidiary, RCI White Cement Sdn. Bhd. to Aalborg Portland White A/S, during the first quarter of the financial year. Following this exercise, a brand new white cement factory is now being built alongside the existing one (in Ipoh). When completed, the plant will be capable of producing 160,000 tonnes annually, as compared to 60,000 tonnes previously. In addition, RCI is also embarking on a new limekiln to increase its production of hydrated lime and quicklime. Both projects are expected to be completed within the next 24 months, and will significantly add to RCI's results then.

BAHAGIAN BATU KAPUR

Aktiviti utama:

Kuari batu kapur, simen putih, kapur tohor, kapur hidrat, serbuk kalsium karbonat dan batu bata bersilikat

Anak syarikat utama:

Syarikat Cheng Sun Quarry Sdn. Bhd. ("CSQ")

Syarikat bersekutu:

Rock Chemical Industries (Malaysia) Berhad ("RCI")

Selepas penjualan Lime and Lime Products (Sdn.) Berhad, aktiviti Bahagian ini adalah terhad kepada aktiviti-aktiviti oleh CSQ dan syarikat besekutu kami, RCI.

Perolehan yang dicatatkan oleh CSQ bagi TK 2001 adalah lebih rendah, pada tahap RM3.0 juta berbanding RM3.8 juta sebelumnya, dengan tahap pendapatan yang turut menyusut daripada RM0.4 juta kepada RM0.2 juta. Penyusutan ini disebabkan terutamanya oleh saingan pasaran yang semakin tinggi bagi produk-produk CSQ kerana terdapatnya lebihan kapasiti dalam industri ini. Situasi ini dijangka akan berterusan pada tahun berikutnya disebabkan oleh kelembapan keadaan ekonomi.

CSQ's products for overseas customers
Produk-produk CSQ bagi pelanggan luar negeri

CSQ's calcium carbonate powder factory
Kilang serbuk kalsium karbonat CSQ

RCI

Syarikat bersekutu kami, RCI, telah mencatatkan sumbangan terhadap keuntungan Kumpulan bagi TK 2001 pada tahap RM0.3 juta berbanding RM1.4 juta sebelumnya. Penyusutan ini disebabkan terutamanya oleh penjualan 60% pelaburan RCI di dalam anak syarikat milik sepenuhnya, RCI White Cement Sdn. Bhd. kepada Aalborg Portland White A/S, pada suku tahun pertama bagi tahun kewangan ini. Berikutannya itu, sebuah kilang simen putih yang baru kini sedang dibina di sebelah kilang sedia ada (di Ipoh). Pada penyempurnaannya, kilang tersebut akan berupaya menghasilkan 160,000 tan keluaran setahun, berbanding 60,000 tan sebelumnya. Sebagai tambahan, RCI kini turut membangunkan sebuah ketuhar batu kapur yang baru untuk meningkatkan pengeluaran kapur hidrat dan kapur tohornya. Kedua-dua projek dijangka akan siap dalam masa 24 bulan lagi, justeru dijangka akan memperbaiki pencapaian RCI kemudiannya.

ENGINEERING DIVISION

Main activities:

Manufacturing of automotive components, container locking gears and security seals

Major subsidiary companies:

Bloxwich International Sdn. Bhd. ("BISB")
Bloxwich (Malaysia) Sdn. Bhd. ("BMSB")
Bloxwich Engineering Limited, UK ("BEL")
Bloxwich Automotive Limited, UK ("BAL")
Hatherton Engineering Limited, UK ("HEL")
Bloxwich Transportation Products Limited, UK ("BTP")
Bloxwich Fabrications Limited, UK ("BFL")
Mega Fortris (Malaysia) Sdn. Bhd. ("MFMSB")
Shaoxing Mega Fortris Seals Co. Ltd., PRC ("SMFS")
Bloxwich Security Products Ltd. ("BSP")
Bloxwich South Africa (Pty) Ltd. ("BSAPL")

Testing rig for door hinges
Jentera ujian untuk engsel pintu

Grinding machine
Mesin kisar

Part of UK's manufacturing facilities
Sebahagian dari kemudahan pembuatan di UK

The revenue for the Engineering Division for FY 2001 was RM117.5 million, as compared to RM146.0 million previously. The reduction of RM28.5 million arose mainly from our UK operations. For the year under review, this Division recorded a loss of RM2.2 million as compared to RM4.7 million previously.

Our UK automotive activities were severely disrupted following last year's change of ownership of its largest customer. A whole vehicle production facility was transferred to another location followed by the introduction of new models. This had a material effect on the revenue achieved during the last 12 months. The new facility is now in normal operation and sales are being restored to a more reasonable level with growth forecast for the coming year. Despite the lower sales, operating profits for the year improved. This was a result of the improvements to productivity put into place during the year. We expect this trend to continue in the coming year.

BAHAGIAN KEJURUTERAAN

Aktiviti utama:

Penghasilan komponen otomotif, gear pengunci kontena dan meterai

Anak syarikat utama:

Bloxwich International Sdn. Bhd. ("BISB")
Bloxwich (Malaysia) Sdn. Bhd. ("BMSB")
Bloxwich Engineering Limited, UK ("BEL")
Bloxwich Automotive Limited, UK ("BAL")
Hatherton Engineering Limited, UK ("HEL")
Bloxwich Transportation Products Limited, UK ("BTP")
Bloxwich Fabrications Limited, UK ("BFL")
Mega Fortris (Malaysia) Sdn. Bhd. ("MFMSB")
Shaoxing Mega Fortris Seals Co. Ltd., PRC ("SMFS")
Bloxwich Security Products Ltd ("BSP")
Bloxwich South Africa (Pty) Ltd. ("BSAPL")

New MFMSB factory
Kilang baru MFMSB

Manufacturing of security seals
Pembuatan meterai

Perolehan bagi Bahagian Kejuruteraan bagi TK 2001 dicatatkan sebanyak RM117.5 juta, berbanding RM146.0 juta sebelumnya. Penyusutan sebanyak RM28.5 juta ini disebabkan terutamanya oleh keadaan operasi kami di UK. Bagi tahun yang ditinjau ini, Bahagian berkenaan telah mencatatkan kerugian RM2.2 juta berbanding RM4.7 juta sebelumnya.

Aktiviti otomotif kami di UK telah terjejas berikutan bertukaran hakmilik bagi pelanggan utamanya yang berlangsung pada tahun lepas. Sebuah kemudahan pembuatan kenderaan telah berpindah secara keseluruhannya ke lokasi lain berikutan pengenalan model-model baru. Pemindahan ini mendatangkan kesan yang besar terhadap perolehan yang tercapai sejak 12 bulan yang lalu. Kemudahan baru tersebut kini telah beroperasi seperti biasa dan jualan sedang dipertingkatkan ke tahap yang lebih memuaskan dengan jangkaan pertumbuhan untuk tahun berikutnya. Di sebalik jumlah jualan yang lebih rendah, keuntungan operasi untuk tahun berkenaan telah bertambah baik. Ianya disebabkan oleh peningkatan produktiviti yang berlangsung sepanjang tahun. Kami menjangkakan corak pertumbuhan ini akan berterusan bagi tahun akan datang.

The Truck & Container business continues to face stiff competition, exacerbated by the strength of the Sterling. The weakening of the US economy also had a detrimental effect on planned sales to that market. To compensate for the lower margins, manufacturing activities are being moved to South Africa and Malaysia.

In October 2000, BEL purchased the entire equity interest in Agile Manufacturing Limited (renamed as Bloxwich Fabrications Limited) to diversify its activities into designing and manufacturing frames in steel hollow sections for patient handling equipment, motorcycles and mass transit seating. The facilities were moved from its previous site to an existing Bloxwich facility, which also houses Truck & Container and Security Products. This operation is expected to provide significant growth in future earnings and sales.

BMSB had a difficult year because of start-up technical issues and delays in orders by customers. However, mass production of new products started at the end of the financial year, which should improve BMSB's results in the coming 12 months.

Our security seal business, now under MFMSB had a reasonably good year. We are in the process of setting up new manufacturing facilities both locally and in China to meet the demands of our customers. New products are also being introduced into the market and have been generally well received. Barring any severe downturn in the transportation industry worldwide, our security seal business is expected to grow rapidly in the near future.

OTHER INVESTMENTS

Main activity:

Mining

Associated company:

Perilya Limited, Australia ("Perilya")

Our share of profits for FY 2001 from our associate company, Perilya, was RM3.2 million as compared to previous year's RM3.9 million. Even though lower, it was an excellent result because Perilya's remaining mine shut down soon after financial year-end. Perilya is now focussing on its exploration programs and ongoing negotiations for new projects.

CHIN YOONG NGOK
Group Managing Director

4 October 2001

Perniagaan Trak & Kontena masih menghadapi saingan yang sengit, dirangsang pula dengan pengukuhan matawang Sterling. Kelembapan ekonomi Amerika Syarikat turut memberikan kesan buruk terhadap rancangan jualan bagi pasaran berkenaan. Untuk menangani masalah kadar keuntungan yang semakin kecil, aktiviti-aktiviti pembuatan sedang dipindahkan ke Afrika Selatan dan Malaysia.

Pada Oktober 2000, BEL telah membeli keseluruhan kepentingan ekuiti di dalam Agile Manufacturing Limited (dinamakan semula sebagai Bloxwich Fabrications Limited) untuk mempelbagaikan aktivitinya dalam bidang rekabentuk dan pembuatan kerangka besi berongga untuk perkakasan penjagaan pesakit, motosikal dan tempat duduk pengangkutan awam. Kemudahan tersebut telah dipindahkan daripada lokasinya dahulu ke lokasi yang menempatkan kemudahan Bloxwich yang sedia ada, yang turut menempatkan bahagian Trak & Kontena serta Produk Keselamatan. Operasi ini dijangka akan menyumbangkan pertumbuhan dari segi pendapatan dan jualan pada masa depan.

BMSB telah menghadapi tahun yang sukar disebabkan oleh isu-isu permulaan bersifat teknikal dan penangguhan pesanan oleh para pelanggan. Namun demikian, produksi secara besar-besaran bagi produk-produk baru telah dimulakan pada penghujung tahun kewangan berkenaan dan dijangka akan memperbaiki pencapaian BMSB dalam masa 12 bulan yang akan datang.

Perniagaan meterai kami, kini di bawah operasi MFMSB, telah mengalami tahun yang memuaskan. Kami sedang dalam proses untuk mengasaskan kemudahan-kemudahan penggilangan yang baru di lokasi tempatan dan di China untuk memenuhi permintaan daripada para pelanggan kami. Produk-produk baru juga sedang diperkenalkan di pasaran dan telah menerima sambutan yang baik. Sekiranya tidak berlaku sebarang kemelesetan mendadak dalam industri pengangkutan sedunia, perniagaan meterai kami dijangka akan mengalami pertumbuhan pesat pada masa depan.

PELABURAN-PELABURAN LAIN

Aktiviti utama:
Perlombongan

Syarikat bersekutu:
Perilya Limited, Australia ("Perilya")

Bahagian keuntungan kami bagi TK 2001 daripada syarikat bersekutu kami, Perilya, telah dicatatkan pada RM3.2 juta berbanding RM3.9 juta pada tahun sebelumnya. Sungguhpun jumlahnya telah berkurangan, ianya merupakan pencapaian yang baik memandangkan baki lombong kepunyaan Perilya telah berhenti beroperasi selepas tahun kewangan ini. Perilya kini sedang menumpukan perhatian terhadap program-program carigalinya serta perbincangan yang berterusan bagi projek-projek baru.

CHIN YOONG NGOK
Pengarah Urusan Kumpulan

4 Oktober 2001

TERMS OF REFERENCE OF AUDIT COMMITTEE

1. MEMBERSHIP

1.1 The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members.

1.2 The majority of the members including the Chairman of the Committee shall be Independent Directors as defined in Chapter 1 of the Listing Requirement of the Kuala Lumpur Stock Exchange.

1.3 The Committee shall include at least one person:

(a) who is a member of the Malaysian Institute of Accountants; or
(b) who must have at least 3 years working experience and: -

(i) have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
(ii) is a member of one of the Associations specified in Part II of the First Schedule of the Accountants Act, 1967.

