

Contents

Notice Of Annual General Meeting	2
Statement Accompanying Notice Of Annual General Meeting	3
Notice Of Book Closure For Payment Of Dividend	3
Corporate Information	4
Profile Of Board Of Directors	5
Chairman's Statement	7
Audit Committee Report	9
Corporate Governance Statement	12
Statement Of Directors' Responsibility	15
Other Information	15
Statement On Internal Control	16
Directors' Report	17
Income Statements	21
Balance Sheets	22
Statements Of Changes In Equity	23
Cash Flow Statements	24
Notes To The Financial Statements	26
Statement By Directors	47
Statutory Declaration	47
Report Of The Auditors	48
Analysis Of Shareholdings	49
Five Years' Financial Statements	51
Schedule Of Properties	52
Proxy Form	Enclosed

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting of General Corporation Berhad will be held at Cempaka Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 29 July 2002 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 January 2002 and the Reports of the Directors and Auditors thereon; **(Resolution 1)**
2. To approve the payment of a first and final dividend of 3% less 28% tax in respect of the financial year ended 31 January 2002; **(Resolution 2)**
3. To approve the payment of Directors' fees of RM120,438 for the financial year ended 31 January 2002; **(Resolution 3)**
4. To re-elect the following Directors retiring pursuant to the Company's Articles of Association:-

Article 74

Tan Sri Dato' Low Keng Huat
Raja Datuk Karib Shah Bin Raja Shahrudin
Marco Low Peng Kiat

(Resolution 4)
(Resolution 5)
(Resolution 6)

5. To re-appoint Wong Bin Chen as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965; **(Resolution 7)**
6. To re-appoint Ernst & Young as Auditors for the ensuing year and to authorise the Directors to fix their remuneration; **(Resolution 8)**
7. To transact any other business of the Company for which due notice shall have been given; and

AS SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following resolution as Ordinary Resolution:-
"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and they are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and 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 to be issued does not exceed 10 per centum of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."
(Resolution 9)

By Order of the Board

Cheong Chee Leng (MAICSA 0722553)
Lee Jeok Keim (MAICSA 0750350)
Secretaries

Kuala Lumpur
2 July 2002

Note:

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company not less than 48 hours before the meeting.

Explanatory Note On The Special Business

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company, from the date of the Thirty-Third Annual General Meeting, to issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Statement Accompanying Notice Of Annual General Meeting

Director standing for re-appointment under Section 129(6) of the Companies Act, 1965:-

- i. Wong Bin Chen

Directors standing for re-election under Article 74 of the Company's Articles of Association:-

- i. Tan Sri Dato' Low Keng Huat
- ii. Raja Datuk Karib Shah Bin Raja Shahrudin
- iii. Marco Low Peng Kiat

The Annual General Meeting will be held on 29 July 2002 at 10.00 a.m. at Cempaka Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur.

Notice Of Book Closure For Payment Of Dividend

NOTICE IS HEREBY GIVEN that the register of members will be closed from 6 August 2002 to 7 August 2002 both dates inclusive to determine shareholders' entitlement to the dividend payment. The first and final dividend of 3% less tax for the financial year ended 31 January 2002, if approved at the forthcoming Annual General Meeting to be held on 29 July 2002, will be paid on 20 August 2002 to shareholders whose names appear in the register of members and record of depositors on 5 August 2002.

A Depositor shall qualify for entitlement only in respect of:

- A. Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 1 August 2002 (in respect of shares which are exempted from mandatory deposit);
- B. Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 5 August 2002 in respect of ordinary transfers;
- C. 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

Cheong Chee Leng (MAICSA 0722553)
Lee Jeok Keim (MAICSA 0750350)
Secretaries

Kuala Lumpur
2 July 2002

Corporate Information

BOARD OF DIRECTORS:

Tun Mohammed Hanif bin Omar
SSM, PMN, SPTS, SPMJ, SIMP, SSSA,
SPNS, DA, SPMP, DHMS, KMN, PPT, BKT
Chairman

Tan Sri Dato' Low Keng Huat
PSM, SIMP, DIMP, DKBS
Executive Deputy Chairman

Low Keng Boon
Group Managing Director

Chua Yang Hong
Executive Director

Low Wei Choong
Executive Director

Marco Low Peng Kiat
Executive Director

Cheong Chee Leng
Executive Director

Wong Bin Chen
Independent Non-Executive Director

Raja Datuk Karib Shah bin Raja Shahrudin
PSD, SIMP, DSAP, SAP
Independent Non-Executive Director

Wan Ismail bin Wan Nik
Independent Non-Executive Director

AUDIT COMMITTEE:

Wan Ismail bin Wan Nik
Chairman
Independent Non-Executive Director

Wong Bin Chen
Independent Non-Executive Director

Cheong Chee Leng
Executive Director

COMPANY SECRETARIES:

Cheong Chee Leng
FCCA, FCIS, CA (M)

Lee Jeok Keim
FCIS, FCSM

REGISTERED OFFICE:

332A-19, 19th Floor,
Plaza Ampang City,
Jalan Ampang,
50450 Kuala Lumpur.
Tel : 03-42564599
Fax : 603-42578197

REGISTRARS:

Tenaga Koperat Sdn Bhd
20th Floor, Plaza Permata,
Jalan Kampar,
Off Jalan Tun Razak,
50400 Kuala Lumpur.
Tel : 03-40416522
Fax : 603-40426352

AUDITORS:

Ernst & Young
Chartered Accountants
4th Floor, Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur.
Tel : 03-21442333
Fax : 603-21410676 / 21445619

Profile Of Board Of Directors

Tun Mohammed Hanif bin Omar

Tun Mohammed Hanif, aged 63, was appointed Chairman of the Company on 25 March 1994. He holds a Bachelor of Arts Degree from University of Malaya (Singapore), an LLB from University of Buckingham, United Kingdom and a Certificate of Legal Practice from the Bar Council Qualifying Board. He was the Inspector-General of Police, Malaysia from 1974 until his retirement in 1994. He also holds the position of Chairman of Park May Berhad and Maxis Communications Berhad (formerly known as Binariang Berhad) as well as Deputy Chairman of Genting Berhad and Resorts World Berhad. In addition, he also sits on the Board of AMMB Holdings Berhad, Arab-Malaysian Finance Berhad, Fullmark Manufacturing Berhad and MBF Finance Berhad and a number of private limited companies. He attended all the six Board meetings held for the financial year ended 31 January 2002. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Tan Sri Dato' Low Keng Huat

Tan Sri Dato' Low Keng Huat, aged 69, who is the Executive Deputy Chairman, was appointed to the Board on 29 May 1969. A builder by profession, he has been responsible for the transformation of the Company from a manufacturer of ceramic wall tiles to an investment holding company. He is a former President of the Master Builders Association, Malaysia and is now its Honorary President. He has wide experience in business, property construction and development in a career spanning over more than 40 years. He attended all the six Board meetings held for the financial year ended 31 January 2002. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Low Keng Boon

Mr. Low Keng Boon, aged 61, was appointed to the Board on 6 September 1982. He is the Group Managing Director and also manages Low Keng Huat (Singapore) Limited as Managing Director. His wide experience in building and construction is evidenced by the handling of prestigious projects like the OCBC and OUB buildings and the SIA Engineering Hangar in Singapore and the Sabah Foundation Building in Kota Kinabalu, Sabah. He was a member of the Singapore Construction Industry Development Board between March 1984 to March 1988. Mr. Low Keng Boon and Tan Sri Dato' Low Keng Huat are brothers. He attended all the six Board meetings held for the financial year ended 31 January 2002. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Low Wei Choong

Mr. Low Wei Choong, aged 43, joined the Board on 29 April 1997. He is an Executive Director of the Company as well as Chief Executive Officer of its subsidiary company, Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. He holds an MBA and a B.A in Finance and Accounting from University of Birmingham, United Kingdom. He has more than 18 years experience in general management and has also spent more than 10 years in Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. in various departments before assuming his present post. Mr. Low is a nephew of Tan Sri Dato' Low Keng Huat and Mr. Low Keng Boon. He attended all the six Board meetings held for the financial year ended 31 January 2002. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Chua Yang Hong

Mr. Chua Yang Hong, aged 54, was appointed an Executive Director of the Company on 18 April 1990. He is an accountant by profession and has more than 25 years of experience in the building and construction industry. He has spent a few years overseeing the interests of Low Keng Huat (Singapore) Limited in Taiwan, Hong Kong and China. He attended four out of the six Board meetings held for the financial year ended 31 January 2002. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Profile Of Board Of Directors (Cont'd)

Wong Bin Chen

Mr. Wong Bin Chen, aged 71, was appointed to the Board on 10 June 1975. He has wide experience in business and property development in a career spanning more than 40 years. He sits on the Board of Rediffusion Berhad. He is also an active committee member of a few educational and welfare organizations. He attended five out of the six Board meetings held for the financial year ended 31 January 2002. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Raja Datuk Karib Shah bin Raja Shahrudin

Raja Datuk Karib Shah bin Raja Shahrudin, aged 67, was appointed to the Board on 27 May 1981. He holds a post graduate Diploma in Management Science from Robert Gordon University, Aberdeen, United Kingdom. He spent the early part of his career in Majlis Amanah Rakyat ("MARA") and Bank Negara Malaysia. He was until 31 May 2001 the Director of Common Forge Berhad (formerly known as Cempaka Finance Berhad). He attended all the six Board meetings held for the financial year ended 31 January 2002. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Wan Ismail bin Wan Nik

Encik Wan Ismail bin Wan Nik, aged 55, joined the Board on 17 February 1984. He holds a Bachelor of Economics Degree from University of Malaya. He completed the Chartered Institute of Secretary and Administrator examination in June 1970 and Securities Institute of Australia in 1972. He has over 30 years of diversified business experience including commercial banking investment, property development, manufacturing and trading. He was a director and later the Executive Chairman of CME Group, a second board company listed on the KLSE until 31 August 2000. He is also an Executive Director of Grand United Holdings Berhad and a Director of Leader Universal Holdings Berhad. In addition, he also sits on the Boards of a number of private limited companies. He attended all the six Board meetings held for the financial year ended 31 January 2002. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Marco Low Peng Kiat

Mr. Marco Low Peng Kiat, aged 30, is an Executive Director of the Company. He holds a Bachelor of Science in Management & Systems from City University, England. He has spent about two years in the corporate finance unit of one of the big five international accounting firms before joining Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. as Executive Director on 29 January 1997. He was appointed to the Board on 21 April 1998. Mr. Marco Low is the son of Tan Sri Dato' Low Keng Huat. He attended all the six Board meetings held for the financial year ended 31 January 2002. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Cheong Chee Leng

Mr. Cheong Chee Leng, aged 50, was appointed Executive Director of the Company on 18 April 2001. He is a Fellow member of both the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators, United Kingdom and a member of the Malaysian Institute of Accountants. Mr. Cheong joined the Company in 1986 and has worked in various capacities within the GCB Group. He attended all the five Board meetings held for the financial year ended 31 January 2002 since his appointment as Director. He has no conflict of interest with the Company and has no conviction for any offence within the past 10 years.

