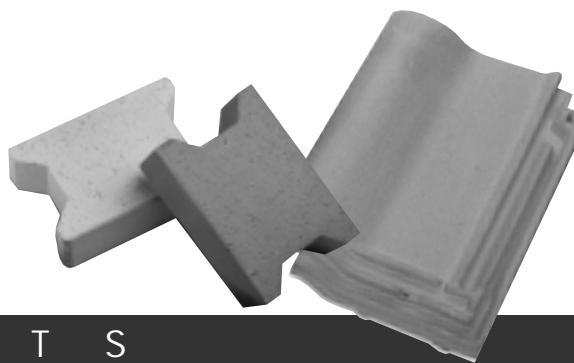


KIA LIM BERHAD
(Incorporated in Malaysia)
Company No.: 342868-P



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of Kia Lim Berhad will be held at Dewan Okid, 2nd Floor, Hotel Carnival, 2, Jalan Fatimah, 83000 Batu Pahat, Johor, Malaysia on Thursday, 13 June 2002 at 12.00 noon.

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2001 together with the Directors' and Auditors' Report thereon. RESOLUTION 1
2. To approve the payment of Directors' Fees for the year ended 31 December 2001. RESOLUTION 2
3. To re-elect the following Directors who retire in accordance with Article 80 of the Company's Articles of Association and being eligible, offer themselves for re-election:-
 - i) Datuk Ariss Bin Samsudin RESOLUTION 3
 - ii) Mr Loh Chee Kan RESOLUTION 4
4. To re-elect the following Directors who retire in accordance with Article 87 of the Company's Articles of Association and being eligible, offer themselves for re-election:-
 - i) Mr Chua Syer Cin RESOLUTION 5
 - ii) Mr Ng Chin Kang RESOLUTION 6
5. To re-elect Datuk Ng Eng Sos @ Bah Chik who retires in accordance with Paragraph 7.28 of the Listing Requirements of the Kuala Lumpur Stock Exchange and being eligible, offer himself for re-election. RESOLUTION 7
6. To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration. RESOLUTION 8

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following Ordinary Resolution:- RESOLUTION 9

AUTHORITY TO ALLOT SHARES - SECTION 132D

" THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time 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 issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

8. To consider and, if thought fit, to pass the following Ordinary Resolution:- RESOLUTION 10

APPROVAL FOR SUBSTANTIAL PROPERTY TRANSACTIONS INVOLVING DIRECTORS - SECTION 132E

" THAT in accordance with Section 132E of the Companies Act, 1965, authority be and is hereby given to the Company or its related corporations to enter into arrangements or transactions with the Directors of the Company or any person

NOTICE OF ANNUAL GENERAL MEETING

connected with such Directors (within the meaning of Section 122A, Companies Act, 1965) whereby the Company or its related corporation may acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to capital equipment and related machineries and/or any other assets or products of the Company or its related corporations provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business, such authority will continue to be in force until the conclusion of the next Annual General Meeting and THAT for the avoidance of doubt, any such transactions entered into by the Company or its subsidiaries with the Directors or connected persons prior to the date of this resolution be and hereby approved”

9. To transact any business appropriate to an Annual General Meeting.

BY ORDER OF THE BOARD

LEONG OI WAH (MAICSA No. 7023802)

LEONG SIEW FOONG (MAICSA No. 7007572)

Company Secretaries

Johor Bahru

22 May 2002

NOTES:

1. A member of the Company entitled to attend and vote at the Meeting shall not be entitled to appoint more than two proxies to attend and vote in his stead. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. A proxy shall be a member of the Company and if he is not a member of the Company, he shall be an advocate or an approved company auditor or a person approved by the Registrar of Companies.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
4. All forms of proxy must be deposited at the Registered Office of the Company situated at Suite 633, 6th Floor, PanGlobal Plaza, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. Resolution Pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval.

2. Resolution Pursuant to Section 132E of the Companies Act, 1965

Section 132E of the Companies Act, 1965, prohibits a company or its subsidiaries from entering into any arrangement or transaction with its directors or persons connected with such directors in respect of the acquisition from or disposal to such directors or connected persons any non-cash assets of the "requisite value" without prior approval of the Company in General Meeting. According to the Act, a non-cash asset is considered to be of the "requisite value" if, at the time of the arrangement or transaction, its value is greater than two hundred and fifty thousand ringgit or 10% of the Company's net asset, subject to minimum of ten thousand ringgit.

The proposed Ordinary Resolution, if passed, will authorise the Company and each of its subsidiaries to acquire from or dispose to its directors or connected persons, products, services or any non-cash assets which may fall within the definition of "requisite value", provided that such acquisitions or disposals are on normal commercial terms.



NOTICE OF ANNUAL GENERAL MEETING

STATEMENTS ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING:

Pursuant to Paragraph 8.28(2) of the Kuala Lumpur Stock Exchange Listing Requirements, appended hereunder are:

1. Details of Directors standing for re-election or re-appointment are as follows:

DATUK ARISS BIN SAMSUDIN

- 46 years of age (Malaysian).
- Vice Chairman & Executive Director.
- He begun his career in the civil service for about 10 years before moving on to business field.
- He was the former Business Development Manager (Southern-Johor state) of Kretam Holdings Berhad, Jeffa Construction Sdn. Bhd. and Kretam Management Sdn. Bhd.
- Datuk served as Town Councillor of Majlis Perbandaran Batu Pahat Barat since 1996.
- Appointed as director of Wangi KMB Bhd and several other private limited companies.
- Direct interest of 303,000 ordinary shares and granted 400,000 shares option yet to be exercised.
- No family relationship with any Director and/or major shareholder of the Company.
- No conflict of interest with the Company.
- Has never been charged for any offence.

LOH CHEE KAN

- 47 years of age (Malaysian).
- Independent Non-Executive Director.
- Attached to Ernst & Young, an international public accounting and consultancy practice for 12 years and Juan Kuang (M) Industrial Bhd.
- He is currently the Finance Director of the JK Capital Sdn. Bhd. Group of Companies.
- He graduated with a Bachelor of Science (Honours) Degree in Management Sciences from the University of Warwick, United Kingdom in 1978.
- Does not hold any directorship in public company.
- Does not hold any shares directly or indirectly, in the company.
- No family relationship with any Director and/or major shareholder of the Company.
- No conflict of interest with the Company.
- Has never been charged for any offence.

CHUA SYER CIN

- 30 years of age (Malaysian).
- Independent Non-Executive Director.
- Upon graduation from Charles Sturt University, Australia in 1994, he joined the accounting practice of Ernst & Young as auditor. He then joined Teo & Associates as Audit/Tax Manager before setting up his own accounting firm, Messrs SC Chua & Associates. He is presently a member of both the Malaysian Institute of Accountants and the CPA Australia.
- Appointed as director of Poh Huat Resources Holdings Berhad and Syarikat Kayu Wangi Berhad and several other private limited companies.
- Does not hold any shares, directly or indirectly in the Company.
- No family relationship with any Director and/or major shareholder of the Company.
- No conflict of interest with the Company.
- Has never been charged for any offence.

NG CHIN KANG

- 31 years of age (Malaysian).
- Executive Director.
- Worked at Medical Benefits Funds of Australia Limited among the executive management team from 1999. Prior to that, serve as senior officer in the investment arm of Commonwealth Bank of Australia for approximately five years.
- Currently completing PhD (Doctorate of Business Administration) in Macquarie Graduate School of Management, Sydney Australia. He holds a MBA from Sydney University, Australia and graduated with ASIA Diploma in Security Institute of Australia and Bachelor (Hons) of Commerce degree from University of Western, Australia.
- Appointed as director of Syarikat Kayu Wangi Berhad and several other private limited companies.
- Deemed interest of 8,908,720 ordinary shares in the Company.
- Family relationship with Directors of the Company.
 - ~ Nephew of Datuk Ng Eng Sos @ Bah Chik, Ng Yam Puan @ Ng Ah Bah, Tan See Chip and Ng Yeng Keng @ Ng Ka Hiatt; Brother of Ng Chin San.
- Family relationship with major shareholders who are not directors of the Company.
 - ~ Nephew of Ng Yan Kian; Cousin of Ng Chin Lan and Son of Kour Siok Leen.
- No conflict of interest with the Company.
- Has never been charged for any offence.

NOTICE OF ANNUAL GENERAL MEETING



DATUK NG ENG SOS @ BAH CHIK

- 66 years of age (Malaysian).
- Chairman & Managing Director.
- He has over 30 years of experience in various industries such as brick making, building and civil engineering works, housing development, sawmilling, logging and manufacturing of wood-based products.
- Datuk holds the position of Managing Director of Syarikat Kayu Wangi Berhad, a company listed on the Second Board of the Kuala Lumpur Stock Exchange and also holds directorship in several other private limited companies.
- Datuk is committed to broad range of community and educational welfare such as the Honorary Adviser of Bandar Penggaram Associated Chinese School Batu Pahat, Chinese Chamber of Commerce Batu Pahat and Federation of Nam Ann Association Malaysia. He is the present President of Johor Lam Ann Association, The Hokkien Association Batu Pahat and Johore Brick Factories Association.
- Direct interest of 650,379 ordinary shares and granted 400,000 shares option yet to be exercised and deemed interest of 19,623,193 ordinary shares.
- Family relationship with Directors of the Company.
 - ~ Brother to Ng Yeng Keng @ Ng Ka Hiat and Ng Yam Puan @ Ng Ah Bah; Uncle of Ng Chin Kang and Ng Chin San; Brother-in-law of Tan See Chip.
- Family relationship with major shareholders who are not directors of the Company.
 - ~ Father of Ng Chin Lan; Brother of Ng Yan Kian and Brother-in-law of Kour Siok Leen.
- No conflict of interest with the Company.
- Has never been charged for any offence.

2. Details of attendance at Board Meetings held in the financial year ended 31 December 2001 as follows:-

DIRECTOR	NO. OF MEETINGS ATTENDED
Datuk Ng Eng Sos @ Bah Chik	4/4
Datuk Ariss Bin Samsudin	4/4
Ng Yeng Keng @ Ng Ka Hiat	4/4
Tan See Chip	3/4
Mohd Salleh Bin Jantan	4/4
Tan Seng Kee	4/4
Loh Chee Kan	4/4
Ng Yam Puan @ Ng Ah Bah	4/4
Chua Syer Cin - appointed on 01-11-2001	1/1
Ng Chin Kang - appointed on 26-11-2001	0/0
Ng Chin San - appointed on 26-11-2001 (Alternate Director to Ng Chin Kang)	0/0

A TOTAL OF 4 BOARD MEETINGS WERE HELD DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2001.

3. Details of place, date and hour of Board Meetings held in the financial year ended 31 December 2001 as follows:

Date	Hour	Place
26-02-2001	12.00 pm	Parit Sulong, Batu Pahat, Johor
29-05-2001	1.30 pm	Batu Pahat, Johor
27-08-2001	12.00 pm	Parit Sulong, Batu Pahat, Johor
26-11-2001	12.00 pm	Parit Sulong, Batu Pahat, Johor



CORPORATE INFORMATION

Directors

Datuk Ng Eng Sos @ Bah Chik
Datuk Ariss Bin Samsudin
Ng Yeng Keng @ Ng Ka Hiatt
Tan See Chip
Ng Yam Puan @ Ng Ah Bah
Mohd Salleh Bin Jantan
Tan Seng Kee
Loh Chee Kan
Chua Syer Cin
Ng Chin Kang
(Alternate director : Ng Chin San)

Secretaries

Leong Oi Wah (F)
Leong Siew Foong (F)

Registered Office

Suite 633, 6th Floor
PanGlobal Plaza
Jalan Wong Ah Fook
80000 Johor Bahru
Johor Darul Ta'zim
Telephone : 07-2223536
Fax : 07-2248057

Share Registrar

Signet Share Registration Services Sdn. Bhd.
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone : 03-21421341
Fax : 03-21421353

Principal Place of Business

79, Jalan Muar
Parit Sulong
83500 Batu Pahat
Johor Darul Ta'zim

Auditors

Ernst & Young
Chartered Accountants

Principal Bankers

Bumiputra-Commerce Bank Berhad
EON Bank Berhad
Hong Leong Bank Berhad
Malaysian Industrial Development Finance Berhad
RHB Bank Berhad

Stock Exchange

Main Board of The Kuala Lumpur Stock Exchange

AUDIT COMMITTEE REPORT



MEMBERS OF THE AUDIT COMMITTEE

The Board of Directors established an Audit Committee on 16 April 1996 and the following revised terms of reference of Audit Committee were approved by the Board on 27 August 2001.

