

**REKAPACIFIC  
BERHAD**  
(CO. NO. 7661-M)

Annual Report/Laporan  
Tahunan

1997, 1998, 1999, 2000, 2001



**REKAPACIFIC BERHAD**

(Company No: 7661 M)  
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Twenty Eighth Annual General Meeting of the Company will be held at Nusantara Ballroom 3, Sheraton Imperial Kuala Lumpur, Jalan Sultan Ismail 50250 Kuala Lumpur on Monday, 7 January 2002 at 9.30 a.m. for the following purposes:

**AGENDA**

- 1) To receive and adopt the Audited Accounts for the financial years ended 30 April 1997, 30 April 1998, 30 April 1999, 30 April 2000 and 30 April 2001 together with the Reports of the Directors and Auditors thereon.

**(Resolution 1)**

- 2) To re-elect the following Directors retiring in accordance with the Company's Articles of Association :-

- |                                  |                       |
|----------------------------------|-----------------------|
| a) Brig. Gen. (B) Anim Bin Harun | <b>(Resolution 2)</b> |
| b) Mr. Ling Hee Leong            | <b>(Resolution 3)</b> |
| c) Datuk Dr. Ong Ah Soon         | <b>(Resolution 4)</b> |
| d) Datuk Lee Fook Long           | <b>(Resolution 5)</b> |
| e) Mr. Tan Gim Tuan              | <b>(Resolution 6)</b> |

- 3) To appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.

**(Resolution 7)**

**AS SPECIAL BUSINESS**

To consider and if thought fit, pass the following resolution with or without modifications :-

- 4) **SPECIAL RESOLUTION – PROPOSED ADOPTION OF THE NEW ARTICLES OF ASSOCIATION OF THE COMPANY**

That the new Articles of Association of the Company as set out in Appendix A attached together with the Annual Report Year 2001 of the Company be and are hereby approved for adoption as the Company's new Articles of Association of the Company to replace the existing Articles of Association of the Company.

**(Resolution 8)**

- 5) To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given.

By Order of the Board

**LIM SECK WAH (MAICSA NO. 0799845)**  
**M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA NO. 0781031)**  
Secretaries

14 December, 2001  
Kuala Lumpur

*Notes:*

1. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. The provision of Section 149(1)(b) of the Companies Act 1965 (the Act) shall not apply to the Company.*
2. *The instrument appointing a proxy must be deposited at the Registered Office of the Company, Level 11-2, Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting as the case may be.*
3. *Where a member appoints two or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
4. *In the case of corporate member, the instrument appointing a proxy must be executed under the company's Common Seal or under the hand of its officer or attorney duly authorised.*
5. *Notes on Ordinary Resolutions 2, 3, 4, 5 and 6*  
*The particulars of the Directors who are standing for re-election are as follows :-*
  - (i) *Brig. Gen. (B) Anim Bin Harun (Please refer to Profiles of Board of Directors page 2 and Statement of Directors' shareholdings on page 22 of the Annual Report)*
  - (ii) *Mr. Ling Hee Leong (Please refer to Profiles of Board of Directors page 2 and Statement of Directors' shareholdings on page 22 of the Annual Report)*
  - (iii) *Datuk Dr. Ong Ah Soon (Please refer to Profiles of Board of Directors page 3 and Statement of Directors' shareholdings on page 22 of the Annual Report)*
  - (iv) *Datuk Lee Fook Long (Please refer to Profiles of Board of Directors page 3 and Statement of Directors' shareholdings on page 22 of the Annual Report)*
  - (v) *Mr. Tan Gim Tuan (Please refer to Profiles of Board of Directors page 3 and Statement of Directors' shareholdings on page 22 of the Annual Report)*
6. *Explanatory notes on Special Business*
  - (i) ***Special Resolution on the proposed amendments to the Company's Articles of Association***

*The proposed Resolution 8 on the adoption of the new Articles of Association of the Company is to reflect the extensive amendments to the Companies Act 1965, Securities Industry (Central Depositories) Act 1991, the Rules of the Malaysian Central Depository and the latest revamped listing requirements of the Kuala Lumpur Stock Exchange.*

**REKAPACIFIC BERHAD**  
(Company No. 7661 M)  
(Incorporated in Malaysia)

**PROXY FORM**

I/We, \_\_\_\_\_  
(PLEASE USE BLOCK LETTERS)

of \_\_\_\_\_

being a Member/Members of abovenamed Company do hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty Eighth Annual General Meeting of the Company to be held at Nusantara Ballroom 3, Sheraton Imperial Kuala Lumpur, Jalan Sultan Ismail 50250 Kuala Lumpur on Monday, 7 January 2002 at 9.30 a.m. and at any adjournment thereof in the manner indicated below.

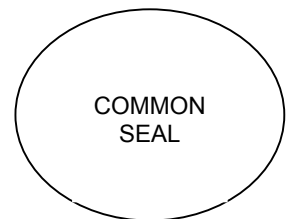
RESOLUTION	FOR	AGAINST
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3		
RESOLUTION 4		
RESOLUTION 5		
RESOLUTION 6		
RESOLUTION 7		
RESOLUTION 8		

Please indicate your vote by a tick (√) in the respective box of each resolution. Unless voting instructions are indicated in the space above, the proxy will vote as he/she thinks fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 200\_

NO. OF SHARES HELD									

\_\_\_\_\_  
Signature of Member(s)



Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. The provision of Section 149(1)(b) of the Companies Act 1965 (the Act) shall not apply to the Company.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company, Level 11-2, Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting as the case may be.
3. Where a member appoints two or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. In the case of corporate member, the instrument appointing a proxy must be executed under the company's Common Seal or under the hand of its officer or attorney duly authorised.

