



METRO KAJANG HOLDINGS BERHAD

(Company No: 50948-T) Incorporated in Malaysia



Annual Report **2001**

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(Company No.50948-T • Incorporated in Malaysia)

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of METRO KAJANG HOLDINGS BERHAD will be held at Ballroom, First Floor, Metro Inn, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Wednesday, 30 January 2002 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive the Audited Accounts for the year ended 30 September 2001 together with the Directors' and Auditors' reports thereon. **(ORDINARY RESOLUTION 1)**
2. To approve the payment of a First and Final Tax Exempt dividend of 3.5% per share for the year ended 30 September 2001. **(ORDINARY RESOLUTION 2)**
3. To approve Directors' fees amounting to RM32,000-00 for the year ended 30 September 2001. **(ORDINARY RESOLUTION 3)**
4. To re-elect the following Directors who retire in accordance with the Company's Articles of Association and being eligible, offer themselves for re-election.

Tan Sri Dato' Lee Kim Sai @ Lee Hoo **(ORDINARY RESOLUTION 4)**
Chin Nam Onn **(ORDINARY RESOLUTION 5)**
Othman Bin Sonoh **(ORDINARY RESOLUTION 6)**
Ishak Bin Bluah **(ORDINARY RESOLUTION 7)**
5. To re-appoint Messrs. Moore Stephens as the Company's Auditors and to authorise the Directors to fix their remuneration. **(ORDINARY RESOLUTION 8)**
6. As Special Business, to consider and if thought fit, to pass the following as ordinary resolution:

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

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares of the Company at any time until the conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 per centum of the issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange."

(ORDINARY RESOLUTION 9)

Notice of Annual General Meeting (cont'd)

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the First and Final Tax Exempt Dividend of 3.5% per share for the year ended 30 September 2001, if approved, will be paid on 8 February 2002. The entitlement date for the dividend payment is 31 January 2002.

A depositor shall qualify for entitlement only in respect of:

- (a) shares transferred into the Depositor's Securities Account before 12.30 p.m. on 31 January 2002 in respect of ordinary transfers, and;
- (b) shares bought on The Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of The Kuala Lumpur Stock Exchange.

By Order of the Board,

TAN WAN SAN (MIA 10195)
Company Secretary

Kajang, Selangor Darul Ehsan
7 January 2002

NOTES:

- 1. A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.
- 2. The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.
- 3. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- 4. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy thereof must be deposited at the Registered Office, Suite 1, 5th Floor, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan at least 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- 5. Explanatory Statement on Special Business (Ordinary Resolution 9)

With the passing of the Ordinary Resolution 9 mentioned above by the shareholders of the Company at the forthcoming Annual General Meeting, the Directors would avoid delay and cost of convening further general meetings to approve issue of such shares.

The Resolution allows the Directors to issue new shares not exceeding ten per centum of the Company's present issued share capital should the need arise.

Statement on Particulars of Directors

Seeking Re-election at the Annual General Meeting

1. Attendance at Board Meetings held during the financial year ended 30 September 2001 of Directors seeking re-election at the Annual General Meeting:

A total of four Board Meeting were held during the financial year as follows:

MEETING	DATE	TIME	PLACE
Board of Directors' Meeting	27 November 2000	10.00 a.m.	Conference Room 1, 5 th Floor, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.
Board of Directors' Meeting	26 February 2001	10.30 a.m.	Conference Room 1, 5 th Floor, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.
Board of Directors' Meeting	25 May 2001	10.30 a.m.	Conference Room 1, 5 th Floor, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.
Board of Directors' Meeting	27 August 2001	10.30 a.m.	Conference Room 1, 5 th Floor, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

Tan Sri Dato' Lee Kim Sai @ Lee Hoo, Mr. Chin Nam Onn, En. Othman Bin Sonoh and En. Ishak Bin Bluah are seeking re-election at the Annual General Meeting. Their attendance at the abovementioned Board Meetings are as follows:

Tan Sri Dato' Lee Kim Sai @ Lee Hoo

Attended all the Board Meetings set out above.

Chin Nam Onn

Attended all the Board Meetings set out above.

En. Othman Bin Sonoh

Attended all the Board Meetings set out above.

En. Ishak Bin Bluah

Not applicable. En. Ishak Bin Bluah was appointed to the Board on 5 December 2001.

Statement on Particulars of Directors (cont'd)

2. Further Details of Directors seeking re-election or re-appointment at the Annual General Meeting:

Name	Tan Sri Dato' Lee Kim Sai @ Lee Hoo	Mr. Chin Nam Onn	En. Othman Bin Sonoh	En. Ishak Bin Bluah
Age	64	57	59	51
Nationality	Malaysian	Malaysian	Malaysian	Malaysian
Qualification		Member of :- • The Institute of Chartered Accountants in Australia • The Malaysian Association of Certified Public Accountants • The Malaysian Institute of Accountants		
Position on the Board	Independent Non-Executive Chairman	Executive Director	Non-Independent Non-Executive Director	Independent Non-Executive Director
Working Experience & Occupation	Tan Sri Dato' Lee Kim Sai was elected as Selangor State assemblyman in 1974. During his appointment, he was also made State Executive Councilor in charge of housing. In 1982, he was elected as a Member of Parliament. He was appointed as Deputy Minister in the Prime Minister's Department in June 1983. Subsequently, in 1985, he was appointed Minister of Labour and in 1987 he was appointed Minister of Housing and Local Government. He later served as Minister of Health from 1988 until he retired from cabinet in May 1995. He is also a director of Asia Pacific Land Berhad.	Mr. Chin Nam Onn's past positions include the post of Company Secretary and Unit Trust Manager of South East Asia Development Corporation Bhd during the 5 years from 1971 to 1975, the General Manager of The KLSE during the 5 years from 1976 to 1980, an Executive Director of Malaysian Resources Corporation Berhad during the 10 years from 1981 to 1990 and an Executive Director of Econstates Berhad during the 4 years from 1991 to 1994.	En. Othman Bin Sonoh was a civil servant from 1968 to 1993 in various departments including a position in the Ministry of Finance. He is involved in the supply of telecommunication equipment since 1996.	En. Ishak Bin Bluah is a professional golf consultant who has more than 25 years of experience in this line and has been awarded Pingat Jasa Kebaktian (PJK) Kedah and Ahli Mahkota Perak. He has also represented Malaysia in golf tournaments in ASEAN countries.

Statement on Particulars of Directors (cont'd)

2. Further Details of Directors seeking re-election or re-appointment at the Annual General Meeting: (cont'd)

Name	Tan Sri Dato' Lee Kim Sai @ Lee Hoo	Mr. Chin Nam Onn	En. Othman Bin Sonoh	En. Ishak Bin Bluah
Date first appointed on the Board	8 June 1995	22 December 1998	24 October 1996	5 December 2001
Membership of Board Committees	Audit Committee	Audit Committee	Nil	Audit Committee
Directorships of other public companies	Asia Pacific Land Berhad	Nil	Nil	Nil
Securities holdings in Metro Kajang Holdings Berhad	507,000 (Indirect)	55,000	Nil	Nil
Securities holdings in Metro Kajang Holdings Berhad's subsidiaries	Nil	Nil	Nil	Nil
Family relationship with any other director and/or major shareholder of Metro Kajang Holdings Berhad and conflict of interest with Metro Kajang Holdings Berhad	No family relationship with/not related to any director and/or major shareholder of Metro Kajang Holdings Berhad and does not have any conflict of interest with Metro Kajang Holdings Berhad	No family relationship with/not related to any director and/or major shareholder of Metro Kajang Holdings Berhad and does not have any conflict of interest with Metro Kajang Holdings Berhad	No family relationship with/not related to any director and/or major shareholder of Metro Kajang Holdings Berhad and does not have any conflict of interest with Metro Kajang Holdings Berhad	No family relationship with/not related to any director and/or major shareholder of Metro Kajang Holdings Berhad and does not have any conflict of interest with Metro Kajang Holdings Berhad
Convictions for offences within the past 10 years other than traffic offences	Nil	Nil	Nil	Nil

Corporate Information

DIRECTORS

Y. Bhg. Tan Sri Dato' Lee Kim Sai @ Lee Hoo
Non-Executive Chairman

Y. Bhg. Dato' Chen Kooi Chiew @
Cheng Ngı Chong
Managing Director

Y. Bhg. Datuk Chen Lok Loi
Deputy Managing Director

Y. Bhg Dato' Mokhtar Bin Samad
Non-Executive Director

Chen Ying @ Chin Ying
Executive Director

Chin Nam Onn
Executive Director

Chen Fook Wah
Executive Director

Ibrahim Bin Awang
Non-Executive Director

Othman Bin Sonoh
Non-Executive Director

Ishak Bin Bluah
Non-Executive Director

COMPANY SECRETARY

Tan Wan San (MIA 10195)

AUDITORS

Moore Stephens
8A, Jalan Sri Semantan Satu,
Damansara Heights,
50490 Kuala Lumpur.
Tel No: (603)254 1888
Fax No: (603)254 7673

INTERNAL AUDITORS

KPMG
Wisma KPMG, Jalan Dungun,
Damansara Heights,
50490 Kuala Lumpur.
Tel No: (603)255 3388
Fax No: (603)255 0971

PRINCIPAL BANKERS

Arab-Malaysian Merchant Bank Berhad
EON Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad

REGISTRAR

PFA Registration Services Sdn. Bhd.
Level 13, Uptown 1,
1 Jalan SS21/58,
Damansara Uptown,
47400 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.
Tel No: (603)7725 4888
Fax No: (603)7722 2311

REGISTERED OFFICE

Suite 1, 5th Floor, Wisma Metro Kajang,
Jalan Semenyih,
43000 Kajang,
Selangor Darul Ehsan,
Malaysia.
Tel No: (603)8737 8228
Fax No: (603)8736 5436

STOCK EXCHANGE LISTING

Main Board of The Kuala Lumpur Stock Exchange

WEBSITE

www.metrokajang.com.my

Chairman's Statement

On behalf of the Board of Metro Kajang Holdings Berhad, it gives me great pleasure to present the Annual Report and Financial Statements of the Company and the Group for the financial year ended 30 September 2001.

OVERVIEW

Although the Malaysian economy registered a Gross Domestic Product ("GDP") growth rate of 8.3% for the year 2000, the GDP growth was slower at 3.1% for the first quarter of 2001, 0.5% in the second quarter and a negative growth of 1.3% for the third quarter of 2001 due to a sharper than anticipated downturn in the United States economy. The situation was further aggravated by the 11th September 2001 terrorists attack on the United States. However, the Government's expansionary fiscal and monetary policies, in particular low interest rate regime and increased in spending for infrastructure projects helped to cushion the Malaysian economy against the global economic slowdown.

FINANCIAL REVIEW

Amidst these challenging operating conditions during the financial year under review, the Group recorded a lower pre-tax profit of RM17.19 million (2000 : RM25.45 million) against a turnover of RM114.34 million (2000 : RM105.31 million) mainly due to losses suffered by its furniture manufacturing division.

The Group's shareholders' funds improved to RM275.88 million (2000 : RM268.84) mainly due to increase in retained profits.

PROPERTY DEVELOPMENT

In general, the overall property market weakened during the financial year under review in tandem with the slowdown in the world economy. For the purpose of segmental reporting in this year's Financial Statements, the construction division has been combined with the property development division to form a reportable segment as the majority of its revenue is derived from internal development projects.

The Board's prudential measures which includes focusing its property development towards affordable residential units at strategic locations have mitigated the impact of the weakening market conditions. The Group's property development division posted a pre-tax profit of RM20.08 million (2000: RM22.87 million) for the financial year under review.

During the financial year, the Group launched Phase 1B and 1C of Pelangi Damansara project, located in the neighbourhood of Bandar Utama, Damansara and Desa Mewah project located about 8km from Kajang Town. The above two projects received very encouraging sales due to their affordable pricing and strategic locations. We expect the property development division to achieve better results for the financial year 2002 mainly due to the profit recognition percentage increase with the construction progress of these two projects.

HOTEL, CLUB AND PROPERTY INVESTMENT DIVISION

The Group's hotel, club and property investment division comprises of a 3 star hotel cum office block, a 5 storey shopping complex and a recreational club all located in Kajang.

This division posted a higher pre-tax profit of RM3.90 million (2000 : RM3.53 million) for the financial year under review mainly due to better occupancy and rental rates from the shopping complex.

Barring any unforeseen circumstances, this Division is expected to maintain satisfactory results for the financial year 2002.

MANUFACTURING DIVISION

In tandem with the weak overseas demand, very competitive pricing, write-downs in slow moving stocks and provision for doubtful debts, the Group's furniture manufacturing division posted a higher pre-tax loss of RM6.74 million (2000 : pre-tax loss of RM1.06 million). In its effort to reduce losses, this division is in the process of transferring its Malaysian manufacturing operation to its sister factory in Kunshan, People's Republic of China which began commercial production in May 2001. This is part of the manufacturing division's program to achieve economies of scale as reported in our previous Annual Report.

Without strong recovery in overseas demand, this division is not expected to contribute any profits for the financial year 2002.

Chairman's Statement (cont'd)

TRADING DIVISION

The trading division is mainly involved in the trading of building materials for the Group's property development and furniture for the Malaysian market. This division posted a lower pre-tax loss of RM131,600 (2000 : pre-tax loss of RM252,417) mainly due to losses incurred by its local furniture trading division.

Barring any unforeseen circumstances, this division is expected to perform better for the financial year 2002.

SERVICES

The Group's services division is involved in the business of money lending, hire purchase, insurance agency and projects management.

This division recorded a lower pre-tax profit of RM78,000 (2000 : RM366,000) mainly due to lesser loan disbursements which resulted in lower interest income.

Barring any unforeseen circumstances, this division is expected to maintain satisfactory results for the financial year 2002.

CORPORATE DEVELOPMENT

In our previous Annual Report, we have informed that the Board proposed a bonus issue of 47,500,000 new shares on the basis of 1 bonus share for every 2 existing shares held, a rights issue of 23,750,000 new shares on the renounceable basis of 1 rights share for every 4 existing shares held, a special issue of 2,260,000 new shares to Bumiputra investors and an employees' share option scheme to eligible employees and executive directors of the Group to subscribe for new shares in the Company up to 10% of the prevailing issued and paid-up capital of the Company (hereinafter referred to as the "proposed corporate exercise").

However, due to the bearish market sentiment of the Kuala Lumpur Stock Exchange, the proposed corporate exercise has been put on hold.

In view of the above, the Company has on 14 December 2001 announced a revised proposed bonus issue of 23,750,000 new shares on the basis of 1 bonus share for every 4 existing shares held, a proposed rights issue of up

to 23,750,000 new shares with up to 23,750,000 free warrants attached on the basis of 1 rights share for every 4 existing shares held to replace the earlier Proposed Bonus and Proposed Rights Issue. The Proposed Special issue and proposed employees' share option scheme remain unchanged. The above revised corporate proposals are subject to approvals from the shareholders at the Extraordinary General Meeting to be convened at a later date and approval from the Securities Commission and other relevant authorities for the revised proposed Bonus and Rights Issue.

DIVIDEND

The Board is proposing a first and final tax exempt dividend of 3.5% per share in respect of financial year 2001. (2000 : tax exempt dividend of 3% per share).

GROUP'S PROSPECTS

The growth for the Group's earning for financial year 2002 is expected mainly from the property division.

The Group will continue its prudent measures and focus its property development towards quality and affordable residential units at strategic locations.

Barring any unforeseen circumstances, the Group is expected to achieve better results for the financial year 2002.

ACKNOWLEDGEMENT

On behalf of the board of Directors, I would like to extend our sincere thanks to our shareholders, valued customers, bankers, business associates and relevant authorities for their continued trust and support in us. I would also like to extend our heartfelt thanks to the management team and staff for their unwavering dedication and commitment to the success of the Group.

Thank you.

TAN SRI DATO' LEE KIM SAI @ LEE HOO
Chairman

Director's Profile

BOARD OF DIRECTORS

**TAN SRI LEE KIM SAI
@ LEE HOO**
*Independent Non-Executive
Chairman*

Tan Sri Dato' Lee Kim Sai @ Lee Hoo, aged 64, a Malaysian, was appointed to the Board on 8 June 1995. He is also the Chairman for the Company's Audit Committee. He was elected as Selangor State assemblyman in 1974. During his appointment, he was also made State Executive Councilor in charge of housing. In 1982, he was elected as a Member of Parliament. He was appointed as Deputy Minister in the Prime Minister's Department in June 1983. Subsequently, in 1985, he was appointed Minister of Labour and in 1987 he was appointed Minister of Housing and Local Government. He later served as Minister of Health from 1988 until he retired from cabinet in May 1995. He is also a director of Asia Pacific Land Berhad. He does not have any family relationship with any other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. Tan Sri Dato' Lee Kim Sai attended all the four Board Meetings held during the financial year ended 30 September 2001.