NO.	MEMBER	DIRECTORSHIP
1.	Loh Chee Kan	Independent Non-Executive Director (Chairman)
2.	Tan Seng Kee	Independent Non-Executive Director
3.	Ng Yeng Keng @ Ng Ka Hiat	Executive Director
4.	Chua Syer Cin	Independent Non-Executive Director

TERMS OF REFERENCE OF AUDIT COMMITTEE

Membership

The Committee shall be appointed by the Board from amongst its Directors excluding alternate directors which fulfils the following requirements:

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

The members of the Committee shall elect a chairman from among their number who shall be an independent director.

The Board shall, within three (3) months of a vacancy occurring in the Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

The Board shall review the term of office and performance of the Committee and each of its members at least once every three years.

Rights

The Committee shall:

- (a) have explicit authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice;
- (f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary; and
- (g) be able to seek co-operation of all employees of the Company.
- (h) promptly report to the Kuala Lumpur Stock Exchange of matters which result in a breach of the Listing Requirements.
in accordance with the procedure determined by the Board.



AUDIT COMMITTEE REPORT

Functions

The functions of the Committee shall including the following:

- (1) review the following and report the same to the Board:
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report;
 - (d) the assistance given by the employees of the Company to the external auditor;
 - (e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events;
 - (iii) going concern assumptions; and
 - (iv) compliance with accounting standards and other legal requirements;
 - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (i) any letter of resignation from the external auditors of the Company;
 - (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and
- (2) recommend the nomination of a person or persons as external auditors and auditors' remuneration.

Meetings

- a) Meetings of the Committee shall be held not less than four (4) times a year.
- b) The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting.
- c) The external auditors may request a meeting if they consider that one is necessary and shall have the right to appear and be heard at any meeting of the Committee.
- d) Written notice of the meeting together with the agenda shall be given to the members of the Committee and external auditor where applicable.
- e) The Head of Finance Department, the Head of Internal Audit (where such a function exists) and a representative of the external auditors shall normally attend meetings. Other Board members, employees, any professionals or outsiders with relevant experience or expertise may attend any particular meeting only at the Committee's invitation.
- f) At least once a year, the Committee shall meet with the external auditors without Executive Board members present.
- g) The quorum for a meeting of the Committee shall be two (2) Provided Always that the majority of members present must be independent directors.
- h) Any decision of the Committee shall be by simple majority.
- i) The Committee shall record its conclusions in discharging its duties and responsibilities.
- j) The Company Secretary shall be the Secretary of the Committee.
- k) The Secretary is responsible for sending out notices of the meetings and preparing and keeping minutes of meetings.

Reporting Procedures

The Minutes of the Committee meeting shall be extended to all the members of the Board of Directors.

AUDIT COMMITTEE REPORT



SUMMARY ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the Audit Committee has conducted its activities in accordance with its existing Terms of Reference. The activities are as follows:-

- a) Reviewed and recommended for the Board's approval the unaudited quarterly results for public announcement.
- b) Reviewed with the external auditors their audit plan prior to the commencement of the audit activities.
- c) Discussed the annual audited financial statements with the external auditors and ensured that the financial reporting and disclosure requirements are complied with the relevant authorities, as well as their findings and recommendations.
- d) Discussed with the external auditors to ensure that internal control system is adequate and functioning and any weaknesses identified are properly remedied.
- e) Reviewed related party transactions entered into by the Group in its ordinary course of business.

ATTENDANCE OF AUDIT COMMITTEE MEETINGS

Details of attendance at Audit Committee Meetings held in the financial year ended 31 December 2001 as follows:

MEMBER OF AUDIT COMMITTEE	NO. OF MEETINGS ATTENDED
Loh Chee Kan	4/4
Tan Seng Kee	4/4
Ng Yeng Keng @ Ng Ka Hiat	4/4
Chua Syer Cin (Appointed on 01-11-2001)	1/1

[A total of 4 Audit Committee Meetings were held during the financial year ended 31 December 2001]

INTERNAL AUDIT FUNCTIONS

The Internal Audit Function has not been set up yet. The Audit Committee relies on discussion with the external auditors and with functional staff of the Group in discharging its functions.



PROFILE OF BOARD OF DIRECTORS

DATUK NG ENG SOS @ BAH CHIK, aged 66, was appointed Chairman & Managing Director of Kia Lim Berhad (“KLB”) on 5 March 1996 and is one of the founder members of Syarikat Kia Lim Kilang Batu Bata Sdn. Bhd. (“SKL”) and Kangkar Raya Batu Bata Sdn. Bhd. (“KRBB”), both are the subsidiary companies of KLB. Currently, he is a member of the Remuneration Committee.

He has over 30 years of experience in various industries such as brick making, building and civil engineering works, housing development, sawmilling, logging and manufacturing of wood-based products. His entrepreneurial skill has also seen him assume the position of the Managing Director of Syarikat Kayu Wangi Berhad, a company listed on the Second Board of the KLSE and several other private limited companies. Socially, he has devoted much of his time looking after the educational well-being of children as the Honorary Adviser of Bandar Penggaram Associated Chinese School Batu Pahat. He is also the Honorary Adviser of the Chinese Chamber of Commerce Batu Pahat and Federation of Nam Ann Association Malaysia. He is presently the President of Johor Lam Ann Association, The Hokkien Association Batu Pahat and Johore Brick Factories Association.

Datuk Ng is the brother of Dr Ng and Mr Ng Yeng Keng, brother-in-law of Mr Tan See Chip and uncle of Mr Ng Chin Kang and Mr Ng Chin San, Directors and/or major shareholders of the Company. His family member who are also major shareholders of the Company are Mr Ng Yan Kian (brother of Datuk Ng), Kour Siok Leen (sister-in-law of Datuk Ng) and his son, namely Mr Ng Chin Lan. He has no conflict of interest with the Company and has had no convictions for offences within the past ten years.

He attended all four (4) Board Meetings of the Company held during the financial year ended 31 December 2001.

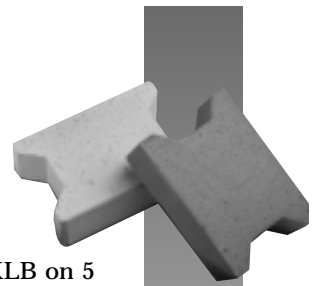
DATUK ARISS BIN SAMSUDIN, aged 46, was appointed Vice Chairman & Executive Director of KLB on 5 March 1996 and was appointed to the Board of SKL on 28 February 1995. He also sits on the Board of several other private limited companies.

Prior to joining SKL, he was appointed to the Board of Directors of Naluri Berhad (formerly known as Malaysian Helicopter Services Berhad), a company listed on the Main Board of KLSE, on 22 August 1994 and had resigned from the Board on 28 March 2000. He has previously held the position of a Business Development Manager (Southern-Johor state) in Kretam Holdings Berhad from 1 April 1994 to 30 October 1994 and subsequently went on to join Jeffa Construction Sdn. Bhd. in a similar position from 1 November 1994 to 29 February 1996. On 1 March 1996, he joined Kretam Management Sdn. Bhd. as Business Development Manager (Southern-Johor State) and resigned on 16 November 1998. He is also a Director of Wangi KMB Bhd. Datuk Ariss had been in the civil service for about 10 years from 1984 to 1994 before moving on to business. Socially, he is the Town Councillor of Majlis Perbandaran Batu Pahat since 1996.

Datuk Ariss has no conflict of interest with the Company and has had no convictions for offences within the past ten years.

He attended all four (4) Board Meetings of the Company held during the financial year ended 31 December 2001.

PROFILE OF BOARD OF DIRECTORS



MR NG YENG KENG @ NG KA HIAT, aged 56, was appointed Executive Director of KLB on 5 March 1996 and has been responsible for the production of the Group. Presently, he is a member of Audit Committee.

He also has over 20 years of experience in the manufacturing of clay bricks, building and civil engineering works, sawmilling, logging and manufacturing of wood-based products. He is also an Executive Director of Syarikat Kayu Wangi Berhad since 31 January 1981 and several other private limited companies.

Mr Ng Yeng Keng is the brother of Datuk Ng and Dr Ng, brother-in-law of Mr Tan See Chip and uncle of Mr Ng Chin Kang and Mr Ng Chin San, Directors and/or major shareholders of the Company. His connected family members who are also major shareholders of the Company are Mr Ng Yan Kian (brother of Mr Ng Yeng Keng), Kour Siok Leen (sister-in-law of Mr Ng Yeng Keng) and his nephew, namely Mr Ng Chin Lan. He has no conflict of interest with the Company and has had no convictions for offences within the past ten years.

He attended all four (4) Board and Audit Committee Meetings of the Company held during the financial year ended 31 December 2001.

MR TAN SEE CHIP, aged 62, was appointed Executive Director of KLB on 5 March 1996 and is also one of the founder members of SKL and KRBB. He has over 25 years of experience in the manufacturing of clay bricks, building and civil engineering works. He also sits on the Board of several other private limited companies.

Mr Tan See Chip is the brother-in-law of Datuk Ng, Dr Ng, Mr Ng Yeng Keng, Mr Ng Yan Kian and Kour Siok Leen, uncle of Mr Ng Chin Kang, Mr Ng Chin San and Mr Ng Chin Lan, Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has had no convictions for offences within past ten years.

He attended three (3) Board Meetings of the Company held during the financial year ended 31 December 2001.

DR NG YAM PUAN @ NG AH BAH, aged 64, was appointed Non-Executive Director of KLB on 5 March 1996 and is a graduate from the Tohoku National University, Japan with a Bachelor of Medicine and Bachelor of Surgery in 1967 and Doctor of Philosophy in Internal Medicine in 1972. He started his medical career at the Johor Bahru General Hospital as a medical officer in 1973. He has since left the civil service in 1977 to establish his own private clinic in Batu Pahat. He is also a Director of several other private limited companies.

Dr Ng is the brother of Datuk Ng and Mr Ng Yeng Keng, brother-in-law of Mr Tan See Chip and uncle of Mr Ng Chin Kang and Mr Ng Chin San, Directors and major shareholders of the Company. His connected family members who are also major shareholders of the Company are Mr Ng Yan Kian (brother of Dr Ng), Kour Siok Leen (sister-in-law of Dr Ng) and his nephew, namely Mr Ng Chin Lan. He has no conflict of interest with the Company and has had no convictions for offences within the past ten years.

He attended all four (4) Board Meetings of the Company held during the financial year ended 31 December 2001.



PROFILE OF BOARD OF DIRECTORS

EN MOHD SALLEH BIN JANTAN, aged 59, was appointed Non-Executive Director of KLB on 5 March 1996 and has over 30 years experience in the manufacturing of clay bricks and building and civil engineering works. Presently, he is an Independent Non-Executive Director and a member of Nomination Committee.

He also sits on the Board of Syarikat Kayu Wangi Berhad and several other private limited companies.

En Mohd Salleh has no conflict of interest with the Company and has no convictions for offences within the past ten years.

He attended all four (4) Board Meetings held during the financial year ended 31 December 2001.

MR TAN SENG KEE, aged 45, was appointed Independent Non-Executive Director of KLB on 5 March 1996. Presently he is a member of Audit Committee, Nomination Committee and Remuneration Committee.

He graduated from the University of Malaya in 1980 with a Bachelor of Law (Honours) Degree. Since graduation, he has been practising as a legal assistant in several law firms before setting up his own legal practice, Lee, Perara & Tan in 1988. He has been a partner of Messrs Lee, Perara & Tan since then. He is a director of Pahanco Corporation Berhad, Serisar Industries Berhad, Artwright Holdings Berhad and Ajiya Berhad.

Save as disclosed, he has none i) any interest in the Company or its subsidiaries; ii) any family relationship with any Director and/or major shareholder of the Company; iii) any conflict of interest with the Company; and iv) any conviction for offences within the past ten years.

He attended all four (4) Board and Audit Committee Meetings held during the financial year ended 31 December 2001.