Chairman's Statement



*Tun Mohammed Hanif bin Omar
(Chairman)*

On behalf of the Board of Directors, I am pleased to present the Thirty-Third Annual Report and Financial Statements of your Company for the financial year ended 31 January 2002.

REVIEW OF RESULTS

The Group achieved a pre-tax profit of RM 6.3 million for the financial year ended 31 January 2002 compared to RM 4.1 million in the preceding year. The improved results were mainly due to profits generated from sale of the Group's freehold 2 1/2 storey superlink houses in Phase 1 Taman Esplanad, Bukit Jalil and the improved results from Low Keng Huat (Singapore) Limited ("LKHS"), the Group's 49% owned associated company, which achieved a profit after tax of SGD 2.7 million compared with SGD 1.9 million in the previous year.

CORPORATE DEVELOPMENT AND PROSPECTS

The Group sees exciting times ahead now that the development of Taman Esplanad, Bukit Jalil has commenced. The project comprising 416 units

of 2 1/2 storey superlink houses, 20 units strata semi-detached houses and 69 units shophouses, all freehold units, is expected to be undertaken over a span of 3 years. The response to the superlink houses has been overwhelming.



Asession of the crowd at Plaza Ampang City for the launch of Taman Esplanad, Bukit Jalil.

100 units of the superlink houses under Phase 1A were sold out in a pre-launch sale in October 2001. 133 units under Phase 1B were sold out within hours of the sales launch in January 2002. A further 88 units under Phase 2A were sold out in May 2002. The remaining units under Phase 2B is expected to be launched at the end of the year. Meanwhile at the site, earthworks, associated infrastructural works and building foundation works are currently in rapid progress.



Site view of Taman Esplanad

Chairman's Statement (Cont'd)

The next stage of development involving the semi-detached residential units and shophouses are currently in the planning and design development stage. We anticipate good response to this development.

LKHS in Singapore successfully completed the Singapore Press Holdings Ltd's Headquarter building on schedule. Projects currently under construction namely, the Sengkang HDB and the Tampines Executive Condominium (the Eden) with combined contract value of SGD 145 million are on schedule. LKHS managed to secure the Bukit Batok Executive Condominium project (the Madeira) with a contract value of SGD 75 million. LKHS will continue with its strategy of selective tendering for new projects that will enhance profitability.

The Duxton hotel chain under LKHS are operating well within industry standards. Duxton Perth was voted the best hotel in Western Australia while the Saigon Prince Hotel in Ho Chi Minh city was voted the best boutique hotel in Vietnam. LKHS investment in CHIJMES, a restored heritage building at Victoria



CHIJMES, Victoria Street, Singapore

Street, Singapore offering quality dining, retail and entertainment outlets remains profitable and lease renewals have been negotiated at higher rental rates.

Reduced export sales after September 2001, lower stockholding levels by dealers and intense competition in the motorcycle tyre industry have resulted in a decline in turnover from the manufacturing division. The division is however, committed to improving profitability through stringent resource management and optimum operational processes.

DIVIDEND

The Board is pleased to recommend a First and Final Dividend of 3% less tax (Last year : Nil) for approval of shareholders at the Annual General Meeting to be held on 29 July 2002. If approved, the Dividend will be paid on 20 August 2002.

APPRECIATION

On behalf of the Board, I take this opportunity to express my sincere appreciation to the Management and staff of the Group for their invaluable contributions and commitment to the Group and to thank all shareholders, business associates and customers of the Group for their valued support.

Tun Mohammed Hanif bin Omar

Chairman

28 May 2002

Audit Committee Report

The Audit Committee was established by the Board of Directors on 14 April 1994. Its composition and terms of reference were reviewed on 27 June 2001 to comply with the Listing Requirements of the Kuala Lumpur Stock Exchange (“KLSE”).

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Composition

The Audit Committee shall be appointed by the Board from among their members and shall comprise of not fewer than 3 members of whom the majority must be independent. At least one member must be a member of the Malaysian Institute of Accountants (“MIA”).

The members of the Audit Committee shall elect a chairman from amongst themselves who shall be an independent Director.

Quorum

The quorum for the meeting shall be two members and the majority of the members present must be independent Directors.

Duties

The duties of the Audit Committee shall be:

- (a) to consider the appointment of the internal and external auditors, the audit fees and any question of resignation or dismissal;
- (b) to discuss with the internal and external auditors, their scope, procedures, audit results and reports;
- (c) to keep under review the effectiveness of the internal control systems and in particular review the internal audit reports and external auditors’ management letter and management’s response;
- (d) to review the quarterly and year-end financial statements, before submission to the Board, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements.
- (e) to review any related party transaction and conflict of interest situation that may arise within the Group;
- (f) to report promptly to the KLSE on any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of the KLSE; and
- (g) to carry out such other functions and duties as may be agreed to by the Committee and the Board.

Audit Committee Report (Cont'd)

Rights

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It has the authority to seek any information it requires from the internal and external auditors, and any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised to obtain independent professional advice, at the Group's expense, in discharge of its duties.

Meetings

The Audit Committee shall meet at least 4 times in a financial year.

The quorum of the meeting shall be two and the majority of the members in attendance must be independent directors.

In addition, the Chairman may call a meeting of the Audit Committee if requested by the internal or external auditors.

The Company Secretary shall be responsible for drawing up the agenda and circulating it to Audit Committee members prior to each meeting. The Company Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members.

Other Directors and employees may attend any particular meeting only at the Audit Committee's invitation, specific to the relevant meeting.

Composition and Meetings

The current members of the Audit Committee are:

	Number of meetings	Attendance of meetings
Wan Ismail bin Wan Nik Chairman, Independent Non-Executive Director (appointed Chairman on 27 June 2001)	5	5
Wong Bin Chen Independent Non-Executive Director (resigned as Chairman on 27 June 2001)	5	5
Cheong Chee Leng Non-Independent Executive Director and MIA member (appointed on 27 June 2001)	*3	3
Low Wei Choong Executive Director (resigned on 27 June 2001)	#2	1

* Number of meetings held since date of appointment.

Number of meetings held before date of resignation.

The Group Accountant and other members of the senior management were invited to attend these meetings as and when necessary.

Audit Committee Report (Cont'd)

Summary of activities of the Audit Committee

During the financial year ended 31 January 2002, the activities of the Audit Committee were as follows:

- (a) reviewed the draft audited financial statements of the Group for the financial year ended 31 January 2002;
- (b) reviewed the unaudited quarterly report on the consolidated results of the Group for the quarters ended 31 January 2001, 30 April 2001, 31 July 2001 and 31 October 2001;
- (c) reviewed the external auditors' reports in relation to their audit findings, the accounting issues arising from the audit and management's response thereon;
- (d) noted new developments in accounting standards issued by the Malaysian Accounting Standards Board;
- (e) recommended the appointment of internal auditors; and
- (f) discussed with the external auditors their audit plan.

Summary of Activities of the Internal Audit Function

The internal audit function was outsourced to Horwath Mok & Poon on 12 July 2001 to assist the Audit Committee in ensuring the adequacy and effectiveness of the internal control systems of the Group. The work performed during the financial year included:

- (a) reviewing the internal control systems of a manufacturing subsidiary;
- (b) identifying the key risk areas and their corresponding controls in place for both the construction and property development subsidiaries; and
- (c) developing an internal audit plan for both the construction and property development subsidiaries according to (b) above. This plan was approved by the Audit Committee subsequent to the financial year end with comments on additional areas to be reviewed.

With the assistance of the external consultants, the Group is in the process of formalising its risk management framework.

A number of minor internal control weaknesses were identified during the financial year, all of which have been, or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

Corporate Governance Statement

The Malaysian Code of Corporate Governance (“Code”) issued in March 2000 sets out the principles and best practices on structures and processes that listed companies should adopt towards realising an optimal governance framework. In compliance with the Listing Requirements of the Kuala Lumpur Stock Exchange (“KLSE”), the Board of Directors of General Corporation Berhad (“GCB”) herewith sets out the GCB Group’s application of the principles and the extent of compliance with best practices as set out in the Code.

The GCB Group has complied with the best practices of the Code throughout the financial year ended 31 January 2002, except as mentioned below:-

Provision of the Code	Details	Reasons
Part 1, B III	Remuneration of each Director	The Board is of the opinion that the Directors’ remuneration disclosures as required to be disclosed in the annual report in accordance with the Listing Requirements of the KLSE is sufficient for the purpose of transparency and accountability.
Part 2, AA XIII	Orientation and education programme for new Directors	The Board is in the process of developing a programme for new Directors.
Part 2, AA X	Nomination Committee (“NC”)	The NC is in the process of formalising procedures for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director.
Part 2, AA XXIV	Remuneration Committee (“RC”)	The RC is in the process of formalising procedures for reviewing the remuneration packages of the Executive Directors.

The Board of Directors

Composition and Balance

During the financial year, the Board has 10 members, comprising 3 independent Non-Executive and 7 Executive Directors. This composition complies with paragraph 15.02 of the Listing Requirements of the KLSE which requires that at least two Directors or one-third of the Board of GCB, whichever is the higher, are independent Directors.

Together, the Directors bring depth, diversity in experience and expertise to the Group’s operations. There is also a balance in the Board as the independent Non-Executive Directors bring to bear objective and independent judgement to the decision making process of the Board. This acts as a check and balance mechanism for the Executive Directors. The Board is satisfied that its current membership fairly reflects the investment of minority shareholders in the Company and represents the required mix of skills and experience required to discharge the Board’s duties and responsibilities. Furthermore, there is no one Director or group of Directors that can dominate the Board’s decision making.