**DATO' CHEN KOOI CHIEW
@ CHENG NGI CHONG**
Managing Director

Dato' Chen Kooi Chiew @ Cheng Ngi Chong, aged 58, a Malaysian, was appointed to the Board on 27 September 1979. Currently he is the Managing Director, a position he held since 1979. He has been involved in business for about 41 years of which 23 years were in property development and construction industries, whilst the remaining 17 years were in plantation sector. He is the brother of Datuk Chen Lok Loi and Mr. Chen Fook Wah. He is deemed in conflict of interest with the Company by virtue of his interest in a privately owned company, which is also involved in property development business. However, this privately owned company is not in direct competition with the business of the Company. Dato' Chen Kooi Chiew attended all the four Board Meetings held during the financial year ended 30 September 2001.

DATUK CHEN LOK LOI
Deputy Managing Director

Datuk Chen Lok Loi, aged 49, a Malaysian, holds a Bachelor in Marketing Degree from Monash University, Australia in 1976. He was appointed to the Board on 31 July 1984 and is presently the Deputy Managing Director a position he held since 1984. He has more than 20 years of experience in property development and construction related businesses. He is also the President of the Real Estate and Housing Developers Association of Malaysia since 1998. He is the brother of Dato' Chen Kooi Chiew @ Cheng Ngi Chong and Mr. Chen Fook Wah. He is deemed in conflict of interest with the Company by virtue of his interest in a privately owned company, which is also involved in property development business. However, this privately owned company is not in direct competition with the business of the Company. Datuk Chen Lok Loi attended three out of the four Board Meetings held during the financial year ended 30 September 2001.

Director's Profile (cont'd)

BOARD OF DIRECTORS (cont'd)

DATO' MOKHTAR BIN SAMAD*Independent**Non-Executive Director*

Dato' Mokhtar Bin Samad, aged 53, a Malaysian, was appointed to the Board on 1 July 1995. He is also a member of the Audit Committee. He also sits on the Board of Directors of Kossan Rubber Industries Berhad since 1995. He does not have any family relationship with any other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. Dato' Mokhtar bin Samad attended two out of the four Board Meetings held during the financial year ended 30 September 2001.

MR. CHIN NAM ONN*Executive Director*

Mr. Chin Nam Onn, aged 57, a Malaysian, joined the Metro Kajang Holdings Berhad ("MKHB") Group in April 1997 as an executive director of Metro Kajang Construction Sdn Bhd, a subsidiary of MKHB and was appointed to the Board on 22 December 1998. He is also a member of the Company's Audit Committee. He is a member of The Institute of Chartered Accountants in Australia since 1969, The Malaysian Association of Certified Public Accountants since 1971 and The Malaysian Institute of Accountants since 1971. His past positions include the post of Company Secretary and Unit Trust Manager of South East Asia Development Corporation Bhd during the 5 years from 1971 to 1975, the General Manager of The KLSE during the 5 years from 1976 to 1980, an Executive Director of Malaysian Resources Corporation Berhad during the 10 years from 1981 to 1990 and an Executive Director of Econstates Berhad during the 4 years from 1991 to 1994. He does not have any family relationship with any other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. Mr. Chin Nam Onn attended all the four Board Meetings held during the financial year ended 30 September 2001.

MR. CHEN FOOK WAH*Executive Director*

Mr. Chen Fook Wah, aged 45, a Malaysian, was appointed to the Board on 25 November 1999. Within the Group, his main responsibilities include managing the hotel and commercial complex operation and liaising with authorities. He is also a member of the Company's Audit Committee. He was admitted to the Board of Valuers and Real Estate Agent of Malaysia in 1986. Prior to joining the Group, he was with Guthrie Trading Sdn Bhd from 1973 to 1974 and Hilton Realty from 1975 to 1978. He is the brother of Dato' Chen Kooi Chiew @ Cheng Ngai Chong and Datuk Chen Lok Loi. He is deemed in conflict of interest with the Company by virtue of his interest as a director in a privately owned company, which is also involved in property development business. However, this privately owned company is not in direct competition with the business of the Company. Mr. Chen Fook Wah attended all the four Board Meetings held during the financial year ended 30 September 2001.

ENCIK OTHMAN BIN SONOH*Non-Independent**Non-Executive Director*

Encik Othman Bin Sonoh, aged 59, a Malaysian, was appointed to the Board on 24 October 1996. He was a civil servant from 1968 to 1993 in various departments including a position in the Ministry of Finance. He is involved in the supply of telecommunication equipment since 1996. He does not have any family relationship with any other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. En. Othman Bin Sonoh attended all the four Board Meetings held during the financial year ended 30 September 2001.

Director's Profile (cont'd)

BOARD OF DIRECTORS (cont'd)

ENCIK IBRAHIM BIN AWANG

Non-Independent

Non- Executive Director

Encik Ibrahim Bin Awang , aged 46, a Malaysian, was appointed to the Board on 26 December 2000. He graduated from MARA Institute of Technology and holds a Master in Business Administration (MBA) Finance with distinction conferred by the University of Hull, United Kingdom. He joined Permodalan Nasional Berhad (PNB) in 1981 and was involved directly in the establishment of Amanah Harta Tanah PNB, launched by PNB in 1989. He has more than 10 years experience in property investment and financial management. He is also a member of the Institute of Internal Auditors. He does not have any family relationship with any other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. En. Ibrahim Bin Awang attended two out of the four Board Meetings held during the financial year ended 30 September 2001.

ENCIK ISHAK BIN BLUAH

Independent

Non- Executive Director

Encik Ishak Bin Bluah, aged 51, a Malaysian, was appointed to the Board on 5 December 2001. He is a professional golf consultant who has more than 25 years of experience in this line and has been awarded Pingat Jasa Kebaktian (PJK) Kedah and Ahli Mahkota Perak. He has also represented Malaysia in golf tournament in ASEAN countries. He is also a member of the Company's Audit Committee. He does not have any family relationship with any other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. En. Ishak Bin Bluah did not attend any Board Meetings held during the financial year ended 30 September 2001 as he was only appointed to the Board on 5 December 2001.

Corporate Governance

The Board of Metro Kajang Holdings Berhad is pleased to report to stockholders on the manner the Company has applied the Principles, and the extent of compliance with the Best Practices of good governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance (the Code) pursuant to Paragraph 15.26 of the Listing Requirements of the Kuala Lumpur Stock Exchange. Any areas where the Company has not complied with the Code are explained in this report.

THE BOARD OF DIRECTORS

1. Composition, Duties and Responsibilities

The roles of the Chairman and Managing Director are separate to ensure a balance of power and authority. The Company is led by an experienced Board under the Chairman, Tan Sri Dato' Lee Kim Sai who is an independent non-executive director. The Board is composed of 4 executive directors, 3 independent non-executive directors and 2 non-independent non-executive directors and is in compliance with Paragraph 15.02 of the Listing Requirements that at least one-third of the Board comprise of independent directors. The Board is satisfied that its current Board composition fairly reflects the investment in the Company by shareholders apart from the largest shareholder. The Board having reviewed its size and composition is satisfied that its current size and composition is effective for the proper functioning of the Board. The four Executive Directors take on the primary responsibility of managing the Group's business and resources, led by the Managing Director, Dato' Chen Kooi Chiew. The profiles of the Board members are set out in this Annual Report on pages 10 to 12. As part of its commitment, the Board supports the highest standards of corporate governance and the development of best practices for the Company. The independent non-executive directors as defined under Paragraph 1.01 of the Kuala Lumpur Stock Exchange Listing Requirements are independent from management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgement. The independent directors led by Tan Sri Dato' Lee Kim Sai provide a broader view, independent and balanced assessment of proposals from the Executive Directors. The Board has identified Tan Sri Dato' Lee Kim Sai as the senior independent non-executive director to whom concerns of shareholders, management and others may be conveyed.

The Board is assisted by a management team relevant to the Group's business operations.

The Board takes full responsibility for the overall performance of the Company and the Group. This includes the following 6 specific areas : -

- **reviewing and adopting strategic plans for the Group.**
- **overseeing the conduct of the Group's businesses to evaluate whether the businesses are being properly managed.**
- **identifying principal risks and ensure the implementation of appropriate systems to manage these risks.**
- **succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management.**
- **developing and implementing an investor relations programme for the Company, as it is important that the Company is able to communicate effectively with its shareholders.**
- **reviewing the adequacy and integrity of the group's internal control systems and management systems; including systems for compliance with applicable laws, regulations, rules, directives and guidelines.**

To assist the Company in its succession planning, an international management consultants firm was appointed during the year to provide professional assistance and advice.

Corporate Governance (cont'd)

2. Board Meeting

The Board meets at least 4 times a year and has a formal schedule of matters reserved to it. Additional meetings are held as and when required. The Board is supplied with full and timely information to enable it to discharge its responsibilities. During these meetings, the Board reviews the Group's financial statements and results are deliberated and considered. Management and performance of the Group and any other strategic issues that affect or may affect the Group's businesses are also deliberated.

During the financial year, the Board met 4 times; whereat it deliberated and considered a variety of matters affecting the Company's operations including the Group's financial results, business plan and direction of the Group.

The Board of Directors attendance record is as follows :-

Name of Directors	Attendance to Board Meetings held				Date of appointment	Date of resignation
	27-Nov-00	26-Feb-01	25-May-01	27-Aug-01		
Tan Sri Dato' Lee Kim Sai @ Lee Hoo	✓	✓	✓	✓	8-June-1995	N/A
Dato' Chen Kooi Chiew @ Cheng Ngi Chong	✓	✓	✓	✓	27-Sep-1979	N/A
Datuk Chen Lok Loi	✗	✓	✓	✓	31-Jul-1984	N/A
Dato' Mokhtar Bin Samad	✗	✓	✓	✗	1-Jul-1995	N/A
Chen Ying @ Chin Ying	✗	✗	✓	✓	27-Sep-1979	28-Nov-2001
Chin Nam Onn	✓	✓	✓	✓	22-Dec-1998	N/A
Chen Fook Wah	✓	✓	✓	✓	25-Nov-1999	N/A
Othman Bin Sonoh	✓	✓	✓	✓	24-Oct-1996	N/A
Osman Bin Ismail	✓	N/A	N/A	N/A	4-Nov-1998	26-Dec-2000
Ibrahim Bin Awang	N/A	✓	✗	✓	26-Dec-2000	N/A
Ishak Bin Bluah	N/A	N/A	N/A	N/A	05-Dec-2001	N/A

N/A ~ Not Applicable

✓ ~ Present

✗ ~ Absent with apologies

Directors have access to all information within the Company and to the advice and services of the Company Secretary who is responsible for ensuring that Board Meeting procedures are followed and that applicable rules and regulations are complied with.

The Board recognises that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.

Corporate Governance (cont'd)

3. Re-Election of Directors

Under the existing provision of the Company's Articles of Association, at least one third of the Directors (except for Managing Director) are required to retire from office by rotation annually and subject to re-election at each Annual General Meeting. As this represent a departure from the Code, the Company will be amending its Articles of Association to provide for all Directors to submit for re-election once at least every three years in compliance with the Code.

In this Annual Report, details of Directors seeking re-election such as their age, relevant experience, list of directorships in other public listed companies, date of appointment, details of participant in Board Committees and the fact that they are independent are disclosed in the statement accompanying the Notice of the Annual General Meeting.

4. Directors' Training

In order to keep abreast with the latest regulatory development, all Directors are required to attend :-

- (a) the Mandatory Accreditation Programme; and
- (b) the Continuous Education Program.

During the year, all the directors except for Dato' Chen Kooi Chiew @ Cheng Ngi Chong and En. Ishak Bin Bluah have successfully completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysis Malaysia; an affiliate company of the Kuala Lumpur Stock Exchange. In addition, all directors are encouraged to attend professionally conducted seminars relevant to the Company's business.

Dato' Chen Kooi Chiew @ Cheng Ngi Chong and En. Ishak Bin Bluah are expected to complete the Mandatory Accreditation Programme by 15 February 2002.

Corporate Governance (cont'd)

5. Directors' Remuneration

The Company's remuneration is linked to experience, scope of responsibilities, service seniority, performance and industry/market survey information. Directors' fees are paid to non-executive directors and these are approved by shareholders at the Annual General Meeting. Details of remuneration of each Director are as follows: -

Aggregate remuneration of Directors categorised into appropriate components: -

in RM	fees	salaries	bonus	benefits-in-kind	others	total
Executive Directors	–	1,402,560	550,400	109,220	172,860	2,235,040
Non-Executive Directors	32,000	–	–	21,675	280,500	334,175

Breakdown of Directors' remuneration for the year ended 30 September 2001, by category and in each successive band of RM50,000.00 are as follows: -

Executive Director

Range of Remuneration RM			No. of Directors
1	–	50,000	
50,001	–	100,000	
100,001	–	150,000	
150,001	–	200,000	
200,001	–	250,000	
250,001	–	300,000	1
300,001	–	350,000	1
350,001	–	400,000	
400,001	–	450,000	
450,001	–	500,000	1
500,001	–	550,000	1
550,001	–	600,000	
600,001	–	650,000	1
Total			5

Non-Executive Director

Range of Remuneration RM			No. of Directors
1	–	50,000	2
50,001	–	100,000	1
100,001	–	150,000	
150,001	–	200,000	
200,001	–	250,000	1
Total			4

Corporate Governance (cont'd)

OTHER INFORMATION**Relationship**

There is no family relationship among the Directors and/or major shareholders except the followings: -

Dato' Chen Kooi Chiew @ Cheng Ngı Chong,	
Datuk Chen Lok Loi & Chen Fook Wah	} Brother Relationship

Conflict of Interest

Except for Dato' Chen Kooi Chiew and Datuk Chen Lok Loi by virtue of their interest in a privately owned company which is also in property development and Mr. Chen Fook Wah by virtue of his directorship in the said private company, none of the other directors have any conflict of interest with the Company. However, this privately owned company is not in direct competition with the business of the company.

Conviction for Offences

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

Materials Contracts

There are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) that have been entered into by the Group within the last 2 years.

6. Board Committees

The Board has delegated certain responsibilities to Board committees which operate within clearly defined terms of reference. These committees are: -

6.1 Audit Committee

The Audit Committee assists and supports the Board's responsibility to oversee the Company's operations in the following manner: -

- provides a means for review of the Company's processes for producing financial data, its internal controls and independence of the Company's external auditors.
- reinforces the independence of the Company's external auditors.
- reinforces the objectivity of the Group's internal auditors.

The Audit committee comprises, 3 independent non-executive directors and 2 executive directors. The members are :-

1. Tan Sri Dato' Lee Kim Sai @ Lee Hoo (*Independent Non-Executive Director*) ~ *Chairman*
2. Dato' Mokhtar bin Samad (*Independent Non-Executive Director*)
3. Ishak Bin Bluah (*Independent Non-Executive Director*)
4. Chin Nam Onn (*Executive Director*)
5. Chen Fook Wah (*Executive Director*)

Corporate Governance (cont'd)

The Audit Committee met 5 times for the financial year ended 30 September 2001.

The Committee's terms of reference include the review of and deliberation on the Company's financial statements, the audit findings and issues raised by Internal Auditors or External Auditors together with the Management's responses thereon.

The Committee also reviews the Group's quarterly Unaudited Financial Statements and Final Unaudited Financial Statements (12 months) before they are considered, deliberated and approved by the Board.

An independent Audit Committee provides a forum for regular and private discussion between the group's internal auditors and external auditors and the directors who have no significant relationship with Management. The Group has on 30 April 2001 appointed the professional firm of KPMG as its internal auditors.

Best Practices BB Part 2 and Part 4 of the Code spell out the duties of an Audit Committee. The scope of duties of the Audit Committee includes primarily the duties detailed therein. The term of reference of the Audit Committee, its activities during the financial year, details of attendance of each member and the number of meetings held are set out on pages 20 to 23 of this Annual Report.

Nomination Committee

Establishment of a Nomination Committee has not been effected as its functions are carried out by the Board. The Board will be provided with the relevant particulars of the new director candidate beforehand for consideration and deliberation on the suitability of the new candidate taking into account the required mix of skills, expertise and experience.