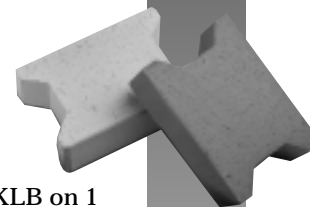
MR LOH CHEE KAN, aged 47, was appointed Independent Non-Executive Director of KLB on 5 March 1996. He is a member of Audit Committee, Nomination Committee and Remuneration Committee.

He obtained his Bachelor of Science (Honours) Degree in Management Sciences from the University of Warwick in the United Kingdom in 1978. His career experience includes a 12 year attachment with Ernst & Young, an international accounting and consultancy practice, and later with Juan Kuang (M) Industrial Bhd. where he stayed for 2 years. He is currently the Finance Director of the JK Capital Sdn. Bhd. group of companies.

Save as disclosed, he has none i) any interest in the Company or its subsidiaries; ii) any family relationship with any Director and/or major shareholder of the Company; iii) any conflict of interest with the Company; and iv) any conviction for offences within the past ten years.

He attended all four (4) Board and Audit Committee Meetings held during the financial year ended 31 December 2001.

PROFILE OF BOARD OF DIRECTORS



MR CHUA SYER CIN, aged 30, was appointed Independent Non-Executive Director of KLB on 1 November 2001 and is presently a member of the Audit Committee.

Upon graduation from the Charles Sturt University, Australia in 1994, he joined the accounting practice of Ernst & Young as an Audit Senior. From 1998 to 2000, he was the Audit/Tax Manager of Teo & Associates an accounting firm in Melaka. In February 2000, he set up his own accounting firm, Messrs SC Chua & Associates and has since been the sole proprietor of the firm.

He is presently a member of Malaysian Institute of Accountants and CPA Australia. He is currently an Independent Non-Executive Director of Syarikat Kayu Wangi Berhad, Poh Huat Resources Holdings Berhad and a director of several other private limited companies.

Save as disclosed, he has none i) any interest in the Company or its subsidiaries; ii) any family relationship with any Director and/or major shareholder of the Company; iii) any conflict of interest with the Company; and iv) any conviction for offences within the past ten years.

As his appointment as Director was on 1 November 2001, the 1st Board Meeting of KLB that he attended was on 26 November 2001.

MR NG CHIN KANG, aged 31, was appointed Executive Director of KLB on 26 November 2001 and is currently completing PhD (Doctorate of Business Administration) from Macquarie Graduate School of Management, Sydney Australia. He graduated with ASIA Diploma in Security Institute of Australia, Bachelor (Hons) of Commerce degree from University of Western, Australia and holds a MBA from Sydney University, Australia. He served as Senior Officer in the investment arm of Commonwealth Bank of Australia for approximately 5 years before joined the executive management team at Medical Benefits Funds of Australia Limited from 1999. He is a Director of Syarikat Kayu Wangi Berhad and several other private limited companies.

Mr Ng Chin Kang is the brother of Mr Ng Chin San, nephew of Datuk Ng, Dr Ng, Mr Ng Yeng Keng, Mr Ng Yan Kian and Mr Tan See Chip, son of Kour Siok Leen and cousin of Mr Ng Chin Lan, Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past ten years.

As his appointment as Executive Director was on 26 November 2001, no meeting is attended by him during the financial year ended 31 December 2001.

MR NG CHIN SAN, aged 30, was appointed Alternate Director to Mr Ng Chin Kang of KLB on 26 November 2001. He graduated with Bachelor of Business Degree from Curtin University of Technology, Australia. He is a member of Malaysian Institute of Accountants, Certified Practising Accountant (CPA Australia) and Australia Chartered Accountant.

He worked in Malaysia and Australia as External Auditor and Tax Consultant with over 5 years experience at the Big Five accounting firm. Currently he is serving as an Assistant General Manager (Ceramic Operations) in Kangkar Raya Batu Bata Sdn. Bhd.. He is also an Alternate Director of Syarikat Kayu Wangi Berhad.

Mr Ng Chin San is the brother of Mr Ng Chin Kang, nephew of Datuk Ng, Dr Ng, Mr Ng Yeng Keng, Mr Ng Yan Kian and Mr Tan See Chip, son of Kour Siok Leen and cousin of Mr Ng Chin Lan, Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past ten years.



CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

Kia Lim recognises that maintaining the trust, confidence and good relationship with the shareholders, employees, customers, suppliers, business associates as well as the other members of the communities in which it operates, is crucial to the continued growth and success of the Company.

The Malaysian Code on Corporate Governance (“the Code”) was issued by the Finance Committee on Corporate Governance in March 2000. The Code sets out the principles and best practices on the process and structure used in enhancing the prosperity of the business and corporate accountability towards the stakeholders.

In line with the above, The Kuala Lumpur Stock Exchange (“KLSE”) had introduced the revamped Listing Requirements which incorporates Corporate Governance. The revamped Listing Requirements were implemented in stages commencing from 15 February 2001.

The Board of Directors (“the Board”) of Kia Lim Berhad recognises the importance of corporate governance and is committed to ensuring the highest standards of Code are observed throughout the Group in discharging its responsibilities so that the affairs of the Group are conducted with integrity, full transparency and professionalism in achieving the above objectives.

THE BOARD OF DIRECTORS

The Board’s principal responsibilities for corporate governance are by setting out the strategic direction of the Group, establishing the objectives and achievement of the objectives or goals. Kia Lim is led and managed by an experienced Board comprising of members with wide range of business, technical, accounting, legal, banking, finance and public service background. The Directors also have experience in other related and unrelated industries. This wide spectrum of expertise, experiences and knowledge gives added strength to the leadership, which are vital for the strategic direction and the success of the Group.

a) Composition

The Board consists of the Chairman, who is also the Managing Director, the Vice Chairman, who is an Executive Director, three other Executive Directors, five Non-Executive Directors of which four are Independent Non-Executive Directors, one is Non-Independent and one Alternate Director who is a Non-Independent Non-Executive Director. With the above appointments, Kia Lim Berhad has thus complied with the KLSE Listing Requirements on board composition. The profiles of each of the Directors are set out on pages 10 to 13 of this Annual Report.

The Chairman cum Managing Director is assisted in the management of the business on a day-to-day basis by the Executive Directors and an experienced Management team. The Independent Non-Executive Directors are independent of management and free from any business tie or other relationships that could materially interfere with the exercise of their independent judgement. They play an important role to ensure the strategies or views proposed by the Management are professional and independent and that the advice and judgement made to issues and decisions are to the best interest of the stakeholders and the Group. The Board has identified Mr Loh Chee Kan as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

CORPORATE GOVERNANCE STATEMENT



b) Board Meetings

The Board meets at least four times a year, with additional meetings for particular matters convened as and when necessary. There were four Board Meetings held during the financial year ended 31 December 2001. A majority of the Directors attended all the Board Meetings held during their tenure. Details of attendance are as follows:-

Directors	Status	Board Meeting Attended
Datuk Ng Eng Sos @ Bah Chik	Chairman & Managing Director	4/4
Datuk Ariss Bin Samsudin	Vice Chairman & Executive Director	4/4
Ng Yeng Keng @ Ng Ka Hiat	Executive Director	4/4
Tan See Chip	Executive Director	3/4
Ng Chin Kang	Executive Director	0/0
Ng Yam Puan @ Ng Ah Bah	Non-Executive Director	4/4
Mohd Salleh Bin Jantan	Independent Non-Executive Director	4/4
Loh Chee Kan	Independent Non-Executive Director	4/4
Tan Seng Kee	Independent Non-Executive Director	4/4
Chua Syer Cin	Independent Non-Executive Director	1/1
Ng Chin San	Alternate Director to Ng Chin Kang, Non-Executive Director	0/0

c) Supply of Information

The Agenda and Board Papers are circulated before each meeting. All Directors have access to the advice and services of the Company Secretaries who are responsible for ensuring that Board Meeting Procedures are adhered to and that applicable rules and regulations are complied with. Minutes of the Board meetings are also maintained by the Company Secretaries. In addition, the Board has the authority to assess the state of internal control as it deems necessary. The Board also has had the right to information and clarification from Management as well as to seek inputs from the Audit Committee, external auditors and other experts in appropriate circumstances at the Company's expense.

d) Appointment and Re-election of the Board

The Board constantly takes note of the contribution and performance of the existing Directors. The Terms of Reference of the Nomination Committee as well as composition of the Committee's members had been formulated and identified.

The KLSE Listing Requirements provides that each Director, including the Managing and/or Executive Directors must retire from office at least once in three years and shall be eligible for re-election at the Annual General Meeting. Directors who are newly appointed by the Board are subject to election by the shareholders at the immediate next Annual General Meeting held following their appointment. The Company's Articles of Association will be amended to comply with the new KLSE Listing Requirements and the proposed amendments will be tabled to the shareholders for approval at the Extraordinary General Meeting.

e) Nomination Committee

The Nomination Committee was set up on 27 August 2001. This Committee is responsible to assist the Board in reviewing and recommending new nominees to the Board of Directors and undertake duties specified by the Board from time to time.



CORPORATE GOVERNANCE STATEMENT

The first meeting of the Committee was held on 27 February 2002. The members of the Committee are as follows:-

Loh Chee Kan (Independent Non-Executive Director)	Member
Tan Seng Kee (Independent Non-Executive Director)	Member
Mohd Salleh Bin Jantan (Independent Non-Executive Director)	Member

f) Remuneration Committee

The Remuneration Committee was set up on 27 August 2001. This Committee is responsible to assist the Board in assessing the remuneration packages of the Directors of the Company and Group. The Board will decide on the remuneration packages after considering the recommendations made by the Committee.

The first meeting of the Committee was held on 27 February 2002. The members of the Committee are as follows:-

Datuk Ng Eng Sos @ Bah Chik (Chairman & Managing Director)	Member
Loh Chee Kan (Independent Non-Executive Director)	Member
Tan Seng Kee (Independent Non-Executive Director)	Member

g) Directors' Remuneration

The objective of the Company is to ensure the level of remuneration is sufficient to attract and retain the Directors to run the company successfully. The remuneration packages of the Executive Directors are structured to link to the corporate and individual performance and commitment. The Executive Directors abstain themselves from participation in the discussion/decision making in respect of their own remuneration packages.

The directors' fees are approved by the shareholders at the Annual General Meeting. The Company reimburses expenses incurred by the Directors in the course of their duties as Directors.

The aggregate remuneration of Directors, received or receivable, categorised into appropriate components for the financial year ended 31 December 2001 are as follows:-

	Salaries and Other Emoluments	Benefits in Kind	Fees
	RM	RM	RM
Executive	622,772	22,100	35,991
Non-Executive	8,500	-	17,967
Total	631,272	22,100	53,958

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

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	1	5
RM50,001 to RM100,000	3	
RM150,001 to RM200,000	1	
RM250,001 to RM300,000	1	

CORPORATE GOVERNANCE STATEMENT



h) Directors' Training

All the Directors have attended the KLSE Mandatory Accreditation Programme ("MAP") as required under the KLSE Listing Requirements.

DIALOGUE WITH SHAREHOLDERS OR INVESTORS

Recognising the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensure that they are well informed of major developments of the Company. The information is communicated to them through the issuance of Annual Report and announcements made to the KLSE including Quarterly Results. Shareholders and other stakeholders could also obtain general information of the Company through the website of KLSE and the Company.

The Company's Annual General Meeting ("AGM") serves as a principal forum for dialogue with shareholders and investors. At each General Meetings, the Board presents the progress and performance of the Group and of the company. There is informal communication between the Directors, senior management staff and the shareholders before and after the General Meetings. Extraordinary General Meetings ("EGM") are held as and when required.

ACCOUNTABILITY AND AUDIT

a) Financial Reporting

The Board has undertaken the responsibilities to ensure that the financial statements prepared are drawn up in accordance with the provisions of the Companies Acts, 1965; and applicable approved accounting standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The quarterly financial results were reviewed by the Audit Committee and approved by the Board before releasing to the KLSE.

b) Internal Control

The Board acknowledges the overall responsibilities in maintaining a sound system of internal control, covering not only financial controls but also operational and compliance controls and reviewing its effectiveness. This is vital to ensure that they are consistent with the overall Company's objectives so as to safeguard the shareholders' investment and the Group's assets.