1.4 No alternate Directors shall be appointed as a member of the Committee.

1.5 The members of the Committee shall elect a Chairman from amongst their number.

1.6 If a member of the Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three months appoint such number of new members as may be required to make up the minimum of three (3) members.

1.7 The term of office and performance of the Committee and of each of its members shall be reviewed by the Board no less than once every three (3) years. However, the appointment terminates when a member ceases to be a Director.

2. MEETINGS

2.1 The quorum for a Committee meeting shall be at least two (2) members, the majority present must be Independent Directors.

2.2 The Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide.

2.3 Notwithstanding paragraph 2.2 above, upon the request of any member of the Committee, non-member Directors, the Internal or External Auditors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention.

2.4 The External Auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so.

2.5 The Committee may invite any non-member Director or employee of the Company and of the Group who the Committee thinks fit and proper to attend its meeting to assist in its deliberations and resolutions of matters raised.

2.6 The Internal Auditors shall be in attendance at all meetings to present and discuss the audit reports and other related matters and the recommendations relating thereto and to follow up on all relevant decisions made.

2.7 The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.

2.8 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.

2.9 In addition to the availability of detailed minutes of the meetings to all Board members, the Committee at each Board meeting will report a summary of significant matters and resolutions.

3. RIGHTS AND AUTHORITY

The Committee is authorised to: -

3.1 Investigate any matter within its terms of reference.

3.2 Have adequate resources required to perform its duties.

3.3 Have full and unrestricted access to information, records and documents relevant to its activities.

3.4 Have direct communication channels with the Internal and External Auditors.

3.5 Engage, consult and obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise it considers necessary.

4. FUNCTIONS AND DUTIES

4.1 To review and recommend for the Board's approval, the Internal Audit Charter which defines the independence, purpose, authority, scope and responsibility of the internal audit function in the Company and the Group.

4.2 To review the following and report to the Board: -

(a) With the External Auditors: -

(i) the audit plan and audit report and the extent of assistance rendered by employees of the Auditee;
(ii) their evaluation of the system of internal controls;
(iii) the audit fee and on matter concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as Auditors;
(iv) the management letter and management's response; and
(v) issues and reservations arising from audits.

(b) With the Internal Audit Department: -

(i) the adequacy and relevance of the scope, functions and resources of internal audit and the necessary authority to carry out its work;

(ii) the audit plan of work programme and results of internal audit processes including actions taken or recommendations;

(iii) the extent of co-operation and assistance rendered by employees of Auditee; and

(iv) the appraisal of the performance of the internal audit function including that of the senior staff and any matter concerning their appointment and termination.

(c) The quarterly results and year-end financial statement of accounts prior to the approval by the Board, focusing particularly on: -

(i) changes and implementation of major accounting policies and practices;

(ii) significant and unusual issues;

(iii) going concern assumption; and

(iv) compliance with Accounting Standards, regulatory and other legal requirements.

(d) The major findings of investigations and management response.

(e) The propriety of any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raise questions of management integrity.

4.3 To report any breaches of the Listing Requirements which have not been satisfactorily resolved, to the Kuala Lumpur Stock Exchange.

4.4 To prepare the Audit Committee Report for inclusion in the Company's Annual Report covering:-

(a) the composition of the Committee including the name, designation and directorship of the members;
(b) the terms of reference of the Committee;
(c) the number of meetings held and details of attendance of each member;
(d) a summary of the activities of the Committee in the discharge of its functions and duties;
(e) a summary of the activities of the Internal Audit function; and
(f) such other matter as may be required by the relevant regulatory authorities from time to time.

4.5 To review the following for publication in the Company's Annual Report: -

(a) the disclosure statement of the Board on:-

(i) the Company's applications of the principles set out in Part I of the Malaysian Code on Corporate Governance; and
(ii) the extent of compliance with the best practices set out in Part II of the Malaysian Code on Corporate Governance, specifying reasons for any area of non-compliance and the alternative measures adopted in such areas;

(b) the statement on the Board's responsibility for the preparation of the annual audited financial statement of accounts;

(c) the disclosure statement on the state of the system of internal controls of the Company and of the Group; and

(d) other disclosures forming the contents of annual report spelt out in Part A of Appendix 9C of the Listing Requirements of the Kuala Lumpur Stock Exchange.

The above functions and duties are in addition to such other functions as may be agreed to from time to time by the Committee and the Board

5. INTERNAL AUDIT DEPARTMENT

5.1 The Head of the Internal Audit Department shall have unrestricted access to Committee members and report to the Committee whose scope of responsibility includes overseeing the development and the establishment of the Internal Audit function.

5.2 In respect of routine administrative matters, the Head of the Internal Audit Department shall report to the Group Managing Director.

AUDIT COMMITTEE REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001

1. Composition

   The composition of the Committee is disclosed under Corporate Information.

2. Terms of Reference

   The terms of reference for the Committee are separately disclosed in the Annual Report.

3. Summary of Activities of the Audit Committee

   The activities of the Committee for the financial year ended 30 June 2001 were as follows:-

   a) Reviewed the adequacy and relevance of the scope, functions, resources, internal audit plan, related party transactions and results of internal audit processes, with the internal audit department,

   b) Recommended the Board's adoption of the amended terms of reference of the Committee, duly incorporated with the relevant provisions under the Code on Corporate Governance and KLSE Listing Requirements.

   c) Reviewed and recommended the Internal Audit Charter, which defines the independence, purpose, authority, scope and responsibility of the internal audit function in the Company and the Group.

   d) Reviewed the draft quarterly financial report and year-end statutory accounts with management and the internal audit department,

   e) Reviewed the preparation for the annual financial statements prior to the commencement of the annual audit, with management,

   f) Reviewed the external audit plan (including system evaluation, audit fee, issues raised and management's response) prior to the commencement of the annual audit, with the external auditors,

   g) Reviewed the draft statutory accounts, the audit report, issues and reservations arising from audits and the management letter, with the external auditors.

   h) Reported to and updated the Board on significant issues and concerns discussed during the Committee's meetings and where appropriate, made the necessary recommendations to the Board. Minutes of the Committee's meetings were made available to all Board members.

   i) Prepared the Audit Committee Report for inclusion in the Company's Annual Report.

   j) Reviewed the disclosure statements on compliance of Code on Corporate Governance, Board's responsibility on the annual audited accounts and the state of internal control, and other statements for publication in the Company's Annual Report.

4. Attendance of Audit Committee Meetings

During the financial year ended 30 June 2001, four (4) meetings of the Committee were held. The attendance record of the Committee members were as follows: -

Name of Committee Member	Attendance Record
Michael Yee Kim Shing	4/4
Chin Yoong Ngok	4/4
Dato' Haji Abu Hanifah Noordin	3/4
Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin (Represented by John Ho Cheong Hon)	4/4
John Ho Cheong Hon	4/4

5. Summary of Internal Audit Activities

The activities of the Internal Audit Department for the year ended 30 June 2001 were as follows:-

a) Reviewed the draft quarterly financial report and year-end statutory accounts with management.

b) Prepared the annual audit plan for the Audit Committee's approval.

c) Carried out risk based audits of strategic business units of the Group which cover reviews of the internal control system, accounting and management information systems, and risk management.

d) Co-created management corrective actions on audit issues raised.

e) Reviewed related party transactions and report thereon in the internal audit report.

f) Issued internal audit reports to the Audit Committee members and Management.

g) Follow up on management corrective actions on audit issues raised by the external and internal auditors.

h) Attended all Audit Committee meetings to table and discuss the audit reports and follow up on matters raised.

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DIRECTORS' REPORT

The Directors of MEGA FIRST CORPORATION BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2001.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services.

The principal activities of the subsidiary and associated companies are as set out in Notes 30 and 13 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year other than as disclosed under significant corporate events.

SIGNIFICANT CORPORATE EVENTS

On 15 March 2001, the Company completed its disposal of its wholly-owned subsidiary company, Lime and Lime Products (Sdn.) Berhad and the entire 97.5% equity interest in Parrange Sdn. Bhd. for a total cash consideration of RM14.0 million. The disposal resulted in an exceptional gain of RM6.0 million.

On 15 March 2001, the Group through its wholly-owned subsidiary company, Mega First Industries Sdn. Bhd., disposed of its 60% equity interest in CEL Tractors Sdn. Bhd. ("CEL") for a nominal cash consideration of RM1. The said disposal, which is not subject to the approval of shareholders or relevant authorities, resulted in an exceptional gain of RM34.1 million arising mainly from reversal of accumulated losses of CEL Group previously consolidated.

At an Extraordinary General Meeting held on 30 October 2000, the shareholders of the Company approved the implementation by the Company of an Employee Share Option Scheme ("Proposed ESOS"). The Proposed ESOS was approved by the Securities Commission ("SC") on 9 November 2000. Subsequently, on 10 May 2001, the SC approved an extension for the implementation of the Proposed ESOS by 8 October 2001.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows :

	GROUP RM'000	COMPANY RM'000
Profit Before Exceptional Items And Tax	36,880	7,708
Exceptional Items	2,481	351
Profit Before Tax	39,361	8,059
Income Tax Expense	(7,157)	(2,175)
Profit Before Minority Interests	32,204	5,884
Minority Interests	(9,859)	–
Net Profit For The Year	22,345	5,884

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the exceptional items as disclosed in Note 8 to the Financial Statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors also do not recommend any dividend payment in respect of the current financial year.

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.

OTHER FINANCIAL INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps :

(a) 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 had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

(a) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors :

(a) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

(b) 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.

DIRECTORS

The following Directors served on the Board of the Company since the date of the last report :

- Dato' Lim Keng Kay
- Chin Yoong Ngok
- Yong Fook Shin
- Chew Wei Keong
- Michael Yee Kim Shing
- Dato' Haji Abu Hanifah bin Noordin
- Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin
- AG. Mat Yusof bin Abdul Razak (Alternate to Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin) (appointed on 23.8.2001)
- David William Boyd
- Lim Si Boon
- Sivalingam s/o Munusamy (appointed on 3.4.2001)
- Tan Sri Dato' Haji Anuar bin Dato' Haji Zainal Abidin (resigned on 23.2.2001)
- John Ho Cheong Hon (Alternate to Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin) (ceased on 23.8.2001)

Mr. Sivalingam s/o Munusamy, who was appointed to the Board since the date of the last Annual General Meeting, retires under Article 104 of the Company's Articles of Association and, being eligible, offers himself for re-election.

Messrs. Chin Yoong Ngok, Yong Fook Shin and Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin retire by rotation in accordance with Article 99 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

According to the Register of Directors'Shareholdings, the interests of Directors in office at the end of the financial year in shares of the Company are as follows :

	Number of ordinary shares of RM1 each			
	Balance as of 1.7.2000/date of appointment	Addition	Disposal	Balance as of 30.6.2001
SHARES IN THE COMPANY				
Dato'Lim Keng Kay				
– Direct	10,000	–	–	10,000
– Deemed	62,755,000	–	–	62,755,000
Chin Yoong Ngok				
– Direct	–	60,000	–	60,000
Yong Fook Shin				
– Direct	60,000	–	–	60,000
Chew Wei Keong				
– Direct	5,000	–	–	5,000
Michael Yee Kim Shing				
– Direct	50,000	–	–	50,000
Lim Si Boon				
– Deemed	62,755,000	–	–	62,755,000
Sivalingam s/o Munusamy				
– Direct	157,000	–	–	157,000
David William Boyd				
– Direct	–	40,000	–	40,000

Dato'Lim Keng Kay and Mr. Lim Si Boon, by virtue of their interests in 26.59% of the Company, are deemed to have an interest in the shares of all the subsidiary companies. Other than as disclosed above, the Directors of the Company do not have any other interest in the shares of the Company or of its related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than those disclosed as Directors'remuneration in the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions as disclosed in Note 6 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte KassimChan (formerly known as Kassim Chan & Co.), have indicated their willingness to continue in office.