Remuneration Committee

Establishment of a Remuneration Committee has not been effected as the Company's remuneration scheme is linked to experience, performance, scope of responsibility and is benchmarked to published market survey information.

7. Accountability and Audit

7.1 Financial Reporting : Statement of Directors' Responsibilities in respect of the Audited Financial Statements

The Board aims to provide and present a balanced and meaningful assessment of the Company's financial performance and prospects at the end of the financial year, primarily through the financial statements; the Chairman's Statement and Operations review in the Annual Report.

In preparing the above financial statement the Directors have:

- adopted suitable accounting policies and then apply them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

Corporate Governance (cont'd)

7.2 Internal Audit Function

The Company has on 30 April 2001 appointed the professional accounting firm of KPMG as its internal auditors. The Internal Audit function is therefore independent of the activities of the Group and perform its duties with impartiality, objectivity and due professional care.

The Internal Audit review of the Company's operations encompasses an independent assessment of the Company's compliance with its internal controls and makes recommendation for improvements.

7.3 External Audit

The Company's independent external auditors fill an essential role for the shareholders by enhancing the reliability of the Company's financial statements and giving assurance of that reliability to users of these financial statements.

The external Auditors have an obligation to bring any significant defects in the Company's system of control and compliance to the attention of Management; and if necessary, to the Audit Committee and the Board. This includes the communication of fraud.

8. Relations with Shareholders and Investors

The Annual General Meeting (AGM) is the principal forum for dialogue with individual stockholders. At the Company's AGM, stockholders have direct access to the Board and are given the opportunity to ask questions during the AGM. The stockholders are encouraged to ask questions both about the resolutions being proposed or about the Company's operations in general. The Chairman of the Board also addresses the stockholders on the review of the Company's operations for the financial year and outline the prospects (of the Company) for the new financial year. Additionally, immediately after the AGM, the Board also meets members of the press. The Company's website www.metrokajang.com.my provides easy access to the latest corporate information on the Group.

Audit Committee

1. Role Of Audit Committee

The Audit Committee assists, supports and implements the Board's responsibility to oversee the Group's operations in the following manner: -

- provides a means for review of the Group's processes for producing financial data, its internal controls and independence of the Group's external and internal auditors.
- reinforces the independence of the Group's external auditors.
- reinforces the objectivity of the Group's internal auditors.

2. Terms Of Reference

• Composition

The Audit Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) members of whom the majority shall be independent directors. At least one member of the Audit Committee:-

- (i) must be a member of the Malaysian Institute of Accountants; or
- (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years working experience and: -
 - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

No alternate director shall be appointed as a member of the Audit Committee.

The members of the Audit Committee shall elect a Chairman from among their numbers who shall be an independent director.

• Quorum

The quorum shall not be less than 2, the majority of whom shall be independent non-executive directors.

• Attendance & Frequency of Meeting

The Audit Committee shall meet as the Chairman deems necessary but not less than 4 times a year. The Chairman shall be entitled, where deemed appropriate, to invite any person(s) to meetings of the Audit Committee.

• Authority

The Committee is authorized by the Board to investigate within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorized by the Board to obtain outside legal or other independent professional advice to secure the attendance of outsider with relevant experience and expertise if it considers this necessary.

Audit Committee (cont'd)

- **Duties**

The duties of the Committee shall be:

- (a) to recommend to the Board the appointment of the external auditors and internal auditors and the audit fee thereof;
- (b) to make appropriate recommendations to the Board on matters of resignation or dismissal of external auditors or internal auditors;
- (c) to discuss with the external auditors and internal auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (d) to review the quarterly and year-end financial statements of the Group and Company before submission to the Board of Directors, focusing particularly on:
 - (i) public announcement of results and dividend payment
 - (ii) any changes in accounting policies and practice
 - (iii) significant adjustments resulting from the audit
 - (iv) the going concern assumption
 - (v) compliance with accounting standards
 - (vi) compliance with stock exchange and legal requirements
- (e) to discuss problems and reservations arising from the interim and final audits, and any matters the external auditors may wish to discuss (in the absence of Management where necessary);
- (f) to review any external auditors' letter to Management (if any) and management's response;
- (g) to do the following where an internal audit function exists:
 - review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of internal auditors;
 - informed itself of resignation of internal auditors and provide the internal auditors an opportunity to submit his reasons for resigning.
- (h) to consider any related party transactions that may arise within the Company or Group;
- (i) to consider the findings of internal audit investigations and management's response;
- (j) to consider other topics, as defined by the Board.

Audit Committee (cont'd)

• Reporting Procedures

The secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Audit Committee.

Detailed audit reports by Internal Auditors and the respective Management response are circulated to members of the Committee before each Meeting of the Committee at which the said reports are tabled.

3. Membership And Meetings Of The Committee

The members of the Committee of the Company are :-

1. Tan Sri Dato' Lee Kim Sai @ Lee Hoo
(Independent Non-Executive Director) ~ Chairman
2. Dato' Mokhtar Bin Samad
(Independent Non-Executive Director)
3. Ishak Bin Bluah
(Independent Non-Executive Director)
4. Chin Nam Onn
(Executive Director)
5. Chen Fook Wah
(Executive Director)

The Committee met 5 times during the financial year, details as follows: -

Name of Directors	Attendance to Audit Committee held					Date of appointment	Date of resignation
	23-Nov-00	23-Feb-01	13-Apr-01	21-May-01	24-Aug-01		
Tan Sri Dato' Lee Kim Sai	✓	✓	✓	✓	✓	24-Feb-00	N/A
Chen Ying @ Chin Ying	✗	✗	✗	N/A	N/A	20-May-98	16-Apr-01
Othman Bin Sonoh	✓	✓	✓	✗	N/A	28-Oct-97	25-May-01
Chin Nam Onn	N/A	N/A	N/A	✓	✗	16-Apr-01	N/A
Dato' Mokhtar Bin Samad	N/A	N/A	N/A	N/A	✗	25-May-01	N/A
Chen Fook Wah	N/A	N/A	N/A	N/A	✓	23-Aug-01	N/A
Ishak Bin Bluah	N/A	N/A	N/A	N/A	N/A	05-Dec-01	N/A

N/A ~ Not Applicable

✓ ~ Present

✗ ~ Absent with apologies

Audit Committee (cont'd)

ACTIVITY UNDERTAKEN BY AUDIT COMMITTEE

During the financial year, the activities of the Audit Committee included: -

- Reviewed the audited accounts and unaudited quarterly financial results and announcements of the results before recommending for the Board of Directors' approval;
- Reviewed the scope of the audit plan from the internal auditors and external auditors;
- Reviewed the audit reports and recommendation to improve internal control and management's response thereto; and
- Appointed the professional accounting firm, KPMG as the Group's internal auditors.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function through the appointment of the professional accounting firm, KPMG on 30 April 2001. The appointment is for a period of 3 years and is renewable.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors are required under Paragraph 15.27(a) of the revamped Kuala Lumpur Stock Exchange Listing Requirements to issue a statement explaining their responsibility in the preparation of the annual financial statements.

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the profit and loss of the Company and of the Group for the financial year.

In preparing those financial statements, the Directors are required to: -

- use appropriate accounting policies and consistently apply them;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records, which are disclosed with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the accounts comply with the Companies Act, 1965.

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2001.

PRINCIPAL ACTIVITIES

The principal activities of the Company are project and building management, investment holding and property development.

The principal activities of the subsidiary and associated companies are stated in Note 6 and Note 7 to the financial statements respectively.

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit before taxation	17,185,527	2,978,011
Taxation (Note 31)	(7,311,123)	–
Profit after taxation	9,874,404	2,978,011
Minority interests	(73,021)	–
Pre-acquisition losses	58,906	–
Profit attributable to shareholders	9,860,289	2,978,011

DIVIDENDS

During the year, the Company paid a first and final tax exempt dividend of 3% per share amounting to RM2,850,000/- in respect of the previous financial year as mentioned in the Directors' Report of that year. The Directors recommend a first and final tax exempt dividend of 3.5% per share amounting to RM3,325,000/- in respect of the current financial year.

RESERVES AND PROVISIONS

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

Directors' Report (cont'd)

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

Directors' Report (cont'd)

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:-

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in Note 2(k) to the financial statements.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely 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.

ISSUE OF SHARES

During the year, no new issue of shares was made by the Company.

DIRECTORS OF THE COMPANY

The Directors in office since the date of the last report are:-

TAN SRI DATO' LEE KIM SAI @ LEE HOO
 DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG
 DATUK CHEN LOK LOI
 DATO' MOKHTAR BIN SAMAD
 CHEN YING @ CHIN YING (Resigned on 28.11.01)
 OTHMAN BIN SONOH
 IBRAHIM BIN AWANG
 CHIN NAM ONN
 CHEN FOOK WAH
 ISHAK BIN BLUAH (Appointed on 5.12.01)

The Directors in office at year end who have an interest in the shares of the Company and subsidiary companies are as stated below:-

	Number of Ordinary Shares of RM1/- Each			
	At 1.10.00	Bought	Sold	At 30.9.01
The Company				
Direct Interest				
Dato' Chen Kooi Chiew @ Cheng Ngi Chong	604,000	—	—	604,000
Datuk Chen Lok Loi	1,129,000	—	—	1,129,000
Chen Ying @ Chin Ying	107,633	—	(40,000)	67,633
Chin Nam Onn	55,000	—	—	55,000
Indirect Interest				
Tan Sri Dato' Lee Kim Sai @ Lee Hoo	** 500,000	7,000	—	507,000
Dato' Chen Kooi Chiew @ Cheng Ngi Chong	* 40,295,208	245,000	—	40,540,208
Dato' Chen Kooi Chiew @ Cheng Ngi Chong	** 1,022,000	—	—	1,022,000
Datuk Chen Lok Loi	* 40,175,208	245,000	—	40,420,208
Chen Ying @ Chin Ying	** 296,000	—	—	296,000

Directors' Report (cont'd)

DIRECTORS OF THE COMPANY (cont'd)

	Number of Ordinary Shares of RM1/- Each			
	At 1.10.00	Bought	Sold	At 30.9.01
Subsidiary Companies				
- Srijang Kemajuan Sdn. Bhd.				
Direct Interest				
Dato' Chen Kooi Chiew @ Cheng Ngı Chong	1	—	—	1
Chen Ying @ Chin Ying	1	—	—	1
- Metro Kajang Construction Sdn. Bhd.				
Direct Interest				
Othman bin Sonoh	192,396	—	(192,396)	—

* Shares held through corporations in which directors have substantial financial interest.

** Shares not registered in the Director's name but the Director has a beneficial interest in the said shares.

The Directors in office at year end who have an interest in the shares of the Company as disclosed above are also deemed to have an interest in the shares of the subsidiary companies to the extent of the shareholdings of the Company.

Other than the above, none of the other directors in office at the year end held any interest in the shares of the Company or its subsidiary companies.

In accordance with the Articles of Association, Tan Sri Dato' Lee Kim Sai @ Lee Hoo, Chin Nam Onn, Othman bin Sonoh and Ishak bin Bluah retire from the board at the forthcoming annual general meeting and being eligible offer themselves for re-election.

SIGNIFICANT EVENTS

- (a) On 12 October 2000, the Company increased its shareholdings in Metro Tiara (M) Sdn. Bhd. from 51% to 100% by acquiring 2,450 ordinary shares of RM1/- each for a total cash consideration of RM2/-.
- (b) On 5 December 2000, the Company was allotted 975,000 ordinary shares of RM1/- each at par in its wholly owned subsidiary company, Dapat Jaya Builder Sdn. Bhd. (formerly known as Dapat Jaya Sdn. Bhd.).
- (c) On 13 December 2000, the Company obtained approval from Securities Commission ("SC") for the following proposals:-
 - i. a proposed bonus issue of 47,500,000 new ordinary shares of RM1/- each on the basis of 1 new ordinary share for every 2 existing ordinary shares held;
 - ii. a proposed rights issue of 23,750,000 new ordinary shares of RM1/- each on the basis of 1 new ordinary share for every 4 existing ordinary shares held;
 - iii. a proposed special issue of 2,260,000 new ordinary shares of RM1/- each to approved Bumiputra investors; and

Directors' Report (cont'd)

SIGNIFICANT EVENTS (cont'd)

- iv. a proposed Employees' Share Option Scheme ("ESOS") for the granting of options to eligible employees and Executive Directors of the Company and its subsidiary companies to subscribe for new ordinary shares in the Company up to an aggregate of 10% of the prevailing issued and paid-up share capital of the Company.
- (d) On 28 March 2001, the Company's wholly owned subsidiary company, Cekap Corporation Berhad, was allotted 999,998 ordinary shares of RM1/- each at par in its wholly owned subsidiary company, Intra Tegas (M) Sdn. Bhd..
- (e) On 2 May 2001, the Company increased its shareholdings in Metro Kajang Construction Sdn. Bhd. from 92.60% to 94.08% by acquiring 48,098 ordinary shares of RM1/- each for a total cash consideration of RM240,490/-.
- (f) On 25 May 2001, the Company further increased its shareholdings in Metro Kajang Construction Sdn. Bhd. from 94.08% to 100% by acquiring 192,396 ordinary shares of RM1/- each for a total cash consideration of RM961,980/-.
- (g) On 12 June 2001, the Company obtained approval from SC for an extension of time to 12 December 2001 to complete the above mentioned corporate proposals.

SUBSEQUENT SIGNIFICANT EVENTS

- (a) On 8 October 2001, Gerak Teguh Sdn. Bhd., a wholly owned subsidiary company, entered into a sale and purchase agreement to acquire property from Danaharta Hartanah Sdn. Bhd. for a total cash consideration of RM45,000,000/-. The acquisition is to be partly financed by a term loan facility of RM31,500,000/- obtained from a licensed bank and has been approved by the Foreign Investment Committee.
- (b) On 13 November 2001, the Company's wholly owned subsidiary company, Cekap Corporation Berhad, was allotted 999,998 ordinary shares of RM1/- each at par in its wholly owned subsidiary company, Gerak Teguh Sdn. Bhd..
- (c) On 14 December 2001, the Company announced the following revised proposals to replace the original proposed bonus and rights issue:-
 - i. a revised proposed bonus issue of 23,750,000 new ordinary shares of RM1/- each on the basis of 1 new ordinary share for every 4 existing ordinary shares held; and
 - ii. a revised proposed rights issue of up to 23,750,000 new ordinary shares of RM1/- each with up to 23,750,000 warrants attached on the renounceable basis of 1 new ordinary share with 1 warrant attached for every 4 existing ordinary shares held in the Company.

The revised proposals remain subject to approvals from SC, Foreign Investment Committee, shareholders of the Company and Kuala Lumpur Stock Exchange ("KLSE") for the listing and quotation of the said shares on the Main Board of the KLSE.

Directors' Report (cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year no director of the Company has received or become entitled to receive any benefit (other than those shown as directors' fees, emoluments and benefits-in-kind 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 the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Moore Stephens, have expressed their willingness to continue in office.

On Behalf of the Board

DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG

DATUK CHEN LOK LOI

Kuala Lumpur

20 December 2001

Statement by Directors

We, the undersigned, being two of the Directors of the Company, state that in the opinion of the Directors, the financial statements as set out on pages 32 to 73, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2001 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date.

On Behalf of the Board

DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG

DATUK CHEN LOK LOI

Kuala Lumpur

20 December 2001

Statutory Declaration

I, Mah Swee Buoy, being the person primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 32 to 73 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at	)	
Kuala Lumpur in the Federal Territory	)	MAH SWEE BUOY
this 20 day of December 2001	)	

Before me

Haron Hashim (W128)
Commissioner for Oaths

Report of the Auditors to the Members of Metro Kajang Holdings Berhad

We have audited the financial statements set out on pages 32 to 73.

The preparation of these financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements which have been prepared under the historical cost convention, including the revaluation of certain assets, are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:-
 - (i) the matters required by Section 169 of the Companies Act, 1965, to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 30 September 2001 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965, to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 6 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations 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 Section 174(3) of the Companies Act, 1965.