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Brig. Gen. (B) Anim bin Harun  
Ling Hee Leong  
Dato' Dr. Ong Ah Soon  
Datuk Lee Fook Long  
Tan Gim Tuan

Chairman  
Executive Deputy Chairman  
Independent Non-Executive Director  
Independent Non-Executive Director  
Executive Director

### **AUDIT COMMITTEE**

Brig. Gen. (B) Anim bin Harun  
Ling Hee Leong  
Datuk Lee Fook Long

Chairman

### **COMPANY SECRETARIES**

Lim Seck Wah  
M. Chandrasegaran a/l S. Murugasu

(MAICSA No. 0799845)  
(MAICSA No. 0781031)

### **CORPORATE OFFICE**

77-1, Jalan Setiabakti  
Bukit Damansara  
50490 Kuala Lumpur  
Malaysia  
Tel: (603) 254 2260  
Fax: (603) 254 2335

### **REGISTERED OFFICE**

Level 11-2, Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia  
Tel: (603) 2692 4271  
Fax: (603) 2732 5388

### **SHARE REGISTRARS**

Mega Corporate Services Sdn. Bhd.  
Level 11-2, Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia  
Tel: (603) 2692 4271  
Fax: (603) 2732 5388

### **AUDITORS**

Coopers & Lybrand  
(now known as PricewaterhouseCoopers)  
11<sup>th</sup> Floor, Wisma Sime Darby  
Jalan Raja Laut  
50706 Kuala Lumpur  
Malaysia

## **PROFILES OF BOARD OF DIRECTORS**

### ***BRIG GEN. (B) ANIM BIN HARUN***

57 years of age

Malaysian

Chairman – Independent, Non-Executive

He was appointed to the Board on 27 December 1996. He was commissioned in the Royal Malaysian Air Force (“RMAF”) in August 1964. He served 26 years in various capacities in the RMAF with assignments in the country and the United Kingdom. He obtained his post graduate diploma in Management Sciences from the University of Manchester Science and Technology (UMIST) in 1976, and followed by his Master of Sciences in Industrial Marketing from University of Bath, United Kingdom in 1978.

Upon retiring from the RMAF, he joined the private sector. His first appointment was Senior Vice-President, Operations and Finance of a private tertiary college from 1992 to 1994. Besides managing his own private company, he is involved with the Yayasan Insan Pembinaan Insan (YAPI) as a Director and secretary since 1995. He also sits as a committee member of the United World College (UWC) Malaysia, National Committee, where YAPI is involved in the development of the human potential of the needy group of children and UWC focuses on pre-university studies of development programs.

### ***LING HEE LEONG***

32 years of age

Malaysian

Executive Deputy Chairman – Non-Independent

He was appointed to the Board on 27 December 1996. He holds a degree in Economics and Politics from the University of London. He has also completed the post-graduated studies in Golf & Turfgrass Management in the College of the Desert, California in 1994. He has worked for KPMG Peat Marvick and Union Bank of Switzerland as a trainee in 1989 to 1991 respectively. Prior to holding his present position, he was employed under the Ekran Group of Companies from 1994 to 1996, during which he was principally involved with all landscaping projects of the Ekran Group.

***DATO' DR. ONG AH SOON***

59 years of age

Malaysian

Independent Director – Non-Executive

He was appointed to the Board on 30 April 1998. He graduated M.B.B.S. from the University of Singapore and obtained his Masters of Medicine (M.Med) in Internal Medicine from the same University. He is a Fellow of the Royal Australasian College of Physicians. He began his career in the government service in 1966 and served till 1977 as a Consultant Physician at the General Hospital, Kuala Lumpur. He has been in private practice at Assunta Hospital as a Consultant Physician since 1978. Currently, he sits on the Board of Assunta Foundation as well as Institute Jantung Negara. He is also currently an independent director of Alliance Bank and Kumpulan Jetson.

***DATUK LEE FOOK LONG***

47 years of age

Malaysian

Independent Director – Non-Executive

He was appointed to the Board on 30 April 1998. He holds a degree in Mass Communications and has a diploma from the Institute of Marketing, United Kingdom. He is presently the Chairman of Naga DDB Sdn. Bhd., an international advertising agency in Malaysia with an annual billing of more than RM200 million, and also sits on the board of several integrated advertising related agencies. He is also a director of SHH Resources Holdings Bhd. Besides his business activities, he is actively involved in charities and holds the franchise for the Miss Malaysia/World Pageant.