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

DATO'LIM KENG KAY

CHIN YOONG NGOK

Kuala Lumpur
27 August 2001

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

		GROUP		COMPANY	
		2001	2000	2001	2000
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	4	315,809	344,732	13,879	12,656
Cost Of Sales		(240,560)	(279,172)	–	–
Gross Profit		75,249	65,560	13,879	12,656
Distribution Costs		(7,196)	(7,559)	–	–
Administrative Expenses		(23,089)	(25,470)	(4,369)	(4,308)
Other Operating Expenses		(7,235)	(11,560)	(16)	(100)
Other Operating Income		11,866	21,139	523	405
Profit From Operations	6	49,595	42,110	10,017	8,653
Finance Costs	7	(16,191)	(19,479)	(2,309)	(1,647)
Income From Associates		3,476	5,215	–	–
Profit Before Exceptional Items And Tax		36,880	27,846	7,708	7,006
Exceptional Items	8	2,481	3,041	351	–
Profit Before Tax		39,361	30,887	8,059	7,006
Income Tax Expense	9	(7,157)	(6,809)	(2,175)	(1,363)
Profit Before Minority Interests		32,204	24,078	5,884	5,643
Minority Interests		(9,859)	(4,215)	–	–
Net Profit For The Year		22,345	19,863	5,884	5,643
Earnings Per Ordinary Share (sen)	10	9.5	8.4		

The accompanying Notes on pages 45 to 70 form an integral part of the Financial Statements.

BALANCE SHEETS
AS OF 30 JUNE 2001

	Note	GROUP 2001 RM'000	GROUP 2000 RM'000	COMPANY 2001 RM'000	COMPANY 2000 RM'000
EMPLOYMENT OF CAPITAL					
Property, Plant And Equipment	11	202,367	217,191	1,112	358
Subsidiary Companies	12	–	–	126,846	92,170
Associated Companies	13	39,771	32,264	20,378	20,378
Property Development - non-current	14	76,737	93,935	–	–
Goodwill On Consolidation	15	1,459	1,862	–	–
CURRENT ASSETS					
Inventories	16	29,403	44,885	–	–
Property Development	14	14,789	9,252	–	–
Receivables	17	89,360	94,694	53,977	71,822
Bank Balances And Deposits	18	51,271	47,333	12,912	12,523
		184,823	196,164	66,889	84,345
CURRENT LIABILITIES					
Payables And Provisions	19	81,130	101,660	13,639	481
Short Term Borrowings	20	85,914	112,199	47,969	49,165
Taxation		3,740	8,724	–	156
		170,784	222,583	61,608	49,802
NET CURRENT ASSETS/(LIABILITIES)		14,039	(26,419)	5,281	34,543
		334,373	318,833	153,617	147,449
SOURCES OF CAPITAL					
Share Capital	21	236,000	236,000	236,000	236,000
Reserves	22	(64,085)	(83,202)	(82,808)	(88,692)
Shareholders' Equity		171,915	152,798	153,192	147,308
Minority Interests		40,802	38,909	–	–
		212,717	191,707	153,192	147,308
LONG TERM AND DEFERRED LIABILITIES					
Long Term Borrowings	23	97,247	102,546	–	–
Hire-Purchase Payables	24	3,932	5,357	425	141
Deferred Taxation	25	20,477	19,223	–	–
		121,656	127,126	425	141
		334,373	318,833	153,617	147,449
Net Tangible Assets Per Ordinary Share (sen)		70.3	61.9		

The accompanying Notes on pages 45 to 70 form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2001

GROUP	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Accumulated Loss RM'000	Total RM'000
Balance as of 1 July 1999	236,000	33,380	2,369	1,427	23,677	(165,300)	131,553
Currency translation differences	–	–	–	–	1,382	–	1,382
Net profit for the year	–	–	–	–	–	19,863	19,863
Balance as of 30 June 2000	236,000	33,380	2,369	1,427	25,059	(145,437)	152,798
Currency translation differences	–	–	–	–	(3,228)	–	(3,228)
Revaluation reserve realised	–	–	–	(856)	–	856	–
Net profit for the year	–	–	–	–	–	22,345	22,345
Balance as of 30 June 2001	236,000	33,380	2,369	571	21,831	(122,236)	171,915

COMPANY							
Balance as of 1 July 1999	236,000	33,380	–	–	–	(127,715)	141,665
Net profit for the year	–	–	–	–	–	5,643	5,643
Balance as of 30 June 2000	236,000	33,380	–	–	–	(122,072)	147,308
Net profit for the year	–	–	–	–	–	5,884	5,884
Balance as of 30 June 2001	236,000	33,380	–	–	–	(116,188)	153,192

The closing rates used in the translation are as follows :

RM1 = £0.1872 (2000 : RM1 = £0.1733)
RM1 = RMB2.1786 (2000 : RM1 = RMB2.1786)

The accompanying Notes on pages 45 to 70 form an integral part of the Financial Statements.

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

GROUP	2001 RM'000	2000 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	39,361	30,887
Adjustments for :		
Share of profits in associated companies	(8,286)	(4,287)
Interest income	(1,321)	(1,420)
Gain on disposal of :		
Property, plant and equipment	(1,749)	(5,440)
Investments	–	(2,755)
(Gain)/Loss on disposal of subsidiary companies *	(40,145)	3,768
Depreciation of property, plant and equipment	19,263	22,405
Finance costs	16,191	19,479
Write-off of :		
Receivables	953	–
Goodwill	200	–
Inventories	–	566
Provision for :		
Shortfall in funded pension scheme of a foreign subsidiary company	7,794	–
Mine rehabilitation	1,772	1,000
Retrenchment and retirement benefits	–	296
Doubtful debts	5,798	–
Doubtful debts no longer required	–	(1,146)
Write-down of exploration cost	5,000	–
Foreseeable loss on proposed disposal of a subsidiary company	4,300	–
Foreseeable loss on disposal of subsidiary companies no longer required	–	(7,428)
Foreseeable loss on property development no longer required	(508)	(1,004)
Adjustments of profits attributable to minority interests	9,248	–
Amortisation of goodwill	766	318
Write-down of property, plant and equipment	2,499	–
Loss on revocation of joint venture property development	6,063	–
Operating Profit Before Working Capital Changes	67,199	55,239
Decrease in inventories	4,901	11,439
(Increase)/Decrease in property development	(9,509)	3,455
(Increase)/Decrease in receivables	(9,977)	20,211
Decrease in payables and provisions	(11,273)	(45,976)
Effects of currency translation on working capital	488	338
Cash Generated From Operations	41,829	44,706
Income tax paid	(10,882)	(6,573)
Retrenchment and retirement benefits paid	–	(10,014)
Net Cash From Operating Activities	30,947	28,119

[Forward]

	Note	2001 RM'000	2000 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,321	1,420
(Increase)/Decrease in bank balances and deposits		(426)	723
Dividends received from associated companies		408	816
Proceeds from :			
Disposal of investments		–	13,576
Disposal of property, plant and equipment		1,966	6,373
(Increase)/Decrease in property development, non-current portion		17,198	(2,776)
Purchase of property, plant and equipment		(23,004)	(12,125)
Acquisition of shares in subsidiary companies from minority shareholder		–	(459)
Disposal of subsidiary companies *		32,445	5,755
Acquisition of subsidiary company **		(1,548)	–
Net Cash From Investing Activities		28,360	13,303
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to minority shareholders		(8,631)	–
Finance costs paid		(17,774)	(21,179)
Repayment of term loans		(95,172)	(20,102)
Proceeds from :			
Term loans		8,891	3,351
Issue of bonds		75,000	–
Decrease in hire-purchase payables		(1,767)	(1,559)
Increase/(Decrease) in short term borrowings, excluding bank overdrafts and long term borrowings		4,588	(3,243)
Net Cash Used In Financing Activities		(34,865)	(42,732)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		24,442	(1,310)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(9,256)	(7,946)
CASH AND CASH EQUIVALENTS AT END OF YEAR	28	15,186	(9,256)

[Forward]

	2001 RM'000	2000 RM'000
* Analysis of subsidiary companies disposed of		
Net assets/(liabilities) disposed of :		
Property, plant and equipment	13,742	5,208
Associated companies	–	73
Property development - non-current	–	30,593
Property development - current	–	53
Goodwill on consolidation	–	36
Inventories	11,364	3,899
Receivables	9,773	11,055
Cash and bank balances	1,572	–
Payables and provisions	(38,477)	(33,606)
Short term borrowings	(22,615)	(4,870)
Taxation	(49)	–
Long term borrowings	(1,357)	–
Deferred taxation	–	(5,117)
Translation reserve	–	2,239
Minority interests	(98)	(40)
Net assets/(liabilities)	(26,145)	9,523
Gain/(Loss) on disposal of subsidiary companies	40,145	(3,768)
Total cash consideration	14,000	5,755
Less : Cash and bank balances of subsidiary companies disposed of	(1,572)	–
Add : Bank overdrafts of subsidiary companies disposed of	20,017	–
Cash flow on disposal, net of cash and cash equivalents disposed of	32,445	5,755
** Analysis of subsidiary company acquired		
Net assets acquired :		
Property, plant and equipment	1,222	–
Inventories	783	–
Receivables	1,213	–
Payables and provisions	(1,634)	–
Hire-purchase payables	(148)	–
Net assets	1,436	–
Goodwill on acquisition	112	–
Cash flow on acquisition	1,548	–

[Forward]

	2001 RM'000	2000 RM'000
COMPANY		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,059	7,006
Adjustments for :		
Provision for :		
Diminution in value of investments	13,490	–
Foreseeable loss on proposed disposal of a subsidiary company	12,464	–
Finance costs	2,309	1,647
Depreciation of property, plant and equipment	292	194
Waiver of debt by subsidiary company	(17,896)	–
Dividend income	(12,509)	(9,825)
Gain on disposal of :		
Subsidiary companies	(8,409)	–
Property, plant and equipment	(290)	(81)
Investments	–	(5)
Interest income	(431)	(1,856)
Operating Loss Before Working Capital Changes	(2,921)	(2,920)
Decrease in receivables	17,845	13,431
Decrease in payables and provisions	(207)	(353)
Cash Generated From Operations	14,717	10,158
Income tax paid	(2,331)	(2,580)
Net Cash From Operating Activities	12,386	7,578
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of :		
Subsidiary companies	14,000	–
Property, plant and equipment	380	302
Investment	–	7
Dividends received	12,509	9,825
Interest received	431	1,856
(Increase)/Decrease in bank balances and deposits	(426)	723
Purchase of property, plant and equipment	(1,136)	(343)
Net Cash From Investing Activities	25,758	12,370

[Forward]

	Note	2001 RM'000	2000 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in short term borrowings, excluding bank overdrafts		3,990	(15,800)
Increase in hire-purchase payables		417	119
Finance costs paid		(2,309)	(1,647)
Repayment of loans from subsidiary companies		(35,093)	(15,836)
Net Cash Used In Financing Activities		(32,995)	(33,164)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,149	(13,216)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(14,454)	(1,238)
CASH AND CASH EQUIVALENTS AT END OF YEAR	28	(9,305)	(14,454)

The accompanying Notes on pages 45 to 70 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services.

The principal activities of the subsidiary companies and of the associated companies are as set out in Notes 30 and 13.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year other than as disclosed in Note 31.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention. Certain development properties of subsidiary companies are stated in the Group financial statements at values reflecting approximately the effective acquisition costs of these assets to the Group.

Basis of Consolidation

The Group financial statements include the financial statements of the Company and of all its subsidiary companies made up to the end of the financial year. The financial statements of all subsidiary companies are consolidated under the acquisition method of consolidation. Under this method the results of the subsidiary companies acquired or disposed of during the year are included in the Group financial statements from the effective date of acquisition or to the effective date of disposal.

Significant inter-company transactions and balances are eliminated on consolidation and the Group financial statements reflect external transactions only.

Goodwill / Reserve on Consolidation

Goodwill or reserve on consolidation represents the difference between the purchase price and the fair value of the net assets of the subsidiary and associated companies at the effective date of acquisition.

Goodwill is amortised through the income statements over twenty years.

Revenue Recognition

Dividends from subsidiary and associated companies and other investments are recognised when declared or proposed, as appropriate.

Interest income on short-term deposits and advances are recognised on an accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at rates ruling at transaction dates and where settlement has not taken place at 30 June, at the approximate rates ruling at that date. Exchange differences arising therefrom are charged or credited to the income statements.

Income statements of subsidiary and associated companies in other reporting currencies are translated into Ringgit Malaysia at average rates for the financial year and the balance sheets are translated at rates approximate those ruling at the year end. Exchange differences arising from the translation of income statements at average rates and balance sheets at year end rates, and the restatement at year end rates of the opening net investments in such subsidiary and associated companies are taken to translation reserve.