MOORE STEPHENS
Chartered Accountants
(AF.0282)

Kuala Lumpur
20 December 2001

CHONG KWONG CHIN
707/4/02 (J/PH)
Partner

Balance Sheets

as at 30 September 2001

		GROUP		COMPANY	
	NOTE	2001 RM	2000 RM	2001 RM	2000 RM
NON-CURRENT ASSETS					
Property, plant and equipment	3	66,172,428	62,451,937	84,720	83,570
Capital work-in-progress	4	—	1,741,853	—	—
Investment properties	5	87,700,000	87,700,000	—	—
Investments in subsidiary companies	6	—	—	94,848,864	92,671,392
Investments in associated companies	7	—	1	1	1
Amount owing by associated company	8	60,507	41,117	—	—
Other investments	9	2,708,652	2,694,807	258,688	244,843
Property development expenditure	10	37,319,464	36,797,269	—	—
Intragroup balances	11	—	—	44,424,959	39,508,017
Loans and advances	12	1,957,303	5,543,582	—	—
Land held for joint development	13	3,109,294	—	—	—
Deferred expenditure	14	349,085	463,322	349,085	90,500
Goodwill on consolidation	15	17,290	64,800	—	—
		199,394,023	197,498,688	139,966,317	132,598,323
CURRENT ASSETS					
Development properties	16	94,127,125	95,074,516	—	—
Inventories	17	7,069,492	8,402,203	—	40,830
Amount due from customers for construction contracts	18	570,321	596,734	—	—
Debtors, deposits and prepayments	19	55,671,801	26,920,643	4,632,866	4,101,211
Cash and bank balances	20	35,393,587	42,519,352	5,462	4,425,039
		192,832,326	173,513,448	4,638,328	8,567,080
CURRENT LIABILITIES					
Creditors and accruals	21	44,673,187	29,251,520	35,480	32,671
Amount due to customers for construction contracts	18	1,565	329,999	—	—
Short term borrowings	22	28,434,082	24,079,610	6,433,422	3,125,000
Hire purchase creditors	23	648,979	763,898	—	—
Taxation		7,901,805	7,748,952	—	—
Proposed dividend		3,325,000	2,850,000	3,325,000	2,850,000
		84,984,618	65,023,979	9,793,902	6,007,671
NET CURRENT ASSETS/(LIABILITIES)					
		107,847,708	108,489,469	(5,155,574)	2,559,409
		307,241,731	305,988,157	134,810,743	135,157,732

Balance Sheets (cont'd)

		GROUP		COMPANY	
	NOTE	2001 RM	2000 RM	2001 RM	2000 RM
CAPITAL AND RESERVES					
Share capital	24	95,000,000	95,000,000	95,000,000	95,000,000
Reserves	25	180,875,887	173,836,391	39,810,743	40,157,732
Shareholders' equity		275,875,887	268,836,391	134,810,743	135,157,732
MINORITY INTERESTS		895,802	2,575,927	—	—
NON-CURRENT LIABILITIES					
Hire purchase creditors	23	522,942	1,111,294	—	—
Deferred taxation	26	497,600	791,600	—	—
Term loans - secured	27	29,449,500	32,672,945	—	—
		30,470,042	34,575,839	—	—
		307,241,731	305,988,157	134,810,743	135,157,732
NET TANGIBLE ASSETS PER SHARE					
	28	290 SEN	282 SEN		

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

Income Statements

for the year ended 30 September 2001

		GROUP		COMPANY	
	NOTE	2001 RM	2000 RM	2001 RM	2000 RM
OPERATING REVENUE	29	114,340,727	105,312,350	4,212,816	4,206,354
DIRECT COSTS	29	(77,021,443)	(64,927,913)	(40,830)	–
GROSS PROFIT		37,319,284	40,384,437	4,171,986	4,206,354
OTHER OPERATING REVENUE		2,389,250	3,292,636	13,285	126,508
SALES AND MARKETING COSTS		(1,065,003)	(1,112,496)	–	–
ADMINISTRATIVE COSTS		(14,670,844)	(10,736,166)	(858,863)	(727,518)
OTHER OPERATING COSTS		(3,673,494)	(3,337,819)	(23,127)	(6,525)
		(19,409,341)	(15,186,481)	(881,990)	(734,043)
PROFIT FROM OPERATIONS		20,299,193	28,490,592	3,303,281	3,598,819
FINANCE COSTS		(3,113,665)	(3,039,745)	(325,270)	(339,197)
		17,185,528	25,450,847	2,978,011	3,259,622
SHARE IN RESULTS OF ASSOCIATED COMPANY		(1)	–	–	–
PROFIT BEFORE TAXATION	30	17,185,527	25,450,847	2,978,011	3,259,622
TAXATION	31	(7,311,123)	(8,775,001)	–	(759,187)
PROFIT AFTER TAXATION		9,874,404	16,675,846	2,978,011	2,500,435
MINORITY INTERESTS		(73,021)	(45,257)	–	–
PRE-ACQUISITION LOSSES		58,906	–	–	–
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS		9,860,289	16,630,589	2,978,011	2,500,435
EARNINGS PER SHARE	28	10.38 SEN	17.51 SEN		
PROPOSED TAX EXEMPT DIVIDEND OF 3.5% PER SHARE (2000 : TAX EXEMPT 3% PER SHARE)		3.5 SEN	3 SEN		

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

Statements of Changes in Equity

for the year ended 30 September 2001

GROUP	SHARE CAPITAL RM	SHARE PREMIUM RM	FOREIGN EXCHANGE TRANSLATION RESERVE RM	PROPERTY REVALUATION RESERVE RM	RESERVE ON CONSOLIDATION RM	RETAINED PROFITS RM	TOTAL SHAREHOLDERS' EQUITY RM
At 1.10.99	95,000,000	21,939,685	—	—	5,578,464	95,227,909	217,746,058
Surplus on revaluation of properties *	—	—	—	37,309,744	—	—	37,309,744
Net profit for the year	—	—	—	—	—	16,630,589	16,630,589
Proposed tax exempt dividend of 3% per share	—	—	—	—	—	(2,850,000)	(2,850,000)
At 30.9.00	95,000,000	21,939,685	—	37,309,744	5,578,464	109,008,498	268,836,391
Foreign translation difference from foreign subsidiary company	—	—	12,439	—	—	—	12,439
Additional investments in subsidiary companies	—	—	—	—	491,768	—	491,768
Net gains not recognised in the income statement	—	—	12,439	—	491,768	—	504,207
Net profit for the year	—	—	—	—	—	9,860,289	9,860,289
Proposed tax exempt dividend of 3.5% per share	—	—	—	—	—	(3,325,000)	(3,325,000)
At 30.9.01	95,000,000	21,939,685	12,439	37,309,744	6,070,232	115,543,787	275,875,887

* Represents net gains not recognised in the income statement.

Statements of Changes in Equity (cont'd)

	SHARE CAPITAL RM	SHARE PREMIUM RM	FOREIGN EXCHANGE TRANSLATION RESERVE RM	INVESTMENT REVALUATION RESERVE RM	RESERVE ON CONSOLIDATION RM	RETAINED PROFITS RM	TOTAL SHAREHOLDERS' EQUITY RM
COMPANY							
At 1.10.99	95,000,000	21,939,685	—	11,712,772	—	6,854,840	135,507,297
Net profit for the year	—	—	—	—	—	2,500,435	2,500,435
Proposed tax exempt dividend of 3% per share	—	—	—	—	—	(2,850,000)	(2,850,000)
At 30.9.00	95,000,000	21,939,685	—	11,712,772	—	6,505,275	135,157,732
Net profit for the year	—	—	—	—	—	2,978,011	2,978,011
Proposed tax exempt dividend of 3.5% per share	—	—	—	—	—	(3,325,000)	(3,325,000)
At 30.9.01	95,000,000	21,939,685	—	11,712,772	—	6,158,286	134,810,743

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

Cash Flow Statements

for the year ended 30 September 2001

NOTE	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit Before Taxation But After Minority Interests	17,171,412	25,405,590	2,978,011	3,259,622
Adjustments for:-				
Amortisation of goodwill on consolidation	47,511	58,593	—	—
Bad debts written off	3,200	26,826	—	—
Deficit on revaluation of freehold land and building	—	950,084	—	—
Depreciation of property, plant and equipment	2,702,825	2,821,162	29,138	116,773
Dividend revenue	(14,391)	(19,521)	(4,014,391)	(4,019,521)
Inventories written off	207,580	—	40,830	—
Preliminary expenses written off	11,404	—	—	—
Property, plant and equipment written off	36,457	144,773	2	—
Interest expenses	2,725,251	3,429,487	217,251	290,596
Unquoted investments written off	—	4,900	—	—
Landowners' share of profits	672,200	981,027	—	—
Minority interests' share of profits	73,021	45,257	—	—
Share in results of associated company	1	—	—	—
Development expenditure - overprovision	(49,500)	—	—	—
Development expenditure written off	32,968	69,254	—	—
Pre-acquisition losses	(58,906)	—	—	—
Pre-operating expenses written off	361,418	—	—	—
Provision for doubtful debts	1,736,005	1,314,856	—	—
Write down of inventories	103,186	—	—	—
Provision for doubtful debts no longer required	(698,534)	(651,873)	—	—
Gain on disposal of property, plant and equipment	(167,270)	(654,381)	—	—
Unrealised (gain)/loss on foreign exchange	(942)	90,093	—	—
Interest revenue	(1,096,129)	(1,330,909)	(13,285)	(125,008)
Operating Profit Before Working Capital Changes	23,798,767	32,685,218	(762,444)	(477,538)
(Increase)/Decrease in trade and other debtors	(25,247,477)	897,846	(28,707)	(34)
Decrease/(Increase) in inventories	1,021,945	(1,721,419)	—	—
Increase in net amount due from/to customers for construction contracts	(302,021)	(167,569)	—	—
Increase/(Decrease) in trade and other creditors	14,750,409	(4,649,092)	2,809	(57,461)
(Increase)/Decrease in property development expenditure	(3,664,457)	10,592,238	—	—
Decrease/(Increase) in development properties	2,442,648	(23,630,681)	—	—
Cash Generated From/(Used In) Operations Carried Down	12,799,814	14,006,541	(788,342)	(535,033)

Cash Flow Statements (cont'd)

NOTE	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Cash Generated From/(Used In)Operations				
Brought Down	12,799,814	14,006,541	(788,342)	(535,033)
Dividend received	—	—	3,513,845	4,018,205
Interest paid	(4,171,008)	(4,811,228)	(217,251)	(290,596)
Income tax paid	(8,409,797)	(8,587,126)	(2,402)	—
Interest received	1,096,129	1,331,557	13,285	125,008
Net Cash Generated From Operating Activities	1,315,138	1,939,744	2,519,135	3,317,584
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to associated company	(19,390)	(10,000)	—	—
Capital work-in-progress incurred	(3,200,720)	(1,741,853)	—	—
Dividends received	13,845	18,205	—	—
Investment property incurred	—	(627,090)	—	—
Proceeds from disposal of property, plant and equipment	677,401	1,068,357	—	—
Purchase of property, plant and equipment	(1,932,331)	(1,875,541)	(30,290)	(4,000)
Investments in other investments	(13,845)	(18,205)	(13,845)	(18,205)
Additional investments in subsidiary companies	(1,202,473)	—	(2,177,472)	—
Repayments from subsidiary companies	—	—	3,288,118	14,413,316
Advances to subsidiary companies	—	—	(10,050,436)	(10,408,872)
Net Cash (Used In)/Generated From Investing Activities	(5,677,513)	(3,186,127)	(8,983,925)	3,982,239
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from subsidiary companies	—	—	6,803,482	327,081
Deferred expenditure incurred	(258,585)	(257,753)	(258,585)	(90,500)
Proceeds from bank borrowings	4,432,182	9,661,903	2,400,000	—
Repayments of bank borrowings	(11,576,054)	(7,616,956)	(3,125,000)	(3,175,000)
Payments to hire purchase and lease creditors	(798,271)	(944,469)	—	(80,000)
Repayment to subsidiary companies	—	—	(4,958,106)	(27,981)
Dividends paid	(2,850,000)	(2,850,000)	(2,850,000)	(2,850,000)
Dividends paid to minority interests	—	(324,000)	—	—
Net Cash Used In Financing Activities	(11,050,728)	(2,331,275)	(1,988,209)	(5,896,400)
Exchange differences	(15,413,103) 12,439	(3,577,658) —	(8,452,999) —	1,403,423 —
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,400,664)	(3,577,658)	(8,452,999)	1,403,423
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	36,530,366	40,108,024	4,425,039	3,021,616
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	21,129,702	36,530,366	(4,027,960)	4,425,039

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

Notes to the Financial Statements

– 30 September 2001

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

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are project and building management, investment holding and property development.

The principal activities of the subsidiary and associated companies are stated in Note 6 and Note 7 to the financial statements respectively.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified by the revaluation of certain property, plant and equipment and investment properties unless otherwise indicated in this summary of significant accounting policies. Certain development properties of the subsidiary companies are stated in the Group's financial statements at values reflecting the effective acquisition costs to the Group (group cost) of these assets.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year.

Intragroup balances and transactions, and resulting unrealised profits or losses (unless cost cannot be recovered) are eliminated on consolidation.

The results of subsidiary companies acquired or disposed during the year are included in the consolidated income statement based on the acquisition method from the date of acquisition or up to the date of disposal respectively.

The consolidated financial statements are prepared on the basis that excess of losses attributable to minority shareholders over their equity interest will be absorbed by the Group. All profits subsequently reported by the subsidiary companies will be allocated to the Group until the minority shareholders' share of losses previously absorbed by the Group has been recovered.

Goodwill or reserve on consolidation represents the difference between the purchase consideration and the fair value of the Group's share of net assets of the subsidiary companies at the date of acquisition. Goodwill on consolidation is amortised over a period of five years. Reserve on consolidation will be transferred directly to retained earnings upon disposal of the subsidiary company concerned.

(c) Subsidiary Company

A subsidiary company is defined as a company in which the Group has a long term interest, directly or indirectly, of more than 50% of the equity share capital and has control over its financial and operating policies.

Investments in subsidiary companies, which are eliminated upon consolidation, are stated at cost or valuation in the Company's financial statements. Provision for diminution in value is made when the Directors are of the opinion that there is a permanent diminution in the value of the investment.

Investments in subsidiary companies were revalued in July 1995 by the Directors based on the net tangible assets of subsidiary companies as at 30 September 1994, which was approved by the Securities Commission. This revaluation was carried out as part of the Initial Public Offering (IPO) of the Company's shares with listing and quotation on the Main Board of the Kuala Lumpur Stock Exchange and was never intended to change the Company's policy of recognising investments in subsidiary companies at cost to one of revaluation.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(d) Associated Company**

An associated company is defined as a company, not being a subsidiary company, in which the Group has a long term equity interest of between 20% to 50% and in whose financial and operating policy decisions the Group exercises significant influence.

Investments in associated companies are stated at cost in the Company's financial statements. Provision for diminution in value is made when the Directors are of the opinion that there is a permanent diminution in the value of the investment.

The Group's interest in associated companies is stated at cost plus adjustments for post-acquisition changes in the Group's share of net assets of the associated companies. The Group's share of post-acquisition results of the associated companies is accounted for using the equity method of accounting in the income statement.

The Group's share of post-acquisition losses is restricted to the carrying value of the investment in that associated company. Should the associated company subsequently reports profits, the Group will only resume to recognise its share of profits only after its share of profits equals to its share of losses previously not recognised.

Where audited financial statements of the associated companies are not co-terminous with those of the Group, the share of results is based on the unaudited management financial statements made up to the financial year end of the Group.

(e) Property, Plant and Equipment and Depreciation

Hotel property, freehold and leasehold land and buildings are stated at valuation. Additions subsequent to the date of the last valuation are stated at cost. Freehold land is not amortised.

The right to use a piece of land in the People's Republic of China is recognised as leasehold land.

The policy on property, plant and equipment revaluation is stated in note 2(g) to the financial statements.

No depreciation is charged on the hotel property comprising long term leasehold land, building and related fixed plant, as the property has a very long useful economic life and the Group has a policy and practice of regular maintenance and repair such that its residual value is at least equal to its book value. As such, the Directors are of the opinion that any depreciation charge would be immaterial. The related maintenance and repair charges are recognised in the income statement as and when incurred.

All other property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write off the cost or revalued amount of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Leasehold land	Over the remaining lease period of 48 years
Buildings	Over the estimated useful lives of 48 years to 50 years
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%
Plant and machinery	10%

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(e) Property, Plant and Equipment and Depreciation (cont'd)**

In previous financial year, depreciation was not provided for operating equipment comprising of linen, crockery and related items treated as base stocks.

In accordance with applicable approved accounting standards in Malaysia, the Group now depreciates the initial cost of operating equipment over a period of 5 years and subsequent replacements are written off in the income statement as and when incurred. The change in accounting policy has reduced profit for the year by RM93,993/-. No adjustment has been made for prior years as the effect is immaterial.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount.