***TAN GIM TUAN***

32 years of age

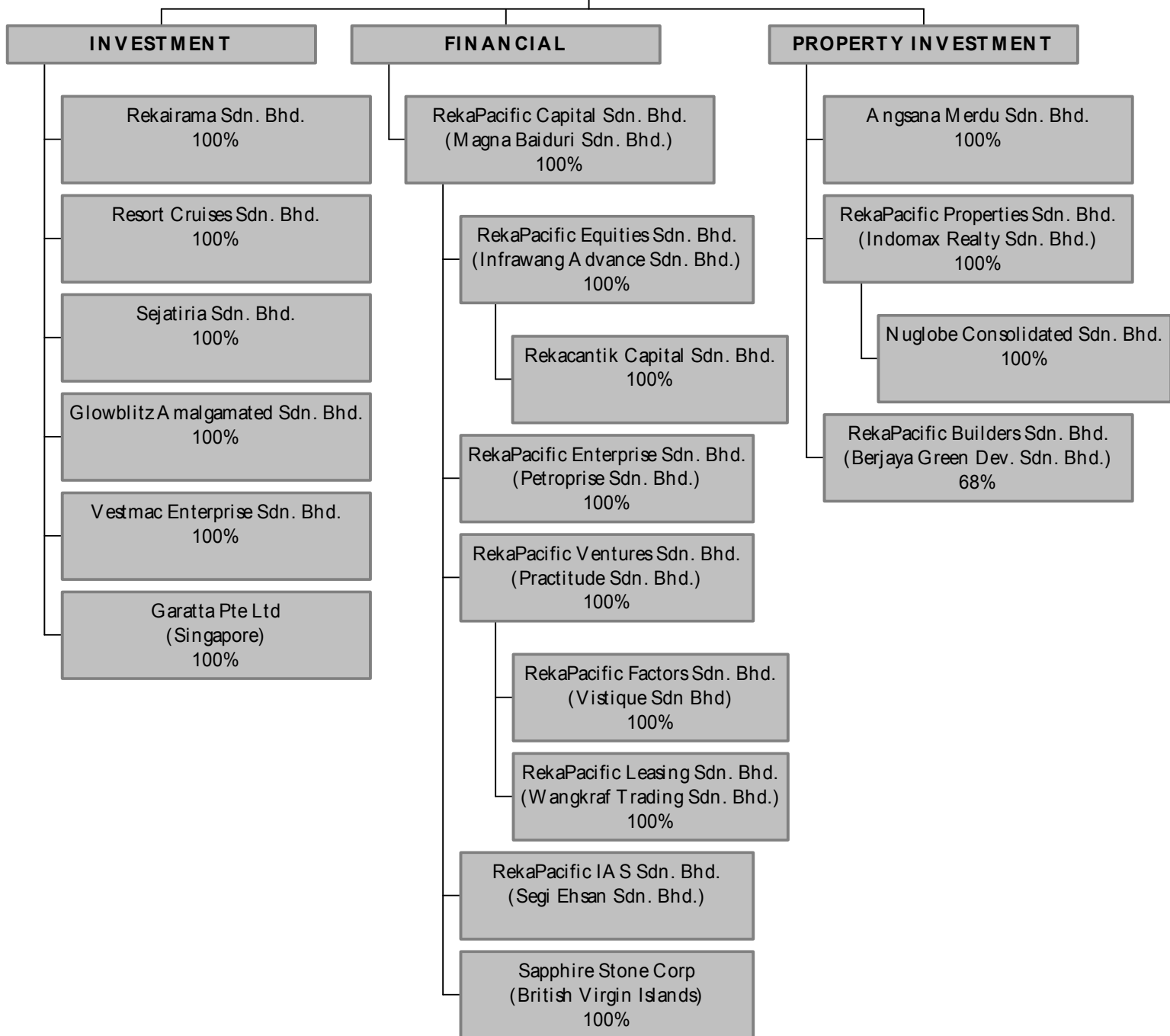
Malaysian

Executive Director – Non-Independent

He was appointed to the Board on 30 April 1998. He is an LLB and Bachelor of Economics holder from Monash University, Australia. He was called to the Malaysian Bar in February 1995. He left legal practice to join the Company. He is also a Director for several private limited companies.

**CORPORATE STRUCTURE**

# REKAPACIFIC BERHAD



\* Other than Rekapacific Builders Sdn. Bhd., all other subsidiaries of the Company are now dormant in its activities.

## AUDIT COMMITTEE

### *Objectives*

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the Audit Committee shall:

- i) oversee and appraise the quality of the audits conducted by the Company's external auditors;
- ii) maintain open lines of communication between the Board of Directors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- iii) determine the adequacy of the Group's administrative, operating and accounting controls.

### *Composition*

The Audit Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) and shall be composed of not less than three members of whom a majority shall be Independent Directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or possesses such other qualifications and/or experiences as approved by the Kuala Lumpur Stock Exchange ("KLSE")

A quorum shall consist of two members and a majority of the members present must be Independent Directors.

The members of the Committee shall elect a Chairman from among their numbers who is not an Executive Director or employee of the Company or any related corporation. He shall report on each meeting of the Committee to the Board of Directors.

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduce to below three, the Board of Directors shall within three months of the event, appoint such number of new members as may be required to make up the minimum number of three members subject always to meeting the composition requirements stated above.

### *Secretary*

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board of Directors.

### *Authority*

The Committee is authorized by the Board of Directors to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors, and to all employees of the Group. The Committee is also authorized by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorized to convene meetings with the external auditors excluding the attendance of the executive members of the Committee, whenever deemed necessary.

### *Meetings*

The Audit Committee shall meet at least once a year and attend such additional meetings as the Chairman shall decide in order to fulfill its duties. In addition, the Chairman may call a meeting of the Committee if a request is made by any Committee member, the Company's Chief Executive, or the internal or external auditors.