There is also a clear division of responsibility between the Chairman and the Executive Deputy Chairman and the Group Managing Director to ensure that there is a balance of power and authority. The Chairman is responsible for the running of the Board, whilst the Executive Deputy Chairman and the Group Managing Director are responsible for the day-to-day management of the Group’s business operations and implementation of decisions of the Board.

The profiles of the members of the Board are set out in this Annual Report on pages 5 and 6.

Corporate Governance Statement (Cont'd)

Duties and Responsibilities

The Board of GCB is primarily responsible for:

- (a) reviewing and adopting a strategic plan for the Group;
- (b) overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- (c) identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- (d) succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- (e) developing and implementing an investor relations program or shareholder communications policy for the Company; and
- (f) reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Meetings

During the financial year ended 31 January 2002, the Board reviewed the Group divisional business reports and results and also considered and reviewed the Group's quarterly results prior to their announcement to the KLSE. The Board also deliberated on significant investments, strategic issues and business plans. Details of each Director's attendance of Board meetings are set out on pages 5 and 6.

Prior to each Board meeting, the Board members are provided with the meeting agenda and a set of Board papers on a timely basis. All Directors have access to the advice and services of the Company Secretary and where considered necessary, independent professional advisors are engaged, at the Group's expense to provide expert advice needed by the Board to make well informed decisions in the furtherance of their duties.

In addition, there is a formal schedule of matters reserved specifically for Board's decisions, these are generally significant matters relating to the business operations of the Group.

Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board hold office until the next annual general meeting and shall then be eligible for re-election. The Articles also provide that at least one-third of the remaining Directors be subject to retirement by rotation during the Company's annual general meeting and these retiring Directors be eligible for re-election. In any case, each Director shall retire from office at least once in every three years. This is in compliance with Part 1, A V of the Code.

Directors' Training

All the Board members have attended the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analysis Malaysia (RIIAM). The Board will ensure that all its members will attend such training programs as prescribed by the KLSE.

The Audit Committee ("AC")

The report of the AC is set out on pages 9 to 11.

Nomination Committee ("NC")

The NC was established on 23 March 2001 and members of the NC are as follows:

Wong Bin Chen (Chairman)	(Independent Non-Executive Director)
Raja Datuk Karib Shah bin Raja Shahrudin	(Independent Non-Executive Director)
Wan Ismail bin Wan Nik	(Independent Non-Executive Director)

Corporate Governance Statement (Cont'd)

The NC is entrusted with the following responsibilities and authorities:

- (a) recommend to the Board, candidates for all directorships to be filled by the Board or shareholders;
- (b) recommend to the Board, Directors to fill the seats on Board Committees;
- (c) consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer, any Director or shareholder; and
- (d) assessing Directors on an on-going basis.

The decision as to who should be nominated is the responsibility of the full Board.

Remuneration Committee ("RC")

The RC was established on 26 May 2001 and the members of the RC are as follows:

Tan Sri Dato' Low Keng Huat	(Executive Deputy Chairman)
Raja Datuk Karib Shah bin Raja Shahrudin	(Independent Non-Executive Director)
Wan Ismail bin Wan Nik	(Independent Non-Executive Director)

The RC is responsible for recommending to the Board the framework for the remuneration packages of Executive Directors.

Directors' Remuneration

The details of the remuneration of the Executive and Non-Executive Directors during the financial year ended 31 January 2002 are as follows: -

	Executive	Non-Executive	Total
Less than RM50,000	1	3	4
RM150,001 to RM200,000	2	-	2
RM200,001 to RM250,000	3	-	3
RM350,001 to RM400,000	1	-	1
Total	7	3	10

Accountability and Audit

Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's position and prospects in preparing the annual report/financial statements and quarterly announcements of the Group's results. The Responsibility Statement by the Directors pursuant to the Listing Requirements of the KLSE is set out on page 15.

Internal Control

The Board recognises the importance that a sound system of internal control contributes towards the integrity of the Group's accounting records and also towards the safeguarding of the Group's investment and assets.

The Group's Statement on Internal Control is set out on page 16.

Corporate Governance Statement (Cont'd)

Relationship with Auditors

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report on pages 9 to 11.

Relationship with shareholders and investors

Announcements of the Group's quarterly results, significant business development and transactions provide shareholders with the information of the Group's business performance and direction.

The Board recognises that the Annual General Meeting of GCB is an avenue for communication with shareholders and the Chairman of the meeting encourages meaningful dialogue between shareholders and members of the Board. Reasonable time is allocated for such discussions to ensure that items raised are adequately addressed.

The Board has assigned an Executive Director to address queries from shareholders and analysts.

Statement Of Directors' Responsibility In Respect Of The Preparation Of The Financial Statements

The Board is responsible for ensuring that the financial statements are drawn up in accordance with applicable approved accounting standards and the provisions of the Companies Act, 1965. In addition, they ensured that the financial statements give a true and fair view of the state of affairs of the Group and the Company at 31 January 2002 and of the results and cash flows of the Group and Company for the financial year ended on that date.

In preparing the financial statements, the Directors have used appropriate accounting policies, and made reasonable and prudent judgements and estimates.

The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the Group's assets and to prevent and detect fraud and other irregularities.

Other Information

There were no material contracts of the Company and its subsidiaries involving directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 January 2002 or entered into since the end of the financial year ended 31 January 2002.

Statement On Internal Control

Introduction

In accordance with the paragraph 15.27 (b) of the Listing Requirements of the Kuala Lumpur Stock Exchange ("KLSE"), the Board is pleased to include a statement on the state of the Group's internal control. The statement below outlines the nature and scope of the internal control of the Group during the financial year.

Board Responsibility

The Board acknowledges that it is ultimately responsible for the Group's system of internal control and risk management. The Board also affirms its responsibility for reviewing the adequacy and integrity of the internal control system. However, such a system is designed to manage rather than eliminate the risks that may impede the achievement of the Group's business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss.

During the financial year ended 31 January 2002, the Board outsourced its internal audit function to external consultants to review the effectiveness of the Group's system of internal control against the requirements outlined in the Statement on Internal Control: Guidance for Directors of Public Listed Companies issued by the KLSE's Task Force on Internal Control. Please refer to the Audit Committee Report on page 11 for a summary of the activities of the internal audit function.

Risk Management Framework

During the financial year ended 31 January 2002, the management with the assistance of the external consultants have commenced the development of the risk management framework. This initiative currently involves the identification of key risks of the property development and construction subsidiaries, as well as documenting the respective control that has been in place for managing the risks and assessing the effectiveness of the internal control. This process will be extended to the other major subsidiaries of the Company in the financial year ending 31 January 2003 and would be an on-going process used to identify, evaluate and manage significant risks. A summary of the significant risks and control will be provided to the Audit Committee on a half yearly basis.

Key elements of internal control

- (a) The Group has a dedicated team of employees, well conversant with their roles, responsibilities and authority levels in the organisation. Operational budgets guide work teams, while regular operational meetings between executive directors and divisional managers serve to monitor progress towards, and redress deviations from business plans. In addition, the Executive Directors and senior management also visit the sites as and when appropriate.
- (b) Documented Group Policies and Authorities ("GPA") govern the procedures, responsibilities and authority levels of employees in the Group. To further enhance elements of internal control, the Group is currently reviewing GPAs, revising and incorporating procedures and policies where necessary.
- (c) The internal audit function reviews the internal control in the key activities of the Group's business and functional units. The internal audit function adopts a risk-based approach and prepares its one-year audit strategy and plan based on the key risk profiles of the business and functional units of the Group. Certain selected key risk areas will be reviewed and tested for further enhancement of their control.
- (d) The independent internal audit function reports directly to the Audit Committee. The Board is pleased to report that there were no significant adverse findings during the financial year ended 31 January 2002. All recommendations suggested by the internal audit function to improve the internal control are considered and implemented in concert with Management.

The Board of Directors
General Corporation Berhad
28 May 2002

Directors' Report

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

PRINCIPAL ACTIVITIES

The principal activities of the Company comprise quarry operations, investment holding and provision of management services.

The principal activities of the subsidiaries consist of investment holding, construction, property development, property investment, property management, manufacturing, trading and provision of management services.

The associated companies are engaged in construction, project management, property investment, property development, hotel operations, trading, manufacturing, provision of management services and investment holding.

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

FINANCIAL RESULTS

	GROUP RM'000	COMPANY RM'000
Profit for the year	1,366	15,373

There were no material transfers to or from reserves or provisions during the year.

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

DIRECTORS

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

Tun Mohammed Hanif bin Omar
Tan Sri Dato' Low Keng Huat
Low Keng Boon
Chua Yang Hong
Wong Bin Chen
Raja Datuk Karib Shah bin Raja Shahrudin
Wan Ismail bin Wan Nik
Low Wei Choong
Marco Low Peng Kiat
Cheong Chee Leng

Directors' Report (Cont'd)

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement, to which the Company is a party, whereby the Directors might acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

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

THE COMPANY

General Corporation Berhad

	<u>Number of Ordinary Shares of RM1 each</u>			
	<u>As at 1.2.2001</u>	<u>During the year</u>		<u>As at 31.1.2002</u>
		<u>Acquired</u>	<u>Sold</u>	
Direct:				
Tun Mohammed Hanif bin Omar	177,832	-	-	177,832
Tan Sri Dato' Low Keng Huat	19,834,695	-	-	19,834,695
Low Keng Boon	22,636,503	-	-	22,636,503
Chua Yang Hong	4,007,026	-	-	4,007,026
Wong Bin Chen	8,002	-	-	8,002
Wan Ismail bin Wan Nik	880,140	-	-	880,140
Low Wei Choong	62,000	-	-	62,000
Marco Low Peng Kiat	10,000	-	-	10,000
Cheong Chee Leng	-	35,000	-	35,000
Indirect interest held through Body Corporate:				
Tan Sri Dato' Low Keng Huat	31,236,548	1,998,000	-	33,234,548
Low Keng Boon	24,355,531	1,998,000	-	26,353,531
Wong Bin Chen	1,310,000	-	-	1,310,000
Low Wei Choong	23,705,000	1,998,000	-	25,703,000
Marco Low Peng Kiat	31,236,548	1,998,000	-	33,234,548

The Directors are deemed to have an interest in the shares of the subsidiary companies to the extent that General Corporation Berhad has an interest by virtue of their interest in the Company as disclosed.

During the year, two Directors of the Company namely, En. Wan Ismail bin Wan Nik and Mr. Cheong Chee Leng acquired properties amounting to RM521,415 and RM519,660 respectively from a subsidiary company of the Group.