Deferred Taxation

Provision is made, on the liability method, for taxation deferred by capital allowances and other timing differences except to the extent that it can be demonstrated with reasonable probability that the timing differences will continue in the foreseeable future. Timing differences giving rise to deferred tax asset are not recognised unless there is a reasonable expectation of realisation.

Exceptional Items

Exceptional items are those which are derived from ordinary activities of the business but are of such size, nature or incidence that their disclosures are relevant to explain the performance of the Group and of the Company.

Property, Plant and Equipment and Depreciation

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

(i) Freehold And Leasehold Land

Freehold land is not amortised.

Leasehold land is amortised over the period of the lease which ranges from 22 years to 99 years.

Leasehold quarry land is amortised based on the proportion of the output of limestone for the year to the estimated total limestone reserve for the period of the quarry life.

(ii) Other Property, Plant and Equipment

Other property, plant and equipment, with the exception of power plants and construction in progress, are depreciated on the straight line basis to write off the cost of each asset over its estimated useful life. The principal annual depreciation rates are :

Buildings	1.5% to 6.5%
Machinery and equipment	7.5% to 50%
Vehicles	10% to 25%

Power plants are depreciated on the straight line basis to write off the cost less estimated residual value over the concession periods of 21 to 22 years.

Construction in progress is not depreciated.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Capitalisation of Interest Cost

Interest cost incurred on the construction of property, plant and equipment which require a period of time to get them ready for their intended use is capitalised and included as part of the cost of the related assets.

Assets Acquired Under Hire-Purchase Arrangements

Assets acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Subsidiary Companies

Investments in subsidiary companies are stated at cost and provision for diminution in value is made when, in the opinion of the Directors, there is a permanent diminution in the value of the investments.

Associated Companies

An associated company is a company in which the Group has a long term equity investment of 20% to 50% and/or, in which the Group is in a position to exercise significant influence through management participation.

Investments in associated companies are stated at cost less goodwill amortised and provision for diminution in value is made when, in the opinion of the Directors, there is a permanent diminution in the value of the investments.

The Group's share of results and reserves of associated companies acquired or disposed of is included in the Group financial statements from the effective date of acquisition or to the effective date of disposal.

Inventories

Inventories are valued at the lower of cost (determined on a weighted average or first-in first-out basis, as applicable) and net realisable value after making due allowance for any obsolete or slow moving items. The cost of raw materials includes the original purchase price and the incidental expense incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods include the cost of raw materials, direct labour and an appropriate proportion of manufacturing overheads.

Completed units of houses for sale are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method.

Property Development

Property development projects are stated at cost of land held for development, development expenditure, capitalised interest costs and attributable profit based on percentage of completion method, less progress billings and provision for foreseeable losses.

The Group considers as current assets that portion of property development projects in which development work is expected to be completed within the normal operating cycle of two to three years.

Receivables

Bad debts are written off while provision for doubtful debts is made based on estimates of possible losses from non-collection of receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Retrenchment and Retirement Benefits

The Group operates a funded, defined benefit Pension Scheme for eligible employees of a foreign subsidiary company. Contributions to the scheme are charged to the income statements so as to spread the cost of the scheme over the employees' service life in the said subsidiary company. From the current financial year, the effects of variations from regular cost are taken up in the income statements while in previous years such variations were spread over the expected average remaining service life of the said employees. The effect of this change has resulted in an additional charge of RM6.0 million. The fund is valued every three years by a professionally qualified independent Actuary, the rate of contribution being determined by the Actuary. The most recent valuation was at 1 July 1999.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. REVENUE

Revenue of the Group represents sales of goods outside the Group net of returns and discounts.

Revenue of the Company mainly represents dividends and management fees received and receivable from subsidiary and associated companies, and interest income.

5. OPERATING EXPENSES

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Raw materials and consumables	112,879	122,096	–	–
Net change in inventories of finished goods and work-in-progress	6,802	897	–	–
Staff costs	48,446	57,459	2,362	2,330
Property development expenditure	52,859	54,924	–	–
Depreciation of property, plant and equipment	19,263	22,405	292	194
Amortisation of goodwill	766	318	–	–
Other administrative and operating expenses	37,065	65,662	1,731	1,884
	278,080	323,761	4,385	4,408

6. PROFIT FROM OPERATIONS

This is arrived at :

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
After crediting :				
Gain on disposal of :				
Property, plant and equipment	1,749	5,440	290	81
Investments	–	2,755	–	5
Interest income from :				
Short-term deposits	1,321	1,420	431	509
Subsidiary companies	–	–	–	1,347
Provision no longer required :				
Doubtful debts	–	1,146	–	–
Foreseeable loss on property development	508	1,004	–	–
Dividends (gross) from :				
Subsidiary companies	–	–	12,101	9,009
Associated company	–	–	408	816
Management fees from subsidiary companies	–	–	918	900
And charging :				
Directors'remuneration :				
Fees	107	90	95	90
Other emoluments	1,180	1,295	1,059	1,062
Write-off of receivables	953	–	–	–
Rental of :				
Land and buildings	909	1,138	292	351
Plant and machinery	718	792	–	–
Auditors'remuneration :				
Statutory	309	325	25	25
Others	25	25	20	20
Goodwill written-off	200	–	–	–
Professional fees paid to companies in which certain directors have interest	150	216	150	216
Royalty	–	223	–	–

The estimated monetary value of benefits-in-kind received by certain Directors amounted to RM40,395 (2000 : RM17,600) for the Group and for the Company.

7. FINANCE COSTS

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Interest on :				
Bonds	4,707	–	–	–
Term loans	3,360	8,968	–	–
Bank overdrafts	2,770	3,491	713	217
Bills payables	1,410	2,882	–	–
Revolving credits	2,996	2,936	1,504	1,412
Others	948	1,202	92	18
	16,191	19,479	2,309	1,647

8. EXCEPTIONAL ITEMS

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Gain/(Loss) on disposal of subsidiary companies	40,145	(3,768)	8,409	–
Exceptional gain/(loss) of associated companies	4,810	(928)	–	–
Provision for :				
Shortfall in funded pension scheme of a foreign subsidiary company	(7,794)	–	–	–
Doubtful debts	(5,798)	–	–	–
Write-down of exploration cost	(5,000)	–	–	–
Foreseeable loss on proposed disposal of a subsidiary company	(4,300)	–	(12,464)	–
Diminution in value of investment in subsidiary company	–	–	(13,490)	–
Provision no longer required for foreseeable loss on disposal of subsidiary companies	–	7,428	–	–
Waiver of debt by subsidiary company	–	–	17,896	–
Adjustments of profits attributable to minority interests	(9,248)	–	–	–
Loss on revocation of joint venture property development	(6,063)	–	–	–
Write-down of property, plant and equipment	(2,499)	–	–	–
Cessation of mining operations :				
Mine rehabilitation	(1,772)	(1,000)	–	–
Inventories written off	–	(566)	–	–
Retrenchment and retirement benefits	–	(296)	–	–
Realised gain on foreign exchange	–	2,171	–	–
	2,481	3,041	351	–

9. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Based on results for the year :				
Malaysian taxation	2,763	2,983	2,175	1,905
Foreign taxation	1,729	1,939	–	–
	4,492	4,922	2,175	1,905
Taxation on dividend paid by a subsidiary company	2,021	–	–	–
Deferred taxation (Note 25)	1,290	1,636	–	–
Associated companies	(80)	978	–	–
Overprovision in respect of prior year	(566)	(727)	–	(542)
	7,157	6,809	2,175	1,363

Taxation charge of the Group for 2001 and 2000 reflects effective tax rates which are lower than the statutory income tax rate due mainly to certain income which are not taxable.

The effective tax rate of the Company in 2000 is lower than the statutory tax rate due mainly to certain income which are not taxable.

10. EARNINGS PER ORDINARY SHARE

Earnings per ordinary share has been calculated based on the Group profit of RM22,345,000 (2000 : RM19,863,000) and on 236,000,000 ordinary shares in issue.

11. PROPERTY, PLANT AND EQUIPMENT

GROUP 2001	COST					
	Beginning of year RM'000	Additions RM'000	Disposals/ Write-off RM'000	Reclassifications RM'000	Exchange fluctuation adjustment RM'000	End of year RM'000
Freehold land	17,818	507	(1,294)	–	(1,226)	15,805
Long leasehold land	7,042	–	(2,757)	(986)	–	3,299
Short leasehold land	9,078	–	(1,241)	986	–	8,823
Mine development expenditure	222,228	–	(222,228)	–	–	–
Buildings	100,429	1,722	(68,664)	5	(459)	33,033
Plant and machinery, equipment, vehicles and construction in progress	489,385	22,557	(221,124)	(5)	(9,578)	281,235
Total	845,980	24,786	(517,308)	–	(11,263)	342,195

GROUP 2001	ACCUMULATED DEPRECIATION						NET BOOK VALUE	
	Beginning of year RM'000	Charge for the year RM'000	Disposals/ Write-off RM'000	Reclassifications RM'000	Exchange fluctuation adjustment RM'000	End of year RM'000	End of year RM'000	Beginning of year RM'000
Freehold land	–	–	–	–	–	–	15,805	17,818
Long leasehold land	611	50	(146)	(205)	–	310	2,989	6,431
Short leasehold land	2,530	214	(1,221)	205	–	1,728	7,095	6,548
Mine development expenditure	222,228	–	(222,228)	–	–	–	–	–
Buildings	67,548	1,074	(63,988)	–	(61)	4,573	28,460	32,881
Plant and machinery, equipment, vehicles and construction in progress	335,872	17,925	(213,267)	–	(7,313)	133,217	148,018	153,513
Total	628,789	19,263	(500,850)	–	(7,374)	139,828	202,367	217,191

11. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

GROUP 2000	COST					
	Beginning of year RM'000	Additions RM'000	Disposals RM'000	Reclassifications RM'000	Exchange fluctuation adjustment RM'000	End of year RM'000
Freehold land	19,771	–	(1,310)	–	(643)	17,818
Long leasehold land	7,042	–	–	–	–	7,042
Short leasehold land	9,078	–	–	–	–	9,078
Mine development expenditure	222,228	–	–	–	–	222,228
Buildings	102,327	729	(2,726)	325	(226)	100,429
Plant and machinery, equipment, vehicles and construction in progress	489,449	11,396	(6,164)	(325)	(4,971)	489,385
Total	849,895	12,125	(10,200)	–	(5,840)	845,980

GROUP 2000	ACCUMULATED DEPRECIATION					NET BOOK VALUE	
	Beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Exchange fluctuation adjustment RM'000	End of year RM'000	End of year RM'000	Beginning of year RM'000
Freehold land	–	–	–	–	–	17,818	19,771
Long leasehold land	516	95	–	–	611	6,431	6,526
Short leasehold land	2,290	275	(35)	–	2,530	6,548	6,788
Mine development expenditure	222,228	–	–	–	222,228	–	–
Buildings	66,574	1,285	(306)	(5)	67,548	32,881	35,753
Plant and machinery, equipment ,vehicles and construction in progress	322,706	20,750	(3,718)	(3,866)	335,872	153,513	166,743
Total	614,314	22,405	(4,059)	(3,871)	628,789	217,191	235,581

11. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

COMPANY 2001	COST			
	Beginning of year RM'000	Additions RM'000	Disposals RM'000	End of year RM'000
Plant and machinery, equipment and vehicles	1,999	1,136	(1,052)	2,083

	ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	Beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	End of year RM'000	End of year RM'000	Beginning of year RM'000
Plant and machinery, equipment and vehicles	1,641	292	(962)	971	1,112	358

COMPANY 2000	COST			
	Beginning of year RM'000	Additions RM'000	Disposals RM'000	End of year RM'000
Plant and machinery, equipment and vehicles	2,092	343	(436)	1,999

	ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	Beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	End of year RM'000	End of year RM'000	Beginning of year RM'000
Plant and machinery, equipment and vehicles	1,662	194	(215)	1,641	358	430

Plant and machinery, equipment and vehicles of the Group include power plants at cost totalling RM147,078,000 (2000 : RM136,203,000).

The Property, plant and equipment of certain subsidiary companies with carrying values of RM142,808,000 (2000 : RM153,395,000) have been charged as security for banking facilities granted to those subsidiary companies.