An impairment loss is recognised as an expense in the income statement. However, an impairment loss on a revalued asset will be treated as a revaluation deficit to the extent that the loss does not exceed the amount held in the revaluation reserve account in respect of the same asset.

Any subsequent increase in recoverable amount due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised as revenue in the income statement. However, the reversal of impairment loss on a revalued asset will be treated as a revaluation surplus.

(f) Investment Properties

Investment properties consist of land and buildings held for long term purposes for their investment potential and rental revenue. Investment properties are stated at valuation and are not depreciated. Additions subsequent to the date of the last valuation are stated at cost.

The policy on investment properties revaluation is stated in note 2(g) to the financial statements.

(g) Revaluation of Hotel Property, Land and Buildings

Hotel property, land and buildings classified under property, plant and equipment and investment properties are revalued at least once in every five years based on valuations carried out by independent professional valuers on the open market value basis.

A surplus arising therefrom is credited to the revaluation reserve account. However, a surplus will be recognised as revenue to the extent that it reverses a revaluation deficit of the same asset previously recognised as an expense. A deficit arising therefrom is recognised as an expense. However, a deficit will be set-off against any related revaluation surplus to the extent that the deficit does not exceed the amount held in the revaluation reserve account in respect of the same asset.

On disposal of these properties, any surplus in the revaluation reserve account relating to these properties will be transferred directly to retained earnings.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(h) Other Investments**

Other investments held for long term purposes are stated at cost. Other investments are written off or provided for diminution in value when the Directors are of the opinion that there is a permanent diminution in value of the investments.

(i) Property Development Expenditure

Property development expenditure consisting of land costs and related development expenditure held for future development are stated at cost and classified as non-current assets. Such assets are reclassified as development properties under current assets when significant development work has been undertaken and are expected to be completed within the normal operating cycle.

(j) Development Properties

Development properties are land and development expenditure whereby significant development work has been undertaken and are expected to be completed within the normal operating cycle. These properties are stated at cost plus a proportion of estimated profit attributable to development work performed to date less foreseeable losses, if any, and less progress billings. Provision is made for all anticipated losses on development properties. Cost consist of land and construction costs and other development expenditure including capitalised interest and related overheads.

(k) Deferred Expenditure**(i) Preliminary and Pre-operating Expenses**

In previous years, preliminary and pre-operating expenses of the subsidiary companies were written off upon commencement of operation of the subsidiary companies concerned.

In accordance with applicable approved accounting standards in Malaysia, preliminary and pre-operating expenses incurred should not be deferred. Accordingly, all preliminary and pre-operating expenses are written off in the year which they are incurred.

This change in accounting policy has reduced profit for the year by RM372,822/- as brought forward preliminary and pre-operating expenses were written off during the year.

(ii) Share Issue and ESOS Expenses

Share issue expenses consist of expenses incurred for the proposed bonus, rights and special issues and Employees' Share Option Scheme (ESOS). These expenses will be written off against share premium account upon completion of these proposed issues.

(l) Capital Work-In-Progress

Capital work-in-progress stated at cost consist of land cost and cost incurred to-date on building under construction. Upon completion of construction, the costs of land and building will be transferred to property, plant and equipment. No depreciation is provided on capital work-in-progress.

(m) Inventories

Trading and manufactured inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out or weighted average basis. Cost includes the actual cost of raw materials or purchases and incidentals in bringing the inventories into store and for manufactured inventories and work-in-progress, it also includes direct labour and appropriate production overheads. Cost of completed development properties is determined on specific identification basis and includes land, construction and appropriate development overheads.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(n) Amount Due From/To Customers For Construction Contracts**

Amount due from customers for construction contracts is the net amount of costs incurred plus recognised profits less the sum of recognised losses and progress billings for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings.

Amount due to customers for construction contracts is the net amount of costs incurred plus recognised profits less the sum of recognised losses and progress billings for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Costs include direct materials, labour, sub-contract costs and attributable construction overheads. Provision is made for all expected losses on construction contracts.

(o) Bad and Doubtful Debts

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

(p) Finance Lease

Property, plant and equipment held under leasing agreements that transfer substantially all the risk and ownership to the Group and to the Company are capitalised. The capital element of related rental obligations is included in creditors. The interest element of rental obligations is charged to the income statement on a systematic basis over the period of the lease.

(q) Hire Purchase Creditors

Cost of property, plant and equipment acquired under the hire purchase instalment plans are capitalised as property, plant and equipment and depreciated in accordance with the Group's and the Company's policy on depreciation of property, plant and equipment. The hire purchase obligations are included in creditors and the related financing charges are charged to the income statement on a systematic basis over the period of hire purchase.

(r) Deferred Taxation

Provision is made by using the liability method for deferred taxation in respect of all material timing differences except where it is thought reasonable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits are only recognised to the extent of any deferred tax liabilities and where there is a reasonable expectation of realisation in the near future.

(s) Interest Capitalisation

Interest incurred on borrowings related to property, plant and equipment, development properties and investment properties is capitalised during the period when activities to plan, develop and construct these assets are undertaken. Capitalisation of borrowing costs ceases when these assets are ready for their intended use or sale.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(t) Revenue Recognition**

Revenue from development properties sold and construction contracts is recognised on the percentage of completion method when the outcome of the development projects and contracts can be reliably estimated. The stage of completion is measured by reference to the certified work done to-date.

Revenue from sales and services are recognised when goods are delivered and services rendered respectively.

Rental and interest revenue are recognised on an accrual basis.

Dividends from subsidiary companies are included in the income statement when the right to receive payment is established. Dividends from other investments are accounted for on a receipt basis.

Interest revenue from hire purchase financing, housing loan and term loan are recognised on an accrual basis as follows:-

- (i) interest earned on hire purchase financing is recognised on the “sum-of-digits” method. Unearned interest is deducted in arriving at the net balance of the hire purchase debts;
- (ii) interest earned on housing loan and term loan is calculated on a monthly rest basis; and
- (iii) when an amount becomes non-performing, interest is suspended until it is realised on a cash basis. Customers’ accounts are deemed to be non-performing where repayments are in arrears for more than six months.

(u) Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at transaction dates and where settlement had not taken place at the financial year end at the approximate rates ruling as at that date. All gains and losses on foreign exchange are included in the income statement.

Assets, liabilities and reserves of foreign subsidiary company are translated into Ringgit Malaysia at the rates of exchange approximating those ruling as at the financial year end. Income and expense items are translated at the average rate of exchange for the financial year. The translation differences arising therefrom are recorded as movements in translation reserve.

The exchange rates (denominated in units of Ringgit Malaysia per foreign currency) used in translation at the financial year end are as follows:-

	2001	2000
	RM	RM
Australian Dollar	1.88	2.40
Chinese Renminbi	0.454	0.454
United States Dollar	3.76	3.76
Singapore Dollar	2.126	2.180
Japanese Yen	0.030	0.035

(v) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances including bank balances held under housing development accounts and deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amount of cash and are subject to insignificant risk of changes in value.

Notes to the Financial Statements (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT**GROUP**

	HOTEL PROPERTY RM	FREEHOLD LAND & BUILDINGS RM	SHORT TERM LEASEHOLD LAND & BUILDING RM	MOTOR VEHICLES, PLANT & MACHINERY RM	FURNITURE, FITTINGS & EQUIPMENT RM	TOTAL RM
COST/VALUATION						
At 1.10.00	30,000,000	21,800,000	—	15,739,975	7,390,869	74,930,844
Additions	—	—	—	1,161,440	865,891	2,027,331
Transfer from capital work-in-progress(Note 4)	—	—	4,942,573	—	—	4,942,573
Disposals	—	—	—	(1,228,300)	(66,858)	(1,295,158)
Written off	—	—	—	(420,971)	(174,571)	(595,542)
At 30.9.01	30,000,000	21,800,000	4,942,573	15,252,144	8,015,331	80,010,048
ACCUMULATED DEPRECIATION						
At 1.10.00	—	—	—	8,617,668	3,861,239	12,478,907
Charge for the year	—	194,000	42,933	1,638,017	827,875	2,702,825
Disposals	—	—	—	(747,675)	(37,352)	(785,027)
Written off	—	—	—	(407,231)	(151,854)	(559,085)
At 30.9.01	—	194,000	42,933	9,100,779	4,499,908	13,837,620
NET BOOK VALUE						
At 30.9.01	30,000,000	21,606,000	4,899,640	6,151,365	3,515,423	66,172,428
At 30.9.00	30,000,000	21,800,000	—	7,122,307	3,529,630	62,451,937
Depreciation charge for the year ended 30.9.00	—	215,204	—	1,842,197	763,761	2,821,162
The hotel property, freehold land and buildings of the Group were revalued in September 2000 by the Directors based on independent professional valuations on the open market value basis.						
ANALYSIS OF COST AND VALUATION 2001						
At valuation - 2000	30,000,000	21,800,000	—	—	—	51,800,000
At cost	—	—	4,942,573	15,252,144	8,015,331	28,210,048
	30,000,000	21,800,000	4,942,573	15,252,144	8,015,331	80,010,048
2000						
At valuation - 2000	30,000,000	21,800,000	—	—	—	51,800,000
At cost	—	—	—	15,739,975	7,390,869	23,130,844
	30,000,000	21,800,000	—	15,739,975	7,390,869	74,930,844

Notes to the Financial Statements (cont'd)

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

The net book value of revalued assets had they been carried at cost would have been as follows:-

	GROUP	
	2001 RM	2000 RM
Hotel property	18,275,609	18,275,609
Freehold land and buildings	9,274,293	9,459,857
	27,549,902	27,735,466

Included in the above property, plant and equipment are:-

- (a) Property, plant and equipment pledged for bank guarantee and credit facilities granted to certain subsidiary companies as mentioned in Note 22 and Note 27 to the financial statements as follows:-

	GROUP	
	2001 RM	2000 RM
COST/VALUATION		
Hotel property	30,000,000	30,000,000
Freehold land and buildings	9,800,000	9,800,000
Short term leasehold land and building	4,942,573	—
Motor vehicles, plant and machinery	1,191,628	1,128,658
Furniture, fittings and equipment	656,965	642,421
	46,591,166	41,571,079

NET BOOK VALUE

Hotel property	30,000,000	30,000,000
Freehold land and buildings	9,800,000	9,800,000
Short term leasehold land and building	4,899,640	—
Motor vehicles, plant and machinery	741,261	792,485
Furniture, fittings and equipment	342,077	397,850
	45,782,978	40,990,335

Notes to the Financial Statements (cont'd)

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

(b) Analysis of land as follows:-

	FREEHOLD LAND RM	LONG TERM LEASEHOLD LAND RM	SHORT TERM LEASEHOLD LAND RM	TOTAL RM
2001				
At valuation				
- 2000	12,100,000	5,100,000	—	17,200,000
At cost	—	—	1,678,045	1,678,045
	12,100,000	5,100,000	1,678,045	18,878,045
Net book value	12,100,000	5,100,000	1,663,500	18,863,500
2000				
At valuation				
- 2000	12,100,000	5,100,000	—	17,200,000
At cost	—	—	—	—
	12,100,000	5,100,000	—	17,200,000
Net book value	12,100,000	5,100,000	—	17,200,000

(c) Property, plant and equipment under hire purchase financing as follows:-

	GROUP	
	2001 RM	2000 RM
COST		
Motor vehicles	3,132,589	4,214,097
Plant and machinery	121,400	—
	3,253,989	4,214,097
NET BOOK VALUE		
Motor vehicles	1,945,980	2,791,300
Plant and machinery	107,237	—
	2,053,217	2,791,300

Notes to the Financial Statements (cont'd)

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

COMPANY	MOTOR VEHICLE RM	FURNITURE, FITTINGS & EQUIPMENT RM	TOTAL RM
COST			
At 1.10.00	605,300	207,787	813,087
Addition	—	30,290	30,290
Written off	—	(2,185)	(2,185)
At 30.9.01	605,300	235,892	841,192
ACCUMULATED DEPRECIATION			
At 1.10.00	605,299	124,218	729,517
Charge for the year	—	29,138	29,138
Written off	—	(2,183)	(2,183)
At 30.9.01	605,299	151,173	756,472
NET BOOK VALUE			
At 30.9.01	1	84,719	84,720
At 30.9.00	1	83,569	83,570
Depreciation charge for the year ended 30.9.00	90,794	25,979	116,773

4. CAPITAL WORK-IN-PROGRESS

This is stated at cost and in respect of:-

	GROUP	
	2001 RM	2000 RM
Leasehold Land		
At 1 October	847,594	—
Additions	830,451	847,594
At 30 September	1,678,045	847,594
Factory Building		
At 1 October	894,259	—
Additions	2,370,269	894,259
At 30 September	3,264,528	894,259
Transfer to property, plant and equipment (Note 3)	4,942,573 (4,942,573)	1,741,853 —
	—	1,741,853

Notes to the Financial Statements (cont'd)

5. INVESTMENT PROPERTIES

	GROUP	
	2001 RM	2000 RM
FREEHOLD LAND		
At valuation		
At 1 October	5,700,000	4,370,000
Surplus on revaluation	—	1,330,000
At 30 September	5,700,000	5,700,000
LEASEHOLD LAND AND BUILDING		
Leasehold Land		
At valuation		
At 1 October	17,000,000	8,775,000
Surplus on revaluation	—	8,225,000
At 30 September	17,000,000	17,000,000
Building		
At 1 October, at valuation/cost	65,000,000	46,001,298
Additions	—	627,090
Surplus on revaluation	—	18,371,612
At 30 September, at valuation	65,000,000	65,000,000
	82,000,000	82,000,000
	87,700,000	87,700,000

The investment properties of the Group were revalued in September 2000 by the Directors based on independent professional valuations on the open market value basis.

The leasehold land and building is pledged for credit facilities granted to the subsidiary company as mentioned in Note 27 to the financial statements.

Notes to the Financial Statements (cont'd)

6. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2001	2000
	RM	RM
Unquoted shares		
At valuation	80,551,361	80,551,361
At cost	14,297,503	12,120,031
	94,848,864	92,671,392

Investments in subsidiary companies were revalued in July 1995 by the Directors based on the net tangible assets of subsidiary companies as at 30 September 1994 which was approved by the Securities Commission.