### *Duties*

The duties of the Committee shall be:

- i) to consider the appointment of external auditors, the audit fee and any question on resignation or dismissal including recommending the nomination of a person as external auditor;
- ii) to discuss with external auditors where necessary, on the nature and scope of audit, as well as the internal controls accounting system of the Group and Company;
- iii) to review the quarterly results and year-end financial statements prior to the approval by the Board of Directors focusing on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, and any other significant issue which may arise from the audits performed;
- iv) to review any matters highlighted by the external auditors and the response provided by the management;
- v) to review any related party transaction and conflict of interest which may arise within the Group;
- vi) to prepare the Audit Committee report at the end of each financial year;

- vii) to carry out any other responsibilities, functions or assignments as may be defined jointly by the Committee and the Board of Directors;
- viii) to promptly report any breach of the KLSE Listing Requirements to the KLSE;
- ix) to review the scope and results of the internal audit function (when this has been established).

## **CHAIRMAN'S STATEMENT**

On behalf of the Board of Directors of RekaPacific Berhad, I would like to present the Annual Report and Financial Statements for the financial years ended 1997, 1998, 1999, 2000 & 2001 of the Company.

### **Overview**

In July 1997, Berjaya Industrial Berhad changed its name to RekaPacific Berhad. The name reflected the new corporate identity of the Company following a substantial change in ownership. Linksun Avenue Sdn Bhd acquired a 32 per cent controlling interest in Berjaya Industrial in December 1996.

RekaPacific was to concentrate on three key areas in its efforts to diversify and expand its earnings base- strategic investments, financial services and property. Throughout the financial year ended 30 April 1997 and 1998, the Company set out to invest in corporations and properties that would serve the corporate objective. To focus on this growth plan, a number of non-core activities were disposed of.

Sadly, the tumultuous events of 1998 effectively put an end to these objectives. In April 1998, the Board and the auditors detected many unauthorised and irregular transactions in the Group's accounts, most involving share trades. These transactions could not be supported by documents and statements available to the Company. Due to the size and nature of these irregularities, the Board immediately suspended the Company's operations and activities pending inquiry. The Board appointed professional advisers to conduct an extensive investigation into the financial and legal affairs of Group ("the Investigation")

### **The Investigation**

In the course of the Investigation, the Company contacted over 300 stockbrokers, banks and institutions to obtain information on any dealings conducted in the purported name of the Company and its subsidiaries and to request for all records or documents pertaining thereto. The Company and its advisers then examined and traced each of the thousands of transactions conducted to identify the movement of the assets and the parties responsible.

The result of the Investigation showed that large-scale fraud and criminal wrongdoing was committed against the Company, the Board and shareholders by a former director, Surendran Palachandran and the former solicitor, Jennifer Tay Siew Kiem, in breach of their fiduciary duties and with the probable collusion of third parties. Several share margin and trading accounts were opened in 1997 purportedly in the Company's name by means of false documents and misrepresentations. The advent of the regional Asian economic crisis in 1997 leading to the severe stockmarket downfall resulted in massive losses incurred on these unauthorized share trading and margin, of which the Company had to bear.

The Company reconstructed its accounts in May 2000 upon receipt of the reports of the Investigation from its advisers. The differences between the pre-Investigation and post-Investigation figures are tremendous, showing the degree that the Company's accounts had been manipulated. To illustrate, the Preliminary Financial Statement for the financial year

ended 30 April 1997 prepared and released on 31 July 1997 under the instructions of Surendran shows a (Loss)/Profit after taxation of RM13.42 million. In comparison, the audited accounts for the same period shows a (Loss)/Profit after taxation of (RM1.507) billion.

We have lodged several police reports against the above-named individuals and other third parties, and have been informed by the police that the suspects are in the process of being traced and charged. Where possible, we have also resorted to legal measures to recover the Company's assets that had been dissipated.

### **Financial performance**

The accumulated losses of the Group as at 30 April 2001 is RM1.946 billion. The losses mainly arise from short-term group borrowings of which the bulk is margin financing facilities, and accrued interest expenses.

### **The De-listing of the Securities of RekaPacific Berhad from the Official List**

On 9 November 2001, the Exchange informed the Board that upon consultation with the Securities Commission, the Exchange has decided to de-list the securities of the Company from the Official List. The decision to de-list the Company was due to the Company's failure to submit periodic financial statements for public release.

The Board has explained to the Exchange in various letters and representations that due to massive irregularities in Company's accounts, it was vital to first complete the Investigation before accounts beginning with the financial year 30 April 1997 could be reconstructed. The Board also felt that it was also necessary to verify the accuracy of the reconstructed accounts by way of statutory audit before the results were published.

On 7 November 2001, the Company submitted to the Exchange its Annual Audited Accounts for the financial year ended 30 April 1997, 1998, 1999, 2000 and 2001. The Board believes that with the release of these accounts and the release of the Annual Reports for the said periods, all the breaches have in effect been remedied.

We have filed appeals against the Exchange's decision to de-list, and are awaiting the outcome.

## **The Proposed Restructuring Scheme**

After these dark and troubled years, there appears to be light at the end of the tunnel. We have thankfully found a White Knight willing to embark on a plan to regularize the Group's financial condition ('the Proposed Restructuring Scheme') and thereby rescue the Group.

The Company has completed the initial stages of the Proposed Restructuring Scheme and have obtained the agreement in principle of the majority of the Group's creditors.