Since the end of the previous financial year and at the date of this report, no Director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the Group financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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.

SUBSEQUENT EVENT

In view of the depressed commercial property market, the Board of Directors of the Company had on the 25 March 2002, resolved not to proceed with the Sale and Purchase Agreement entered into between Sunsoft Sdn. Bhd., a subsidiary company and Pengurusan Danaharta Nasional Berhad to acquire 4,224 sq. metres of commercial land. Consequently, an amount of RM2,218,889 representing the 10% of the purchase price was forfeited by the vendor and is written off to the income statement, as disclosed in Note 5 to the financial statements.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheet of the Company and of the Group were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the Company and the Group inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Company and of the Group misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company and of the Group which would render any amount stated in the financial statements and consolidated financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Company or of the Group 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 Company or of the Group which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company or of the Group to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

Directors' Report (Cont'd)

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

On behalf of the Board,

TUN MOHAMMED HANIF BIN OMAR

)

)

)

)

DIRECTORS

)

)

TAN SRI DATO' LOW KENG HUAT

)

Kuala Lumpur, Malaysia
28 May 2002

Income Statements

FOR THE YEAR ENDED 31 JANUARY 2002

	Note	GROUP		COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
REVENUE	3	127,567	117,803	6,298	4,874
Cost of sales	4	(89,668)	(81,402)	(4,181)	(3,053)
GROSS PROFIT		37,899	36,401	2,117	1,821
Other income		6,340	3,382	24,518	23,935
Distribution expenses		(8,588)	(9,037)	-	-
Administration expenses		(19,490)	(20,077)	(2,147)	(3,167)
Other operating expenses		(9,520)	(7,092)	(3,334)	(3,295)
OPERATING PROFIT	5	6,641	3,577	21,154	19,294
Finance cost	6	(5,484)	(4,045)	(1,933)	(1,859)
Share of associates' results		5,097	4,566	-	-
PROFIT BEFORE TAXATION		6,254	4,098	19,221	17,435
Taxation	7	(3,710)	(3,706)	(3,848)	(4,107)
PROFIT AFTER TAXATION		2,544	392	15,373	13,328
Minority interest		(1,178)	(889)	-	-
PROFIT/(LOSS) FOR THE YEAR		1,366	(497)	15,373	13,328
Basic earnings/(loss) per share (sen)	8	0.46	(0.17)	5.17	4.49
Dividend per share (sen)	9	2.16	-	2.16	-

The notes on pages 26 to 46 form an integral part of these financial statements.

Balance Sheets

AT 31 JANUARY 2002

	Note	GROUP		COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
PROPERTY, PLANT AND EQUIPMENT	10	81,754	84,306	1,695	1,965
INVESTMENT PROPERTIES	11	59,859	59,261	-	-
DEVELOPMENT PROPERTIES	12	146,651	179,209	-	-
SUBSIDIARY COMPANIES	13	-	-	130,455	130,455
ASSOCIATED COMPANIES	14	138,839	136,527	75,076	75,076
OTHER INVESTMENTS	15	7,061	8,225	-	325
INTEREST IN JOINT VENTURE	16	5,972	5,972	5,972	5,972
LONG TERM RECEIVABLES	17	-	69	-	-
CURRENT ASSETS					
Inventories	18	59,761	61,499	2,524	2,368
Property development in progress	19	33,471	-	-	-
Amount due from customers	20	1,698	1,001	-	-
Receivables	21	60,078	48,709	346,201	338,877
Deposits with licensed banks		8,637	8,862	182	-
Cash and bank balances		7,823	5,411	340	327
		171,468	125,482	349,247	341,572
CURRENT LIABILITIES					
Payables	22	41,403	35,811	63,013	73,172
Bank borrowings	23	57,434	51,572	13,660	11,679
Taxation		1,724	4,003	86	201
Proposed dividend		6,417	-	6,417	-
		106,978	91,386	83,176	85,052
NET CURRENT ASSETS		64,490	34,096	266,071	256,520
		504,626	507,665	479,269	470,313
Financed by:					
SHARE CAPITAL	24	297,085	297,085	297,085	297,085
RESERVES	25	174,038	175,454	181,471	172,515
SHAREHOLDERS' FUNDS		471,123	472,539	478,556	469,600
MINORITY SHAREHOLDERS' INTERESTS		7,332	6,164	-	-
LONG TERM AND DEFERRED LIABILITIES	26	26,171	28,962	713	713
		504,626	507,665	479,269	470,313

The notes on pages 26 to 46 form an integral part of these financial statements.

Statements Of Changes In Equity

FOR THE YEAR ENDED 31 JANUARY 2002

Group	Non-distributable Reserves				Distributable Reserves			Total RM'000
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserve RM'000	Exchange Reserve RM'000	Goodwill on Consolidation RM'000	Asset Realisation Reserve RM'000	Retained Profit RM'000	
At 1 February 2000 as previously reported	297,085	59,426	11,225	31,711	(29,227)	8,709	101,871	480,800
Change in accounting policy (Note 33)	-	-	-	-	-	-	(6,113)	(6,113)
Restated balance	297,085	59,426	11,225	31,711	(29,227)	8,709	95,758	474,687
Currency translation	-	-	-	(1,651)	-	-	-	(1,651)
Net loss not recognised in the income statements	-	-	-	(1,651)	-	-	-	(1,651)
Loss for the year	-	-	-	-	-	-	(497)	(497)
At 31 January 2001	297,085	59,426	11,225	30,060	(29,227)	8,709	95,261	472,539
Currency translation	-	-	-	(68)	-	-	-	(68)
Realisation on disposal of investment properties	-	-	(450)	-	-	-	-	(450)
Surplus on disposal of investments	-	-	-	-	-	4,153	-	4,153
Net (losses)/gain not recognised in the income statements	-	-	(450)	(68)	-	4,153	-	3,635
Profit for the year	-	-	-	-	-	-	1,366	1,366
Dividend	-	-	-	-	-	-	(6,417)	(6,417)
At 31 January 2002	297,085	59,426	10,775	29,992	(29,227)	12,862	90,210	471,123

Company	Non-distributable Reserves			Distributable Reserves		Total RM'000
	Share Capital RM'000	Merger Reserve RM'000	Share Premium RM'000	Asset Realisation Reserve RM'000	Retained Profit RM'000	
At 1 February 2000	297,085	13,601	59,426	5,870	80,290	456,272
Profit for the year	-	-	-	-	13,328	13,328
At 31 January 2001	297,085	13,601	59,426	5,870	93,618	469,600
Profit for the year	-	-	-	-	15,373	15,373
Dividend	-	-	-	-	(6,417)	(6,417)
At 31 January 2002	297,085	13,601	59,426	5,870	102,574	478,556

The notes on pages 26 to 46 form an integral part of these financial statements.

Cash Flow Statements

FOR THE YEAR ENDED 31 JANUARY 2002

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	6,254	4,098	19,221	17,435
Adjustments for:				
Share of associates' results	(5,097)	(4,566)	-	-
Depreciation	5,487	5,839	431	808
Provision for losses in investment properties and development project	225	237	-	-
Bad and doubtful debts write back	(1,092)	(2,208)	-	-
Gain on disposal of investment properties	(220)	-	-	-
Gain on disposal of property, plant and equipment	(291)	(97)	(4)	(10)
Surplus on sale of other investments	(2,049)	(273)	(1,998)	-
Surplus on liquidation of subsidiary	-	(723)	-	-
Dividend income	(70)	(88)	(17,280)	(17,733)
Interest income	(336)	(1,037)	(5,157)	(6,098)
Interest expense	5,484	4,045	1,933	1,859
Operating profit/(loss) before working capital changes	8,295	5,227	(2,854)	(3,739)
Stocks	1,738	(1,694)	(156)	(830)
Receivables	(10,208)	9,112	(804)	(761)
Payables	5,749	(5,615)	209	378
Subsidiaries	-	-	(17,090)	(62,145)
Associates	(353)	4,680	202	572
Cash generated from/(used in) operations	5,221	11,710	(20,493)	(66,525)
Interest expense	(5,484)	(4,045)	(1,933)	(1,859)
Tax paid	(3,380)	(3,923)	(3,963)	(4,908)
Retirement benefits	-	(88)	-	-
Interest income	336	1,037	5,157	6,098
Net cash (used in)/generated from operating activities	(3,307)	4,691	(21,232)	(67,194)

Cash Flow Statements (Cont'd)

FOR THE YEAR ENDED 31 JANUARY 2002

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(4,290)	(7,851)	(161)	(354)
Proceeds from disposal of property, plant and equipment	518	231	4	569
Purchase of investment properties	(1,028)	-	-	-
Expenditure on development properties	(2,539)	(75,246)	-	-
Proceeds from disposal of investment properties	650	-	-	-
Purchase of other investments	(43)	(1,805)	-	-
Proceeds from disposal of investments	7,409	2,130	2,323	-
Proceeds from disposal of associate	-	496	-	-
Return of capital in subsidiary	-	1,690	-	-
Dividend received	70	88	17,280	17,733
Long term receivables	69	48	-	-
Deposits pledged with licensed banks	27	141	-	-
Net cash generated from/(used in) investing activities	843	(80,078)	19,446	17,948
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	-	(6,417)	-	(6,417)
Term loans	1,699	3,158	-	-
Other borrowings	(3,837)	12,989	(750)	3,000
Net cash (used in)/generated from financing activities	(2,138)	9,730	(750)	(3,417)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,602)	(65,657)	(2,536)	(52,663)
CASH AND CASH EQUIVALENTS AT 1 FEBRUARY	(13,301)	52,356	(8,352)	44,311
CASH AND CASH EQUIVALENTS AT 31 JANUARY (Note 27)	(17,903)	(13,301)	(10,888)	(8,352)

The notes on pages 26 to 46 form an integral part of these financial statements.

Notes To The Financial Statements

31 JANUARY 2002

1. GENERAL

The Company is a limited liability company domiciled in Malaysia.

The financial statements are expressed in Ringgit Malaysia.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting

The financial statements of the Company are prepared under the historical cost convention, modified to include the revaluation of the investment properties unless otherwise as disclosed in the other significant accounting policies, and comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

(ii) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies for the year ended 31 January 2002. Subsidiary companies are consolidated on the acquisition method of accounting.

The results of a subsidiary company acquired or disposed of are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are incorporated in the consolidated financial statements. The difference between the cost of acquisition and the fair value of the net assets in the subsidiary companies is reflected as reserve or goodwill on consolidation and is dealt with through reserves.