The subsidiary companies are as follows:-

NAME OF COMPANY	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE EQUITY INTEREST	
			2001	2000
Srijang Indah Sdn. Bhd.	Malaysia	Ceased operations	100%	100%
Srijang Kemajuan Sdn. Bhd.	Malaysia	Property development	99.99%	99.99%
Metro Kajang Trading Sdn. Bhd.	Malaysia	Trading in building materials	100%	100%
Metro Kajang Construction Sdn. Bhd.	Malaysia	Building and civil works contracting	100%	92.60%
Cekap Corporation Berhad	Malaysia	Property development, operating a recreational club, project and marketing management services	100%	100%
Metro Kajang Credit Corporation Sdn. Bhd.	Malaysia	Money lending, hire purchase and leasing finance	100%	100%
Kumpulan Indah Bersatu Sdn. Bhd.	Malaysia	Property development	100%	100%
PNSB-GK Resort (JV) Bhd.	Malaysia	Property development	100%	100%
# Kajang Resources Corporation Sdn. Bhd.	Malaysia	Property development	100%	100%
Vast Manufacturing Sdn. Bhd.	Malaysia	Furniture manufacturing	100%	100%

Notes to the Financial Statements (cont'd)

6. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

NAME OF COMPANY	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE EQUITY INTEREST	
			2001	2000
Maha Usaha Sdn. Bhd.	Malaysia	Property investment and management	100%	100%
# Dapat Jaya Builder Sdn. Bhd. (formerly known as Dapat Jaya Sdn. Bhd.)	Malaysia	Building and civil works contracting	100%	100%
Metro Kajang Management Sdn. Bhd.	Malaysia	Management, secretarial services and insurance agency	100%	100%
Laju Jaya Sdn. Bhd.	Malaysia	Hotel business, property investment and management	100%	100%
# Agensi Pekerjaan Kurnia Ehsan Sdn. Bhd.	Malaysia	Employment agency, building maintenance and cleaning services	80%	80%
Vast Marketing & Services Sdn. Bhd.	Malaysia	Trading and marketing	100%	100%
Serba Sentosa Sdn. Bhd.	Malaysia	Property development	100%	100%
Gabung Wajib Sdn. Bhd.	Malaysia	General trading and property development	100%	100%
Perkasa Bernas (M) Sdn. Bhd.	Malaysia	Dormant	70%	70%
# Metro Kajang (Oversea) Sdn. Bhd.	Malaysia	Investment holding	100%	100%
# Aliran Perkasa Sdn. Bhd.	Malaysia	Property development	100%	100%
Kajang Healthcare Corporation Sdn. Bhd.	Malaysia	Dormant	100%	100%
Metro Tiara (M) Sdn. Bhd.	Malaysia	Dormant	100%	51%
# Rumus Mewah Sdn. Bhd.	Malaysia	Property development	70%	70%
# Metro Kajang Food Industries Sdn. Bhd.	Malaysia	Dormant	100%	100%
Metropolis Hotel Sdn. Bhd.	Malaysia	Dormant	100%	100%

Notes to the Financial Statements (cont'd)

6. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

				EFFECTIVE EQUITY INTEREST	
NAME OF COMPANY		COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	2001	2000
Subsidiary Companies of Cekap Corporation Berhad					
#	Sumber Lengkap Sdn. Bhd.	Malaysia	Property development	100%	100%
	Serentak Maju Corporation Sdn. Bhd.	Malaysia	Property development	85%	85%
#	Gerak Teguh Sdn. Bhd.	Malaysia	Property development	100%	100%
#	Stand Allied Corporation Sdn. Bhd.	Malaysia	Dormant	100%	100%
	Intra Tegas (M) Sdn. Bhd.	Malaysia	Property development	100%	100%
Subsidiary Companies of Vast Manufacturing Sdn. Bhd.					
	Vast Industries Sdn. Bhd.	Malaysia	Trading and furniture manufacturing	100%	100%
	Nisbah Saujana Sdn. Bhd.	Malaysia	Ceased operations	100%	100%
#	Intelek Kekal (M) Sdn. Bhd.	Malaysia	Ceased operations	100%	70%
Subsidiary Company of Kajang Resources Corporation Sdn. Bhd.					
	Intelek Murni (M) Sdn. Bhd.	Malaysia	Ceased operations	100%	100%
Subsidiary Company of Metro Kajang (Oversea) Sdn. Bhd.					
#	Vast Furniture Manufacturing (Kunshan) Co. Ltd.	The People's Republic of China	Furniture manufacturing	100%	100%
#	Subsidiary companies not audited by auditors of the Company.				

7. INVESTMENTS IN ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Unquoted shares, at cost	122,501	122,501	1	1
Share of post-acquisition losses	(122,501)	(122,500)	—	—
	—	1	1	1

Notes to the Financial Statements (cont'd)

7. INVESTMENTS IN ASSOCIATED COMPANIES (cont'd)

Post acquisition losses of the associated companies not recognised in the financial statements are as follows:-

	GROUP	
	2001 RM	2000 RM
Loss for the year	51,044	77,169
Accumulated losses	353,080	302,036

The associated companies, incorporated in Malaysia, are as follows:-

COMPANY	PRINCIPAL ACTIVITY	DIRECT HOLDING IN EQUITY		FINANCIAL YEAR END
		2001	2000	
* Rimbunan Melati Sdn. Bhd.	Property development	45%	45%	30 June
Perisai Tenggara (M) Sdn. Bhd.	Dormant	50%	50%	30 June
* Interest held through Cekap Corporation Berhad.				

8. AMOUNT OWING BY ASSOCIATED COMPANY

	GROUP	
	2001 RM	2000 RM
At 1 October	41,117	31,117
Advances during the year	19,390	10,000
At 30 September	60,507	41,117

The amount is non-trade in nature, unsecured, interest free and has no fixed term of repayment.

Notes to the Financial Statements (cont'd)

9. OTHER INVESTMENTS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
AT COST				
Investments quoted in Malaysia				
Shares in corporations	2,195,164	2,195,164	–	–
Unit trust fund	258,688	244,843	258,688	244,843
	2,453,852	2,440,007	258,688	244,843
Transferable club memberships	254,800	254,800	–	–
	2,708,652	2,694,807	258,688	244,843
Investments quoted in Malaysia at market value				
Shares in corporations	651,200	986,000	–	–
Unit trust fund	164,874	173,090	164,874	173,090
	816,074	1,159,090	164,874	173,090

No provision for diminution in value has been made for quoted investments as the Directors are of the opinion that no permanent diminution has occurred in the value of the investments which are held for long term purposes.

10. PROPERTY DEVELOPMENT EXPENDITURE

	GROUP	
	2001 RM	2000 RM
Freehold land, at cost	15,194,180	26,830,416
Less: Transfer to land held for joint development (Note 13)	(2,889,176)	–
	12,305,004	26,830,416
Leasehold land, at cost	10,766,487	–
Development expenditure, at cost	14,468,091	9,966,853
Less: Transfer to land held for joint development (Note 13)	(220,118)	–
	14,247,973	9,966,853
	37,319,464	36,797,269

Notes to the Financial Statements (cont'd)

11. INTRAGROUP BALANCES

	COMPANY	
	2001 RM	2000 RM
Amount owing by/(to):-		
Non-Trade		
Subsidiary companies	48,010,349	39,846,042
Subsidiary companies	(3,585,390)	(338,025)
	44,424,959	39,508,017

These balances are unsecured, interest free and have no fixed term of repayment except for advances of RM730,000/- (2000 : RM730,000/-) from the Company to one of its subsidiary companies which bear interest ranging from 8.05% to 8.30% (2000 : 8.05% to 8.30%) per annum.

12. LOANS AND ADVANCES

	GROUP	
	2001 RM	2000 RM
RECEIVABLE WITHIN 12 MONTHS (Note 19)		
Hire Purchase Debtors		
Instalments receivable	5,951,147	5,747,731
Less: Unearned interest	(415,067)	(732,911)
Provision for doubtful debts	(3,782,322)	(3,745,943)
	1,753,758	1,268,877
Loan Debtors		
Housing loan	27,122	28,344
Term loan	122,016	136,435
	149,138	164,779
Others		
Gross outstanding	125,771	108,414
Less: Provision for doubtful debts	(105,863)	—
	19,908	108,414
	169,046	273,193
	1,922,804	1,542,070
RECEIVABLE AFTER 12 MONTHS		
Hire Purchase Debtors		
Instalments receivable	32,462	3,673,800
Less: Unearned interest	(1,634)	(83,983)
	30,828	3,589,817
Loan Debtors		
Housing loan	260,036	271,168
Term loan	1,666,439	1,682,597
	1,926,475	1,953,765
	1,957,303	5,543,582
	3,880,107	7,085,652

Notes to the Financial Statements (cont'd)

13. LAND HELD FOR JOINT DEVELOPMENT

	GROUP	
	2001 RM	2000 RM
Freehold land, at cost		
- Transfer from property development expenditure (Note 10)	2,889,176	—
Development expenditure, at cost		
- Transfer from property development expenditure (Note 10)	220,118	—
	3,109,294	—

This is in respect of an agreement with a third party developer to develop land in Perak Darul Ridzuan. In accordance with the agreement, the subsidiary company is entitle to 20% of the total gross sales value of the units of property saleable under the development or a minimum guaranteed sum of RM14,175,000/-, whichever is higher.

14. DEFERRED EXPENDITURE

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
At cost:				
Preliminary expenses	11,404	11,404	—	—
Pre-operating expenses	361,418	361,418	—	—
Share issue expenses	349,085	90,500	349,085	90,500
	721,907	463,322	349,085	90,500
Less: Preliminary and pre-operating expenses written off	(372,822)	—	—	—
	349,085	463,322	349,085	90,500

15. GOODWILL ON CONSOLIDATION

	GROUP	
	2001 RM	2000 RM
At 1 October	64,800	123,393
Additions	1	—
Amortisation of goodwill	(47,511)	(58,593)
At 30 September	17,290	64,800

Notes to the Financial Statements (cont'd)

16. DEVELOPMENT PROPERTIES

	GROUP	
	2001 RM	2000 RM
Freehold land, at cost	53,597,671	41,761,435
Leasehold land, at cost	19,407,875	29,774,362
Development expenditure	73,005,546 385,758,376	71,535,797 367,072,550
Land and development expenditure	458,763,922	438,608,347
At group cost (net of deferred taxation of RM5,674,500/-)	13,240,500	13,240,500
Property development expenditure written off	(32,968)	(69,254)
Property development expenditure - overprovision	49,500	—
	472,020,954	451,779,593
Add: Proportion of estimated profit attributable to development work performed to date	120,043,996	117,453,686
Less: Progress billings	(497,937,825)	(474,158,763)
	94,127,125	95,074,516

Included in the above are:-

- i. rental of premises for the year amounting to Nil (2000 : RM10,800/-);
- ii. interest on borrowing for the year amounting to RM1,445,757/- (2000 : RM1,381,741/-); and
- iii. development projects amounting to RM57,867,602/- (2000 : RM40,486,878/-) which have been pledged for banking facilities granted to a subsidiary company as mentioned in Note 27 to the financial statements.

Included in the development projects are development costs relating to third party landowners' entitlements. In accordance with the agreements, the subsidiary companies undertake to develop the land belonging to the landowners and in consideration of which the landowners will be entitled to certain completed properties.

Notes to the Financial Statements (cont'd)

17. INVENTORIES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Completed development properties	2,756,366	1,880,258	—	40,830
Raw materials	955,771	1,703,954	—	—
Consumables	122,638	98,700	—	—
Finished goods	2,209,541	3,127,323	—	—
Work-in-progress	1,128,362	1,591,968	—	—
	7,172,678	8,402,203	—	40,830
Less: Write down of inventories	(103,186)	—	—	—
	7,069,492	8,402,203	—	40,830

Included in finished goods and work-in-progress are inventories carried at net realisable value of RM346,094/- (2000 : Nil) and RM1,009/- (2000 : Nil) respectively.

18. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONSTRUCTION CONTRACTS

	GROUP	
	2001 RM	2000 RM
Construction cost incurred to-date	9,504,679	21,397,003
Attributable profits recognised to-date	3,160,396	4,394,140
	12,665,075	25,791,143
Less: Progress billings received and receivable	(12,096,319)	(25,524,408)
	568,756	266,735
Represented By:-		
Amount due from customers for construction contracts	570,321	596,734
Amount due to customers for construction contracts	(1,565)	(329,999)
	568,756	266,735

Notes to the Financial Statements (cont'd)

19. DEBTORS, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Dividend receivable	—	—	4,000,000	3,500,000
Trade debtors less provision of RM1,693,316/- (2000 : RM1,176,239/-)	42,166,036	19,642,993	—	—
Other debtors, deposits and prepayments less provision of RM791,609/- (2000 : RM974,718/-)	9,564,016	4,674,162	154,801	126,094
Loans and advances (Note 12)	1,922,804	1,542,070	—	—
Tax paid in advance	1,540,880	586,301	—	—
Tax recoverable	478,065	475,117	478,065	475,117
	55,671,801	26,920,643	4,632,866	4,101,211

Included in other debtors, deposits and prepayments of the Company are amounts of RM44,972/- (2000 : RM44,972/-) being deposits paid to a subsidiary company.

20. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Fixed deposits with licensed banks	9,224,778	24,837,801	—	3,585,383
Cash at banks and in hand	6,438,625	5,590,490	5,462	839,656
Cash held under housing development accounts	19,719,953	12,091,061	—	—
Cash held under sinking fund account	2,362	—	—	—
Cash held under trust fund account	7,869	—	—	—
	35,393,587	42,519,352	5,462	4,425,039

Fixed deposits of the subsidiary companies amounting to RM446,095/- (2000 : RM427,000/-) are pledged for bank guarantee and borrowing facilities granted to the subsidiary companies as mentioned in Note 27 to the financial statements.

Included in the fixed deposits and cash at banks of a subsidiary company are amounts of RM1,997,561/- (2000 : RM1,281,412/-) and Nil (2000 : RM671,418/-) which have been frozen by an injunction obtained by a trade creditor against the subsidiary company for disputed claims for which defence has been filed.

Notes to the Financial Statements (cont'd)

21. CREDITORS AND ACCRUALS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade creditors	31,817,256	14,042,345	—	—
Amount owing to landowner	2,451,057	3,228,857	—	—
Sundry creditors	3,403,530	4,163,126	—	—
Deposits received	4,084,859	4,762,625	—	—
Accruals	2,916,485	3,054,567	35,480	32,671
	44,673,187	29,251,520	35,480	32,671

Amount owing to landowner consists of a third party landowner's share of a subsidiary company's profit. This is in accordance with an agreement entered into with the landowner whereby the subsidiary company undertakes to develop the land belonging to the landowner and in consideration of which the landowner is entitled to a sum of RM8 million or 50% of the net profit from the development project, whichever is higher.

Included in sundry creditors are advances of RM435,000/- in respect of land held for joint development as disclosed in Note 13 to the financial statements.

22. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
SECURED				
Term loans due within 12 months (Note 27)	2,556,197	2,501,624	—	—
Bank overdrafts	4,714,754	138,837	—	—
	7,270,951	2,640,461	—	—
UNSECURED				
Revolving credit facilities	10,400,000	13,825,000	2,400,000	3,125,000
Bank overdrafts	9,549,131	5,850,149	4,033,422	—
Bills payable	1,214,000	1,764,000	—	—
	28,434,082	24,079,610	6,433,422	3,125,000

The secured bank overdrafts are secured by way of a fixed and floating charge over all assets of the subsidiary company concerned and as mentioned in Note 27 to the financial statements.

The securities for the term loans are mentioned in Note 27 to the financial statements.

Short term borrowings of the subsidiary companies are supported by corporate guarantees of the Company.

The unsecured bank overdraft and revolving credit facilities of the Company are supported by land titles relating to projects of subsidiary companies part-financed by the bank.

The above bank overdrafts and revolving credit facilities bear interest at rates ranging from 5.3% to 8.8% (2000 : 5.05% to 11.3%) per annum.

Notes to the Financial Statements (cont'd)

23. HIRE PURCHASE CREDITORS

	GROUP	
	2001 RM	2000 RM
Hire purchase creditors	1,419,402	2,289,416
Interest in suspense	(247,481)	(414,224)
	1,171,921	1,875,192
Payable within 1 year	(648,979)	(763,898)
	522,942	1,111,294
Payable after 1 year but not later than 5 years		
Total principal sum payable		
- within 1 year	648,979	763,898
- after 1 year but not later than 5 years	522,942	1,111,294
	1,171,921	1,875,192

24. SHARE CAPITAL

	GROUP/COMPANY	
	2001 RM	2000 RM
Authorised: 200,000,000 ordinary shares of RM1/- each	200,000,000	200,000,000
Issued and fully paid: 95,000,000 ordinary shares of RM1/- each	95,000,000	95,000,000

25. RESERVES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
DISTRIBUTABLE				
Retained Profits	115,543,787	109,008,498	6,158,286	6,505,275
NON-DISTRIBUTABLE				
Share Premium	21,939,685	21,939,685	21,939,685	21,939,685
Foreign Exchange Translation Reserve	12,439	—	—	—
Investment Revaluation Reserve	—	—	11,712,772	11,712,772
Property Revaluation Reserve	37,309,744	37,309,744	—	—
Reserve on Consolidation	6,070,232	5,578,464	—	—
	65,332,100	64,827,893	33,652,457	33,652,457
	180,875,887	173,836,391	39,810,743	40,157,732

Notes to the Financial Statements (cont'd)

25. RESERVES (cont'd)

	GROUP	
	2001 RM	2000 RM
Retained Profits Are Represented By:-		
The Company	6,158,286	6,505,275
Subsidiary companies	109,508,002	102,625,723
Associated companies	(122,501)	(122,500)
	115,543,787	109,008,498

26. DEFERRED TAXATION

	GROUP	
	2001 RM	2000 RM
As at 1 October	791,600	747,500
Transfer (to)/from Income Statement (Note 31)	(294,000)	44,100
As at 30 September	497,600	791,600

This is in respect of estimated deferred tax liability arising from timing differences as follows:-

	GROUP	
	2001 RM	2000 RM
Capital allowances claimed in excess of depreciation charge	329,600	736,600
Industrial building allowances claimed on buildings in excess of depreciation charge	183,000	–
Repayment of lease rentals for property, plant and equipment under finance lease which are in excess of their depreciation charge	13,000	108,000
Unrelieved tax losses	(6,000)	–
Unabsorbed capital allowances	(22,000)	(53,000)
	497,600	791,600

The estimated deferred tax liabilities/(benefits) arising from timing differences not provided in the financial statements are as follows:-

Notes to the Financial Statements (cont'd)

26. DEFERRED TAXATION (cont'd)

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Capital allowances claimed in excess of depreciation charge	306,900	—	13,200	22,600
Repayment of lease rentals for property, plant and equipment under finance lease which are in excess of their depreciation charge	8,300	—	—	—
Revaluation surplus arising from revaluation of land and buildings	3,020,000	3,020,000	—	—
Unrelieved tax losses	(2,994,400)	(1,458,400)	(206,900)	(91,600)
Unabsorbed capital allowances	(474,200)	(374,700)	(57,700)	(46,700)
Unabsorbed plantation allowances	—	(18,800)	—	—
Unabsorbed industrial building allowances	—	(3,000)	—	—
	(133,400)	1,165,100	(251,400)	(115,700)

No deferred taxation has been provided on the surplus arising from revaluation of land and buildings as it is not the intention of the Directors to dispose these properties in the foreseeable future.