Plant and machinery, equipment and vehicles of the Group and of the Company at cost totalling RM13,825,000 (2000 : RM12,896,000) and RM1,117,000 (2000 : RM380,000), respectively, were acquired under hire-purchase arrangements.

12. SUBSIDIARY COMPANIES

	COMPANY	
	2001	2000
	RM'000	RM'000
Unquoted shares at cost :		
At beginning of year	376,492	381,794
Disposals	(8,347)	(5,302)
	368,145	376,492
Less : Provision for diminution in value	(197,766)	(184,276)
At end of year	170,379	192,216
Loans from subsidiary companies	(70,281)	(126,794)
Loan to a subsidiary company	26,748	26,748
	126,846	92,170

The loans to/(from) subsidiary companies are interest free and have no fixed repayment terms.

The subsidiary companies are listed in Note 30.

13. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Quoted :				
In Malaysia				
Shares in a corporation – at cost	21,422	21,422	25,243	25,243
Share of post-acquisition reserves	14,000	7,893	–	–
	35,422	29,315	25,243	25,243
Outside Malaysia				
Shares in a corporation – at cost	33,044	33,044	–	–
Share of post-acquisition reserves	813	(1,038)	–	–
	69,279	61,321	25,243	25,243
Less :				
Provision for diminution in value	(29,057)	(29,057)	(4,865)	(4,865)
Accumulated amortisation of goodwill	(451)	–	–	–
	39,771	32,264	20,378	20,378
Market value of quoted shares :				
In Malaysia	21,193	30,567	21,193	30,567
Outside Malaysia	12,877	11,653	–	–
	34,070	42,220	21,193	30,567

13. ASSOCIATED COMPANIES (cont'd.)

The Group's interest in associated companies is analysed as follows :

	GROUP	
	2001	2000
	RM'000	RM'000
Share of net tangible assets	42,535	34,577
Goodwill on acquisition	4,516	4,967
Provision for diminution in value	(29,057)	(29,057)
Less: Amount set-off against goodwill	21,777	21,777
	(7,280)	(7,280)
	39,771	32,264

The investment in quoted shares of associated companies of the Group and of the Company with carrying values of RM28,086,000 (2000 : RM30,626,000) and RM19,010,000 (2000 : RM19,010,000), respectively are pledged to local financial institutions as collaterals for credit facilities extended to the Company and certain subsidiary companies.

Details of associated companies as of 30 June 2001 are as follows :

Company	Principal Activities	Country of Incorporation	Effective Group Interest 2001 %	Effective Group Interest 2000 %
Rock Chemical Industries (Malaysia) Berhad	Manufacturing and selling of white cement, lime products and cement based products	Malaysia	38.5	38.5
Perilya Limited	Mining of gold, base metal, opal and exploration activities	Australia	19.6	19.6

14. PROPERTY DEVELOPMENT

	GROUP	
	2001	2000
	RM'000	RM'000
At cost :		
Long leasehold land	42,042	45,021
Development expenditure	120,995	89,741
	163,037	134,762
Non-current portion	(76,737)	(93,935)
	86,300	40,827
Less : Provision for foreseeable loss	(77)	(585)
	86,223	40,242
Attributable profit	8,159	8,415
	94,382	48,657
Progress billings	(79,593)	(39,405)
Current portion	14,789	9,252

14. PROPERTY DEVELOPMENT (cont'd.)

Certain subsidiary companies have entered into various joint-venture agreements with third parties to develop the joint-venture partners'land into housing estates, industrial estates and commercial properties.

Current year charges to the property development expenditure include the following :

	GROUP	
	2001	2000
	RM'000	RM'000
Interest on :		
Term loans	1,318	1,193
Revolving credits	137	123
Bank overdrafts	128	384

15. GOODWILL ON CONSOLIDATION

	GROUP	
	2001	2000
	RM'000	RM'000
At beginning of year	1,862	2,216
Goodwill of subsidiary company acquired/(disposed of)	112	(36)
Amortisation of goodwill	(315)	(318)
Goodwill written-off	(200)	–
At end of year	1,459	1,862

16. INVENTORIES

	GROUP	
	2001	2000
	RM'000	RM'000
Finished goods and work-in-progress		
– at cost	16,104	24,543
– at net realisable value	–	5,792
Raw materials and consumables	8,064	9,106
Completed units of houses for sale	5,235	5,444
	29,403	44,885

Inventories amounting to RM21,602,000 (2000 : RM15,868,000) of certain subsidiary companies have been pledged to financial institutions for credit facilities granted to those subsidiary companies.

17. RECEIVABLES

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Trade receivables	60,781	65,675	–	–
Less : Provision for doubtful debts	(8,511)	(12,410)	–	–
	52,270	53,265	–	–
Other receivables	37,883	60,631	2,791	10,025
Less : Provision for :				
Doubtful debts	(826)	(9,649)	(100)	(8,438)
Abortive resort development expenditure	–	(9,966)	–	–
	37,057	41,016	2,691	1,587
Amount owing by associated company	33	413	33	413
Amount owing by subsidiary companies	–	–	51,253	92,311
Less : Provision for doubtful debts	–	–	–	(22,489)
	–	–	51,253	69,822
	89,360	94,694	53,977	71,822

Amount owing by subsidiary companies includes advances of RM21,390,000 (2000 : RM39,980,000) which bears interest at rates ranging from 7.04% to 8.80% (2000 : 7.10% to 8.06%) per annum with no fixed repayment terms.

Amount owing by associated company includes expenses paid on its behalf which is interest-free with no fixed repayment terms.

18. BANK BALANCES AND DEPOSITS

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	40,001	27,696	12,908	12,482
Cash and bank balances	6,848	15,462	4	41
Housing Development Accounts	4,422	4,175	–	–
	51,271	47,333	12,912	12,523

The fixed deposits of the Group and the Company amounting to RM12,908,000 (2000 : RM12,482,000) have been pledged to a bank as collateral for credit facilities granted to a subsidiary company.

The Housing Development Accounts are maintained by certain subsidiary companies in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts consist of monies received from house purchasers to be utilised for property development expenditure after which, the surplus monies, if any, will accrue to the said subsidiary companies upon the completion of the property development projects.

19. PAYABLES AND PROVISIONS

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Trade payables	31,089	46,286	–	–
Bills payables - secured	–	24,185	–	–
Hire-purchase payables (Note 24)	2,661	3,244	207	74
Other payables	22,864	26,945	968	407
Provisions	24,516	1,000	12,464	–
	81,130	101,660	13,639	481

The bills payables of a former subsidiary company in 2000 was secured by a charge over the fixed and floating assets of the said company and bore interest at rates ranging from 1.50% to 2.00% per annum above base lending rate.

20. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts - secured	13,921	30,043	53	431
- unsecured	9,256	14,064	9,256	14,064
Revolving credits - secured	7,250	7,600	4,750	4,100
- unsecured	33,910	31,570	33,910	30,570
Long term borrowings due within 12 months (Note 23)	21,577	28,922	–	–
	85,914	112,199	47,969	49,165

The bank overdrafts and revolving credits of the Group and of the Company bear interest at rates ranging from 1.25% to 2.50% (2000 : 1.25% to 2.50%) per annum above base lending rate and/or cost of funds.

Certain of the above borrowings are secured by :

(1) Pledges of fixed deposits of the Company and quoted shares in associated companies;

(2) Charges on land under property development belonging to third parties and certain subsidiary companies; and

(3) Charges on certain property, plant and equipment with carrying values of RM7,269,000 (2000 : RM21,057,000) and floating assets of certain subsidiary companies.

21. SHARE CAPITAL

	GROUP/COMPANY	
	2001	2000
	RM'000	RM'000
Ordinary shares of RM1.00 each :		
Authorised	500,000	500,000
Issued and fully paid	236,000	236,000

22. RESERVES

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Non-distributable reserves				
Share premium	33,380	33,380	33,380	33,380
Capital reserve	2,369	2,369	–	–
Revaluation reserve	571	1,427	–	–
Translation reserve	21,831	25,059	–	–
	58,151	62,235	33,380	33,380
Accumulated loss	(122,236)	(145,437)	(116,188)	(122,072)
	(64,085)	(83,202)	(82,808)	(88,692)

23. LONG TERM BORROWINGS

	GROUP	
	2001	2000
	RM'000	RM'000
Secured :		
Bonds	75,000	–
Term loans	43,824	131,468
	118,824	131,468
Less : Portion payable within 12 months (Note 20)	(21,577)	(28,922)
Non-current	97,247	102,546
The non-current portion is repayable as follows :		
Between 1 - 2 years	33,326	18,480
Between 2 - 5 years	39,921	52,031
After 5 years	24,000	32,035
	97,247	102,546

23. LONG TERM BORROWINGS (cont'd.)

Bonds

On 11 September 2000, a subsidiary company issued RM75 million fixed rate serial bonds to refinance its existing term loans. These bonds, consist of ten series and bear interest at rates ranging from 5.8% to 9.2% per annum with each series carrying varying fixed interest rates. The bonds are repayable in full by September 2010.

The bonds are secured by way of a debenture covering first fixed and floating charges over all the assets, properties and undertakings, present and future and deeds of assignment over the said subsidiary company's rights under various agreements pertaining to the operation of a power plant.

Term Loans

The term loan of a foreign subsidiary company is secured by a charge over its freehold properties and plant and machinery with carrying values of RM47,945,000 (2000 : RM47,316,000) and bears interest at 1.75% (2000 : 1.75%) per annum above cost of funds.

The term loans of certain subsidiary companies are secured by charges over their property, plant and equipment with carrying values of RM93,857,000 (2000 : RM92,689,000) and floating assets and certain land held under property development with carrying values of RM24,441,000 (2000 : RM24,327,000) and bear interest at rates ranging from 0.50% to 2.00% (2000 : 0.50% to 2.00%) per annum above base lending rate.

24. HIRE-PURCHASE PAYABLES

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Hire-purchase payables	6,593	8,601	632	215
Less : portion payable within 12 months (Note 19)	(2,661)	(3,244)	(207)	(74)
Non-current portion	3,932	5,357	425	141

The non-current portion is payable as follows :

Between 1 - 2 years	2,463	2,152	375	141
Between 2 - 5 years	1,469	3,205	50	–
	3,932	5,357	425	141

25. DEFERRED TAXATION

	GROUP	
	2001	2000
	RM'000	RM'000
At beginning of year	19,223	22,836
Transfer from income statement (Note 9)	1,290	1,636
Disposal of subsidiary companies	–	(5,117)
Translation reserve	(36)	(132)
At end of year	20,477	19,223

	GROUP	
	2001	2000
	RM'000	RM'000
The deferred taxation represents the tax effects of :		
– Timing differences of capital allowances and depreciation	12,659	10,445
– Group cost from acquisition of land based companies	7,460	8,049
– Others	358	729
	20,477	19,223

The Group and the Company have not accounted for the following tax effects of the timing differences and potential tax savings which would result in a net debit to the deferred tax balance :

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Differences of capital allowances and depreciation	2,869	(472)	(43)	(9)
Unabsorbed capital allowances	234	1,934	176	130
Tax losses	34,971	49,614	–	–
Others	2,712	(1,440)	–	–
Net deferred tax asset	40,786	49,636	133	121

26. COMMITMENTS

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Authorised capital expenditure not provided for :				
Contracted	3,114	3,196	320	–
Not contracted	9,381	19,440	216	1,008
	12,495	22,636	536	1,008

27. CONTINGENT LIABILITIES

	COMPANY	
	2001	2000
	RM'000	RM'000
Unsecured :		
Guarantees given to financial institutions for facilities extended to subsidiary companies	35,054	53,055

28. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Bank balances and deposits	51,271	47,333	12,912	12,523
Bank overdrafts	(23,177)	(44,107)	(9,309)	(14,495)
	28,094	3,226	3,603	(1,972)
Less : Non-cash and cash equivalents				
Fixed deposits pledged to a bank as collateral (Note 18)	(12,908)	(12,482)	(12,908)	(12,482)
	15,186	(9,256)	(9,305)	(14,454)