For the purpose of consolidation, the financial statements of any foreign incorporated subsidiary are translated into Ringgit Malaysia as follows:

Assets and liabilities	-	at year-end rate
Share capital and reserves	-	at historical rate
Revenue and expenses	-	at average rate for the year

Translation gains and losses are taken up and reflected in translation adjustment account under reserves.

Investment in subsidiary companies is stated at cost unless in the opinion of the Directors, there has been a permanent diminution in value, in which case, provision is made for the diminution in value.

(iii) Associated Companies

An associated company is a company, not being a subsidiary, in which the Group has a long term interest of not less than 20% of the equity capital and in which it exercises significant influence over the financial and operating policies of the company.

Investment in associated companies is stated at cost unless in the opinion of the Directors, there has been a permanent diminution in value, in which case, provision is made for the diminution in value.

The Group's share of the results of associated companies is included in the consolidated income statement.

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group's share of retained profits and reserves of the associated companies since the date of acquisition is added to the cost of investment in the consolidated balance sheet.

(iv) Income Recognition

(a) Dividend

Dividends from subsidiary are recognised in the income statements as and when proposed. Interim dividends from other investee companies, including associates, are recognised as and when declared. Final dividends from other investee companies, including associate proposed before the company's balance sheet date are recognised provided they are approved on a date which precedes the adoption of these financial statements by the Directors.

(b) Rental

Rental income is recognised over the period of letting of properties.

(c) Property Development Projects

Income from disposal of properties developed for sale is recognised on the percentage of completion method.

(d) Construction Contracts

Profit on construction contracts is recognised on the percentage of completion method where the outcome of the contract can be reliably estimated. Full provision is made for all foreseeable losses. Where the outcome of the contract cannot be reliably estimated, profit is recognised on the full completion method.

(e) Sale of Goods and Services

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

(v) Property, Plant and Equipment and Depreciation

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

Freehold land is not depreciated. Other assets are depreciated on a straight line basis to write off the cost and valuation of the assets over the term of the estimated useful lives.

The principal annual rates used are as follows:

Freehold buildings	2% - 3%
Leasehold land	Amortised over period of lease
Leasehold buildings	50 years or period of lease whichever is shorter
Plant, machinery and equipment	10% - 20%
Motor vehicles	10% - 20%
Furniture and fittings	5% - 10%

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vi) Investment Properties

The Group regards as investment properties any land and buildings that are held for their investment potential and rental income. Investment properties are not depreciated as they are considered long term investments.

It is the policy of the Group to revalue its investment properties every five years or at such shorter period as may be considered to be appropriate, based upon the advice of Professional Valuers and Appraisers.

Realised revaluation surplus on the disposal of revalued investment is credited to income statement.

(vii) Development Properties

Development properties are reflected as long term assets unless significant development has been undertaken and is expected to be completed within the normal operating cycle, in which case such development properties are reflected as property development in progress under current assets.

(viii) Property Development In Progress

Property development in progress includes the cost of land currently being developed together with related development costs common to the whole project and direct building costs, plus attributable profit, less progress billing, and less anticipated losses, if any.

(ix) Investments

Investments held on a long term basis are stated at cost less provision for any permanent diminution in value.

(x) Joint Ventures

Investments in joint ventures represent contributions made by joint venture principals.

(xi) Inventories and Developed Properties for Sale

Developed properties for sale are stated at the lower of cost and net realisable value. The cost of developed properties comprises land and development costs.

Inventories are stated at the lower of cost and net realisable value on the first-in-first-out or average cost basis whichever is appropriate. Cost includes the actual cost of materials and incidentals in bringing the stocks into store and for manufactured stocks and work-in-progress, it also includes direct labour and appropriate production overheads. In arriving at net realisable value, due allowance is made for all obsolete and slow-moving items.

(xii) Construction Work-In-Progress

Contract revenue and the stage of completion of contracts in progress are recognised on the percentage of completion method by reference to the proportion of costs incurred to date in relation to the total estimated contract costs.

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

This includes the cost of materials, direct labour, direct overheads and a proportion of indirect overheads applicable to the stage of completion less progress billings receivable up to balance sheet date and less provision for anticipated losses.

(xiii) Receivables

Trade and other receivables are carried at anticipated realisable value. Known bad debts are written off and specific provision is made for debts that are considered to be doubtful of collection.

(xiv) Payables

Payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

(xv) Retirement Benefits

Provision for retirement benefits, charged as an expense as they arise in the statements, is made in respect of eligible employees of a subsidiary employed as at 31 December 1984. The plan is not extended to employees who resigned or joined after that date.

(xvi) Foreign Currency Translation

Foreign assets and liabilities are converted into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date and income statement items, where applicable, are converted at rates ruling on the transaction dates. Exchange differences are included in the income statement.

The principal closing rates used in translation of foreign currency amounts were as follows:

	Year-end rates	
	2002 RM	2001 RM
1 Singapore Dollar	2.07	2.18
1 US Dollar	3.80	3.80
1 AUS Dollar	1.93	2.08

(xvii) Deferred Taxation

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

(xviii) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank balances, net of bank overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

3. REVENUE

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Dividend income	70	88	-	-
Rental income and service charges	9,497	9,961	-	-
Sale of development properties	14,120	1,568	-	-
Invoiced value of goods sold	94,386	106,186	6,298	4,874
Construction revenue	9,494	-	-	-
	127,567	117,803	6,298	4,874

4. COST OF SALES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Land and development expenditure	11,011	1,265	-	-
Cost of goods sold	69,616	80,137	4,181	3,053
Construction cost	9,041	-	-	-
	89,668	81,402	4,181	3,053

5. OPERATING PROFIT

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
This is arrived at after charging/(crediting):				
Auditors' remuneration	241	201	50	50
Depreciation	5,487	5,839	431	808
Bad and doubtful debts write back	(1,092)	(2,208)	-	-
Rent of premises	45	137	269	269
Hire of plant and machinery	27	26	-	-
Provision for losses in investment properties and development projects	225	237	-	-
Gain on disposal of investment properties	(220)	-	-	-
Gain on disposal of property, plant and equipment	(291)	(97)	(4)	(10)
Realised foreign exchange gain	(484)	(202)	-	-
Dividend income (gross)				
- unquoted subsidiaries	-	-	(16,034)	(17,733)
- quoted other investments	(70)	(88)	(1,246)	-
Interest income				
- subsidiaries	-	-	(5,155)	(5,457)
- others	(336)	(1,037)	(2)	(641)
Management fees receivable from subsidiaries	-	-	(38)	(50)
Rental income	(386)	(387)	-	-
Deposit for land purchased forfeited	2,219	-	-	-
Surplus on sale of other investments	(2,049)	(273)	(1,998)	-
Surplus on liquidation of subsidiary	-	(723)	-	-
Staff costs	20,786	25,898	2,105	2,026
	728	794	51	51

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

5. OPERATING PROFIT (CONT'D)

In view of the depressed commercial property market, the Board of Directors of the Company had on the 25 March 2002, resolved not to proceed with the Sale and Purchase Agreement entered into between Sunsoft Sdn. Bhd., a subsidiary company and Pengurusan Danaharta Nasional Berhad to acquire 4,224 sq. metres of commercial land. Consequently an amount of RM2,218,889 representing the 10% of the purchase price was forfeited by the vendor and is written off in the income statement.

	Executive 2002 RM'000	Non - executive 2002 RM'000	Executive 2001 RM'000	Non - executive 2001 RM'000
GROUP				
Directors' Remuneration:				
Directors' fees	84	36	75	36
Salaries	1,103	-	908	-
Bonus	112	-	80	-
Benefits-in-kind	83	14	89	17
The number of Directors in each relevant remuneration band are as follows:				
RM1 - RM150,000	1	3	1	3
RM150,001 - RM200,000	2	-	2	-
RM200,001 - RM250,000	3	-	2	-
RM350,001 - RM400,000	1	-	1	-
	7	3	6	3
COMPANY				
Directors' Remuneration:				
Directors' fees	84	36	75	36
Salaries	756	-	565	-
Bonus	75	-	43	-
Benefits-in-kind	76	14	71	17
The number of Directors in each relevant remuneration band are as follows:				
RM1 - RM150,000	3	3	3	3
RM150,001 - RM200,000	1	-	1	-
RM200,001 - RM250,000	2	-	1	-
RM350,001 - RM400,000	1	-	1	-
	7	3	6	3

The Directors of the Company are of the opinion that related party transactions within the Group are in the normal course of business and at terms mutually agreed between the parties.

The Group profit after taxation and minority interest was reduced by RM673,000 from a previously announced unaudited profit of RM2,039,000 to an audited profit of RM1,366,000 due to a lower audited profit contribution from an associated company.

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

6. FINANCE COST

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Loans from subsidiaries	-	-	1,091	1,519
Term loans	1,082	1,560	-	-
Overdrafts and revolving credit	2,868	1,207	842	340
Others	1,534	1,278	-	-
	5,484	4,045	1,933	1,859

7. TAXATION

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Company and subsidiaries:				
Current taxation based on results for the year:				
- Malaysian	1,257	1,382	4,118	4,337
- Foreign	31	122	-	-
(Over)/under provision in prior years	(187)	400	(270)	(230)
	1,101	1,904	3,848	4,107
Deferred taxation	135	(381)	-	-
	1,236	1,523	3,848	4,107
Associated companies:				
- Foreign taxation	2,474	2,183	-	-
	3,710	3,706	3,848	4,107

The tax savings arising from the utilisation of brought forward unabsorbed tax losses and unutilised capital allowances for the Group amounted to approximately RM27 million and RM1.3 million respectively.

The disparity between the effective tax rates and the statutory tax rates were mainly due to losses incurred by certain subsidiaries for which group relief was not available, and certain expenses disallowed for tax purposes. In the case of the Company, certain income is exempted from taxation.

8. EARNINGS/(LOSS) PER SHARE

This is calculated based on the profit/(loss) after taxation and minority interests of the Group and the Company of RM1,366,000 (2001: (RM497,000)) and RM15,373,000 (2001: RM13,328,000) respectively and on the number of shares in issue during the year of 297,085,000 (2001: 297,085,000).