Because of the limitations that are inherent in any system of internal control, such systems are designed to mitigate rather than eliminate risks. Accordingly, these systems can provide only reasonable and not absolute assurance against material misstatement or loss. The Group is continuously looking into the adequacy and integrity of its system of internal controls through improvement and updating of regular operational reports and management information system. The Board also undertakes on-going review of the key performance indicators and financial risk facing by the Group's business and ensuring compliance of the law and regulations.

i) Control Environment

The internal control mechanism is embedded in the various work processes and procedures at appropriate levels in the Company. The Managing Director is accountable in providing leadership and direction to senior management on the manner the Company controls its business activities.



CORPORATE GOVERNANCE STATEMENT

ii) Control Procedure

The Company has delegation of authority with lines of accountability and responsibility. It sets out the decisions that need to be taken and the appropriate approving authority at various levels of Management including matters that require Board approvals.

iii) Audit Committee

The Audit Committee comprises three Independent Non-Executive Director and an Executive Director with Mr Loh Chee Kan as Chairman. Its Terms of Reference together with the Report is on pages 7 to 9 of this Annual Report.

c) Risk Management

The Board is aware of and recognises the various types of risk which the Group faces from time to time. The Board and the Management are constantly monitoring such risk factors and measures are taken to eliminate, control or manage such risks.

d) Relationship with External Auditors

The external auditors, Messrs Ernst & Young has continued to report to members of the Company on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. The Board has established a formal and transparent arrangement for the achievement of objectives and maintenance of professional relationship with the external auditors. The external auditors have access to the books and records of the Group at all time and highlight to the Audit Committee and Board on matters that require the Board's attention.

OTHER INFORMATION

a) Conflict of Interest

None of the Directors and/or major shareholders of Kia Lim Berhad have any personal interest in any business arrangement involving the Company. All Directors have had no convictions for any offences within the past ten years.

b) Material Contracts

None of the Directors and major shareholders have any material contract with the Company and/or its subsidiaries during the financial year ended 31 December 2001.

c) Sanctions and/or Penalties Imposed

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

d) Share Buybacks

There were no share buybacks by the Company during the financial year.

e) Exercise of Options, Warrants or Convertible Securities

There were no exercise of options during the financial year.

CORPORATE GOVERNANCE STATEMENT



f) Utilisation of Proceeds

No proceeds were raised by the Company from any corporate proposal during the financial year.

g) American Depository Receipts/Global Depository Receipts

The Company did not sponsor any American Depository Receipts or Global Depository Receipts programmes during the financial year.

h) Non-Audit Fees

The Company did not pay any non-audit fees to the external auditors during the financial year.

i) Profit Estimate, Forecast or Projection

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

j) Profit Guarantee

During the year, there was no profit guarantee given by the Company.

k) Contracts Relating to Loan

There were no contracts relating to a loan by the Company and its subsidiaries in respect of the preceding item.

l) Revaluation Policy

There were no revaluation being done on landed properties of the Group during the financial year.

CHAIRMAN'S STATEMENT



“On behalf of the Board of Directors, I am pleased to present the Annual Report of Kia Lim Group of Companies for the financial year ended 31 December 2001.”

FINANCIAL PERFORMANCE

The Malaysian economy lost momentum over 2001 with GDP growth shrinking from 3.2% in the first quarter to 0.5% in the second quarter and then slipped into negative territory of 1.3% in the third quarter as manufacturing exports declined on the back of the global economic slowdown. Against this gloomy scenario, I am, nevertheless, pleased to report that Kia Lim and its group of companies had, for the year ended 31 December 2001, achieved a total turnover of RM37.1 million compared to RM35.8 million in the previous year, registering an increase of 4%. Loss before taxation was lower at RM8.3 million as against RM11.8 million in the corresponding period, representing a 30% decrease. The loss before taxation was mainly attributed to the continued depressed selling prices, high fuel oil prices, interest expenses on bank borrowings and approximately RM7.8 million depreciation charges.

INDUSTRY TRENDS

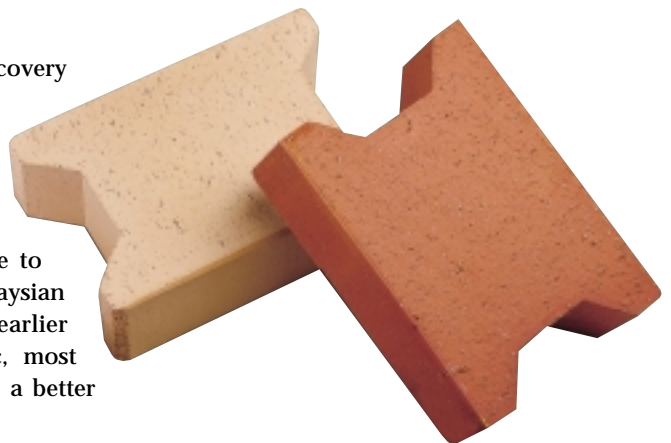
The economic recovery in Asia after the devastating financial crisis has been very slow. Although the local demand for common clay bricks shows positive signs of recovery, prices of common clay bricks have not reached pre-crisis level due to competition among existing manufactures. However, the prices are believed to be already at a low level currently hence no further drastic reduction is expected.

CORPORATE DEVELOPMENTS

On the Group's continuing effort to expand its product base, the Group will be able to enlarge its products range and to increase the utilization of the existing production capacity.

PROSPECT

The weakening external environment and the delayed recovery of the US economy have affected Malaysia economy to a certain extent. The latest economic data suggests that Malaysia, like other countries in the region, must brace itself for tougher times ahead in the face of the slowdown in the global economy. It is however encouraging to note that the Government will continue to adopt various pro-growth measures to cushion the Malaysian economy against external negative impacts. While earlier growth rate forecasts may now appear too optimistic, most analysts are of the consensus that the economy will see a better performance in the year 2002, albeit at a slower rate.



CHAIRMAN'S STATEMENT

As the Malaysian economy resumes its path of recovery, the Group will continue its efforts to strengthen and exploit its core competencies by improving its efficiency, quality, productivity, reduce operating costs and remain competitive in the rapid changing business environment. The Directors continues to be optimistic of its long term prospects and is confident that by consolidating on our strengths and with the support of all parties, a gradual improvement is expected in the current year.

DIVIDENDS

The Board does not recommend any dividends

DIRECTORS

On behalf of the Board, I would like to acknowledge the services and contributions of our late director Mr Ng Chuan Kim @ Ng Yan Chong, who passed away on 26 October 2001. I would also like to extend a warm welcome to Mr Ng Chin Kang and Mr Ng Chin San (the latter as alternate Director to Mr Ng Chin Kang) and Mr Chua Syer Cin as our new directors.

APPRECIATION

On behalf of the Board of Directors, I wish to express our sincere gratitude to the Government authorities, financial institutions, customers, suppliers, business associates, advisers and all other stakeholders for their understanding and invaluable support in helping us mitigate problems encountered. I would like to extend my appreciation to the management and our employees for their perseverance in these challenging times. To the shareholders, we thank you for your unwavering loyalty and support; and we look forward to your continuing support. Last but not least, I also wish to convey my deep appreciation to my fellow Board members for their inspired counsel and unfailing support and contribution.

DATUK NG ENG SOS @ BAH CHIK
(DMSM., DSM., KMN., PPN., PIS.)
Chairman & Managing Director

24 April 2002





DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary and associated companies are as disclosed under Notes 5 and 6 to the financial statements.

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

RESULTS

	Group RM	Company RM
Loss after taxation	(8,260,903)	(332,315)
(Accumulated losses)/retained profits brought forward	(11,255,834)	258,880
Accumulated losses carried forward	<u>(19,516,737)</u>	<u>(73,435)</u>

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

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

DIVIDEND

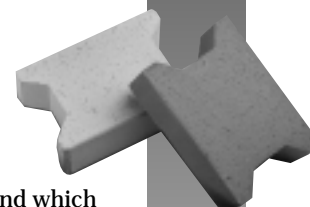
The Directors do not propose any dividend in respect of the current financial year.

EMPLOYEE SHARE OPTION SCHEME

At the Extraordinary General Meeting of the Company held on 28 June 2000, the shareholders of the Company approved the establishment of an employee share option scheme in respect of shares of the Company. Pursuant to the scheme, which became effective on 7 September 2000, options to subscribe for ordinary shares of RM1 each are granted to eligible employees of the Group including executive directors of any company in the Group. The main features of the scheme are as follows:

- a) Not exceeding in total the aggregate of ten (10) per centum of the issued ordinary share capital of the Company at any point of time during the existence of the scheme shall be available under the scheme;
- b) Employees including executive directors of any company in the Group who have been confirmed in their employment and who fall within any one of the categories set out in the bye-laws of the employee share option scheme, are eligible to participate in the scheme;

DIRECTORS' REPORT



- c) The option price shall be not less than the market price at the time the option is granted and which is based on a discount of not more than 10% of the mean market quotation (calculated as the weighted average price transacted) of the ordinary shares of the Company as quoted and stated in the daily Official List issued by the Kuala Lumpur Stock Exchange for the five (5) trading days immediately preceding the Date of Offer.
- d) An option granted to a selected employee shall be capable of being exercised by notice in writing to the Company, commencing on the date of acceptance of an Offer and expiring at the end of five (5) years from the date of such Offer or such shorter period as specifically stated in the Offer; and
- e) The Option may be exercised in respect of all the Option Shares or in respect of any part of the Option Shares provided always the number of Option Shares shall be in multiples of not less than one thousand (1,000) ordinary shares nor more than the maximum allowable allocation of the five hundred thousand (500,000) ordinary shares for the selected employee. Any partial exercising of the Option shall not preclude the Grantee from exercising the Option as to the balance not yet exercised.

The details of options granted to subscribe for shares which were outstanding as at 31 December 2001 are as follows:

Date of offer	Option price per share RM	Balance as at 1.1.2001	Granted	Exercised	Lapsed	Balance as at 31.12.2001
11/10/2000	2.00	3,526,000	-	-	59,000	3,467,000
05/04/2001	1.00	-	136,000	-	10,000	126,000
04/10/2001	1.00	-	176,000	-	2,000	174,000
		3,526,000	312,000	-	71,000	3,767,000

Options exercisable in a particular year but not exercised may be carried forward to any subsequent year subject to the 5 year limit of the ESOS.

The Company has been granted exemption by the Registrar of Companies from having to disclose the list of option holders and their holdings.

DIRECTORS

The Directors who held office since the date of the last report and at the date of this report are:

Datuk Ng Eng Sos @ Bah Chik	
Datuk Ariss Bin Samsudin	
Ng Yeng Keng @ Ng Ka Hiat	
Tan See Chip	
Ng Yam Puan @ Ng Ah Bah	
Mohd Salleh Bin Jantan	
Tan Seng Kee	
Loh Chee Kan	
Chua Syer Cin	(Appointed on 1.11.01)
Ng Chin Kang	(Appointed on 26.11.01)
(Alternate director : Ng Chin San)	
Ng Chuan Kim @ Ng Yan Chong	(Demised on 26.10.01)



DIRECTORS' REPORT

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, or debentures of, the Company or any other body corporate.

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

	Number of ordinary shares of RM1 each			
	Balance at 1.1.2001	Bought	Sold	Balance at 31.12.2001
The Company				
Direct interest				
Datuk Ng Eng Sos @ Bah Chik	660,379	130,000	140,000	650,379
Ng Yeng Keng @ Ng Ka Hiat	640,055	60,000	130,000	570,055
Tan See Chip	785,935	-	-	785,935
Ng Yam Puan @ Ng Ah Bah	360,582	185,273	162,356	383,499
Mohd Salleh Bin Jantan	1,095,416	1,236,000	880,000	1,451,416
Datuk Ariss Bin Samsudin	303,000	-	-	303,000
Ng Chin San (alternate director)	-	108,000	-	108,000

Deemed interest

Datuk Ng Eng Sos @ Bah Chik	19,798,193	236,000	261,000	19,773,193
Ng Yeng Keng @ Ng Ka Hiat	19,798,193	236,000	261,000	19,773,193
Tan See Chip	7,415,853	60,000	154,000	7,321,853
Ng Yam Puan @ Ng Ah Bah	19,798,193	236,000	261,000	19,773,193
Ng Chin Kang	-	9,447,720	61,000	9,386,720

Number of options over ordinary shares of RM1 each

	Balance at 1.1.2001	Granted	Exercised	Balance at 31.12.2001
	The Company			
Direct interest				
Datuk Ng Eng Sos @ Bah Chik	400,000	-	-	400,000
Datuk Ariss Bin Samsudin	400,000	-	-	400,000
Ng Yeng Keng @ Ng Ka Hiat	400,000	-	-	400,000
Tan See Chip	400,000	-	-	400,000
Ng Chin San (alternate director)*	-	83,000	-	83,000

* *Granted prior to appointment*

Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat, Tan See Chip and Ng Yam Puan @ Ng Ah Bah, by virtue of their interest in the Company, are deemed interested in the shares of the subsidiary companies to the extent that the Company has an interest.