However, since the Notice to Show Cause on De-listing of Securities dated 6 July 2001 issued by the Kuala Lumpur Stock Exchange, and subsequently, the decision of the Exchange on 9 November 2001 to de-list the securities of the Company from the Official List, we have been unable to continue with the Proposed Restructuring Scheme until the appeal against de-listing is decided by the Exchange.

## **Future Outlook**

The future prospects of the Group will essentially depend on the implementation of the Proposed Restructuring Scheme. Whether or not the Company can implement the Proposed Restructuring Scheme in turn is entirely dependent on whether or not it has its listing status, as the transfer of the listing status is the key to the scheme.

In short, the Company's future depends on the results of the appeal against de-listing to the Exchange. If the Exchange de-lists the Company, it will fail the Proposed Restructuring Scheme and ultimately, fatal to the Company.

## **Appreciation**

Together with the members of the Board, I would like to extend my utmost appreciation and gratitude to all the dedicated employees and advisers of the Group who have worked tirelessly to unravel and uncover the wrongdoing upon the Group, and who tried so hard to remedy these problems.

The Board also wishes to thank our shareholders for their patience and continued support.

Finally, I would like to thank the fellow members of the Board for their advice and guidance.

Brig. Gen. (B) Anim bin Harun  
Chairman  
7 December 2001

## **CORPORATE GOVERNANCE**

### **BOARD AND COMMITTEE ATTENDANCE**

The number of Directors' meetings and meetings of committees of Directors held since the date of the last report, and the number of meetings attended by each Director are as follows:

Number of meetings attended / held while in office from 1 May 2001 to the date of this report:

<b>Name</b>	<b>Audit</b>	
	<b>Board Meeting</b>	<b>Committee Meeting</b>
Brig. Gen. (B) Anim bin Harun	2/2	2/2
Ling Hee Leong	2/2	2/2
Dato' Dr. Ong Ah Soon	1/2	n/a
Datuk Lee Fook Long	2/2	2/2
Tan Gim Tuan	2/2	n/a

In April 1998, material irregularities in the Group and Company's accounts were detected in the course of the initial statutory audit of the accounts for the financial year ended 30 April 1997. Due to the nature and extent of the irregularities, the Board of Directors appointed Pricewaterhouse Associates Sdn. Bhd. and Messrs. Adnan Sundra & Low to conduct an exhaustive investigation into the financial and legal affairs of the Group and Company ("the Investigation").

The Board took immediate measures to suspend the Company's operations and activities, including the initial statutory audit, pending the results of the Investigation. On the receipt of the reports on the Investigation from Pricewaterhouse Associates and Messrs. Adnan Sundra & Low, in May 1999 the Board proceeded to reconstruct the financial statements of the Company beginning with the year ended 30 April 1997.

Prior to the completion of the reconstructed financial statements, no formal Audit Committee meetings were held. However, the Audit Committee members met regularly with the rest of the Board of Directors on an informal manner to discuss on the then ongoing Investigation and the status of the Group and Company.

Number of meetings attended / held while in office during the year ended 30 April 2001:

<b>Name</b>	<b>Audit</b>	
	<b>Board Meeting</b>	<b>Committee Meeting</b>
Brig. Gen. (B) Anim bin Harun	1/1	-
Ling Hee Leong	1/1	-
Dato' Dr. Ong Ah Soon	0/1	-
Datuk Lee Fook Long	0/1	-
Tan Gim Tuan	1/1	-

There were no formal meetings of Directors during the year ended 30 April 2000:

Number of meetings attended / held while in office during the year ended 30 April 1999:

<b>Name</b>	<b>Audit</b>	
	<b>Board Meeting</b>	<b>Committee Meeting</b>
<i>Current</i>		
Brig. Gen. (B) Anim bin Harun	2/2	-
Ling Hee Leong	2/2	-
Dato' Dr. Ong Ah Soon	0/2	-
Datuk Lee Fook Long	2/2	-
Tan Gim Tuan	2/2	-
<i>Resigned</i>		
Heng Fook Seng (resigned on 4.5.1998)	0/2	-
Surendran Palachandran (resigned on 30.6.1998)	2/2	-

Number of meetings attended / held while in office during the year ended 30 April 1998:

<b>Name</b>	<b>Audit</b>	
	<b>Board Meeting</b>	<b>Committee Meeting</b>
Brig. Gen. (B) Anim bin Harun	1/1	2/2
Ling Hee Leong	1/1	2/2
Heng Fook Seng	0/1	1/2
Surendran Palachandran	0/1	n/a
Dato' Dr. Ong Ah Soon (appointed on 30.4.1998)	0/1	n/a
Datuk Lee Fook Long (appointed on 30.4.1998)	0/1	n/a
Tan Gim Tuan (appointed on 30.4.1998)	0/1	n/a

Number of meetings attended / held while in office during the year ended 30 April 1997:

Name	Audit	
	Board Meeting	Committee Meeting
<i>Current</i>		
Brig. Gen. (B) Anim bin Harun (appointed on 27.12.1996)	1/6	-
Ling Hee Leong (appointed on 27.12.1996)	1/6	-
Heng Fook Seng (appointed on 27.12.1996)	1/6	-
Surendran Palachandran (appointed on 27.12.1996)	1/6	-
<i>Resigned</i>		
Dato' Sulaiman bin Mohd Amin (resigned on 27.12.1996)	3/6	-
Tan Sri Dato' Seri Tan Chee Yioun (resigned on 27.12.1996)	1/6	-
Dato' Tan Chee Sing (resigned on 27.12.1996)	1/6	-
Ahmad Fathan bin Hj. Sulaiman (resigned on 27.12.1996)	2/6	-
Izhar bin Sulaiman (resigned on 27.12.1996)	2/6	-
Tan Kim Poh (resigned on 27.12.1996)	0/6	-
Tengku Dato' Adnan bin Tengku Mansor (resigned on 27.12.1996)	4/6	-
Dato' Wan Adli bin Dato' Wan Ibrahim (deceased) (resigned on 27.12.1996)	1/6	-
Chua Tee Hock (resigned on 27.12.1996)	5/6	-
Khaw Ooi Tong (resigned on 27.12.1996)	5/6	-
Tan Choon Lui (alternate to Dato' Tan Chee Sing) (resigned on 27.12.1996)	0/6	-

#### **DIRECTORS' REMUNERATION**

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year ended 30 April 2001 are as follows:

	<b>Salaries &amp; Other Emoluments</b>
	RM'000
Executive Directors	497
Non-Executive Directors	-

The number of Directors of the Company whose total remuneration fall within the following bands:

<b>Range of Remuneration</b>	<b>Number of Directors</b>	
	<b>Executive</b>	<b>Non-Executive</b>
Below RM50,000	-	-
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	1	-

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year ended 30 April 2000 are as follows:

	<b>Salaries &amp; Other Emoluments</b>
	<b>RM'000</b>
Executive Directors	497
Non-Executive Directors	-

The number of Directors of the Company whose total remuneration fall within the following bands:

<b>Range of Remuneration</b>	<b>Number of Directors</b>	
	<b>Executive</b>	<b>Non-Executive</b>
Below RM50,000	-	-
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	1	-

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year ended 30 April 1999 are as follows:

	<b>Salaries &amp; Other Emoluments</b>
	RM'000
Executive Directors	473
Non-Executive Directors	-

The number of Directors of the Company whose total remuneration fall within the following bands:

<b>Range of Remuneration</b>	<b>Number of Directors</b>	
	<b>Executive</b>	<b>Non-Executive</b>
Below RM50,000	1	-
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	1	-

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year ended 30 April 1998 are as follows:

	<b>Salaries &amp; Other Emoluments</b>
	RM'000
Executive Directors	316
Non-Executive Directors	-

The number of Directors of the Company whose total remuneration fall within the following bands:

<b>Range of Remuneration</b>	<b>Number of Directors</b>	
	<b>Executive</b>	<b>Non-Executive</b>
Below RM50,000	1	-
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	1	-

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year ended 30 April 1997 are as follows:

### Salaries & Other Emoluments

RM'000

Executive Directors	296
Non-Executive Directors	-

The number of Directors of the Company whose total remuneration fall within the following bands:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	-
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	1	-

### DIRECTORS' RESPONSIBILITY STATEMENT

In respect of the preparation of the audited financial statements pursuant to paragraph 15.27(a) of the Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements:

The Directors are required to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and Group and of their results and cash flows for that year. In preparing those financial statements, the Directors are required to:

- i) adopt suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are prudent and reasonable;
- iii) ensure applicable accounting standards have been followed, subject to any material departures disclose and explain in the financial statements; and
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **OTHER INFORMATION**

### *Conflict of Interest*

None of the Directors has any family relationship with other Directors or major shareholders of the Company.

### *Convictions for Offences*

None of the Directors has been convicted for offences within the past ten (10) years other than traffic offences, if any.

### *Utilisation of Proceeds*

Since the date of the last report, there were no corporate proposals exercised which raised any proceeds.

### *Share Buybacks*

Since the date of the last report, there were no share buybacks by the Company.

### *Options, Warrants of Convertible Securities*

Since the date of the last report, the Company issued 6,354,000 ordinary shares being options exercised under the Employees ' Share Option Scheme ("ESOS"). Other than the shares issued under the ESOS, there were no other option, warrant or convertible security exercised during the year.

### *American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme*

Since the date of the last report, the Company did not sponsor any ADR or GDR programme

### *Imposition of Sanctions / Penalties*

The Company has been penalised by the Kuala Lumpur Stock Exchange ("KLSE") as a result of the following breaches of the Listing Requirements of the KLSE:

<b>BREACH</b>	<b>ACTION TAKEN BY THE KLSE</b>
1. Failure to furnish Annual Report 1997 pursuant to S. 60 Main Board Listing Requirements ("MBLR") by 31 October 1997	Public reprimand, caution and fine of RM100,000
2. Failure to furnish Preliminary Financial Statement YE April 1998 pursuant to S. 57 MBLR by 31 July 1998	Public reprimand, caution and fine of RM100,000.
3. Failure to furnish Annual Report 1998 pursuant to S. 60 MBLR by 31 October 1998	Public reprimand, caution and fine of RM100,000.
4. Failure to furnish Half Yearly Report period ended 31 October 1998 pursuant to S. 56 MBLR by 31 January 1999	Public reprimand, caution and fine of RM100,000.
5. Failure to furnish Preliminary Financial Statement YE April 1999 pursuant to S. 57 MBLR by 31 July 1999	Public reprimand, caution and fine of RM150,000.
6. Failure to furnish Annual Report 1999 pursuant to S. 60 MBLR by 31 October 1999	Public reprimand, caution and fine of RM200,000.
7. Failure to furnish Quarterly Report period ended 31 July 1999 pursuant to S. 56A MBLR by 30 September 1999	Public reprimand, caution and fine of RM150,000.
8. Failure to furnish Quarterly Report period ended 31 October 1999 pursuant to S. 56A MBLR by 31 December 1999	De-listing.
9. Failure to furnish Quarterly Report period ended 31 January 2000 pursuant to S. 56A MBLR by 31 March 2000	De-listing.
10. Failure to furnish Quarterly Report period ended 31 April 2000 pursuant to S. 56A MBLR by 30 June 2000	De-listing.
11. Failure to furnish Annual Audited Accounts YE April 2000 pursuant to S. 60B MBLR by 31 August 2000	De-listing.
12. Failure to furnish Quarterly Report Period Ended 31 July 2000 pursuant to S. 56A MBLR by 30 September 2000	De-listing.

13. Failure to furnish Annual Report 2000 pursuant to S. 60 MBLR by 31 October 2000	De-listing.
14. Failure to furnish Quarterly Report Period Ended 31 October 2000 pursuant to S. 56A MBLR by 31 December 2000	De-listing.
15. Failure to furnish Quarterly Report Period Ended 31 January 2001 pursuant to S. 56A MBLR by 31 March 2001	De-listing.
16. Failure to furnish Quarterly Report Period Ended 30 April 2001 pursuant to S. 56A MBLR/ Para 9.22(1) Listing Requirements ("LR") by 30 June 2001	Show Cause
17. Failure to furnish Annual Audited Accounts YE April 2001 pursuant to S. 60B MBLR/ Para 9.23(b) LR by 31 August 2001	Show Cause
18. Failure to furnish Quarterly Report Period Ended 30 July 2001 pursuant to Para 9.22(1) LR by 30 September 2001	Show Cause.

*Non Audit Fees*

The amount of non-audit fees paid/payable to external auditors and their affiliated companies by the Group since the date of the last report are as follows:

	RM'000
Pricewaterhouse Associates Sdn. Bhd.	2,000
PricewaterhouseCoopers Taxation Services Sdn. Bhd.	186
PricewaterhouseCoopers Consulting Sdn. Bhd.	100

*Profit Estimate, Forecast or Projections*

The Company did not make any release on any profit estimate, forecast nor projection since the date of the last report.

#### *Profit Guarantee*

The Company, together with other substantial shareholders in Prime Utilities Berhad entered into a Profit Guarantee Agreement dated 28 August 1997 pursuant to which the Company agreed to guarantee the Maintainable Pre-Tax Profit of Indah Water Konsortium Sdn. Bhd. up to the extent of RM31,500,000 for each of the financial year ended 30 April 1997, 1998 and 2000, which was subsequently changed to 30 April 1999, 2000 and 2001 pursuant to a Supplement Agreement dated 28 August 1997.

The Company has since made provisions totaling RM94,500,000 deemed payable to Prime Utilities Berhad for Indah Water Konsortium Sdn. Bhd.'s failure to meet the profit guaranteed for all three years concerned.

#### *Material Contracts*

Since the date of the last report, there were no material contracts on the Company and its subsidiaries involving Directors' and major shareholders interests other than a contract for desilting works awarded to a subsidiary, RekaPacific Builders Sdn. Bhd. by Agroline Sdn. Bhd. on 3 May 1999 for a contract value of RM416,780 which was paid in full.

Tan Gim Tuan and Kenneth Tan Keng Han are both directors of RekaPacific Builders Sdn. Bhd. and directors of Agroline Sdn. Bhd.

#### *Contracts Relating to Loans*

There were no contracts relating to loans by the Company in respect of the abovesaid contract.

#### *Revaluation of Landed Properties*

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

**LIST OF PROPERTIES**  
**As at 29 November 2001**

<b>Title/Location</b>	<b>Tenure</b>	<b>Date of Acquisition</b>	<b>Size</b>	<b>Description/ Existing Use</b>	<b>Net Book Value RM'000</b>
Lots 661 & 674 Grant 3602 & 3934 Mukim of Chengkau District of Tampin Negeri Sembilan Darul Khusus	Freehold	30.1.1992	402.2 acres	Agriculture/ vacant	3,423
Lots B1.28, HS(D) 98778, PT No. 18186 Mukim Ampangan Daerah Seremban Negeri Sembilan Darul Khusus (Tuanku Jaafar Golf & Country Resort)	Freehold	3.7.2000	10,699 sq.ft	Bungalow lot/ vacant	195
Ground Floor, No.56 Jalan Kinrara 4/5 Taman Kinrara Section 4 Puchong Kuala Lumpur	Freehold	1.1.1999	1,116 sq.ft	4-storey corner lot/ Vacant	311

**STATEMENT OF DIRECTORS' SHAREHOLDINGS**  
**As at 29 November 2001**

None of the Directors in office as at 30 November 2001 have any direct nor indirect interest in the shares of the Company, or shares in, or debentures of, its related corporations during the financial year.