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

9. DIVIDEND

	GROUP/COMPANY	
	2002	2001
	RM'000	RM'000
Proposed final dividend - 3%, less tax at 28% (2001: Nil)	6,417	-

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold		Long Leasehold		Plant, machinery, furniture and fittings, motor vehicles and equipment	Capital construction in progress	Total
	Land	Building	Land	Building	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000			
GROUP							
At Cost							
At 1 February 2001	20,590	13,061	30	320	88,912	27,491	150,404
Exchange adjustment	(80)	(486)	-	-	(670)	-	(1,236)
	20,510	12,575	30	320	88,242	27,491	149,168
Additions	-	-	-	-	4,139	151	4,290
Disposals	-	-	-	-	(955)	-	(955)
At 31 January 2002	20,510	12,575	30	320	91,426	27,642	152,503
Accumulated Depreciation							
At 1 February 2001	-	3,437	9	125	62,527	-	66,098
Exchange adjustment	-	(37)	-	-	(71)	-	(108)
	-	3,400	9	125	62,456	-	65,990
Charge for the year	-	252	1	7	5,227	-	5,487
Disposals	-	-	-	-	(728)	-	(728)
At 31 January 2002	-	3,652	10	132	66,955	-	70,749
Net Book Value							
At 31 January 2002	20,510	8,923	20	188	24,471	27,642	81,754
At 31 January 2001	20,590	9,624	21	195	26,385	27,491	84,306
Depreciation charge for 2001	-	381	1	7	5,450	-	5,839

Freehold land with net book value of RM6,647,000 and plant, machinery, equipment and motor vehicles with net book value of RM5,850,000 held by a subsidiary are pledged to licensed banks for banking facilities granted to the subsidiary company.

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land RM'000	Plant, machinery, furniture and fittings, motor vehicles and equipment RM'000	Total RM'000
COMPANY			
At Cost			
At 1 February 2001	30	12,550	12,580
Additions	-	161	161
Disposals	-	(15)	(15)
At 31 January 2002	30	12,696	12,726
Accumulated Depreciation			
At 1 February 2001	9	10,606	10,615
Charge for the year	1	430	431
Disposals	-	(15)	(15)
At 31 January 2002	10	11,021	11,031
Net Book Value			
At 31 January 2002	20	1,675	1,695
At 31 January 2001	21	1,944	1,965
Depreciation charge for 2001	1	807	808

11. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Freehold land and buildings:				
- At cost	40,805	39,777	-	-
- At 1988 valuation	15,312	15,312	-	-
Long leasehold land and buildings:				
- At cost	3,742	3,742	-	-
- At 1994 valuation	-	430	-	-
	59,859	59,261	-	-

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

11. INVESTMENT PROPERTIES (CONT'D)

The investment properties were valued by the Directors in 1988 and 1994 based on independent professional valuation using an open market basis.

The Group had again commissioned independent professional valuers to revalue its investment properties in December 2001 and noted that the value of the investment properties approximates the value of the last revaluation.

The Group has not accounted for the deferred tax liability arising from the surplus on revaluation of investment properties as it is the intention of the Group not to sell these properties but to retain them on a long term basis.

12. DEVELOPMENT PROPERTIES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost:				
Freehold land	106,228	128,397	-	-
Leasehold land	21,803	25,184	-	-
Development expenditure	18,620	25,628	-	-
	146,651	179,209	-	-

Development properties at cost of RM42.5 million of certain subsidiaries were charged to banks for banking facilities granted to the Company and certain subsidiaries.

13. SUBSIDIARY COMPANIES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Unquoted shares at cost	-	-	150,681	150,681
Provision for diminution in value	-	-	(20,226)	(20,226)
	-	-	130,455	130,455

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

14. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Group's share of net assets upon acquisition in associated companies:				
- Quoted outside Malaysia	72,773	72,773	72,773	72,773
- Unquoted	25,664	24,638	-	-
	98,437	97,411	72,773	72,773
Premium on acquisition	2,303	2,303	2,303	2,303
	100,740	99,714	75,076	75,076
Share of profit (note a)	38,099	36,813	-	-
	138,839	136,527	75,076	75,076
(a) Share of profit				
At 1 February as previously reported	42,926	40,543	-	-
Change in accounting policy	(6,113)	(6,113)	-	-
Restated balance	36,813	34,430	-	-
Profit for the year	2,623	2,383	-	-
Dividend received	(1,337)	-	-	-
At 31 January	38,099	36,813	-	-
Market value of quoted shares	34,196	36,825	34,196	36,825

15. OTHER INVESTMENTS

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Shares quoted in Malaysia at cost	9,871	11,035	-	325
Provision for diminution in value	(3,000)	(3,000)	-	-
	6,871	8,035	-	325
Shares in unquoted corporations at cost	925	925	-	-
Provision for diminution in value	(735)	(735)	-	-
	190	190	-	-
	7,061	8,225	-	325
Market value of quoted investments	4,748	7,723	-	1,135

The above investments are held on a long term basis and the Directors are of the opinion that any diminution in value is not permanent.

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

16. INTEREST IN JOINT VENTURE

	GROUP/COMPANY	
	2002	2001
	RM'000	RM'000
Contributions to joint venture	5,972	5,972

Details of the joint venture are as follows:

Name of Joint Venture	Group's Effective Interest in Joint Venture		Principal Activities
	2002	2001	
Chong Li Plaza	40%	40%	Property development

There are no contingencies apparent at the date of this report and there are no further capital commitments in respect of the Joint Venture.

17. LONG TERM RECEIVABLES

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Loans receivable within one year (Note 21)	462	398	-	-
Loans receivable after one year	-	69	-	-
	462	467	-	-

The loans were given by a factoring and leasing subsidiary in prior years.

18. INVENTORIES

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
At cost				
Finished goods	17,646	16,772	850	975
Completed houses and offices	20,497	21,161	-	-
Work-in-progress	1,561	1,583	-	-
Raw and indirect materials	5,516	6,711	1,674	1,393
At net realisable value				
Completed apartments	14,541	15,272	-	-
	59,761	61,499	2,524	2,368

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

19. PROPERTY DEVELOPMENT IN PROGRESS

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost:				
Freehold land	24,745	-	-	-
Leasehold land	3,381	-	-	-
Development expenditure	15,053	-	-	-
	43,179	-	-	-
Add: Attributable profit	2,587	-	-	-
	45,766	-	-	-
Less: Progress billings	(12,295)	-	-	-
	33,471	-	-	-

20. AMOUNT DUE FROM CUSTOMERS

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Arising on contract work:				
- Construction costs	10,833	15,245	-	-
- Attributable profit	452	1,000	-	-
	11,285	16,245	-	-
Progress billings received and receivable	(9,587)	(15,244)	-	-
	1,698	1,001	-	-

21. RECEIVABLES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade receivables	34,686	30,700	1,510	1,692
Provision for doubtful debts	(6,853)	(10,779)	-	-
	27,833	19,921	1,510	1,692
Other receivables	6,308	11,282	3,552	2,805
Provision for doubtful debts	(1,215)	(1,393)	(509)	(748)
	5,093	9,889	3,043	2,057
Contract fees receivable	9,228	1,235	-	-
Loans receivable (Note 17)	462	398	-	-
Due from subsidiaries	-	-	337,441	330,921
Due from associates	17,462	17,266	4,207	4,207
	60,078	48,709	346,201	338,877

Included in trade and other receivables of the Group is an amount of RM2,776,055 due from Segambut Jaya Sdn. Bhd., a company in which certain Directors have equity interests.

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

22. PAYABLES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade payables	12,906	8,468	806	1,043
Other payables	17,649	16,338	1,768	1,322
Due to subsidiaries	-	-	54,213	64,783
Due to associates	10,848	11,005	6,226	6,024
	41,403	35,811	63,013	73,172

23. BANK BORROWINGS

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Term loans (Note 26)	3,184	3,184	-	-
Overdrafts				
- secured	6,876	590	5,880	-
- unsecured	25,511	25,282	5,530	8,679
Bankers' acceptances	14,613	13,965	-	-
Other borrowings				
- secured	3,000	59	-	-
- unsecured	4,250	8,492	2,250	3,000
	57,434	51,572	13,660	11,679

Overdraft facilities are secured by legal mortgages on certain subsidiaries freehold and leasehold properties, amounting to RM44.4 million.

Other borrowing is secured over certain freehold land of a subsidiary amounting to RM19 million.

The bank borrowings bear interest at 4.20% to 9.30% (2001: 4.40% to 9.30%) per annum.

24. SHARE CAPITAL

	GROUP/COMPANY	
	2002 RM'000	2001 RM'000
Authorised: 500,000,000 shares of RM1 each	500,000	500,000
Issued and fully paid: 297,084,626 shares of RM1 each	297,085	297,085

25. RESERVES

Based on estimated tax credits available, the retained profit of the Company is available for distribution by way of dividend without having to incur additional tax liability.

The Company has approximately RM13 million in its tax-exempt account for the distribution of tax-exempt dividend, subject to agreement by the Inland Revenue Board.

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

26. LONG TERM AND DEFERRED LIABILITIES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Term loans (Note a)	26,060	29,013	-	-
Repayable within one year (Note 23)	(3,184)	(3,184)	-	-
Repayable after one year	22,876	25,829	-	-
Employees' retirement benefits	350	391	-	-
Deferred taxation (Note b)	2,945	2,742	713	713
	26,171	28,962	713	713
(a) Term Loans				
Secured over housing lots of a subsidiary company. Repayment to commence after 55% of progress claims or lump sum repayment in August 2004, whichever is earlier	1,670	-	-	-
Secured by a registered first charge over land and property and a charge over term deposit of a subsidiary company with no fixed terms of repayment.	7,702	8,304	-	-
Unsecured loan repayable by quarterly instalments commencing January 2001	5,572	8,756	-	-
Secured by a legal charge over land and property, all other assets and uncalled capital of a subsidiary company. The loan is repayable by quarterly instalments commencing May 2001.	7,326	7,865	-	-
Unsecured loan repayable by annual instalments commencing 2003.	3,790	4,088	-	-
	26,060	29,013	-	-
Term loans repayment due:				
Within twelve months	3,184	3,184	-	-
Between one and two years	2,388	3,184	-	-
Between two and five years	20,488	22,645	-	-
	26,060	29,013	-	-

The term loans bear interest at 3.98% to 7.66% (2001: 7.67% to 8.03%) per annum.