In accordance with Article 80 of the Company's Articles of Association, Datuk Ariss Bin Samsudin and Loh Chee Kan shall retire by rotation and being eligible, offer themselves for re-election.

DIRECTORS' REPORT



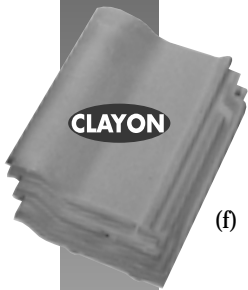
In accordance with Article 87 of the Company's Articles of Association, Ng Chin Kang and Chua Syer Cin who were appointed to the Board since the last Annual General Meeting, retire and being eligible, offer themselves for re-election.

In accordance with Paragraph 7.28 of the Listing Requirements of the Kuala Lumpur Stock Exchange, Datuk Ng Eng Sos @ Bah Chik shall retire and being eligible, offers himself for re-election.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965 other than certain Directors who may be deemed to derive a benefit by virtue of those transactions entered in the ordinary course of business between the Company or its related corporations and companies in which the Directors have substantial financial interest.

OTHER STATUTORY INFORMATION

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



DIRECTORS' REPORT

- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company 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 Group and of the Company for the financial year in which this report is made.

AUDITORS

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

On behalf of the Board,

DATUK NG ENG SOS @ BAH CHIK
Director

NG YENG KENG @ NG KA HIAT
Director

Batu Pahat
26 April 2002

STATEMENT BY DIRECTORS

We, DATUK NG ENG SOS @ BAH CHIK and NG YENG KENG @ NG KA HIAT, being two of the Directors of KIA LIM BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 29 to 48 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the financial position of the Group and of the Company as at 31 December 2001; and
- (ii) the results and the cash flows of the Group and of the Company for the year ended 31 December 2001.

On behalf of the Board,

DATUK NG ENG SOS @ BAH CHIK
Director

NG YENG KENG @ NG KA HIAT
Director

Batu Pahat
26 April 2002

STATUTORY DECLARATION

I, DATUK NG ENG SOS @ BAH CHIK, being the Director primarily responsible for the financial management of KIA LIM BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 29 to 48 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed DATUK NG ENG SOS @)
BAH CHIK at Batu Pahat in the State of)
Johor Darul Ta'zim on 26 April 2002) DATUK NG ENG SOS @ BAH CHIK

Before me,

Ng Swee Chiang
Commissioner for Oaths
No. J 004



AUDITORS' REPORT

To the Members of Kia Lim Berhad

We have audited the financial statements set out on pages 29 to 48. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2001 and of the results and the cash flows of the Group and of the Company 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 and consolidated financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

Without qualifying our opinion, we draw attention to Note 2 to the financial statements. The preparation of the financial statements on a going concern basis is dependent on the matters referred to in the said Note.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in the 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' reports on the financial statements of the subsidiary companies 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

Wun Mow Sang
1821/12/02(J)
Partner

Johor Bahru
26 April 2002

BALANCE SHEETS

As at 31 December 2001



	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
PROPERTY, PLANT AND EQUIPMENT	4	93,930,206	101,050,454	1,457,046	1,483,178
SUBSIDIARY COMPANIES	5	-	-	44,356,709	44,356,709
ASSOCIATED COMPANY	6	118,589	119,036	-	-
INVESTMENTS	7	1,172,523	1,172,523	-	-
CURRENT ASSETS					
Properties held for resale	8	3,190,566	1,528,485	-	-
Inventories	9	9,740,425	9,729,060	-	-
Debtors	10	8,250,026	11,626,513	27,299	25,169
Advances to subsidiary companies	5	-	-	7,102,112	7,577,062
Cash and bank balances		287,255	3,207	251	217
		21,468,272	22,887,265	7,129,662	7,602,448
CURRENT LIABILITIES					
Creditors	11	23,689,182	22,825,326	351,215	414,687
Taxation		1,004,759	1,348,977	-	-
Bank and other borrowings	12	25,085,363	18,286,829	414,952	458,629
		49,779,304	42,461,132	766,167	873,316
NET CURRENT LIABILITIES		(28,311,032)	(19,573,867)	6,363,495	6,729,132
		66,910,286	82,768,146	52,177,250	52,569,019
SHARE CAPITAL	13	44,550,000	44,550,000	44,550,000	44,550,000
RESERVES	14	(12,233,507)	(3,972,604)	7,209,795	7,542,110
SHAREHOLDERS' FUND		32,316,493	40,577,396	51,759,795	52,092,110
NON-CURRENT LIABILITIES	15	34,593,793	42,190,750	417,455	476,909
		66,910,286	82,768,146	52,177,250	52,569,019

The notes on pages 34 to 48 form an integral part of these financial statements.



INCOME STATEMENTS

For the year ended 31 December 2001

	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Turnover	16	37,125,651	35,796,013	-	-
Cost of sales		(30,733,863)	(31,270,784)	-	-
Gross profit		6,391,788	4,525,229	-	-
Other operating income		1,102,705	829,622	91	172
Administrative expenses		(2,995,356)	(4,176,043)	(257,535)	(274,486)
Selling and distribution expenses		(6,963,097)	(7,050,435)	-	-
Loss from operation		(2,463,960)	(5,871,627)	(257,444)	(274,314)
Finance cost		(5,788,111)	(5,990,246)	(74,871)	(82,089)
Operating loss		(8,252,071)	(11,861,873)	(332,315)	(356,403)
Share of (loss)/profit of associated company		(427)	13,157	-	-
Loss before taxation	17	(8,252,498)	(11,848,716)	(332,315)	(356,403)
Taxation	18	(8,405)	(195,972)	-	-
Loss after taxation		(8,260,903)	(12,044,688)	(332,315)	(356,403)
Loss per share (sen)					
- Basic	19	19	29		
- Fully diluted	19	19	29		

The notes on pages 34 to 48 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2001



GROUP	Share Capital RM	Share Premium RM	Accumulated Losses RM	Total RM
At 1 January 2000	40,500,000	4,458,815	788,854	45,747,669
Net loss for the year	-	-	(12,044,688)	(12,044,688)
Employee share option scheme expenses written off	-	(132,085)	-	(132,085)
Issue of share capital	4,050,000	2,956,500	-	7,006,500
At 31 December 2000	44,550,000	7,283,230	(11,255,834)	40,577,396
Net loss for the year	-	-	(8,260,903)	(8,260,903)
At 31 December 2001	44,550,000	7,283,230	(19,516,737)	32,316,493
COMPANY				
At 1 January 2000	40,500,000	4,458,815	615,283	45,574,098
Net loss for the year	-	-	(356,403)	(356,403)
Employee share option scheme expenses written off	-	(132,085)	-	(132,085)
Issue of share capital	4,050,000	2,956,500	-	7,006,500
	44,550,000	7,283,230	258,880	52,092,110
Net loss for the year	-	-	(332,315)	(332,315)
At 31 December 2001	44,550,000	7,283,230	(73,435)	51,759,795

The notes on pages 34 to 48 form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

For the year ended 31 December 2001

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Cash flows from operating activities				
Loss before taxation	(8,252,498)	(11,848,716)	(332,315)	(356,403)
Adjustments for:				
Provision for diminution in value of property, plant and equipment	-	312,350	-	-
Bad debts written off	-	67,908	-	-
Depreciation of property, plant and equipment	7,783,771	7,821,157	31,132	43,590
Interest expense	5,788,111	5,990,246	74,871	82,089
Interest income	(8,295)	(1,187)	-	-
Gain on disposal of property, plant and equipment	-	(93,056)	-	-
Provision for doubtful debts	211,622	610,350	-	-
Gain on disposal of investments	-	(207,533)	-	-
Unrealised foreign exchange (gain)/loss	(99,161)	41,925	-	-
Share of loss/(profit) of associated company	427	(13,157)	-	-
Operating profit/(loss) before working capital changes	5,423,977	2,680,287	(226,312)	(230,724)
Increase in inventories	(11,366)	(830,335)	-	-
Decrease/(increase) in trade and other receivables	2,804,580	(1,460,072)	(1,000)	-
Increase/(decrease) in trade and other payables	2,007,214	3,983,772	(63,472)	(27,655)
Cash generated from/(used in) operations	10,224,405	4,373,652	(290,784)	(258,379)
Tax paid	(353,733)	(71,329)	(1,130)	(1,369)
Interest received	8,295	1,187	-	-
Interest paid	(5,788,111)	(5,990,246)	(74,871)	(82,089)
<i>Net cash from/(used in) operating activities</i>	4,090,856	(1,686,736)	(366,785)	(341,837)

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2001



	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Cash flows from investing activities				
Withdrawal of pledged fixed deposits	-	27,750	-	-
Proceeds on disposal of investments	-	452,829	-	-
Purchase of property, plant and equipment	(1,751,835)	(1,660,891)	(5,000)	(123,747)
Repayment from/(advances to) subsidiary companies	-	-	474,950	(6,356,454)
Purchase of properties held for resale	(573,769)	-	-	-
Proceeds on disposal of property, plant and equipment	-	157,089	-	-
<i>Net cash (used in)/from investing activities</i>	(2,325,604)	(1,023,223)	469,950	(6,480,201)
Cash flows from financing activities				
Proceeds from/(repayment of) trade facilities	2,190,033	(1,701,514)	-	-
Proceeds from issuance of shares	-	7,006,500	-	7,006,500
Repayment of term loans	(999,188)	(3,095,705)	(69,188)	(72,281)
Repayment of hire purchase liabilities	(1,453,034)	(1,467,097)	-	-
Expenses for issuance of shares and ESOS	-	(132,085)	-	(132,085)
Proceeds from fixed loans	398,806	-	-	-
<i>Net cash from/(used in) financing activities</i>	136,617	610,099	(69,188)	6,802,134
Net increase/(decrease) in cash and cash equivalents	1,901,869	(2,099,860)	33,977	(19,904)
Cash and cash equivalents at beginning of the year	(9,026,421)	(6,926,561)	(319,397)	(299,493)
Cash and cash equivalents at end of the year (Note 20)	(7,124,552)	(9,026,421)	(285,420)	(319,397)

Note

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM1,751,835 (2000 : RM1,750,191) of which RM Nil (2000 : RM89,300) was acquired by means of hire purchase arrangements.

The notes on pages 34 to 48 form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

1. GENERAL

The Company is a public limited company incorporated in Malaysia under the Companies Act, 1965 and quoted on the Kuala Lumpur Stock Exchange, Main Board.

2. FUNDAMENTAL ACCOUNTING CONCEPT

As at 31 December 2001, the Group's current liabilities exceeded current assets by RM28,311,032 and an after-tax loss of RM8,260,903 was incurred in respect of the reported financial year. The Group is at present, actively negotiating with its bankers to restructure its existing debt facilities and will increase its paid-up share capital to comply with Kuala Lumpur Stock Exchange Listing Requirements.

The Directors are of the view that the above will be concluded successfully and therefore the preparation of the financial statements on a going concern basis is appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention and comply with approved accounting standards issued by the Malaysian Accounting Standards Board.

(b) Property, Plant and Equipment and Depreciation

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

Freehold land and capital work-in-progress are not depreciated. Depreciation of other assets is calculated on the straight line method to write off the cost of the property, plant and equipment over the estimated useful lives as follows:

Buildings	10 - 50 years
Plant and machinery	5 - 20 years
Motor vehicles	5 years
Other assets	5 - 10 years

Property, plant and equipment acquired under hire purchase are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statement to give a constant periodic rate of interest on the remaining hire purchase liabilities.

Subsequent restoration costs relating to an item of property, plant and equipment that has been recognised, are capitalised only if such costs improve the condition of the property, plant and equipment beyond its originally assessed standard of performance. All other subsequent expenditure are recognised as an expense in the year in which it is incurred.

(c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies made up for the financial year ended 31 December. The financial statements of the subsidiary companies are consolidated using the merger method of accounting.

