

## Board Of Directors

# Board Of Directors



Seated from left to right : Lim Kim Guan, Dato' Kamal Mohd Hashim, Dato' Lim Cheah Chooi & Siew Fook Kheong.  
Standing from left to right : Dato' Tan King Tai @ Tan Khoon Hai, Han Mun Kuan, Ngoi Foo Sing, Norman bin Abdul Rahman, Abdul Rafique bin Abdul Karim & Lee Yoke Khay

**Dato' Lim Cheah Chooi**, Executive Chairman and Managing Director

**Dato' Kamal Mohd Hashim**, Deputy Chairman, Non-Executive Director

**Siew Fook Kheong**, Deputy Managing Director and Group General Manager

**Lim Kim Guan**, Deputy Managing Director

**Ngoi Foo Sing**, Executive Director

**Han Mun Kuan**, Executive Director

**Abdul Rafique bin Abdul Karim**, Independent Non-Executive Director

**Lee Yoke Khay**, Independent Non-Executive Director

**Dato' Tan King Tai @ Tan Khoon Hai**, Independent Non-Executive Director

**Norman bin Abdul Rahman**, Independent Non-Executive Director

**DATO' LIM CHEAH CHOOI**

A Malaysian aged 54, he is the Executive Chairman, Group Managing Director and founder of the UGB Group. He has more than twenty-six (26) years of experience in manufacturing, trading and engineering in relation to the valves, pipe fitting, burner application and steam engineering systems. His invaluable experience and ultimate management knowledge with the business connections established in Malaysia and overseas over the years has helped the Group in achieving its growth tremendously.

He is responsible for the overall business development of the Group and also sits on the Board of several private limited companies.

Dato' Lim Cheah Chooi was appointed to the Board of UGB on 6 March 2000.

**DATO' KAMAL MOHD HASHIM BIN CHE DIN**

A Malaysian aged 65, he is the Deputy Chairman and Independent Non-Executive Director of UGB. He has more than thirty-seven (37) years of business experience. He is also the Executive Director of Star Publications (Malaysia) Berhad, a company listed on the KLSE. He is the Chairman of Yayasan Pencegahan Jenayah Malaysia, Pulau Pinang (M.C.P.F.) as well as the Advisor of Persatuan Kelab-Kelab Belia Malaysia, Pulau Pinang (MAYC). He is also in the committee of Lembaga Pelawat Hospital, Pulau Pinang. He was appointed as the Honorary Consul of the Netherlands of Kedah, Penang, Perak, and Perlis in March 2000 and sits on the Board of several private limited companies.

Dato' Kamal Mohd Hashim was appointed to the Board of UGB on 6 March 2000.

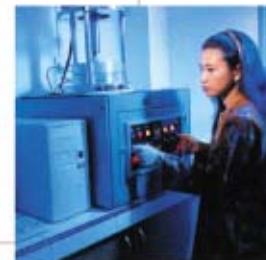
**SIEW FOOK KHEONG**

A Malaysian aged 43, he is the Deputy Managing Director and Group General Manager of UGB. He has more than twenty (20) years experience in corporate management, business development and finance. He is responsible for the Group's corporate planning, business development, finance, audit and overall management. He is a member of the Chartered Institute of Management Accountants (U.K.) and a member of The Institute of Internal Auditors Malaysia. Presently he also sits on the Board of several private limited companies.

Siew Fook Kheong was appointed to the Board of UGB on 6 March 2000.

**3 May 2002**  
**Arita Valve (Tian-Jin) Co. Ltd.**  
**Ground Breaking ceremony**





#### **LIM KIM GUAN**

A Malaysian aged 49, he is the Deputy Managing Director of UGB. He obtained a Bachelor Degree of Science from the Universiti Sains Malaysia. He has been with the UGB Group for more than nineteen (19) years and has been instrumental in developing the growth of the UGB Group through his vast experience and technical expertise in marketing strategies and product development. He also sits on the Board of several private limited companies.

Lim Kim Guan was appointed to the Board of UGB on 6 March 2000.

#### **NGOI FOO SING**

A Malaysian aged 54, he is the Managing Director of UME(KL) and Executive Director of UGB. He has more than twenty-six (26) years of experience in boiler repair works and installation. He is actively involved in the operation and strategic business planning of the company and plays a vital role in overseeing the business operations of the Group in the central region of West Malaysia. He also sits on the Boards of several private limited companies.

Mr. Ngoi Foo Sing was appointed to the Board of UGB on 6 March 2000.

#### **HAN MUN KUAN**

A Malaysian aged 50, he is the Managing Director of UME(JB) and Executive Director of UGB. With over twenty-one (21) years of experience in the Group, he has gained vast experience in the maintenance, installation and testing of valves and piping systems. He is responsible for the overall business operation of the UGB Group and the southern region of Peninsular Malaysia.

Han Mun Kuan was appointed to the Board of UGB on 6 March 2000.

#### **ABDUL RAFIQUE BIN ABDUL KARIM**

A Malaysian aged 47, he is the Independent Non-Executive Director of UGB. He is an experienced businessman. After completing his Higher School Certificate in 1974, he joined his family business. In 1975, he incorporated Syarikat Manora Sdn. Bhd., venturing into construction and property development. In 1983, owing to his active involvement in the local commercial community, he was selected by the government to undertake an Entrepreneurial Development Course at International Small Business Institute of Management in the USA. In 1988 he was elected to the committee of the Penang Malay Chamber of Commerce. In 1990, he was appointed as the Chamber's Vice President and subsequently to Deputy President in 1995, a position which he holds presently. He is also an Executive Council Member of the National Malay Chamber of Commerce as well as a member of the Penang Trade Council and the Penang Consumer Affairs Council. He sits on the Board of a number of private limited companies.