**STATISTICS ON SHAREHOLDING**  
**As at 29 November 2001**

*Analysis of Shareholdings*

Size of Shareholdings	No. of Shareholders		No. of Shares		Percentage	
	M'sian	Foreign	M'sian	Foreign	M'sian	Foreign
Less than 1,000	152	9	27,430	4,873	0.005	0.001
1,000 to 10,000	20,785	10,432	67,081,320	57,770,148	13.081	11.266
10,001 to 100,000	2,426	4,598	67,560,000	143,883,229	13.175	28.059
100,001 to less than 5% of Issued Shares	155	285	57,944,000	118,525,000	11.300	23.113
5% and above of Issued Shares	0	0	0	0	0	0
<b>Total</b>	<b>23,518</b>	<b>15,324</b>	<b>192,612,750</b>	<b>320,183,250</b>	<b>37.561</b>	<b>62.439</b>

Note: There is only one class of shares in the paid-up capital of the Company. Each share entitles the holder to one vote.

**Thirty Largest Shareholders**

Name	No. of Shares	%
1. CIMSEC NOMINEES (ASING) SDN. BHD. Danaharta Managers Sdn. Bhd. For Tsang & Ong	18,595,000	3.626
2. THE CENTRAL DEPOSITORY (PTE) LIMITED	18,274,000	3.564
3. KE-ZAN NOMINEES (ASING) SDN. BHD. Kim Eng Securities (Private) Limited for Gain Source Limited	6,242,000	1.217
4. HDM NOMINEES (TEMPATAN) SDN. BHD. Ong & Company Private Limited for Tan Eng Chia	4,919,000	0.959

5.	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN. BHD. Bayerische Landesbank Girozentrale Singapore for Ho Seng Chuan	3,900,000	0.761
6.	HDM NOMINEES (TEMPATAN) SDN. BHD. Vickers Ballas & Company Pte Ltd for Wong Lin Chu	3,600,000	0.702
7.	CHONG CHEE LEONG @ THOMAS CHONG	3,035,000	0.592
8.	HDM NOMINEES (ASING) SDN. BHD. Grand Orient Securities Pte Ltd for Tan Seng Hock	3,005,000	0.586
9.	KENANGA NOMINEES (ASING) SDN. BHD. J.M. Sassoon & Co (Pte) Ltd for Tan Chye Hock	1,950,000	0.380
10.	ARAB-MALAYSIAN NOMINEES (TEMPATAN) SDN. BHD. Arab-Malaysian Trustee Bhd for Pacific Pearl Fund	1,777,000	0.347
11.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD Pacific Premier Fund	1,763,000	0.344
12.	HLB NOMINEES (ASING) SDN. BHD. Oversea-Chinese Bank Nominees Pte Ltd for Quek Kai Guan, Mr	1,730,000	0.337
13.	HLG NOMINEE (ASING) SDN. BHD. Dao Heng Bank Ltd for Teo Kong Seng	1,661,000	0.324
14.	HDM NOMINEES (TEMPATAN) SDN. BHD. OUB Securities Pte Ltd for Pak Liew Mei	1,550,000	0.302
15.	RC NOMINEES (ASING) SDN. BHD. DMG & Partners Securities Pte Ltd for The Kwang Hwa	1,450,000	0.283
16.	WONG CHING HOCK	1,400,000	0.273
17.	AMSEC NOMINEES (ASING) SDN. BHD. Fraser Securities Pte Ltd for Husin Salim	1,350,000	0.263
18.	CHOO KENG KIT	1,325,000	0.258
19.	HDM NOMINEES (ASING) SDN. BHD. Lim & Tan Securities Pte Ltd for Chia Soon Hock	1,228,000	0.239
20.	STRAITS NOMINEES (ASING) SDN. BHD.	1,200,000	0.234

GK Goh SPL for Ng Bock Swee

21. CARTABAN NOMINEES (ASING) SDN. BHD. SSBT Fund ZV6M for State Street Bank & Trust Funds For Employee Trusts	1,055,000	0.206
22. WONG YOKE FONG @ WONG NYOK FING	1,000,000	0.195
23. WONG NGA KIEW @ HWONG YIA JIAW	1,000,000	0.195
24. SEAH TEE LEAN	91,800	0.179
25. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. Bayerische Landesbank Girozentrale Singapore for Sofri bin Mimbar	90,000	0.176
26. CITICORP NOMINEES (ASING) SDN. BHD. Legal & General Assurance (Pensions Management) Limited	88,300	0.172
27. CARTABAN NOMINEES (ASING) SDN. BHD. SSBT Fund ZV5M for State Street Bank & Trust Funds For Employee Trusts	87,200	0.170
28. MAYBAN SECURITIES NOMINEES (ASING) SDN. BHD. OCBC Securities Private Limited for Low Pui Wan	82,000	0.160
29. STRAITS NOMINEES (ASING) SDN. BHD.	76,800	0.150
30. CARTABAN NOMINEES (ASING) SDN. BHD. State Street Australia Fund Q5JR for Postal Life Insurance Welfare Corporation	74,000	0.144
<hr/> Total	88,910,000	17.338

*Substantial Shareholders (Above 2%)*

<b>Name</b>	<b>No. of Shares Held</b>	<b>%</b>
CIMSEC NOMINEES (ASING) SDN. BHD. Danaharta Managers Sdn. Bhd. For Tsang & Ong	18,595,000	3.626
THE CENTRAL DEPOSITORY (PTE) LIMITED	18,274,000	3.564