The estimated unrelieved tax losses, unabsorbed capital allowances, unabsorbed plantation allowances, unabsorbed reinvestment allowances and unabsorbed industrial building allowances are subject to agreement by the Inland Revenue Board and are not available for set-off between subsidiary companies.

27. TERM LOANS - SECURED

	GROUP	
	2001 RM	2000 RM
Term loans	32,005,697	35,174,569
Due within 12 months (Note 22)	(2,556,197)	(2,501,624)
	29,449,500	32,672,945

Included in term loans is foreign currency bank borrowings by a subsidiary company in The People's Republic of China as follows:-

	2001		2000	
	Denominated in Chinese Renminbi RMB	Denominated in Ringgit Malaysia RM	Denominated in Chinese Renminbi RMB	Denominated in Ringgit Malaysia RM
Term loan	1,800,000	818,182	—	—
Due within 12 months	(300,000)	(136,364)	—	—
	1,500,000	681,818	—	—

Notes to the Financial Statements (cont'd)

27. TERM LOANS - SECURED (cont'd)

The term loans bear interest at rates ranging from 6.8% to 10.5% (2000 : 6.4% to 10.5%) per annum.

Term loan I is repayable in 60 equal monthly instalments commencing May 1998. The said term loan is secured by a specific debenture of RM867,000/- (2000 : RM867,000/-) over the property, plant and equipment of the subsidiary company financed by the term loan.

Term loan II is repayable in 32 quarterly instalments commencing September 1996. The said term loan is secured by legal charges over the subsidiary company's hotel property, freehold land and buildings and supported by a corporate guarantee of the Company.

Term loan III is repayable in 6 quarterly instalments commencing January 2003 or by way of redemption of properties based on fixed redemption sums, whichever is earlier. The said term loan and secured bank overdraft disclosed in Note 22 to the financial statements are secured as follows:-

- (a) a legal charge over certain development properties of the subsidiary company for RM9,400,000/- (2000 : RM9,400,000/-);
- (b) a project debenture incorporating a fixed and floating charge over all assets of a specific property development project of the subsidiary company for RM19,000,000/- (2000 : RM19,000,000/-);
- (c) a pledge on the subsidiary company's fixed deposits; and supported by
- (d) a corporate guarantee of the Company.

Term loan IV is repayable in 48 equal quarterly instalments commencing March 2000. The said term loan is secured as follows:-

- (a) a legal charge over the leasehold land and building recognised as investment property of the subsidiary company;
- (b) a fixed and floating charge over all assets of the subsidiary company;
- (c) an assignment over the rental and other revenue generated from the investment property of the subsidiary company; and supported by
- (d) a corporate guarantee of the Company.

Term loan V is repayable in 3 instalments due on 3 March 2002, 29 June 2003 and 8 October 2003 respectively.

The said term loan is secured by a legal charge over the short term leasehold land and building.

28. EARNINGS AND NET TANGIBLE ASSETS PER SHARE

The earnings per share is calculated by dividing the Group earnings of RM9,860,289/- (2000 : RM16,630,589/-) by the 95,000,000 ordinary shares (2000 : 95,000,000 ordinary shares) of RM1/- each in issue during the year.

The net tangible assets per share is calculated by dividing the shareholders' equity after deducting goodwill on consolidation and deferred expenditure by the number of ordinary shares in issue as at the balance sheet date.

Notes to the Financial Statements (cont'd)

29. OPERATING REVENUE AND COST OF SALES

Operating revenue of the Group includes attributable revenue from sales of completed and uncompleted development properties, attributable revenue from construction contracts, rental of properties, interest revenue, gross dividend revenue, invoiced value of goods sold and services rendered less discounts and returns. Group operating revenue excludes intragroup transactions.

Operating revenue of the Company represents sales of properties, project and building management fees and gross dividend revenue.

Direct costs of the Group includes attributable property development and construction contract costs, cost of sales and services less discounts and returns.

Operating revenue comprises the following:-

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Attributable revenue from completed and uncompleted development properties	81,778,878	62,194,032	—	—
Attributable revenue from construction contract	(780,377)	907,240	—	—
Sales of goods	17,397,443	26,135,301	—	—
Services rendered	702,909	435,831	198,425	186,833
Hotel revenue	4,198,982	4,106,280	—	—
Interest revenue	568,254	1,191,356	—	—
Rental revenue	10,460,247	10,322,789	—	—
Dividend	14,391	19,521	4,014,391	4,019,521
	114,340,727	105,312,350	4,212,816	4,206,354

Cost of sales comprise the following:-

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Cost of services	7,158,418	6,819,659	—	—
Attributable property development costs	43,454,143	32,214,201	—	—
Attributable construction contract costs	(441,932)	1,040,618	—	—
Cost of sales	26,850,814	24,853,435	40,830	—
	77,021,443	64,927,913	40,830	—

Notes to the Financial Statements (cont'd)

30. PROFIT BEFORE TAXATION

(a) Profit before taxation is arrived at after charging/(crediting):-

(i) Exceptional item

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Deficit on revaluation of a freehold land and building	—	950,084	—	—

(ii) Others

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Amortisation of goodwill on consolidation	47,511	58,593	—	—
Auditors' remuneration				
- current year	100,200	86,900	7,000	6,000
- underprovision in prior year	1,000	—	—	—
Bad debts written off	3,200	26,826	—	—
Depreciation of property, plant and equipment	2,702,825	2,797,504	29,138	116,773
Development expenditure written off	32,968	69,254	—	—
Directors' remuneration				
- fees	32,000	32,000	16,000	16,000
- other emoluments	2,671,520	1,698,918	1,500	4,000
Interest expenses	2,725,251	3,429,487	217,251	290,596
Inventories written off	207,580	—	40,830	—
Landowner's share of profit	672,200	981,027	—	—
Preliminary expenses written off	11,404	—	—	—
Pre-operating expenses written off	361,418	—	—	—
Property, plant and equipment written off	36,457	144,773	2	—
Provision for doubtful debts	1,736,005	1,314,856	—	—
Rental of plant and machinery	466,157	12,054	—	—
Rental of premises	412,915	600,237	—	—
Unquoted investments written off	—	4,900	—	—
Write down of inventories	103,186	—	—	—
Gain on disposal of property, plant and equipment	(167,270)	(654,381)	—	—

Notes to the Financial Statements (cont'd)

30. PROFIT BEFORE TAXATION (cont'd)

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Development expenditure				
- overprovision in prior year	(49,500)	—	—	—
Dividend revenue (gross)				
- from subsidiary companies	—	—	(4,000,000)	(4,000,000)
- from other sources	(14,391)	(19,521)	(14,391)	(19,521)
Interest revenue	(1,096,129)	(1,330,909)	(13,285)	(125,008)
Provision for doubtful debts no longer required	(698,534)	(651,873)	—	—
Realised gain on foreign exchange	(82,287)	—	—	—
Rental revenue	(18,900)	(26,100)	—	—
Unrealised (gain)/loss on foreign exchange	(942)	90,093	—	—

Directors' benefits-in-kind for the Group and for the Company amounted to RM130,895/- and RM24,000/- (2000 : RM145,708/- and RM25,917/-) respectively.

(b) Employees Information

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Staff costs	15,464,721	12,898,776	166,483	155,940

The number of employees including full-time directors of the Group and of the Company as at the financial year end were 497 (2000 : 546) and 8 (2000 : 6) respectively.

31. TAXATION

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Based on results for the year	7,605,400	7,869,000	—	91,000
Transfer (from)/to Deferred Taxation (Note 26)	(294,000)	44,100	—	—
	7,311,400	7,913,100	—	91,000
(Overprovision)/Underprovision in prior year	(277)	861,901	—	668,187
	7,311,123	8,775,001	—	759,187

Notes to the Financial Statements (cont'd)

31. TAXATION (cont'd)

There is no tax applicable to the Company due to tax exempt dividend revenue from a subsidiary company.

The Company has estimated unrelieved tax losses of RM739,000/- (2000 : RM327,000/-) and unabsorbed capital allowances of RM206,000/- (2000 : RM167,000/-) carried forward, subject to agreement by the Inland Revenue Board, available for set-off against future taxable profits.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of its entire unappropriated profits as at 30 September 2001 subject to agreement by the Inland Revenue Board.

The Company has approximately RM1,800,000/- (2000 : RM2,300,000/-) tax exempt income available for distribution by way of tax exempt dividend, subject to agreement by the Inland Revenue Board. The tax exempt income account is in respect of chargeable income of which income tax has been waived.

The effective rate of tax for the Group is higher than the standard rate of tax as there is no Group relief for losses suffered by certain subsidiary companies and certain expenses were disallowed for tax purposes.

The Group has estimated unrelieved tax losses of RM10,694,400/- (2000 : RM5,208,400/-), unabsorbed capital allowances of RM1,693,600/- (2000 : RM1,338,300/-), unabsorbed plantation allowance of Nil (2000 : RM67,100/-) and unabsorbed industrial building allowance of Nil (2000 : RM10,600/-) carried forward, subject to agreement by the Inland Revenue Board, available for set-off against future taxable profits.

32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment with aggregate cost of RM2,027,331/- (2000 : RM3,614,941/-) of which RM95,000/- (2000 : RM1,739,400/-) was acquired by way of hire purchase financing. Cash payments of RM1,932,331/- (2000 : RM1,875,541/-) were made to purchase property, plant and equipment.

The Company acquired property, plant and equipment by way of cash payments.

33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprises the following:-

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Fixed deposits with licensed banks	9,224,778	24,837,801	—	—
Cash at banks and in hand	6,438,625	5,590,490	5,462	4,425,039
Cash held under housing development accounts	19,719,953	12,091,061	—	—
Bank overdrafts	(14,263,885)	(5,988,986)	(4,033,422)	—
Cash held under sinking fund account	2,362	—	—	—
Cash held under trust fund account	7,869	—	—	—
	21,129,702	36,530,366	(4,027,960)	4,425,039

Notes to the Financial Statements (cont'd)

33. CASH AND CASH EQUIVALENTS (cont'd)

Cash and cash equivalents held by the Group which are not freely available for use are as follows:-

- (a) cash held under housing development accounts maintained pursuant to the requirements of the Housing Developers (Housing Development Account) Regulations 1991;
- (b) fixed deposits amounting to RM446,095/- (2000 : RM427,000/-) pledged for bank guarantee and credit facilities granted to certain subsidiary companies;
- (c) fixed deposits and bank balances amounting to RM1,997,561/- (2000 : RM1,281,412/-) and Nil (2000 : RM671,418/-) respectively which have been frozen by an injunction obtained by a trade creditor of a subsidiary company for disputed claims for which defence has been filed; and
- (d) cash held under sinking fund and trust accounts which are held for the recreational club.

34. CONTINGENT LIABILITIES - UNSECURED

	COMPANY	
	2001	2000
	RM	RM
Corporate guarantees for credit facilities granted to subsidiary companies - outstanding at year end	56,076,719	55,605,130

35. SEGMENT ANALYSIS

	OPERATING REVENUE RM	PROFIT/(LOSS) BEFORE TAXATION RM	TOTAL ASSETS EMPLOYED RM
2001			
(a) Major segment by activity			
Property development	80,998,501	20,078,458	229,176,779
Manufacturing	14,218,899	(6,738,543)	17,735,978
Hotel, club and investment	15,167,774	3,899,381	139,121,561
Trading	3,178,544	(131,600)	1,757,619
Services and others	777,009	77,831	4,434,412
	114,340,727	17,185,527	392,226,349
(b) Major Segment By Geographical Location			
Malaysia	114,340,727	18,210,117	385,284,985
The People's Republic of China	–	(1,024,590)	6,941,364
	114,340,727	17,185,527	392,226,349

Notes to the Financial Statements (cont'd)

35. SEGMENT ANALYSIS (cont'd)

2000	OPERATING REVENUE RM	PROFIT/(LOSS) BEFORE TAXATION RM	TOTAL ASSETS EMPLOYED RM
(a) Major segment by activity			
Property development	63,101,272	22,870,896	197,432,466
Manufacturing	23,956,056	(1,060,685)	19,085,328
Hotel, club and investment	14,991,154	3,527,148	144,883,798
Trading	1,972,891	(252,417)	1,676,834
Services and others	1,290,977	365,905	7,933,710
	105,312,350	25,450,847	371,012,136
(b) Major Segment By Geographical Location			
Malaysia	105,312,350	25,450,847	368,512,743
The People's Republic of China	—	—	2,499,393
	105,312,350	25,450,847	371,012,136

The construction division has been combined with property development to form a reportable segment as a majority of its revenue is earned from internal property development projects.

No operating revenue has been recognised for the geographical segment, The People's Republic of China as all sales are to a related company which has been eliminated on consolidation.

36. SIGNIFICANT INTER-COMPANY TRANSACTIONS

Significant inter-company transactions of the Company for the year are as follows:-

	2001 RM	2000 RM
Dividend received or receivable		
Cekap Corporation Berhad	(4,000,000)	—
Kajang Resources Corporation Sdn. Bhd.	—	(4,000,000)
	(4,000,000)	(4,000,000)
Interest received or receivable		
Cekap Corporation Berhad	(60,244)	(59,883)
Kajang Resources Corporation Sdn. Bhd.	—	(51,324)
	(60,244)	(111,207)

The above transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned. Dividend receivable in relation to the above transaction is disclosed in Note 19 to the financial statements.

Notes to the Financial Statements (cont'd)

37. SIGNIFICANT RELATED PARTY TRANSACTION

Related parties are defined as parties in which the Directors of the Company or its subsidiary companies have the ability to control or exercises significant influence over the related parties financial and operating decisions.

(a) Related party and relationship

Encik Othman bin Sonoh being a director of the Company and the subsidiary company, Metro Kajang Construction Sdn. Bhd..

(b) Related party transaction

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Acquisition of 192,396 ordinary shares from Othman bin Sonoh in Metro Kajang Construction Sdn. Bhd.	961,980	—	961,980	—

The above transaction is entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

38. SIGNIFICANT EVENTS

- (a) On 12 October 2000, the Company increased its shareholdings in Metro Tiara (M) Sdn. Bhd. from 51% to 100% by acquiring 2,450 ordinary shares of RM1/- each for a total cash consideration of RM2/-.
- (b) On 5 December 2000, the Company was allotted 975,000 ordinary shares of RM1/- each at par in its wholly owned subsidiary company, Dapit Jaya Builder Sdn. Bhd. (formerly known as Dapit Jaya Sdn. Bhd.).
- (c) On 13 December 2000, the Company obtained approval from Securities Commission ("SC") for the following proposals:-
 - i. a proposed bonus issue of 47,500,000 new ordinary shares of RM1/- each on the basis of 1 new ordinary share for every 2 existing ordinary shares held;
 - ii. a proposed rights issue of 23,750,000 new ordinary shares of RM1/- each on the basis of 1 new ordinary share for every 4 existing ordinary shares held;
 - iii. a proposed special issue of 2,260,000 new ordinary shares of RM1/- each to approved Bumiputra investors; and
 - iv. a proposed Employees' Share Option Scheme ("ESOS") for the granting of options to eligible employees and Executive Directors of the Company and its subsidiary companies to subscribe for new ordinary shares in the Company up to an aggregate of 10% of the prevailing issued and paid-up share capital of the Company.