29. SEGMENT INFORMATION - GROUP

2001	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Total Assets Employed RM'000
By Activity			
Continuing operations :			
Build, own and operate power plants	120,446	29,524	195,634
Property development	64,241	11,585	133,037
Quarrying and production of quicklime, hydrated lime and calcium carbonate products	6,721	164	8,168
Engineering, designing and manufacturing of automotive and transportation components	117,484	(2,195)	102,878
Investments and others	453	(5,762)	19,295
Associated companies	–	3,476	39,771
	309,345	36,792	498,783
Discontinued operations :			
Marketing and trading of heavy equipment, parts and accessories	6,464	(2,229)	–
Mining and production of copper concentrate	–	2,317	6,374
	315,809	36,880	505,157

29. SEGMENT INFORMATION - GROUP (cont'd.)

2001	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Total Assets Employed RM'000
Exceptional items :			
Continuing operations :			
Build, own and operate power plants	–	(17,545)	–
Property development	–	(6,063)	–
Quarrying and production of quicklime, hydrated lime and calcium carbonate products	–	1,216	–
Engineering, designing and manufacturing of automotive and transportation components	–	(7,794)	–
Investments and others	–	29,629	–
Associated companies	–	4,810	–
Discontinued operations :			
Mining and production of copper concentrate	–	(1,772)	–
	315,809	39,361	505,157
By Geographical Location			
Malaysia	162,330	27,822	340,686
United Kingdom	111,130	(6,657)	87,371
People's Republic of China	42,349	15,042	67,435
Others	–	3,154	9,665
	315,809	39,361	505,157

29. SEGMENT INFORMATION - GROUP (cont'd.)

2000	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Total Assets Employed RM'000
By Activity			
Continuing operations :			
Build, own and operate power plants	100,162	20,433	195,055
Property development	50,716	6,661	139,935
Quarrying and production of quicklime, hydrated lime and calcium carbonate products	8,997	402	20,959
Engineering, designing and manufacturing of automotive and transportation components	146,002	(4,676)	106,197
Marketing and trading of heavy equipment, parts and accessories	12,198	(6,212)	24,425
Investments and others	602	2,574	17,796
Associated companies	–	5,215	32,264
	318,677	24,397	536,631
Discontinued operations :			
Mining and production of copper concentrate	7,599	3,511	4,785
Manufacturing of marble dimension stone, polished marble slabs and tiles, and trading of building materials	18,456	(62)	–
	344,732	27,846	541,416
Exceptional items :			
Continuing operations :			
Engineering, designing and manufacturing of automotive and transportation components	–	(351)	–
Marketing and trading of heavy equipment, parts and accessories	–	201	–
Investments and others	–	3,660	–
Associated companies	–	(928)	–
Discontinued operations :			
Mining and production of copper concentrate	–	459	–
	344,732	30,887	541,416
By Geographical Location			
Malaysia	171,579	19,706	365,970
United Kingdom	142,688	(2,160)	97,618
People's Republic of China	30,465	10,693	70,015
Others	–	2,648	7,813
	344,732	30,887	541,416

30. SUBSIDIARY COMPANIES

Details of the subsidiary companies as of 30 June 2001 are as follows :

Company	Principal Activities	Country of Incorporation	Effective Group Interest 2001 %	Effective Group Interest 2000 %
Mega First Mining Sdn. Bhd.	Investment holding	Malaysia	100	100
Mamut Copper Mining Sdn. Bhd. *	Dormant	Malaysia	100	100
Geo-Mobile Asia (HK) Ltd. *	Dormant	Hong Kong	100	100
MCM Nurseries Sdn. Bhd. *	Dormant	Malaysia	100	100
Cheng Sun Industries Sdn. Bhd.	Investment holding	Malaysia	99.6	99.6
Syarikat Cheng Sun Quarry Sdn. Bhd.	Quarrying of limestone and production of fine calcium carbonate powder	Malaysia	99.6	99.6
Kinabalu Lime Products Sdn. Bhd.	Dormant	Malaysia	100	100
Propera Sdn. Bhd.	Dormant	Malaysia	100	100
Mega First Industries Sdn. Bhd.	Investment holding	Malaysia	100	100
Consotech Sdn. Bhd. *	Dormant	Malaysia	100	100
MFCB Marketing Sdn. Bhd. *	Dormant	Malaysia	100	100
Grassum Sdn. Bhd.	Dormant	Malaysia	100	100
Mega First Development Sdn. Bhd.	Investment holding	Malaysia	100	100
Mega First Engineering Sdn. Bhd.	Investment holding	Malaysia	100	100
Mega Fortris Trading Sdn. Bhd. * (formerly known as Meritact Sdn. Bhd.)	Trading of security seals	Malaysia	51.5	100
Mega Fortris (Malaysia) Sdn. Bhd. *	Manufacturing and trading of security seals	Malaysia	51	100
Bloxwich International Sdn. Bhd.	Investment holding	Malaysia	96.9	96.9

30. SUBSIDIARY COMPANIES (cont'd.)

Company	Principal Activities	Country of Incorporation	Effective Group Interest 2001 %	Effective Group Interest 2000 %
Bloxwich (Malaysia) Sdn. Bhd.	Engineering, designing and manufacturing of automotive and transportation components	Malaysia	96.9	96.9
Bloxwich Engineering Ltd. **	Engineering, designing and manufacturing of automotive and transportation components	United Kingdom	96.9	96.9
Bloxwich Automotive Ltd. **	Design and manufacture of components for automotive industry	United Kingdom	96.9	96.9
Bloxwich Transportation Products Ltd. **	Design and manufacture of components for transportation industry	United Kingdom	96.9	96.9
Hatherton Engineering Ltd. **	Design and manufacture of precision tools	United Kingdom	96.9	96.9
Bloxwich Security Products Ltd. ** (formerly known as Blair Security Products Ltd.)	Manufacturing and trading of security seals	United Kingdom	96.9	96.9
Advanced Presswork Manufacturers Ltd. **	Dormant	United Kingdom	96.9	96.9
Bloxwich Group Pensions Ltd. **	Pension Fund Trustee	United Kingdom	96.9	96.9
Inata GmbH **	Dormant	Germany	96.9	96.9
Bloxwich South Africa (Pty) Ltd. *	Manufacturing and assembling of container and commercial locking gear related products	Republic of South Africa	96.9	96.9
Bloxwich Forging (Pty) Ltd. *	Manufacturing of forged components	Republic of South Africa	96.9	96.9
Mega First Corporate Services Sdn. Bhd.	Provision of secretarial services	Malaysia	100	100
Mega First Housing Development Sdn. Bhd.	Property development	Malaysia	100	100
Mega First Properties Sdn. Bhd.	Property development	Malaysia	100	100

30. SUBSIDIARY COMPANIES (cont'd.)

Company	Principal Activities	Country of Incorporation	Effective Group Interest 2001 %	Effective Group Interest 2000 %
Mega First Property Management Sdn. Bhd.	Dormant	Malaysia	100	100
Gombak Land Sdn. Bhd.	Property development	Malaysia	100	100
Community Consortium Sdn. Bhd.	Property development	Malaysia	100	100
Public Ventures Management Sdn. Bhd.	Property development	Malaysia	100	100
Empayar Permai Sdn. Bhd.	Property investment	Malaysia	100	100
Highland Resources Sdn. Bhd.	Property development	Malaysia	100	100
Paya Emas Sdn. Bhd.	Property development	Malaysia	60	60
Serudong Power Sdn. Bhd.	Build, own and operate a power plant	Malaysia	51	51
Mega First Power Industries Sdn. Bhd.	Investment holding	Malaysia	100	100
Mega First Power Services Sdn. Bhd.	Power plant operator and maintenance services contractor	Malaysia	100	100
Shaoxing Mega Heat And Power Co. Ltd.**	Own and operate a power plant	People's Republic of China	60	60
Mega First Resources Sdn. Bhd.	Investment holding	Malaysia	100	100
Geo-Mobile Asia Sdn. Bhd.	Dormant	Malaysia	100	100
Jitu Optima Sdn. Bhd.	Dormant	Malaysia	100	100
Authentic Excellence Sdn. Bhd.	Dormant	Malaysia	100	100
Idaman Harmoni Sdn. Bhd.	Dormant	Malaysia	100	100
Bayangan Sutera Sdn. Bhd.	Dormant	Malaysia	100	100
Mega First OnLine Sdn. Bhd.	Dormant	Malaysia	100	100
Bloxwich Fabrications Limited. ** (formerly known as Agile Manufacturing Limited)	Manufacturing of seating frames for automobiles, hospital beds and exercise equipment	United Kingdom	96.9	–

30. SUBSIDIARY COMPANIES (cont'd.)

Company	Principal Activities	Country of Incorporation	Effective Group Interest 2001 %	Effective Group Interest 2000 %
Mega Fortris (Singapore) Pte Ltd. *	Trading of security seals	Singapore	35.7	–
Shaoxing Mega Fortris Seal Co. Ltd. *	Trading of security seals	Peoples'Republic of China	30.6	–
Lime and Lime Products (Sdn.) Berhad	Investment holding and quarrying of limestone for the production of quicklime and hydrated lime	Malaysia	–	100
Parrange Sdn. Bhd.	Quarrying of limestone	Malaysia	–	97.5
CEL Tractors Sdn. Bhd.	Marketing and trading of heavy equipment, parts and accessories	Malaysia	–	60
CEL Tractors (Sarawak) Sdn. Bhd.	Marketing and trading of heavy equipment, parts and accessories	Malaysia	–	60
CEL Tractors (Johor) Sdn. Bhd.	Marketing and trading of heavy equipment, parts and accessories	Malaysia	–	60
CEL Tractors (Sabah) Sdn. Bhd.	Marketing and trading of heavy equipment, parts and accessories	Malaysia	–	60
CEL Technologies Sdn. Bhd.	Marketing and trading of heavy equipment, parts and accessories	Malaysia	–	48.6
CEL Tractors Engineering Sdn. Bhd.	Dormant	Malaysia	–	60

* The financial statements of these companies are examined by auditors other than the auditors of the Company.

** The financial statements of these companies are examined by member firms of Deloitte Touche Tohmatsu.

31. SIGNIFICANT CORPORATE EVENTS

On 15 March 2001, the Company completed its disposal of its wholly-owned subsidiary company, Lime and Lime Products (Sdn.) Berhad and the entire 97.5% equity interest in Parrange Sdn. Bhd. for a total cash consideration of RM14.0 million. The disposal resulted in an exceptional gain of RM6.0 million.

On 15 March 2001, the Group through its wholly-owned subsidiary company, Mega First Industries Sdn. Bhd., disposed of its 60% equity interest in CEL Tractors Sdn. Bhd. ("CEL") for a nominal cash consideration of RM1. The said disposal, which is not subject to the approval of shareholders or relevant authorities, resulted in an exceptional gain of RM34.1 million arising mainly from reversal of accumulated losses of CEL Group previously consolidated.

At an Extraordinary General Meeting held on 30 October 2000, the shareholders of the Company approved the implementation by the Company of an Employee Share Option Scheme ("Proposed ESOS"). The Proposed ESOS was approved by the Securities Commission ("SC") on 9 November 2000. Subsequently, on 10 May 2001, the SC approved an extension for the implementation of the Proposed ESOS by 8 October 2001.

32. GENERAL INFORMATION

The total number of employees, including directors, of the Group and of the Company at the end of the financial year were 826 (2000 : 1,058) and 24 (2000 : 27), respectively.

The Company's registered office and principal place of business is located at 8th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

33. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with their presentation in the current financial year.

The net tangible assets per share of the Group for the last financial year ended 30 June 2000 has been restated to 62 sen from 64 sen to account for unamortised goodwill on acquisition of associated companies.

STATEMENT BY DIRECTORS

The Directors of MEGA FIRST CORPORATION BERHAD state that, in their opinion, the accompanying balance sheets and statements of income, cash flows and changes in equity are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 30 June 2001 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance
with a resolution of the Directors,

DATO' LIM KENG KAY

.
CHIN YOONG NGOK

Kuala Lumpur
27 August 2001

STATUTORY DECLARATION

I, CHEW WEI KEONG, the Director primarily responsible for the financial management of MEGAFIRST CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying balance sheets and statements of income, cash flows and changes in equity, 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
CHEW WEI KEONG at KUALA LUMPUR this
27th day of August 2001

Before me,

DATO' NG MANN CHEONG
COMMISSIONER FOR OATHS

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accompanying balance sheets as of 30 June 2001, the related statements of income, cash flows and changes in equity for the year then ended. 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 the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

(a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of :

   (i) the state of affairs of the Group and of the Company as of 30 June 2001 and of the results and the cash flows of the Group and of the Company for the year ended on that date; and

   (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors'reports of the subsidiary companies of which we have not acted as auditors, as shown in Note 30 to the Financial Statements, being financial statements that have been included in the consolidated financial statements.