Under the merger method of accounting, the results of subsidiary companies are presented as if the companies have been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital of the subsidiary companies are treated as a reserve arising on consolidation if the carrying value of the investments is less than the nominal value of the shares transferred or treated as a

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

reduction of reserves where the carrying value is more than the nominal value of the shares transferred. All significant intercompany balances have been eliminated.

(d) Associated Company

An associated company is a company in which the Group has a long term equity interest of between 20 and 50 per cent and where it exercises significant influence through Board representation.

The Group's share of results and reserve of associated company acquired or disposed are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

(e) Investment

Long term investments including investments in subsidiary company and associated company are stated at cost unless in the opinion of the Directors, there has been a permanent diminution in values, in which case provision is made for the diminution.

(f) Properties Held for Resale

Properties held for resale are stated at the lower of cost and market value and are not depreciated.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Work in progress and finished goods are determined at average production cost. Raw materials are valued at cost determined on the weighted average basis and consumables are valued at cost on a first-in-first-out basis.

Cost includes the actual cost of material and incidentals in bringing the inventories into store. For manufactured inventories, it also includes labour and an appropriate allocation of the relevant overhead expenses.

(h) Bad and Doubtful Debts

Known bad debts are written off and specific provisions made for any debts which are considered doubtful of collection.

(i) Foreign Currencies

Transactions in foreign currencies are recorded in Ringgit Malaysia at the exchange rates ruling at the dates of transaction or at contracted rates, where applicable. Foreign currency monetary assets and liabilities are reported at the exchange rate ruling at the balance sheet date. All gains and losses are included in the income statement.

(j) Deferred Taxation

Deferred taxation is provided for on material timing differences using the liability method except where it can be demonstrated with reasonable probability that the deferrals will continue in the foreseeable future. Deferred tax benefits are not recognised unless there is reasonable expectation of their realisation.

(k) Revenue Recognition

Revenue of the Group are recognised when goods are delivered and accepted by customers.

Rental income is recognised on the accrual basis.

Interest income is recognised on the accrual basis unless the recoverability is in doubt.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Dividends from subsidiary and associated companies are recognised as and when they are proposed or declared while dividends from other investments are recognised as and when the legal right to receive is established.

(l) Borrowing Costs

Borrowing cost are capitalised as part of the cost of a property, plant and equipment when incurred specifically for property, plant and equipment which on acquisition, construction or production requires a substantial period of time to get them ready for their intended use. Capitalisation of borrowing cost ceases when the property, plant and equipment is ready for its intended use.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts) and deposits that are readily convertible to cash and are subject to an insignificant risk of changes in value.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles RM	Other assets RM	Total RM
Cost					
At beginning of the year	19,942,884	113,343,533	7,434,851	3,153,368	143,874,636
Additions	165,943	1,342,396	-	243,496	1,751,835
Reclassification	-	-	-	(1,088,312)	(1,088,312)
At end of the year	20,108,827	114,685,929	7,434,851	2,308,552	144,538,159
Accumulated Depreciation					
At beginning of the year	2,140,958	32,435,421	6,639,013	1,003,612	42,219,004
Charge for the year	384,035	6,863,257	348,948	187,531	7,783,771
At end of the year	2,524,993	39,298,678	6,987,961	1,191,143	50,002,775
Provision for diminution in value					
At beginning and end of the year	-	605,178	-	-	605,178
Net Book Value					
At 31.12.2001	17,583,834	74,782,073	446,890	1,117,409	93,930,206
At 31.12.2000	17,801,926	80,302,934	795,838	2,149,756	101,050,454

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001



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

Company	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles RM	Other assets RM	Total RM
Cost					
At beginning of the year	1,508,102	-	83,383	9,197	1,600,682
Additions	5,000	-	-	-	5,000
At end of the year	1,513,102	-	83,383	9,197	1,605,682
Accumulated Depreciation					
At beginning of the year	30,162	-	83,383	3,959	117,504
Charge for the year	30,212	-	-	920	31,132
At end of the year	60,374	-	83,383	4,879	148,636
Net Book Value					
At 31.12.2001	1,452,728	-	-	4,318	1,457,046
At 31.12.2000	1,477,940	-	-	5,238	1,483,178

Certain property, plant and equipment of the Group with net book value of RM75,146,968 (2000 : RM85,775,422) have been pledged as security for banking facilities obtained by subsidiary companies as mentioned in Note 12 to the financial statements.

In the course of upgrading a subsidiary company's production facilities, certain plant and machinery in excess of requirements are being held for disposal. These assets have been stated at their estimated recoverable amounts amounting to RM956,573 (2000 : RM956,573), net of provision for diminution in value of RM605,178 (2000 : RM605,178). In determining the estimated recoverable amounts, no attempt has been made to estimate expected future cash flows and discount them to their present values.

Other assets include capital work-in-progress which comprise of expenditures incurred for labour quarters amounting to RM49,200 (2000 : RM49,200) and terrace-houses which, on completion during the year were reclassified to properties held for resale.

The net book value of property, plant and equipment being acquired under instalment purchase plans is as follows :

	Group	
	2001 RM	2000 RM
Motor vehicles	232,353	354,570
Office equipment	-	33,721
Plant and machinery	5,837,881	6,171,474

The gross amount of property, plant and equipment of the Group and Company which are fully depreciated but still in use amounted to RM24,178,819 (2000 : 11,480,866) and RM83,383 (2000 : RM Nil) respectively.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

5. SUBSIDIARY COMPANIES

	Company	
	2001	2000
	RM	RM
Unquoted shares, at cost	29,616,709	29,616,709
Loans to subsidiary companies	14,740,000	14,740,000
	44,356,709	44,356,709

The subsidiary companies, which are incorporated in Malaysia, are :

Name of company	Principal activity	Effective equity interest	
		2001	2000
Kangkar Raya Batu Bata Sdn. Bhd.	Manufacturing of bricks and roofing tiles	100%	100%
Syarikat Kia Lim Kilang Batu Bata Sdn. Bhd.	Manufacturing of bricks	100%	100%

The advances to subsidiary companies are unsecured, interest free and have no fixed terms of repayment. The loans to subsidiary companies are unsecured, interest free and not expected to be repaid within the next 12 months. The loans are fully subordinated to the term loans and certain banking facilities as stated in Note 12 to the financial statements.

6. ASSOCIATED COMPANY

	Group	
	2001	2000
	RM	RM
Unquoted shares, at cost	54,000	54,000
Group's share of post-acquisition profits	64,589	65,036
	118,589	119,036

The Group's interest in associated company is as follows :

Share of net assets of associated company	113,885	114,332
Goodwill on acquisition	4,704	4,704
	118,589	119,036

The associated company, which is incorporated in Malaysia, is :

Name of company	Principal activity	Effective equity interest	
		2001	2000
Sersen Tiles Sdn. Bhd.	Property owner	27%	27%

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001



7. INVESTMENTS

	Group	
	2001 RM	2000 RM
At cost		
Shares quoted in Malaysia	761,833	761,833
Warrants quoted in Malaysia	410,690	410,690
	1,172,523	1,172,523
Market value of quoted shares	852,843	912,173
Market value of quoted warrants	242,764	288,396
	1,095,607	1,199,569

8. PROPERTIES HELD FOR RESALE

	Group	
	2001 RM	2000 RM
At cost	3,190,566	1,528,485

Included in properties held for resale is interest on borrowings capitalised amounting to RM17,469 (2000 : RM Nil).

Properties held for resale with cost of RM573,769 (2000 : RM Nil) are charged to secure bank facilities as stated in Note 12 to the financial statements.

A subsidiary company has arranged for the sales and purchase agreement for certain of these properties held for resale to be terminated through a deed of revocation by mutual consent with the vendor. The deed of revocation has yet to be effected as the date of this report.

9. INVENTORIES

	Group	
	2001 RM	2000 RM
At cost		
Raw materials	3,933,079	4,337,578
Indirect materials	2,087,848	2,083,474
Work-in-progress	188,066	323,646
Finished products	3,190,817	2,984,362
	9,399,810	9,729,060
At net realisable value		
Work-in-progress	93,185	-
Finished products	247,430	-
	9,740,425	9,729,060



NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

10. DEBTORS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade debtors	8,853,140	12,095,410	-	-
Other debtors	308,727	1,481,743	27,299	25,169
	9,161,867	13,577,153	27,299	25,169
Provision for doubtful debts	(911,841)	(1,950,640)	-	-
	8,250,026	11,626,513	27,299	25,169

Included in trade and other debtors of the Group are debts owing by related parties amounting to RM712,261 (2000 : RM742,404)

11. CREDITORS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Hire purchase creditors	1,999,592	3,924,067	-	-
Interest in suspense	(447,820)	(919,262)	-	-
	1,551,772	3,004,805	-	-
Repayment due after 1 year disclosed under non-current liabilities (Note 15)	(553,589)	(1,323,841)	-	-
Repayment due less than 1 year	998,183	1,680,964	-	-
Trade creditors	13,128,735	13,470,226	-	-
Other creditors	6,173,766	4,510,518	184,078	273,887
Accrued expenses	1,438,780	1,016,072	45,537	25,200
Interest payable	1,694,277	1,924,805	-	-
Directors	255,441	222,741	121,600	115,600
	23,689,182	22,825,326	351,215	414,687

The future hire purchase payments are as follows :

Year ending 31 December	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
2001	-	2,107,578	-	-
2002	1,262,820	1,059,381	-	-
2003	707,588	725,765	-	-
2004	19,248	20,411	-	-
2005	9,936	10,932	-	-
	1,999,592	3,924,067	-	-

Included in trade and other creditors of the Group and Company are debts owing to related parties amounting to RM2,510,382 (2000 : RM2,973,255) and RM12,418 (2000 : RM40,418) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001



12. BANK AND OTHER BORROWINGS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Secured				
Term loans	40,840,000	41,770,000	-	-
Fixed loans	398,806	-	-	-
Portion repayable after 1 year disclosed under non-current liabilities (Note 15)	(33,622,749)	(40,390,000)	-	-
Portion repayable less than 1 year	7,616,057	1,380,000	-	-
Bankers' acceptance	9,431,000	7,642,000	-	-
Trust receipts	497,218	96,186	-	-
Bank overdrafts	7,126,136	8,710,014	-	-
	24,670,411	17,828,200	-	-
Unsecured				
Term loans	546,736	615,924	546,736	615,924
Portion repayable after 1 year disclosed under non-current liabilities (Note 15)	(417,455)	(476,909)	(417,455)	(476,909)
Portion repayable less than 1 year	129,281	139,015	129,281	139,015
Bank overdrafts	285,671	319,614	285,671	319,614
	414,952	458,629	414,952	458,629
	25,085,363	18,286,829	414,952	458,629

The secured borrowings are secured by way of corporate guarantees from the Company, a fixed charge on all present and future property, plant and equipment of a subsidiary company excluding the property, plant and equipment under hire purchase financing amounting to RM43,831,903 (2000 : RM52,271,622), legal charges over certain property, plant and equipment and properties held for resale of another subsidiary company amounting to RM31,315,065 (2000 : RM33,503,800) and RM573,769 (2000 : RM Nil) respectively.

The secured term loans are repayable over 3 to 8 years and bear interest at rates ranging from 8.4% to 8.9% (2000 : 8.8% to 9.3%) per annum.

The unsecured term loan are repayable over 10 years and bear interest at rates of 8.15% (2000 : 8.55%) per annum.

The fixed loans are repayable over 5 years and bear interest at a rate of 8.45% (2000 : Nil) per annum.

The other bank borrowings are repayable on demand and bear interest at rates ranging from 1.5% to 2.5% (2000 : 2% to 2.5%) above the bank's base lending rate per annum.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

13. SHARE CAPITAL

	Group & Company	
	2001	2000
	RM	RM
Authorised		
100,000,000 shares of RM1 each	100,000,000	100,000,000
Issued and fully paid		
44,550,000 (2000 : 44,550,000) ordinary shares of RM1 each At beginning and end of the year	44,550,000	44,550,000

14. RESERVES

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Non-Distributable				
Share premium	7,283,230	7,283,230	7,283,230	7,283,230
Distributable				
(Accumulated losses)/ retained profits	(19,516,737)	(11,255,834)	(73,435)	258,880
	(12,233,507)	(3,972,604)	7,209,795	7,542,110

The movements in the reserves are shown in the statements of changes in equity.