Notes to the Financial Statements (cont'd)

38. SIGNIFICANT EVENTS (cont'd)

- (d) On 28 March 2001, the Company's wholly owned subsidiary company, Cekap Corporation Berhad, was allotted 999,998 ordinary shares of RM1/- each at par in its wholly owned subsidiary company, Intra Tegas (M) Sdn. Bhd..
- (e) On 2 May 2001, the Company increased its shareholdings in Metro Kajang Construction Sdn. Bhd. from 92.60% to 94.08% by acquiring 48,098 ordinary shares of RM1/- each for a total cash consideration of RM240,490/-.
- (f) On 25 May 2001, the Company further increased its shareholdings in Metro Kajang Construction Sdn. Bhd. from 94.08% to 100% by acquiring 192,396 ordinary shares of RM1/- each for a total cash consideration of RM961,980/-.
- (g) On 12 June 2001, the Company obtained approval from SC for an extension of time to 12 December 2001 to complete the above mentioned corporate proposals.

39. SUBSEQUENT SIGNIFICANT EVENTS

- (a) On 8 October 2001, Gerak Teguh Sdn. Bhd., a wholly owned subsidiary company, entered into a sale and purchase agreement to acquire property from Danaharta Hartanah Sdn. Bhd. for a total cash consideration of RM45,000,000/-. The acquisition is to be partly financed by a term loan facility of RM31,500,000/- obtained from a licensed bank and has been approved by the Foreign Investment Committee.
- (b) On 13 November 2001, the Company's wholly owned subsidiary company, Cekap Corporation Berhad, was allotted 999,998 ordinary shares of RM1/- each at par in its wholly owned subsidiary company, Gerak Teguh Sdn. Bhd..
- (c) On 14 December 2001, the Company announced the following revised proposals to replace the original proposed bonus and rights issue:-
 - i. a revised proposed bonus issue of 23,750,000 new ordinary shares of RM1/- each on the basis of 1 new ordinary share for every 4 existing ordinary shares held; and
 - ii. a revised proposed rights issue of up to 23,750,000 new ordinary shares of RM1/- each with up to 23,750,000 warrants attached on the renounceable basis of 1 new share with 1 warrant attached for every 4 existing shares held in the Company.

The revised proposals remain subject to approvals from SC, Foreign Investment Committee, shareholders of the Company and Kuala Lumpur Stock Exchange ("KLSE") for the listing and quotation of the said shares on the Main Board of the KLSE.

Notes to the Financial Statements (cont'd)

40. REPORTING CURRENCY

All amounts are stated in Ringgit Malaysia unless otherwise stated.

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified where necessary to conform with the current year's presentation as follows:-

	As Amended RM	As Previously Reported RM
GROUP		
Balance Sheet		
Interest in associated companies	1	41,118
Amount owing by associated company	41,117	—
Joint venture account	—	3,228,857
Creditors and accruals	29,251,520	26,022,663
Income Statement		
Other operating costs	3,337,819	2,387,735
Exceptional item	—	950,084
Cash Flow Statement		
Net cash used in investing activities	3,186,127	3,443,880
Net cash used in financing activities	2,331,275	2,073,522

42. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange. The addresses of the registered office and principal place of business are as follows:-

(a) Registered Office

Suite 1, 5th Floor, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, Malaysia.

(b) Principal Place of Business

5th Floor, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, Malaysia.

List of Properties

Kajang Resources Corporation Sdn. Bhd.

All of the parcels of land held by this subsidiary are located at Batu 18, Jalan Semenyih, Mukim of Semenyih, District of Hulu Langat, Selangor Darul Ehsan and form part of the mixed development project of Bandar Teknologi Kajang.

Location	Description and Existing Use	Land Area (acres)	Tenure	Net Book Value as at 30-9-01 RM'000
PT Nos. 50 & 51	Land approved for development Existing use: Oil palm plantation	9.66	Leasehold expiring in year 2089	108
Lot Nos. 2289 and 2295	Land approved for development Existing use: oil palm plantation	14.01	Freehold	542
Lot No. 1966	Land presently held under agricultural title Existing use: Rubber plantation	10.01	Freehold	1,359
Lot No. 2291	Land approved for development Existing use: Oil palm plantation	7.01	Freehold	262
Lot Nos. 2219, 2220, 2221 and 2222	Land presently held under agricultural title Existing use: Oil palm/rubber plantation	29.54	Freehold	3,687
Lot. No. 2028	Land presently held under agricultural title Existing use: Rubber plantation	9.36	Freehold	806
Lot. 2298	Joint Venture land presently held under agricultural title Existing use: Oil palm/rubber plantation	7.01	Freehold	*
Lot Nos. 2118 and 2119	Land presently held under agricultural title Existing use: Rubber plantation	10.38	Freehold	1,141
Lot No. 2006	Joint Venture land approved for development Existing use: Oil palm/rubber plantation	10.39	Freehold	*
Lot No. 2286	Joint Venture land presently held under agricultural title Existing use: Oil palm/rubber plantation	7.00	Freehold	*
Lot No. 2217	Land presently held under agricultural title Existing use: Oil palm/rubber plantation	7.39	Freehold	1,917
Lot No. 2294	Land approved for development Existing use: Oil palm/rubber plantation	6.99	Freehold	359
Lot No. PT 7251 & PT 7191	Land approved for supermarket Existing use: Oil palm/ rubber plantation	1.02	Freehold	*
Lot Nos. 2292	Joint Venture land approved for development Existing use: Oil palm/rubber plantation	7.01	Freehold	170

List of Properties (cont'd)

Kajang Resources Corporation Sdn. Bhd. (cont'd)

Location	Description and Existing Use	Land Area (acres)	Tenure	Net Book Value as at 30-9-01 RM'000
Lot Nos. 2293	Joint Venture land approved for development Existing use: Oil palm/rubber plantation	7.00	Freehold	*
Lot Nos. 1985 and 1990	Land presently held under agricultural title Existing use: Oil palm/rubber plantation	22.88	Freehold	2,874
P.T. Nos. 4761 and 4595	Land approved for school	4.57	Freehold	1,678

* The costs and market values of these joint venture properties have not been incorporated in the accounts at titles have not been transferred to Kajang Resources Corporation Sdn. Bhd. at the date of this report. Joint Venture agreements have been signed with the respective landowners for the proposed development of these lands.

Intra Tegas (M) Sdn. Bhd.

Location	Description and Existing Use	Land Area (acres)	Tenure	Net Book Value as at 30-9-01 RM'000
Lot 9108, Mukim of Kajang, District of Hulu Langat, Selangor Darul Ehsan	Joint venture land presently held under agricultural title Existing use: Rubber plantation	6.09	Freehold	*
Lot 9107, Mukim of Kajang, District of Hulu Langat, Selangor Darul Ehsan	Land presently held under agricultural title but identified for development Existing use: Rubber plantation	6.08	Freehold	*
Lot 9113, Mukim of Kajang, District of Hulu Langat, Selangor Darul Ehsan	Land presently held under agricultural title but identified for development Existing use: Rubber plantation	6.66	Freehold	*
Lot 9105, Mukim of Kajang, District of Hulu Langat, Selangor Darul Ehsan	Joint venture land presently held under agricultural title but identified for development Existing use: Rubber plantation	6.09	Freehold	*

* The cost and market value of these joint venture properties have not been incorporated in the accounts as the titles have not been transferred to Intra Tegas (M) Sdn. Bhd. at the date of this report. The joint venture agreements have been signed with the respective landowners for the proposed development of these lands.

List of Properties (cont'd)

Serentak Maju Corporation Sdn. Bhd.

Location	Description and Existing Use	Land Area (acres)	Tenure	Net Book Value as at 30-9-01 RM'000
P.T.No. 4103, Mukim of Semenyih, District of Hulu Langat, Selangor Darul Ehsan	Joint venture land approved for development	3.85	Leasehold expiring in year 2093	*
P.T.No. 4483, Mukim of Semenyih, District of Hulu Langat, Selangor Darul Ehsan	Land approved for school Existing use: Vacant land	4.21	Leasehold expiring in year 2093	917

Cekap Corporation Berhad

Location	Description and Existing Use	Land Area (acres)	Tenure	Net Book Value as at 30-9-01 RM'000
P.T.No. 29792, Taman Bukit Mewah, Kajang Selangor, , Darul Ehsan	Currently vacant commercial land that will be developed as a commercial complex	1.67	Freehold	2,900

Location	Description and Existing Use	Approximate Age of the Building (year)	Land Area (acres)	Tenure	Net Book Value as at 30-9-01 RM'000
P.T.No. 25624, Taman Bukit Mewah, Kajang, Selangor Darul Ehsan	3-storey clubhouse, car park and swimming pool, all known as Mewah Club (built-up area of 39,478 sq.ft.) Existing use: As Above	7	4.84	Freehold	11,724

Laju Jaya Sdn. Bhd.

Location	Description and Existing Use	Approximate Age of the Building (year)	Land Area (acres)	Tenure	Net Book Value as at 30-9-01 RM'000
P.T. Nos. 19379 to 19391 (13 lots) Jalan Semenyih, Kajang, Selangor Darul Ehsan	Wisma Metro Kajang A 6-storey hotel cum office building with built-up area of 171,935 sq.ft. Existing use: 100% tenanted	7	0.585	Leasehold of 99 years expiring in 2089	30,000
P.T.No. 1030 Bukit Angkat, Mukim of Kajang, District of Hulu Langat, Selangor Darul Ehsan	Factory premises with built-up area of 122,400 sq.ft. Existing use: Partly tenanted	11	6.04	Freehold	9,682

List of Properties (cont'd)

Maha Usaha Sdn. Bhd.

Location	Description and Existing Use	Approximate Age of the Building (year)	Land Area (acres)	Tenure	Net Book Value as at 30-9-01 RM'000
P.T.No. 19482 Kajang Town Centre, Mukim of Kajang District of Hulu Langat, Selangor Darul Ehsan	Commercial complex with built-up area of approximately 600,000 sq.ft. Existing use: 98% tenanted	5	2.33	Leasehold of 99 years expiring in 2089	82,000

Kumpulan Indah Bersatu Sdn. Bhd.

Location	Description and Existing Use	Land Area	Tenure (acres)	Net Book Value as at 30-9-01 RM'000
Lot 2810, 2811, 2813, 2814 and 2817 Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan	Joint venture land presently held under agricultural title Existing use: Rubber plantation	91.91	Freehold	*

* The costs and market values of these joint venture properties have not been incorporated in the accounts as titles have not been transferred to Kumpulan Indah Bersatu Sdn. Bhd. at the date of this report. Joint venture agreements have been signed with the respective landowners for the proposed development of these lands.

Srijang Kemajuan Sdn. Bhd.

Location	Description and Existing Use	Land Area	Tenure (acres)	Net Book Value as at 30-9-01 RM'000
P.T.Nos. 27077 & 27096, Taman Kajang Mewah, Sg. Chua, Kajang, Selangor, Darul Ehsan	Two plots of commercial land approved for commercial development Existing use: Vacant land	1.77	Freehold	2,800

Serba Sentosa Sdn. Bhd.

Location	Description and Existing Use	Land Area	Tenure (acres)	Net Book Value as at 30-9-01 RM'000
Lot. Nos. 81, 12, 13, 14, 19, 20, 21, 24, 4616 and 1743 as well as part of Section 7 and 9 of Kajang Town, Kajang	Land approved for commercial and residential development Existing use: Partly occupied and partly vacant	62.50	Leasehold expiring in year 2096	20,249

Statistics of Shareholdings

as at 30 November 2001

SHARE CAPITAL

Authorised Share Capital	:	RM200,000,000
Issued and Fully Paid-up	:	RM95,000,000
Type of Shares	:	Ordinary shares of RM1 each
Voting Rights	:	One vote per ordinary share
No. of Shareholders	:	2,394

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	Total Holdings	%
1 - 999	15	4,552	0.00
1,000 - 10,000	2,198	4,885,184	5.14
10,001 - 100,000	122	4,130,877	4.35
100,001 - 4,749,999	57	35,537,279	37.41
4,750,000 and above	2	50,442,108	53.10
Total	2,394	95,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Shares Held	%
1. Chen Choy & Sons Realty Sdn. Bhd.	40,420,208	42.55
2. Amanah Raya Nominees (Tempatan) Sdn. Bhd. Qualifier: Skim Amanah Saham Bumiputera	10,021,900	10.55
3. PB Securities Nominees (Tempatan) Sdn. Bhd.*	8,850,000	9.32
4. Public Nominees (Tempatan) Sdn. Bhd.*	5,259,000	5.53
	64,551,108	67.95

* Shares held in trust for beneficial owners, each of whom has less than 2% of the paid-up capital of the Company.

Statistics of Shareholdings (cont'd)

TOP 30 SHAREHOLDERS OF METRO KAJANG HOLDINGS BERHAD

(Without aggregating securities from different securities account belonging to the same person)

	Names	No. of Shares	Holdings %
1.	Chen Choy & Sons Realty Sdn. Bhd.	39,015,208	41.07
2.	Amanah Raya Nominees (Tempatan) Sdn. Bhd. Qualifier: Skim Amanah Saham Bumiputera	10,021,900	10.55
3.	PB Securities Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for PB Securities Sdn Bhd	2,726,000	2.87
4.	Public Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Rekapacific Bhd	1,750,000	1.84
5.	Public Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Alor Setar Securities Sdn Bhd	1,750,000	1.84
6.	Public Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Halim Securities Sdn Bhd	1,750,000	1.84
7.	Nisbah Kurnia Sdn Bhd	1,728,000	1.82
8.	PB Securities Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Autoways Development Sdn Bhd	1,705,000	1.79
9.	Chen Choy & Sons Realty Sdn Bhd	1,405,000	1.48
10.	PB Securities Sdn Bhd Qualifier : Investment for Company 1	1,401,000	1.47
11.	Selestar Realty Sdn Bhd	1,333,404	1.40
12.	Premier Vantage Sdn Bhd	1,323,000	1.39
13.	Orbital Quest Sdn Bhd	1,296,000	1.36
14.	AM Nominees (Tempatan) Sdn Bhd Qualifier : Employees Provident Fund Board	1,222,000	1.29
15.	PB Securities Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Mesra Properties Sdn Bhd	1,192,000	1.25

Statistics of Shareholdings (cont'd)

TOP 30 SHAREHOLDERS OF METRO KAJANG HOLDINGS BERHAD (cont'd)

(Without aggregating securities from different securities account belonging to the same person)

		Holdings	
	Names	No. of Shares	%
16.	PB Securities Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Reka Rama Sdn Bhd	1,192,000	1.25
17.	Datuk Chen Lok Loi	1,129,000	1.19
18.	RHB Capital Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Dato' Chen Kooi Chiew @ Cheng Ngi Chong	1,022,000	1.08
19.	Chai Nyok Lan @ Choy Pah Khin	869,573	0.92
20.	RHB Nominees (Asing) Sdn Bhd Qualifier : Loh Tsu Sin	699,000	0.74
21.	PB Securities Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Tai Wah Ventures Sdn Bhd	681,000	0.72
22.	Dato' Chen Kooi Chiew @ Cheng Ngi Chong	604,000	0.64
23.	Chan Hon Fu	525,000	0.55
24.	Cimsec Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Tan Sri Dato' Lee Kim Sai @ Lee Hoo	507,000	0.53
25.	Sentosa Meriah Sdn Bhd	475,000	0.50
26.	Tan Sou Yee	442,000	0.47
27.	Choy Voi @ Chai Win	409,929	0.43
28.	Micpol Trading Limited	405,000	0.43
29.	Tan Saw San @ Tan So San	398,842	0.42
30.	JF Apex Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Chim Ake @ Lim Lian Huat	395,000	0.42
TOTAL		79,372,856	83.55



Form of Proxy

I/We.....

of.....

being a Member of METRO KAJANG HOLDINGS BERHAD, hereby appoint.....

.....

of.....

or failing him, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty Second Annual General Meeting of the Company to be held at Ballroom, First Floor, Metro Inn, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Wednesday, 30 January 2002 at 10 a.m. and at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of Meeting with "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

	For	Against
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
ORDINARY RESOLUTION 4		
ORDINARY RESOLUTION 5		
ORDINARY RESOLUTION 6		
ORDINARY RESOLUTION 7		
ORDINARY RESOLUTION 8		
ORDINARY RESOLUTION 9		

Number of Shares Held	
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Signature of Shareholder(s)

Signed this _____ day of _____

Notes:

1. A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.
2. The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.
3. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy thereof must be deposited at the Registered Office, Suite 1, 5th Floor, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan at least 48 hours before the time appointed for holding the meeting or any adjournment thereof.

STAMP

The Company Secretary
Metro Kajang Holdings Berhad
Suite 1, 5th Floor
Wisma Metro Kajang
Jalan Semenyih, 43000 Kajang
Selangor Darul Ehsan
Malaysia