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

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

DELOITTE KASSIMCHAN
AF 0080
Public Accountants

YEE YOON CHONG
1829/07/03 (J)
Partner

Petaling Jaya
27 August 2001

LIST OF PROPERTIES HELD
AS OF 30 JUNE 2001

Description	Location	Approximate Age of building (years)	Total Area (sq. metre)	Tenure	Date of acquisition	Date of last valuation	Net Book Value RM'000
Copper mine	Mining Lease No. 99000501 At an elevation of 1400m on the eastern flank of Mount Kinabalu, 123km from Kota Kinabalu Sabah	n/a	19,380,412	Leasehold 30 years (Expires on 2003)	16 Feb 1973	n/a	-
Lohan tailings disposal dam	CL 065315826 District of Ranau, Sabah	n/a	3,883,974	Leasehold 30 years (Expires on 2004)	22 Nov 1989	n/a	-
	NT 063009370 063009594 063009601 063009923 063017765 063030017 District of Ranau, Sabah	n/a	106,027	Freehold	7 May 1995 16 Jul 1993 24 Jun 1993 29 Jun 1993 24 Jun 1993 16 Jun 1993	n/a n/a n/a n/a n/a n/a	-
Tailings pipeline and roads	CL 065316083 District of Ranau, Sabah	n/a	112,867	Leasehold 15 years (Expires 2003)	1 Jan 1989	n/a	-
Port facilities	CL 035314044 District of Kota Belud, Sabah	n/a	256,000	Leasehold 30 years (Expires on 2004)	1 Jan 1975	n/a	-
Housing area	CL065312834 District of Ranau, Sabah	26	365,148	Leasehold 31 years (Expires on 2003)	1 Jan 1973	n/a	-
Factory land	Lot PT 839 Mukim of Sg. Raia Kinta District, Perak	14	28,850	Leasehold 60 years (Expires on 2047)	18 Dec 1987	n/a	764
Quarrying limestone hill	Lot PT 132 Mukim of Sg. Raia Kinta District, Perak	n/a	36,368	Leasehold 30 years (Expires on 2011)	18 Jul 1981	n/a	3,041
Quarrying limestone hill	Lot PT 1109 Mukim of Sg. Raia Kinta District, Perak	n/a	8,099	Leasehold 30 years (Expires on 2022)	26 Feb 1992	n/a	5
Factory land and building	Lot P.T. 2620, 2621, 2624, 2625 Town of Seri Iskandar District of Perak Tengah Perak	4	25,130	Leasehold 99 years (Expires on 2095)	22 Nov 1996	n/a	4,141
Factory land and building	Bell Lane, Bloxwich, Walsall England	87	11,900	Freehold	-	1993*	11,910
Factory land and building	Fryers Road / Commercial Road Bloxwich, Walsall, England	39	3,120	Freehold	-	1993*	4,708

LIST OF PROPERTIES HELD (cont'd.)

Description	Location	Approximate Age of building (years)	Total Area (sq. metre)	Tenure	Date of acquisition	Date of last valuation	Net Book Value RM'000
Factory land and building	Ring Road, Burntwood Staffs, England	26	3,344	Freehold	-	1993*	4,920
Factory land and building	Qi Yang Gong Lu Qixian Town Shaoxing County Zhejiang Province People's Republic of China	7	61,960	Leasehold 22 years (Expires on 2019)	1 Apr 1997	n/a	21,348
2 units of single storey residential houses	TL 017504200 Tanjung Aru Kota Kinabalu Sabah	44	5,666	Leasehold 99 years (Expires on 2055)	16 May 1988	n/a	1,481
Vacant land held for development	CL No.015485864 Inanam, Menggatal District of Kota Kinabalu Sabah.	n/a	27,267	Leasehold 999 years (Expires on 2915)	19 Aug 1996	n/a	3,900
Vacant land held for development	P.T. Nos.2388,2395,2397 2398, 2401, 2402	n/a	45,385	Leasehold 99 years (Expires on 2086)	21 Sep 1987	n/a	1,382
Vacant land held for development	P.T. Nos. 134907, 134908, 134910, 134914 Daerah Kinta, Ipoh	n/a	25,840	Leasehold 99 years (Expires on 2094)	30 Mar 1995	n/a	8,324
Vacant land held for development	P.T. Nos. 1006 to 1038 Mukim of Batu Berendam Daerah Melaka Tengah, Melaka	n/a	37,334	Leasehold 99 years (Expires on 2082)	27 Mar 1993	n/a	1,223
Vacant land held for development	P.T. Nos. 26,40,44,95,130,167,217 Mukim of Paya Rumput Daerah Melaka Tengah, Melaka	n/a	273,965	Freehold	31 May 1993	n/a	13,788
Vacant land held for development	Lot 2134 Mukim Bukit Rambai Daerah Melaka Tengah	n/a	22,611	Leasehold 64 years (Expires on 2030)	1 Dec 1997	n/a	770
2 lot of 1½ storey semi-detached factory	Shah Alam Technology Park, Seksyen 33, Shah Alam	1	17,624	Freehold	19 Jan 2001	n/a	1,678

* Subsidiary was acquired after the valuation date.
n/a – not applicable

STATISTICS ON SHAREHOLDINGS
AS AT 7 SEPTEMBER 2001

ANALYSIS OF SHAREHOLDINGS

Authorised Capital	:	RM500,000,000 divided into 500,000,000 ordinary shares of RM1.00 each.
Issued and Paid-up Capital	:	RM236,000,000 divided into 236,000,000 ordinary shares of RM1.00 each fully paid-up.

No. of Holders	Holdings	Total Holdings	%
1,521	Less than 1,000	251,185	0.11
23,784	1,000 to 10,000	68,472,274	29.01
1,888	10,001 to 100,000	45,657,390	19.35
84	100,001 to less than 5% of issued shares	58,926,671	24.97
3	5% and above of issued shares	62,692,480	26.56
27,280	TOTAL	236,000,000	100.00

NOTE:

There is only one class of shares in the issued and paid-up share capital of the Company, that is Ordinary Shares of RM1.00 each. Each share entitles the holder to one vote.

THIRTY LARGEST SHAREHOLDERS
(As at 7 September 2001)

No.	Name of Securities Account Holders	No. of Shares Held	%
1)	HSBC Nominees (Tempatan) Sdn Bhd – *Pledged Securities Account for Bonanza Resources Sdn Bhd (381-167360-089)*	35,905,000	15.21
2)	Perbadanan Pembangunan Ekonomi Sabah (SEDCO)	14,787,480	6.27
3)	HSBC Nominees (Tempatan) Sdn Bhd – *Pledged Securities Account for Bonanza Resources Sdn Bhd (381-012202-089)*	12,000,000	5.08
4)	Bonanza Resources Sdn Bhd	5,226,666	2.21
5)	HLB Nominees (Tempatan) Sdn Bhd – *Pledged Securities Account for Bonanza Resources Sdn Bhd (IPH6318-3)*	5,000,000	2.12
6)	Lembaga Tabung Angkatan Tentera	5,000,000	2.12
7)	Lembaga Tabung Haji	5,000,000	2.12
8)	Amanah Raya Nominees (Tempatan) Sdn Bhd – *Skim Amanah Saham Bumiputra*	4,730,000	2.00
9)	Wong Cheng Yong	3,040,000	1.29
10)	Malaysia Nominees (Tempatan) Sdn Bhd – *Pledged Securities Account for Bonanza Resources Sdn Bhd (20-00117-000)*	3,000,000	1.27
11)	Chew Yat Hoe	2,138,000	0.91
12)	Kong Aliong @ Kong Foo Liong	2,078,000	0.88
13)	Arab-Malaysian Nominees (Tempatan) Sdn Bhd – *Pledged Securities Account for Bonanza Resources Sdn Bhd (7/683-1)*	1,500,000	0.64
14)	Kumpulan Y.R. Sdn Bhd	1,407,000	0.60
15)	Mayban Securities Nominees (Tempatan) Sdn Bhd – *Pledged Securities Account for Abdullah Hasbi Bin Haji Hassan (Rem 193)*	1,207,000	0.51
16)	Lee Lai Chun	1,203,000	0.51
17)	Lim Seng Chee	1,140,000	0.48
18)	Grand United Holdings Bhd	960,272	0.41
19)	Juwitawan Sdn Bhd	814,000	0.34
20)	Kah Hin Loong Sdn Bhd	629,000	0.27
21)	Cartaban Nominees (Asing) Sdn Bhd – *Credit Suisse Singapore for Westwater Ltd (120090)*	595,000	0.25
22)	RHB Nominees (Asing) Sdn Bhd – *Kripalson International Ltd*	570,000	0.24
23)	Dexia JMF Asset Management Sdn Bhd – *Mohammed Razif bin Mohd. Yusof*	555,666	0.23
24)	Cartaban Nominees (Asing) Sdn Bhd – *Credit Suisse Singapore for Kosipetto Management Ltd (120204)*	474,000	0.20
25)	Malaysia Nominees (Tempatan) Sdn Bhd – *Pledged Securities Account for Odd Lot Holdings Sdn Berhad (21-00066-000)*	449,000	0.19
	Balance carried forward	*109,409,084*	*46.35*

THIRTY LARGEST SHAREHOLDERS
(As at 7 September 2001) (cont'd.)

No.	Name of Securities Account Holder	No. of shares held	%
	Balance brought forward	*109,409,084*	*46.35*
26)	Wong Yow	423,000	0.18
27)	Kong Kok Wai	413,000	0.18
28)	Low Poh Weng	401,000	0.17
29)	Mayban Nominees (Tempatan) Sdn Bhd – *Pledged Securities Account for Chang Kiaw Ngiap @ Chang Khoinyap (128AK0010))*	400,000	0.17
30)	Equity Heights Sdn Bhd	366,000	0.16
	Total	111,412,084	47.21

SUBSTANTIAL SHAREHOLDERS AS AT 7 SEPTEMBER 2001

		Direct Interest		Deemed Interest	
No.	Name of Substantial Shareholder	Shares	%	Shares	%
1)	Dato' Lim Keng Kay	10,000	Neg.	62,755,000	26.59
2)	Datin Lau Kam Voon	–	–	62,755,000	26.59
3)	Lim Si Boon	–	–	62,755,000	26.59
4)	Lim Pui San @ Lim Poi San	–	–	62,755,000	26.59
5)	Kay Lim Holdings Sdn Bhd	–	–	62,755,000	26.59
6)	Bonanza Venture Holdings Sdn Bhd	–	–	62,755,000	26.59
7)	Bonanza Resources Sdn Bhd	62,755,000	26.59	–	–
8)	Perbadanan Pembangunan Ekonomi Sabah (SEDCO)	14,787,480	6.27	–	–

DIRECTORS' SHAREHOLDING AS AT 7 SEPTEMBER 2001

		Direct Interest		Deemed Interest	
No.	Name of Director	Shares	%	Shares	%
1)	Dato' Lim Keng Kay	10,000	Neg.	62,755,000	26.59
2)	Lim Si Boon	–	–	62,755,000	26.59
3)	Chin Yoong Ngok	60,000	0.03	–	–
4)	Chew Wei Keong	5,000	Neg.	–	–
5)	Yong Fook Shin	60,000	0.03	–	–
6)	Michael Yee Kim Shing	50,000	0.02	–	–
7)	David William Boyd	40,000	0.02	–	–
8)	Sivalingam s/o Munusamy	157,000	0.07	–	–
9)	Dato' Haji Abu Hanifah Noordin	–	–	–	–
10)	Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin	–	–	–	–
11)	A.M. Yusof bin Abd. Razak *(Alternate to Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin)*	–	–	–	–

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting of the Company will be held at the Anggerik Room, 4th Floor, Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 29 October 2001 at 10:30 a.m. for the following purposes :-

AGENDA

1) To receive and consider the Directors' Report and Audited Accounts for the year ended 30 June 2001. *(Resolution 1)*

2) To approve the payment of Directors' fees amounting to RM95,000 (2000: RM90,000) in respect of the year ended 30 June 2001. *(Resolution 2)*