15. NON-CURRENT LIABILITIES

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Term and fixed loans (Note 12)	34,040,204	40,866,909	417,455	476,909
Hire purchase creditors (Note 11)	553,589	1,323,841	-	-
	34,593,793	42,190,750	417,455	476,909

16. TURNOVER

Turnover of the Group represents invoiced value of goods sold less returns and trade discounts. Intra group transactions are excluded from the Group's turnover. Turnover of the Company comprises gross dividend income.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001



17. LOSS BEFORE TAXATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
This is arrived at after charging :				
Auditors' remuneration	30,000	30,000	5,000	5,000
Bad debts written off	-	67,908	-	-
Depreciation of property, plant and equipment	7,783,771	7,821,157	31,132	43,590
Directors' fees payable to Directors of :				
- Company	25,433	25,200	25,433	25,200
- Subsidiary companies	28,525	28,700	-	-
Directors' emoluments payable to Directors of Company	631,272	645,160	8,500	8,500
Foreign exchange loss				
-realised	12,773	29,135	-	-
-unrealised	45,375	54,305	-	-
Interest expense	5,788,111	5,990,246	74,871	82,089
Provision for doubtful debts	211,622	610,350	-	-
Provision for diminution in value of property, plant and equipment	-	312,350	-	-
Rental of motor vehicles	25,400	32,524	-	-
Rental of premises	203,100	213,900	-	-
And crediting :				
Dividend from quoted shares	2	2	-	-
Foreign exchange gain				
-realised	39,519	-	-	-
-unrealised	144,536	12,380	-	-
Gain on disposal of property, plant and equipment	-	93,056	-	-
Gain on disposal of investments	-	207,533	-	-
Interest income	8,295	1,187	-	-
Bad debts recovered	586,109	-	-	-

The estimated monetary value of benefits provided to Directors during the financial year by way of usage of the Group's assets and provision of other benefits amounted to RM22,100 (2000 : RM22,100)



NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

18. TAXATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Malaysian taxation based on profit for the year :				
Share of taxation of associated company	20	26	-	-
	20	26	-	-
Under provision in prior years				
Current tax	-	195,946	-	-
Real property gains tax	8,385	-	-	-
	8,405	195,972	-	-

No provision for taxation is necessary as the Group and Company have no chargeable income.

The timing differences for which the potential tax benefit has not been recognised in the financial statements are as follows :

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Taxation allowances and depreciation of property, plant and equipment	16,599,000	7,266,000	-	-
Unutilised tax losses	10,293,000	8,956,000	-	-
Unutilised reinvestment allowances	32,252,000	30,977,000	-	-
Other timing differences	(100,000)	42,000	-	-
	59,044,000	47,241,000	-	-

19. LOSS PER SHARE

(a) Basic

The basic loss per share is calculated based on the Group's loss after taxation of RM8,260,903 (2000 : RM12,044,688) on the total number of ordinary shares in issue during the year of 44,550,000 (2000 : 41,942,466).

(b) Fully diluted

The fully diluted loss per ordinary share for the year has been calculated based on the consolidated loss after taxation of RM8,260,903 (2000 : RM12,044,688) on the number of shares issued and issuable of 44,560,845 (2000 : 41,942,466). The number of shares issued and issuable is calculated based on the total number of share in issue at the end of the financial year and the shares issuable on the exercise of the shares options on the assumption that these shares were issued at 31 December 2001.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001



19. LOSS PER SHARE (CONT'D)

The reconciliation of the weighted average number of shares is shown below :

	Group	
	2001 RM	2000 RM
Number used in the calculation of basic loss per share	44,550,000	41,942,466
Number under ESOS	300,000	-
Number that would have been issued at fair value	(289,155)	-
	<hr/>	
Number used in the calculation of diluted loss per share	44,560,845	41,942,466

20. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Cash and bank balances	287,255	3,207	251	217
Bank overdrafts	(7,411,807)	(9,029,628)	(285,671)	(319,614)
	<hr/>		<hr/>	
	(7,124,552)	(9,026,421)	(285,420)	(319,397)

21. SEGMENTAL REPORTING

There is no disclosure of segmental information as required by International Accounting Standard No. 14 (Reporting Financial Information by Segment) as the Group operates principally within one industry and one country.

22. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Sales of finished goods to:				
E.S. Ng Building Products Sdn. Bhd. (note a)	6,347	26,287	-	-
E.S. Ng Pembinaan Perniagaan Sdn. Bhd. (note a)	11,055	95,872	-	-
Sri Senanggar Batu Bata Sdn. Bhd. (note b)	94,831	16,708	-	-
Sersen Sdn. Bhd. (note c)	-	35,606	-	-
Syarikat Kayu Wangi Berhad (note d)	3,972	179,064	-	-
Sales of indirect materials to :				
Kia Lim Timber Trading Sdn. Bhd. (note e)	361,107	300,396	-	-
Purchases of finished goods from :				
Sri Senanggar Batu Bata Sdn. Bhd. (note b)	1,666	25,650	-	-



NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

22. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Purchases of raw materials from :				
Rengam Batu Bata Sdn. Bhd. (note f)	48,860	29,160	-	-
Purchases of indirect materials from :				
E.S. Ng Building Products Sdn. Bhd. (note a)	21,130	-	-	-
Syarikat Kayu Wangi Berhad (note d)	91,856	82,341	-	-
Syarikat Subari Pembinaan Perniagaan Sdn. Bhd. (note g)	13,160	16,200	-	-
Repair and maintenance charges payable to :				
E.S. Ng Pembinaan Perniagaan Sdn. Bhd. (note a)	9,293	11,691	-	-
Kia Lim Timber Trading Sdn. Bhd. (note e)	19,539	22,156	-	-
Repair and maintenance charges receivable from :				
E.S. Ng Pembinaan Perniagaan Sdn. Bhd. (note a)	18,452	583	-	-
Sri Senanggar Batu Bata Sdn. Bhd. (note b)	25,340	18,189	-	-
Rental payable to :				
Sersen Sdn. Bhd. (note c)	10,230	6,000	-	-
Kia Lim Timber Trading Sdn. Bhd. (note e)	172,800	172,800	-	-
Rengam Batu Bata Sdn. Bhd. (note f)	60,000	67,000	-	-
Hotel Carnival Sdn. Bhd. (note h)	30,000	30,000	-	-
Antara Construction Sdn. Bhd. (note i)	24,000	28,000	-	-
Rental receivable from :				
Sri Senanggar Batu Bata Sdn. Bhd. (note b)	13,308	12,000	-	-
Transports charges payable to :				
Subari Jaya Pembinaan Sdn. Bhd. (note j)	26,438	66,387	-	-
Transports charges receivable from :				
Original Clay Industries Sdn. Bhd. (note k)	3,795	10,867	-	-
Other charges payable to :				
E.S. Ng Pembinaan Perniagaan Sdn. Bhd. (note a)	85,919	-	-	-
Kia Lim Timber Trading Sdn. Bhd. (note e)	30,687	209,358	-	-

The above transactions have been entered in the normal course of business and established under mutually agreed terms.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001



22. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Related parties are those enterprises which are subject to the same source of influence as the Company through common directors and shareholders.

Notes :

- (a) A Director of the Company, namely Datuk Ng Eng Sos @ Bah Chik and his family members are directors and/or substantial shareholders of that company.
- (b) A Director of the Company, namely Tan See Chip and certain family members of certain Directors, namely Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat and Tan See Chip are directors of that company. Certain Directors of the Company, namely Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat, Ng Chin San, Tan See Chip and/or their family members are substantial shareholders of that company.
- (c) Certain family members of certain Directors of the Company, namely Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat and Ng Chin Kang are directors/substantial shareholders of that company. A substantial shareholder of the Company, namely Ng Yan Kian is also the director and substantial of that company.
- (d) Certain Directors of the Company, namely Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat, Ng Chin Kang, Ng Chin San and Mohd Salleh Bin Jantan are directors of that company and/or their certain family members have deemed substantial interest in that company.
- (e) Certain Directors of the Company, namely Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat, Ng Yam Puan @ Ng Ah Bah and Ng Chin Kang are directors and/or substantial shareholders of that company. A substantial shareholder of the Company, namely Ng Yan Kian is also the substantial shareholder of that company.
- (f) Certain Directors of the Company, namely Tan See Chip and Mohd Salleh Bin Jantan and certain family members of certain Directors, namely Datuk Ng Eng Sos @ Bah Chik and Ng Yeng Keng @ Ng Ka Hiat are directors of that company. Certain Directors of the Company namely, Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat, Ng Chin San, Ng Chin Kang, Mohd Salleh Bin Jantan and/or their family members are substantial shareholders of that company.
- (g) A Director of the Company, namely Ng Yeng Keng @ Ng Ka Hiat and a family member of the Director, namely Datuk Ng Eng Sos @ Bah Chik are directors of that company. Certain Directors of the Company and/or their certain family members, namely Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat and Ng Chin Kang are deemed to have substantial interest in that company.
- (h) A Director of the Company, namely Ng Yeng Keng @ Ng Ka Hiat and a family member of another Director, namely Datuk Ng Eng Sos @ Bah Chik are directors of that company. A substantial shareholder of the Company, namely Ng Yan Kian is also a substantial shareholder of that company. Certain Directors of the Company, namely Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat, Ng Chin Kang and/or their family members have deemed substantial interest in that company.
- (i) A Director of the Company, namely Mohd Salleh Bin Jantan and certain family members of certain Directors, namely Datuk Ng Eng Sos @ Bah Chik and Datuk Ariss Bin Samsudin are directors and substantial shareholders of that company.
- (j) A Director of the Company, namely Ng Chin Kang is a director of that company and certain family members of certain Directors, namely Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat and Ng Chin Kang have deemed substantial interest in that company.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

22. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(k) Certain Directors of the Company, namely Datuk Ng Eng Sos @ Bah Chik, Ng Yeng Keng @ Ng Ka Hiat and a family member of a Director, namely Datuk Ng Eng Sos @ Bah Chik are directors and substantial shareholders of that company.

23. CAPITAL COMMITMENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Contracted but not provided	-	758,000	-	-

24. CONTINGENT LIABILITY

	Company	
	2001 RM	2000 RM
Unsecured corporate guarantees given to secure banking and trade facilities granted to subsidiary companies	59,735,763	61,657,372

25. EMPLOYEE INFORMATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Staff costs	4,705,821	4,655,585	-	-

The number of employees of the Group and of the Company at the end of the year were 245 (2000 : 253) and Nil (2000 : Nil) respectively.

26. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with current year's presentation :

	Group		Company	
	As Restated 2000 RM	As previously stated 2000 RM	As Restated 2000 RM	As previously stated 2000 RM
Notes to the financial statements :				
Trade creditors	13,470,226	14,671,783	-	-
Other creditors	4,510,518	6,249,838	273,887	299,087
Accrued expenses	1,016,072	-	25,200	-
Interest payable	1,924,805	-	-	-

The changes were due to the reclassification of creditors which are non trade in nature from trade creditors to other creditors amounted to RM1,201,557 and the sub-classification of other creditors.