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

26. LONG TERM AND DEFERRED LIABILITIES (CONT'D)

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
(b) Deferred taxation				
At 1 February	2,742	3,101	713	713
Transfer from/(to) income statement	135	(381)	-	-
Currency translation	68	22	-	-
At 31 January	2,945	2,742	713	713

The Group and the Company has not accounted for the following timing differences which would result in a debit to the deferred tax balance:

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Unabsorbed capital allowances	4,682	6,371	1,640	1,725
Tax losses	99,144	99,626	-	-
	103,826	105,997	1,640	1,725

27. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Cash and bank balances	7,823	5,411	340	327
Deposits with licensed banks	8,637	8,862	182	-
Bank overdrafts	(32,387)	(25,872)	(11,410)	(8,679)
	(15,927)	(11,599)	(10,888)	(8,352)
Less:				
Deposits pledged	(1,420)	(1,447)	-	-
Currency translation	(556)	(255)	-	-
	(17,903)	(13,301)	(10,888)	(8,352)

Included in the cash and bank balances are cash balances held under Housing Development Account of RM1,421,000 (2001: RM325,000) which represents monies received from purchasers of the Group's residential units less payment and withdrawal in accordance with the Housing Developers (Control and Licensing) Act 1966.

28. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Guarantees given to banks by the Company in respect of its subsidiaries - unsecured	-	-	53,457	51,164

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
29. CAPITAL COMMITMENTS				
Approved and contracted for	443	1,133	-	-
Approved but not contracted for	676	-	-	-

30. RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
(a) Dividend received from subsidiaries:				
- Regional Agriculture Corporation Sdn. Bhd.	-	-	16,034	17,733
(b) Interest charged to subsidiaries:				
- Low Keng Huat Berhad	-	-	59	62
- Huatland Development Sdn. Bhd. (formerly known as Ampang Specialist Centre Sdn. Bhd.)	-	-	4,396	3,384
- Housing Management & Development Sdn. Bhd.	-	-	-	726
- Nilaikota (M) Sdn. Bhd.	-	-	-	721
- Bandar Park Sdn. Bhd.	-	-	606	198
- Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd.	-	-	94	366
(c) Interest charged by a subsidiary:				
- Regional Agriculture Corporation Sdn. Bhd.	-	-	904	1,339
(d) Management fees charged to a subsidiary:				
- Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd.	-	-	38	50
(e) Office rental charged by a subsidiary, Huatland Development Sdn. Bhd. (formerly known as Ampang Specialist Centre Sdn. Bhd.)	-	-	269	269
(f) Properties acquired by Directors from a subsidiary, Huatland Development Sdn. Bhd. (formerly known as Ampang Specialist Centre Sdn. Bhd.):				
- Wan Ismail bin Wan Nik	521	-	-	-
- Cheong Chee Leng	520	-	-	-
- Pua Tat Hing, Director of Huatland Development Sdn. Bhd.	506	-	-	-
- Ng Say Thin, Director of Huatland Development Sdn. Bhd.	390	-	-	-

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

31. SEGMENTAL INFORMATION

	Revenue		Profit Before Tax		Total Assets	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
By Industry:						
Manufacturing	88,087	101,312	(544)	(53)	124,037	121,579
Property development, investment & others	39,480	16,491	1,730	(40)	397,894	389,950
Investment in associated company	-	-	5,068	4,191	118,900	116,749
	127,567	117,803	6,254	4,098	640,831	628,278
By Geographical Location:						
Malaysia	103,759	91,139	1,432	812	481,449	469,214
Singapore	-	-	5,400	4,309	118,900	116,749
Australia	23,808	26,664	(286)	(1,276)	39,184	41,022
Others	-	-	(292)	253	1,298	1,293
	127,567	117,803	6,254	4,098	640,831	628,278

32. GROUP COMPANIES

	Principal activities	Effective interest	
		2002 %	2001 %
PARENT COMPANY			
Incorporated in Malaysia			
General Corporation Berhad	Quarry operations, investment holding and management company	-	-
SUBSIDIARY COMPANIES			
Incorporated in Malaysia			
Ampang Development Sdn. Bhd. *+	Property development	100	100

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

32. GROUP COMPANIES (CONT'D)

	Principal activities	Effective interest	
		2002 %	2001 %
Anchor Corporation Sdn. Bhd. *	Property investment	100	100
Bandar Park Sdn. Bhd. *	Property development and investment	100	100
Binakawa Sdn. Bhd. *	Property development and investment	71	71
FK Realty Sdn. Bhd. *	Property development and investment	100	100
Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd.	Manufacture of rubber products	100	100
FKR Marketing Sdn. Bhd. *	Trading	100	100
GCB Equities Management Sdn. Bhd.	Inactive	100	100
GCB Properties Management Sdn. Bhd.*	Property management	100	100
Huatland Development Sdn. Bhd. (formerly known as Ampang Specialist Centre Sdn. Bhd.)	Property development and investment	100	100
GCB Trading Sdn. Bhd. *	Trading	100	100
General Equities Sdn. Bhd.	Investment holding	100	100
General Factoring & Credit Sdn. Bhd.	Inactive	100	100
General Hotels Group Sdn. Bhd. *	Inactive	100	100
Inoac FKR (M) Sdn. Bhd. *	Manufacture of rubber products	51	51
General Roof Tiles Sdn. Bhd. *	Inactive	100	100
General Sales and Services Sdn. Bhd. *+	Inactive	100	100
Housing Management & Development Sdn. Bhd. *	Property development	100	100
Imbi Jaya Holdings Sdn. Bhd. *	Inactive	100	100
Low Keng Huat Berhad	Construction and investment holding	100	100

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

32. GROUP COMPANIES (CONT'D)

	Principal activities	Effective interest	
		2002 %	2001 %
Nilaikota (M) Sdn. Bhd. *	Property development and investment	100	100
Ningxia Restaurant Sdn. Bhd. #	Inactive	60	60
Prudential Properties Sdn. Bhd. *	Inactive	100	100
Regional Agriculture Corporation Sdn. Bhd.	Inactive	100	100
Regional Equities Sdn. Bhd. *	Investment holding	100	100
Regional Plantations Sdn. Bhd. *	Inactive	100	100
Sunsoft Sdn. Bhd. *	Property development and investment	100	-
Trans-Crete Sdn. Bhd.	Management services	100	100
Vredestein FKR (M) Sdn. Bhd. *	Manufacture of rubber products	60	60
Incorporated in Singapore			
Trans-Crete Pte. Ltd. *+	Inactive	100	100
Incorporated in Australia			
English Style Confections Pty. Limited *+	Manufacture and sale of confectionery	100	100
Haryne Pty. Ltd. *+	Investment holding	55	55
Incorporated in Hong Kong			
Luen Hup Ltd. *+	Investment holding	75	75
ASSOCIATED COMPANIES			
Incorporated in Malaysia			
Ampang Leisuremall Sdn. Bhd. +	Property development	45	45

Notes To The Financial Statements (Cont'd)

31 JANUARY 2002

32. GROUP COMPANIES (CONT'D)

	Principal activities	Effective interest	
		2002 %	2001 %
Incorporated in Singapore			
Asian Inoue Rubber Pte. Ltd.	Investment holding	42	42
Low Keng Huat (Singapore) Limited +	Construction, project management, property investment, property developers, hotelier, trading, provision of management service and investment holding	49	49
Incorporated in China			
Shanghai Hong Fa Industrial Co. Ltd. +	Trading	34	34
Incorporated in Vietnam			
Inoue Rubber Vietnam Company Ltd.	Manufacture of rubber products	23	25

* Interest held through subsidiary companies

+ All companies are audited by Ernst & Young Global except those marked + which are audited by other firms

Under member's voluntary liquidation

33. PRIOR YEAR ADJUSTMENTS

As a result of changes in accounting policies, Low Keng Huat (Singapore) Ltd, an associated company, has made prior years adjustments in respect of provision for depreciation on freehold investment properties in hotel buildings which was reclassified as property, plant and equipment, and for write-offs of preliminary, pre-operations and deferred expenses. The Group's share of the adjustment amounted to RM1,370,446 and RM4,742,819 respectively.

The effect of the change is a decrease in investment in the opening retained profit at 1 February 2000.

Report Of The Auditors

TO THE MEMBERS OF GENERAL CORPORATION BERHAD

We have audited the financial statements set out on pages 21 to 46. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

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

We have considered the financial statements and the Auditors' Report of the subsidiaries for which we have not acted as auditors, as indicated in Note 32 to the financial statements, being financial statements which are included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries 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 those purposes.

The Auditors' Report on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Companies Act 1965.

ERNST & YOUNG AF:0039
Chartered Accountants

Thomas Arundel Andrew Scott 1060/03/04(JPH)

Kuala Lumpur, Malaysia
28 May 2002

Analysis Of Shareholdings

As at 5 June 2002

Share Capital

Authorised 500,000,000 Ordinary Shares of RM1.00 each RM500,000,000
 Issued and fully paid 297,084,626 Ordinary Shares of RM1.00 each RM297,084,626
 Voting Rights: One Vote per ordinary share

Distribution of Shareholdings

Size of Holdings	No. of Shares	%	No. of Shareholders	%
Less than 1,000	22,532	0.01	59	0.20
1,000 to 10,000	84,404,332	28.41	26,561	90.21
10,001 to 100,000	68,851,200	23.18	2,666	9.05
100,001 to less than 5% of issued shares	125,675,562	42.30	157	0.53
5% and above of issued shares	18,131,000	6.10	1	0.01
Total	297,084,626	100.00	29,444	100.00

Directors' Shareholdings

	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
1. Tun Mohammed Hanif bin Omar	177,832	0.06	Nil	-
2. Tan Sri Dato' Low Keng Huat	19,834,695	6.68	33,234,548	11.18
3. Low Keng Boon	22,636,503	7.62	26,353,531	8.87
4. Chua Yang Hong	4,007,026	1.35	Nil	-
5. Wong Bin Chen	8,002	0.00	1,310,000	0.44
6. Wan Ismail Bin Wan Nik	880,140	0.29	Nil	-
7. Low Wei Choong	62,000	0.02	25,703,000	8.65
8. Marco Low Peng Kiat	10,000	0.01	33,234,548	11.18
9. Cheong Chee Leng	100,000	0.03	Nil	-