3) To re-elect the following Directors who are retiring by rotation pursuant to Article 99 of the Company's Articles of Association, and being eligible, offer themselves for re-election:-

   3.1 Mr Chin Yoong Ngok *(Resolution 3)*
   3.2 Mr Yong Fook Shin *(Resolution 4)*
   3.3 Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin *(Resolution 5)*

4) To re-elect Mr Sivalingam s/o Munusamy who is retiring in accordance with Article 104 of the Company's Articles of Association. *(Resolution 6)*

5) To appoint Auditors and to authorise the Board of Directors to fix their remuneration. *(Resolution 7)*

6) By way of special business, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:-

   Ordinary Resolution
   Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

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

   Ordinary Resolution
   Authority to allot shares pursuant to the Employee Share Option Scheme

   "THAT, pursuant to the Company's Employee Share Option Scheme ("the Scheme") as approved at the Extraordinary General Meeting of the Company held on 30 October 2000, the Directors of the Company be and are hereby empowered and authorised, in accordance with Section 132D of the Companies Act, 1965, to allot and issue shares in the Company from time to time in accordance with the Scheme." *(Resolution 9)*

7) To transact any other business that may be transacted at an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

By Order of the Board

YONG LAI SIM
Group Company Secretary

KUALA LUMPUR
4 October 2001

NOTES:

1) *A member of the Company entitled to attend and on a poll, vote at the meeting is entitled to appoint a proxy or proxies to attend and to vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 are not applicable to the Company.*

2) *In the case of a corporate member, the instrument appointing a proxy or proxies shall be under its Common Seal or under the hand of its attorney duly authorised in writing.*

3) *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

4) *The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company situated at 8th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for the meeting or any adjournment thereof, and in default, the instrument of proxy or proxies shall not be treated as valid.*

EXPLANATORY NOTE ON SPECIAL BUSINESS

a) *Ordinary Resolution No: 8, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot ordinary shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.*

b) *Ordinary Resolution No: 9, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot ordinary shares in the Company to those employees who have exercised their options under the Employee Share Option Scheme. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1) Directors who are standing for re-election

The Directors who are offering themselves for re-election at the Thirty-Fifth Annual General Meeting of the Company are as follows:-

1.1	Mr Chin Yoong Ngok	*(Resolution 3)*
1.2	Mr Yong Fook Shin	*(Resolution 4)*
1.3	Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin	*(Resolution 5)*
1.4	Mr Sivalingam s/o Munusamy	*(Resolution 6)*

2) Details of attendance of Directors at Board meetings

The attendance record of Directors at Board meetings held during the financial year ended 30 June 2001 are as follows:-

Name of Director	Attendance
Tan Sri Dato' Haji Anuar bin Dato'Haji Zainal Abidin *(resigned on 23 February 2001)*	2/2
Dato' Lim Keng Kay	3/4
Mr Chin Yoong Ngok	4/4
Mr Chew Wei Keong	3/4
Mr Yong Fook Shin	4/4
Mr Michael Yee Kim Shing	3/4
Dato' Haji Abu Hanifah Noordin	4/4
Mr David William Boyd	3/4
Lim Si Boon	4/4
Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin	3/4
Mr Sivalingam s/o Munusamy *(appointed on 3 April 2001)*	1/1
Mr John Ho Cheong Hon *(Alternate to Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin)*	–

3) Place, date and time of meetings of the Board of Directors

All the four (4) Board meetings held during the financial year ended 30 June 2001 took place at the Company's Registered Office at 8th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur. The date and time of these meetings are as follows:-

Date of Meeting	Time
28 August 2000	10:30 a.m.
21 November 2000	2:30 p.m.
27 February 2001	10:00 a.m.
29 May 2001	10:00 a.m.

4) Details on Directors who are standing for re-election

4.1 Particulars of Directors

- Mr Chin Yoong Ngok, age 44, a Malaysian, was appointed as an Executive Director on 30 March 1995 and subsequently as Group Managing Director on 1 July 1998. A civil engineer by training, he has 12 years experience holding positions of Project Engineer and Project Manager with several engineering consulting firms and property developers before joining MFCB in September 1992 as Group Project Manager. Mr Chin also sits on the Boards of the associate companies, Rock Chemical Industries (Malaysia) Berhad (listed on KLSE Second Board) and Perilya Limited (listed on Australian Stock Exchange). He has a direct interest in 60,000 fully paid ordinary shares of RM1.00 each in the Company.

- Mr Yong Fook Shin, age 58, a Malaysian, was appointed to the Board on 30 March 1995. He has more than 30 years of experience in the mining industry, having worked in tin mines in Malaysia and Brazil. He was the Managing Director of Mamut Copper Mining Sdn Bhd during the last five years of Mamut Copper Mine's operation; its closure was in June 1999. Mr Yong is also a non-executive director of Perilya Limited, representing the interest of MFCB Group. He has a direct interest in 60,000 fully paid ordinary shares of RM1.00 each in the Company. He is a non-executive director.

- Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin, age 54, a Malaysian, holds a Master of Arts (Hons) Degree from the University of Canterbury, New Zealand. He has been with Sabah Economic Development Corporation (SEDCO) since 1973 and is presently its Group General Manager. He was appointed a Director of MFCB on 12 April 1991. He does not have any interest in shares in the Company. He is a non-executive director.

- Mr Sivalingam s/o Munusamy, age 61, a Malaysian is a lawyer and has been in active legal practice for about 30 years. He has held the position as legal consultant to various corporations, including KLSE. He was an Executive Director of MFCB from 5 December 1992 to 29 February 1996 and re-joined the Board on 3 April 2001 as an independent director. He has a direct interest in 157,000 fully paid ordinary shares of RM1.00 each in the Company.

4.2 Other Information

- Family relationships

  None of the Directors standing for re-election have any family relationship with the other Directors or major shareholders of the Company.

- Conflict of interest

  Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin represents SEDCO on the Board. SEDCO has subsidiaries which are involved in property development activities. Save as disclosed, none of the Directors standing for re-election have any conflict of interest with the Company.

- Convictions of offences

  None of the Directors standing for re-election have been convicted of offences within the past 10 years other than traffic offences, if any.

DIRECTORY

No.	Company name & E-mail Add.	Address	Telephone no.	Facsimile no.
1.	Gombak Land Sdn. Bhd. ***gombakl@po.jaring.my***	505 Mezzanine Floor, Plaza Melaka, Jalan Hang Tuah, 75300 Melaka.	06-2843682/ 06-2814867	06-2814680
2.	Gombak Land Sdn. Bhd. ***gombakp@po.jaring.my***	Lot 118, (2 storey shopoffice) Persiaran Greentown 10, Greentown Business Centre, 30450 Ipoh, Perak.	05-2433093/92	05-2433094
3.	Gombak Land Sdn. Bhd. ***mega1st@po.jaring.my***	8th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.	03-21660266	03-21486787
4.	Mega First Housing Development Sdn. Bhd. ***mega1st@po.jaring.my***	8th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.	03-21660266	03-21486787
5.	Paya Emas Sdn. Bhd. ***gombakl@po.jaring.my***	505 Mezzanine Floor, Plaza Melaka, Jalan Hang Tuah, 75300 Melaka.	06-2843682/ 06-2814867	06-2814680
6.	Bloxwich Engineering Limited ***bloxwich@bloxwich.co.uk*** ***www.bloxwich.co.uk***	PO Box 4, Bell Lane, Bloxwich, Walsall, WS3 2JR, England.	+441922710510	+441922475830
7.	Bloxwich South Africa (Pty) Limited ***bloxwich@iafrica.com***	PO Box 229, Mandeni 4490, South Africa.	+27324592783	+27324592784
8.	Bloxwich (Malaysia) Sdn. Bhd. ***bmsbip@tm.net.my***	Seri Iskandar Technology Park, 32600 Bota, Perak Darul Ridzuan.	05-3711516	05-3711520
9.	Mega Fortris (Malaysia) Sdn. Bhd. ***fortris@tm.net.my*** ***www.megafortris.com***	No. 6 & 8 Jalan Angklung 33/20, Shah Alam, Technology Park, Seksyen 33, 40400 Shah Alam.	03-5226118	03-5217118
10.	Mega First Power Services Sdn. Bhd. ***mfcb@mega-first.com***	A1103-A, 11th Floor, Phase 1, Wisma Merdeka, Jalan Tun Razak, 88000 Kota Kinabalu.	088-233800	088-233801
11.	Shaoxing Mega Heat And Power Co. Ltd ***smhp@mail.sxptt.zj.cn***	Qi Yang Gong Lu, Qi Xian Town, Shaoxing County, Zhejiang Province, 312065 China.	+865755181025	+865755182287
12.	Serudong Power Sdn. Bhd. ***spower@po.jaring.my***	KM-6, Jalan Kuhara Muhibbah, 91000 Tawau, Sabah	089-711566/568	089-711576
13.	Mega First Power Industries Sdn. Bhd. ***mfcb@mega-first.com***	8th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur	03-20725199	03-20723600
14.	Syarikat Cheng Sun Quarry Sdn. Bhd. ***csquarry@tm.net.my***	Lot 67887, Mukim Sg. Raia, 31300 Keramat Pulai Ipoh, Perak	05-3571502/3	05-3571504
15.	Perilya Limited ***perilya@wt.com.au*** ***www.perilya.com.au***	Level 2, 31 Ventnor Avenue, West Perth, Western Australia 6005, PO Box 1787, West Perth Western Australia 6872	+61894231700	+61894231787
16.	Rock Chemical Industries (Malaysia) Berhad ***Rci8988@po.jaring.my***	A-2-8, 2nd Floor, Wisma MFCB, No. 1, Persiaran Greentown 2, Greentown Business Centre, 30450 Ipoh, Perak Darul Ridzuan	05-2439722	05-2492828

MEGA FIRST CORPORATION BERHAD

(Co. No: 6682-V)

(Incorporated in Malaysia)

PROXY FORM

No. of shares held:_____

*I/*We, _____

of _____

being a member of MEGAFIRST CORPORATION BERHAD, hereby appoint [1] _____

_____

of _____

or failing whom/* and [2] _____

of _____

as *my/*our proxies to attend and, on a poll, to vote for *me/*us on *my/*our behalf at the Thirty-Fifth Annual General Meeting of the Company, to be held on 29 October 2001 and at any adjournment thereof.

The proportion of *my/*our holding to be represented by *my/*our proxies are as follows :-

[The next paragraph must be completed only when two proxies are appointed.]

First Proxy [1] _____ % Second Proxy [2] _____ %

*My/*Our proxy/proxies is/are to vote as indicated hereunder.

NO.	RESOLUTION	FOR	AGAINST
1)	To receive the Directors'Report and Audited Accounts for the year ended 30 June 2001.		
2)	To approve Directors'fees.		
3)	To re-elect Mr Chin Yoong Ngok as Director.		
4)	To re-elect Mr Yong Fook Shin as Director.		
5)	To re-elect Datuk Pengiran Mohd. Hussein bin OKK Datuk Pengiran Haji Mohd. Tahir Nasruddin as Director.		
6)	To re-elect Mr Sivalingam s/o Munusamy as Director.		
7)	To appoint auditors and to authorise the Board of Directors to fix their remuneration.		
8)	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
9)	Authority to issue shares pursuant to the Employee Share Option Scheme.		

Please indicate with an (X) how you wish to cast your votes. If no specific direction as to voting is given, the proxy/proxies will vote or abstain at his/her discretion.

Dated this _____ day of October 2001.

_____

[Signature/Common Seal of Member(s)]

NOTES:

1) *A member of the Company entitled to attend and on a poll, vote at the meeting is entitled to appoint a proxy or proxies to attend and to vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 are not applicable to the Company.*

2) *In the case of a corporate member, the instrument appointing a proxy or proxies shall be under its Common Seal or under the hand of its attorney duly authorised in writing.*

3) *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

4) *The instrument appointing a proxy or proxies* ***must be deposited*** *at the Registered Office of the Company situated at 8th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than* ***forty-eight (48) hours*** *before the time appointed for the meeting or any adjournment thereof, and in default, the instrument of proxy or proxies shall not be treated as valid.*

PLEASE FOLD HERE

Postage stamp

The Group Company Secretary
MEGA FIRST CORPORATION BERHAD
8th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

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