STATEMENT OF SHAREHOLDINGS

As At 29 April 2002

Authorised capital	: RM100,000,000
Issued and fully paid-up capital	: RM44,579,000
Class of shares	: Ordinary shares of RM1.00 each
Voting rights	: One vote per share

ANALYSIS OF SHAREHOLDINGS

Holdings	Number of Holders	Number of Shares	Percentage of Shares
Less than 1,000	3	933	0.00
1,000 - 10,000	2,102	4,870,318	10.93
10,001 - 100,000	152	4,195,630	9.41
100,001 to less than 5% of issued shares	41	18,949,101	42.51
5% and above of issued shares	3	16,563,018	37.15
	2,301	44,579,000	100.00

THIRTY LARGEST SHAREHOLDERS

Name of shareholder	Number of Shares	Percentage of Shares
1. RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kia Lim Timber Trading Sdn. Bhd.	6,440,270	14.45
2. Kia Lim Realty Sdn. Bhd.	5,997,853	13.45
3. Permodalan Nasional Berhad	4,124,895	9.25
4. Ng Hoo Tee Holdings Sdn. Bhd.	1,722,682	3.86
5. Mayban Securities Nominees (Tempatan) Sdn Bhd. Pledged Securities Account for Ng Hoo Tee Holdings Sdn. Bhd.	1,412,938	3.17
6. Kia Lim Timber Trading Sdn. Bhd.	1,310,450	2.94
7. HLG Nominee (Asing) Sdn. Bhd. Commerzbank (Sea) Ltd. for Shogun Investment Limited	1,287,000	2.89
8. Arab-Malaysian Finance Berhad Pledged Securities Account for Mohd Salleh Bin Jantan	1,256,000	2.82
9. Mayban Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kia Lim Realty Sdn. Bhd.	1,243,000	2.79
10. Mayban Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kia Lim Timber Trading Sdn. Bhd.	1,104,000	2.48
11. Ng Yan Kian	835,692	1.87
12. Tan See Chip	785,935	1.76
13. Sutera Istimewa Sdn. Bhd.	756,000	1.70
14. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Choon Lan	619,000	1.39
15. Mayban Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh May Lee	596,000	1.34
16. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tang Choy Har	550,000	1.23
17. HLG Nominee (Asing) Sdn. Bhd. Commerzbank (Sea) Ltd. for Silver Arrow Investment Limited	402,000	0.90
18. Hong Leong Finance Berhad Pledged Securities Account for Chin Choon Lan	399,000	0.90
19. Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Eng Sos @ Bah Chik	391,590	0.88



STATEMENT OF SHAREHOLDINGS

As At 29 April 2002

THIRTY LARGEST SHAREHOLDERS (CONT'D)

Name of shareholder	Number of shares	Percentage of shares
20. Ban Dung Palm Oil Industries Sdn. Bhd.	338,000	0.76
21. Soo Tian Chai @ Soo Kim Chey	333,000	0.75
22. Ariss Bin Samsudin	303,000	0.68
23. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Dr Ng Yam Puan @ Ng Ah Bah	232,000	0.52
24. Ng Yeng Keng @ Ng Ka Hiatt	226,093	0.51
25. Ponnirah Binti Parion	209,268	0.47
26. Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheong Yoke Peng	205,000	0.46
27. Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ea Choo Guan	196,000	0.44
28. Purnama Pelangi Sdn. Bhd.	183,000	0.41
29. Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Yeng Keng @ Ng Ka Hiatt	179,502	0.40
30. Teo Tien Huan	179,000	0.40

SUBSTANTIAL SHAREHOLDERS

According to the Register required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:-

Shareholder	No. of Shares		
	Direct Interest	Deemed Interest	
1. E.S. Ng Holding Sdn. Bhd.	-	7,294,853	A
2. Kia Lim Realty Sdn. Bhd.	7,240,853	54,000	B
3. Kia Lim Timber Trading Sdn. Bhd.	8,854,720	54,000	B
4. Ng Hoo Tee Holdings Sdn. Bhd.	3,135,620	338,000	C
5. Datuk Ng Eng Sos @ Bah Chik	650,379	19,623,193	D
6. Ng Yeng Keng @ Ng Ka Hiatt	570,055	19,623,193	D
7. Estate of Ng Chuan Kim @ Ng Yan Chong	118,092	10,768,473	E
8. Ng Yan Kian	835,692	3,473,620	F
9. Ng Chin Lan	10,000	7,294,853	A
10. Ng Chin Kang	-	8,908,720	G
11. Permodalan Nasional Berhad	4,124,895	-	-
12. Yayasan Pelaburan Bumiputra	-	4,124,895	H
13. Ng Yeng Keng Holdings Sdn. Bhd.	-	7,294,853	A
14. Chong Leen & Sons Sdn. Bhd.	-	7,294,853	A
15. Ng Chin San	-	7,294,853	A
16. Kour Siok Leen	154,264	7,294,853	A

Notes:

- A Deemed interest through his or its shareholdings in Kia Lim Realty Sdn. Bhd. and Sersen Tiles Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- B Deemed interest through its shareholding in Sersen Tiles Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- C Deemed interest through its shareholding in Ban Dung Palm Oil Industries Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- D Deemed interest through his shareholding in Kia Lim Realty Sdn. Bhd., Kia Lim Timber Trading Sdn. Bhd., Sersen Tiles Sdn. Bhd., Ban Dung Palm Oil Industries Sdn. Bhd. and Ng Hoo Tee Holdings Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- E Deemed interest through his shareholding in Kia Lim Realty Sdn. Bhd., Sersen Tiles Sdn. Bhd., Ng Hoo Tee Holdings Sdn. Bhd. and Ban Dung Palm Oil Industries Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- F Deemed to have indirect interest through his shareholding in Ng Hoo Tee Holdings Sdn. Bhd. and Ban Dung Palm Oil Industries Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- G Deemed to have indirect interest through his shareholding in Kia Lim Timber Trading Sdn. Bhd. and Sersen Tiles Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- H Deemed to have indirect interest through its shareholding of 100% less 1 share in Permodalan Nasional Berhad by virtue of Section 6A of the Companies Act, 1965.

STATEMENT OF SHAREHOLDINGS

As At 29 April 2002

LIST OF DIRECTOR'S SHAREHOLDINGS AS AT 29 APRIL 2002

No.	Director	Employee Share Option	(DIRECT INTEREST)		(DEEMED INTEREST)		
			Number of Ordinary Shares	Percentage of Shares	Number of Ordinary Shares	Percentage of Shares	
1.	DATUK NG ENG SOS @ BAH CHIK	400,000	650,379	1.46%	19,623,193	44.02%	*
2.	MR. NG YENG KENG @ NG KA HIAT	400,000	570,055	1.28%	19,623,193	44.02%	*
3.	DR. NG YAM PUAN @ NG AH BAH	0	302,499	0.68%	0	0	
4.	MR. TAN SEE CHIP	400,000	785,935	1.76%	17,000	0.04%	#
5.	EN. MOHD SALLEH BIN JANTAN	0	1,448,416	3.25%	0	0	
6.	DATUK ARISS BIN SAMSUDIN	400,000	303,000	0.68%	0	0	
7.	MR. NG CHIN KANG	0	0	0	8,908,720	19.98%	*
8.	MR. NG CHIN SAN (Alternate Director to Ng Chin Kang)	83,000	0	0	7,294,853	16.36%	@
9.	MR. TAN SENG KEE	0	0	0	0	0	
10.	MR. LOH CHEE KAN	0	0	0	0	0	
11.	MR. CHUA SYER CIN	0	0	0	0	0	

* *Deemed interest in ordinary shares of the Directors are of the same as disclosed under notes to the substantial shareholdings.*

Deemed interest through his or its shareholdings in Tan See Chip Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.

@ *Acquired prior to his appointment as Director.*



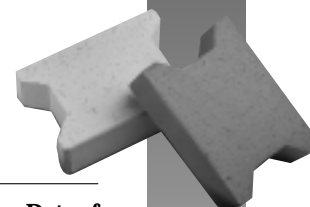
LIST OF PROPERTIES

Held by the group

Location of Properties	Description	Tenure/ Age of Buildings	Area	Net Book Value RM'000	Date of Acquisition
5 plots of land comprising Lot Nos : PT 5032, 5033, 5034, 5035 and 5036 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with factory for brick making plant, office, store and workshop)	Freehold (Between 17 - 28 years)	23.2912 acres	1,530	8/12/73, 8/12/73, 8/12/73, 11/4/94, 11/4/94
2 plots of land Lot Nos : 25 and 26 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial Land (with 1 open-sided factory buildings for paver plants)	Freehold (Between 1 - 5 years)	5.8687 acres	4,671	16/11/76
2 plots of land comprising Lot Nos : PTD 6922 and 1186 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Extraction of clay	Freehold	24.3375 acres	353	29/6/85, 30/9/85
4 plots of land comprising Lot Nos : 1187, 27, 24 and 20 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	18.3563 acres	371	30/9/85, 3/9/83, 17/6/96, 17/11/99
Lot No : 1617 Mukim Simpang Kiri 4, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	5.0812 acres	408	23/12/96
Lot No : 378, Mukim Bukit Kepong, Muar, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	5.5623 acres	91	26/10/95
Lot No : PTD 6920 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with 2 open-sided factory buildings for brick making plants)	Freehold (Between 1 - 18 years)	7.0000 acres	1,819	29/6/85
Lot Nos : PTD 6988 and PTD 6989 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with open -sided factory buildings for roofing tile plants, office building cum store and laboratory)	Freehold (Between 5 - 8 years)	8.7770 acres	5,515	14/9/91, 26/4/84
Lot No : PTD 6921 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Extraction of clay	Freehold	20.5998 acres	292	29/6/85
4 plots of land comprising Lot Nos : PTD 8029, 6642, 809 and PT 4461 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	28.9646 acres	401	31/1/91, 20/10/93, 7/1/94, 26/3/96

LIST OF PROPERTIES

Held by the group



Location of Properties	Description	Tenure/ Age of Buildings	Area	Net Book Value RM'000	Date of Acquisition
EMR 3460 Lot 6641 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	1.3312 acres	104	25/9/95
EMR 3134 Lot 6625 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	4.0750 acres	212	12/4/97
Suite No 1604 Tower A Menara Atlas Plaza Pantai Kuala Lumpur.	Office building	Freehold (2 years)	2,360 square feet	1,453	24/5/96
3 units of shophouse Lot Nos : PT 1060, 1061 and 1062 Bandar Dataran Segar, Mukim Port Dickson.	Shophouses (vacant-to be sold)	Freehold (2 years)	5,068 square feet (14,464 square feet)	1,528	15/12/97
2 units of double storey semi-detached house Lot Nos : PTD 19824 and 19826, Taman Melawati, Mukim Tanjong Sembrong, Yong Peng, Johor Darul Takzim.	House (vacant-to be sold)	Freehold (1 year)	6,034 square feet	391	1/11/00
1 unit of double storey terrace house Lot No : PTD 35580, Taman Sri Wangsa, Mukim Simpang Kanan, Batu Pahat, Johor Darul Takzim.	House (vacant-to be sold)	Freehold (1 year)	2,067 square feet	183	16/11/00
3 units of single storey terrace house* Lot Nos : PTD 79928, 79940 and 80220, Taman Impian Jaya, Mukim Tebrau, Kempas, Johor Bahru, Johor Darul Takzim.	House (vacant-to be sold)	Freehold (1 year)	3,275 square feet (15,760 square feet)	546	5/5/00
3 units of double storey terrace house* Lot Nos : PTD 80314, 80331 and 80360, Taman Impian Jaya, Mukim Tebrau, Kempas, Johor Bahru, Johor Darul Takzim.	House (vacant-to be sold)	Freehold (1 year)	4,776 square feet (7,959 square feet)	542	5/5/00

* *Deed of revocation is being arranged to terminate the sales and purchase agreement for 3 units of these properties.*



KIA LIM BERHAD

Incorporated in Malaysia (Company No.: 342868-P)

FORM OF PROXY

I/We

of

being a member/members of the abovenamed Company, hereby appoint

.....

of

or failing whom,

of

as *my/our proxy to vote for *me/us and on *my/our behalf at the Seventh Annual General Meeting of the Company to be held at Dewan Okid, 2nd Floor, Hotel Carnival, 2, Jalan Fatimah, 83000 Batu Pahat, Johor, Malaysia on Thursday, 13 June 2002 at 12.00 noon and at any adjournment thereof * for/against the resolutions to be proposed thereat.

* My/Our proxy is to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Adoption of Reports and Financial Statements		
2.	Approval of Directors' Fees		
3.	Re-election of Directors		
	- Datuk Ariss Bin Samsudin		
4.	- Mr Loh Chee Kan		
5.	- Mr Chua Syer Cin		
6.	- Mr Ng Chin Kang		
7.	- Datuk Ng Eng Sos @ Bah Chik		
8.	Re-appointment of Messrs Ernst & Young as Auditors		
9.	Authority to Allot Shares - Section 132D		
10.	Approval for Substantial Property Transactions Involving Directors - Section 132E		

Please indicate with a cross (X) in the space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.

Dated this day of 2002

Number of Shares Held	
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.....
Signature of Member(s)

Notes:-

1. A proxy shall be a member of the Company and if the proxy is not a member of the Company, the proxy shall be an advocate or an approved company auditor or a person approved by the Registrar of Companies.
2. To be valid this form duly completed must be deposited at the Registered Office of the Company situated at Suite 633, 6th Floor, PanGlobal Plaza, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointer is a corporation, this form must be executed under its Seal or under the hand of its attorney.