Substantial Shareholders

Name of Shareholders	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
1. Tan Sri Dato' Low Keng Huat	19,834,695	6.68	33,234,548	11.18
2. Low Keng Boon	22,636,503	7.62	26,353,531	8.87
3. Low Wei Choong	62,000	0.02	25,703,000	8.65
4. Marco Low Peng Kiat	10,000	0.01	33,234,548	11.18
5. Seah Soh Seng	Nil	-	33,234,548	11.18
6. Low Chin Han	Nil	-	26,353,531	8.87
7. Loh Lee Yen	Nil	-	25,703,000	8.65
8. Low Keng Hoo @ Lau Keeng Foo	11,991,680	4.04	26,332,906	8.86
9. Low Keng Huat Holdings Sdn. Bhd.	7,531,548	2.53	25,703,000	8.65
10. Low Keng Huat Brothers (Holdings) Sdn. Bhd.	25,573,000	8.61	130,000	0.04
11. Low Keng Boon Holdings Sdn. Bhd.	650,531	0.22	25,703,000	8.65
12. Low Keng Boon Investments Pte. Ltd.	Nil	-	26,353,531	8.87
13. Low Keng Hoo Holdings Sdn. Bhd.	629,906	0.21	25,703,000	8.65
14. Low Keng Seng Holdings Sdn. Bhd.	Nil	-	25,703,000	8.65

Analysis Of Shareholdings (Cont'd)

As at 5 June 2002

Thirty Largest Shareholders

Name of Shareholders	No. of Shares	% of Total
1. Low Keng Huat Brothers (Holdings) Sdn. Bhd.	18,131,000	6.10
2. UOBM Nominees (Asing) Sdn. Bhd. OUBN for Low Keng Boon (2048700602-A470)	14,513,503	4.89
3. UOBM Nominees (Tempatan) Sdn. Bhd. OUBN for Tan Sri Dato' Low Keng Huat (20468869-T279)	10,000,000	3.37
4. Low Keng Hoo @ Lau Keeng Foo	6,577,000	2.21
5. UOBM Nominees (Tempatan) Sdn. Bhd. OUBN for Low Keng Hoo @ Lau Keeng Foo (2048700603-T277)	5,559,680	1.87
6. The Central Depository (Pte) Limited	5,364,000	1.81
7. Mayfin Nominees (Tempatan) Sdn. Bhd. Pledged Securities A/C for CRSC Property Sdn. Bhd. (MDTS)	5,130,000	1.73
8. UOBM Nominees (Tempatan) Sdn. Bhd. Pledged Securities A/C for Low Keng Huat Holdings Sdn. Bhd. (6110558865-T273)	5,000,000	1.68
9. Low Keng Boon @ Lau Boon Sen	4,571,913	1.54
10. Tan Sri Dato' Low Keng Huat	3,666,534	1.23
11. HLG Nominee (Tempatan) Sdn. Bhd. Pledged Securities A/C for Tan Sri Dato' Low Keng Huat	3,535,627	1.19
12. Ke-Zan Nominees (Asing) Sdn. Bhd. Kim Eng Ong Asia Securities Pte. Ltd. for Fong Siew Heng	3,382,026	1.14
13. David Yong @ Yong Joon Kong	2,745,000	0.92
14. Chia Hook Soo	2,639,026	0.89
15. Low Keng Huat Holdings Sdn. Bhd.	2,531,548	0.85
16. UOBM Nominees (Asing) Sdn. Bhd. OUBN for Chua Yang Hong (2042611201-A459)	2,530,000	0.85
17. Low Keng Huat Brothers (Holdings) Sdn. Bhd.	2,242,000	0.75
18. Southern Nominees (Tempatan) Sdn. Bhd. Pledged Securities A/C for Lim Cheng Pow	1,780,000	0.60
19. Lembaga Tabung Angkatan Tentera	1,708,333	0.58
20. Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. Pledged Securities A/C for Koperasi Polis Diraja Malaysia Berhad (3309 Daya)	1,708,000	0.57
21. Lau Choy Lay	1,622,000	0.55
22. Menteri Kewangan Malaysia	1,517,212	0.51
23. Low Keng Seng	1,441,061	0.49
24. Strength To Strength Sdn. Bhd.	1,413,000	0.48
25. JX Holdings Sdn. Berhad	1,310,000	0.44
26. UOBM Nominees (Tempatan) Sdn. Bhd. OUBN for Tan Sri Dato' Low Keng Huat (2048700601-T278)	1,130,087	0.38
27. Mayban Securities Nominees (Asing) Sdn Bhd Lim & Tan Securities Pte Ltd for Cheam Tat Hong	1,000,000	0.34
28. Ng Yit Swee Holdings Sdn. Bhd.	977,911	0.33
29. Wan Ismail Bin Wan Nik	880,140	0.30
30. Ng Tiong Kang	726,000	0.23
	115,332,601	38.82

Five Years' Financial Statements

	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Share Capital	297,085	297,085	297,085	297,085	297,085
Reserves	216,150	206,599	212,942	204,681	203,265
Total Share Capital and Reserves	513,235	503,684	510,027	501,766	500,350
Minority Interest	110,316	103,500	5,275	6,164	7,332
Deferred taxation	3,266	5,524	3,101	2,742	2,945
Deferred Liabilities	305,174	314,738	27,865	26,151	23,226
Current Liabilities	362,565	354,406	60,554	91,386	106,978
	1,294,556	1,281,852	606,822	628,209	640,831
Fixed Assets	384,572	371,544	84,053	84,306	81,754
Goodwill arising on consolidation	31,336	32,047	29,227	29,227	29,227
Investments	169,952	146,694	154,848	150,724	151,872
Investment Properties	199,937	245,612	59,261	59,261	59,859
Development Properties	128,709	107,445	107,385	179,209	146,651
Current Assets	380,050	378,510	172,048	125,482	171,468
	1,294,556	1,281,852	606,822	628,209	640,831
Profit before taxation	6,396	8,414	25,453	4,098	6,254
Profit after taxation	923	5,046	15,689	392	2,544
Profit/(Loss) attributable to shareholders	6,655	2,128	13,752	(497)	1,366
Retained Profit	92,408	94,536	101,871	95,261	90,210
Net Tangible Assets (per share)	RM1.62	RM1.59	RM1.62	RM1.59	RM1.59

Schedule Of Properties

DESCRIPTION AND EXISTING USE	LOCATION	AREA	TENURE	APPROXIMATE AGE OF BUILDINGS (YEARS)	NET BOOK VALUE AS AT 31 JANUARY 2002 RM'000	DATE OF LAST REVALUATION	DATE OF ACQUISITION
Plaza Ampang City 21 storey shopping cum office complex	4th Mile, Jalan Ampang Kuala Lumpur	21,594 sq. metres of retained area	Freehold	15	59,172	1998	
GCB Court 22 storey luxurious apartments	4th Mile, Jalan Ampang Kuala Lumpur	9,354 sq. metres of retained area	Freehold	17	15,102	1998	
Imbi Plaza 9 storey shopping cum office complex	Jalan Imbi, Kuala Lumpur	3,957 sq. metres of retained area	Freehold	21	15,387	2001	
Lots 75, 171, 203-206 Industrial land	1st Mile, Jalan Kapar, Klang	16,009 sq. metres	Freehold		5,113	2001	
Lots 932-935, 2518, 2519, 164,1873 & 1875 Industrial land with office and factory complex	1st Mile, Jalan Kapar, Klang	118,016 sq. metres	Freehold	2 to 63	28,250	2001	
Lot 6519, CT 26667 Vacant industrial land	6th Mile, Jalan Kapar, Klang	12.19 hectares	Freehold		27,641	2001	
H.S.(D) 72255 P.T. 2255 Vacant industrial land	Mukim of Rantau, District of Seremban	40.23 hectares	99 years lease expiring 2091		20,473	2001	
HS(D) 22046 PTD 15324 Quarry land with building and plant	Mukim of Plentong, Johor Bharu	33 hectares	Freehold	2 to 32	8,290	2001	
Lots 1096,1097,1098 & 1898 Vacant land	Mukim of Kuala Kuantan Pahang	5.7 hectares	Freehold		6,265		1999
Lots 1166, 2050, 2889, 2890, 3634, 3638, 3639, 3641, 3643, 3644, 3645 & 3646. Vacant mixed development land	Mukim of Kota Tinggi, Johore	59.44 hectares	Freehold		19,722		1999
Lots 333, 334 and 337 Vacant land	Mukim of Setapak Kuala Lumpur	17,516 sq. metres	Freehold		4,103	2001	
783 lots for housing, commercial and workshops	Bandar Baru Lahat, Ipoh	92,708 sq. metres	99 years lease expiring 2082		17,379		1995
Shops cum office lots	Kompleks Alor Setar, Kedah	5,068 sq. metres of retained area	99 years lease expiring 2083	17	3,818	1995	
Industrial land with office and factory buildings	1029 and 1033, Mountain Highway Boronia, Victoria, Australia	1.72 hectares	Freehold	1 to 22	6,643		1997
17 storey office building	251, Adelaide Terrace, Perth, Western Australia	9,903 sq. metres of retained area	Freehold	31	15,490		1995
Lot 37861 Land under mixed development	Bukit Jalil, Mukim of Petaling, Kuala Lumpur	25.5 hectares	Freehold		69,364		2000
Lot 19 Vacant development land	Section 89A, Jalan U-Thant, Kuala Lumpur	5,082 square metres	Freehold		9,487		2000
Lot 71 Vacant development land	Section 88, Jalan Ampang, Kuala Lumpur	3,655 square metres	Freehold		6,184		2000

Proxy Form

NO. OF SHARES HELD

I/We
 being a member of General Corporation Berhad, hereby appoint
 of.....

 or failing him,of

 as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 29 July, 2002 at Cempaka Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur at 10.00 a.m.

This form is to be used as follows:

	For	Against
Resolution 1		
Resolution 2		
Resolution 3		
Resolution 4		
Resolution 5		

	For	Against
Resolution 6		
Resolution 7		
Resolution 8		
Resolution 9		

Signature

Signed thisday of 2002

Notes:

1. A member is entitled to appoint a proxy to attend and vote in his place. A proxy need not be a member of the Company.
2. To be valid, this form duly completed must be deposited at the Registered Office of the Company not less than forty-eight hours before the meeting.
3. In the case of corporation, this proxy form must be executed by the hand of the attorney or under its common seal.
4. Unless indicated by a (✓) in the table above, the proxy may vote or abstain as he thinks fit.

Fold this flap for sealing

Affix
stamp

GENERAL CORPORATION BERHAD (8622-X)
332A-19, 19TH FLOOR
PLAZA AMPANG CITY
JALAN AMPANG
50450 KUALA LUMPUR

Then fold here

1st fold here