Abdul Rafique bin Abdul Karim was appointed to the Board of UGB on 6 March 2000.

**LEE YOKE KHAY**

A Malaysian aged 52, he is the Independent Non-Executive Director of UGB and the Chairman of the Audit Committee. He is an Advocate and Solicitor. He graduated in law and was awarded the degree of Barrister-at-Law by the Honourable Society of Lincoln's Inn, London, England. He was called to the Malaysian Bar in 1979 and is now one of the partners in a law firm in Penang. He also holds directorships in other private limited companies, acts as legal advisor to various local Chinese temples, guilds and associations and sits on the Board of Schools Director of various schools in Penang.

Lee Yoke Khay was appointed to the Board of UGB on 6 March 2000.

**DATO' TAN KING TAI @ TAN KHOON HAI**

A Malaysian aged 48, he is the Independent Non-Executive Director of UGB. He is a fellow member of Association of Cost and Executive Accountants (UK) since 1993 and is currently the Deputy President of the Institute of Commercial and Industrial Accountant, Malaysia. He also holds a Master of Business Administration majoring in Accounting and Finance from the Clayton University, Missouri, U.S.A. He has more than (25) twenty-five years experience in audit, company secretarial and accounting works. He is also the Executive Director of Pensonic Holdings Berhad since 1995, a company listed on the KLSE. He also sits on the Boards of several other private limited companies.

Dato' Tan King Tai @ Tan Khoon Hai was appointed to the Board of UGB on 6 March 2000.

**NORMAN BIN ABDUL RAHMAN**

A Malaysian aged 49, he is the Independent Non-Executive Director of UGB. He is an experienced Oil and Gas industry professional for more than (23) twenty-three years. He is a Mechanical Engineer by profession but has been involved in management and marketing since joining the industry. He began his career in 1978 as an external auditor in Price Waterhouse & Co, a public accounting and auditing firm. In 1979, he joined Petroliam Nasional Berhad ("Petronas") as an Operations Engineer. In 1982, he was transferred to Petronas Dagangan Sdn Bhd (subsequently converted to Petronas Dagangan Bhd) as Head of Depot Operations and was subsequently promoted to Senior Manager. In 1995, he was appointed as the Country Manager in Petronas Thailand Co Ltd and Executive Director for Petronas Unique Petroleum Co Ltd. He headed the petroleum marketing activities in Thailand. In 1997, he was appointed as the Head of Market Development for Petronas Lubricants worldwide. He left the Petronas Group in 1998 to do his own business in the oil and gas industry for both the international and domestic markets. He sits on the boards of several other private limited companies.

Norman bin Abdul Rahman was appointed to the Board of UGB on 1 April 2000.

Note:

None of the Directors has:-

- Any family relationship with any Director and/or major shareholder of UGB save for Dato' Lim Cheah Chooi is the brother of Mr. Lim Kim Guan.
- Any conflict of interest with UGB.
- Any conviction for offences within the past 10 years other than traffic offences.



On behalf of the Board of Directors of Unimech Group Berhad, I am pleased to present the Annual Report of the Company and the Group for the financial year ended 31 December 2002.

### INDUSTRY TREND AND DEVELOPMENT

After slipping into negative growth in the second half of 2001, the Malaysian economy staged a gradual recovery in the year 2002. GDP growth accelerated from 1.1% in the first quarter of 2002 to 3.9% in the second quarter of 2002 and 5.6% for the third quarter of 2002. The recovery was led by a turnaround in the manufacturing sector that should expand by about 5% in 2002 after contracting 6.2% in 2001. The Malaysian economy is in a relatively better position to weather the prospect of a slowdown in manufactured exports in light of a lethargic global economy.

The Group has achieved a growth of 3.6% in turnover and 28.0% increase in pre-tax profit for the financial Year 2002 as compared to the preceding year.

This is mainly due to the improved profit margin of the manufacturing and engineering sectors as a result of the Group's business globalization.

The Group's manufactured products, especially the industrial and resident valves, rubber bellow, pressure gauges and other related products, have been able to continually compete in the world markets specifically in Asia Pacific and Middle East countries. In the Year 2002, the Group has exported approximately 48% of its manufactured products to all these countries.

The subsidiary companies incorporated by the Group in Indonesia, Vietnam, Philippine and China have contributed positively to the Group's earning. With their presence in these countries, the Group could effectively penetrate into existing and upcoming markets.

In general, the Group business remains positive.

The Board of Directors implemented the first phase of a five (5) year plan (2000 - 2005) to globalize the Group's manufactured products three years ago and the Group is experiencing positive returns from this business strategy.

### GROUP'S PERFORMANCE

The Group recorded a turnover of RM70.29 million for the financial year ended 31 December 2002, an increase 3.6% as compared to the previous year. Simultaneously, the Group earned a profit before tax of RM10.9 million, an increase of 28.0% as compared to the previous year.

The change of profit performance of the Group is mainly due to the improved performance of profit margin of the manufacturing and engineering sectors as a result of the Group's business globalization.

However, the Board of Directors are positive and confident that the Group business would bring better returns and higher yields in the following years.



### CORPORATE DEVELOPMENT

During the Year 2002, we have completed the following corporate exercises:-

- The Proposed Bonus Issue of 13,666,667 new ordinary shares at RM1.00 each credited as fully paid-up on the basis of one (1) new share for every three (3) existing shares held and the Proposed Increase In Authorized Share Capital were completed in February 2002.
- The Proposed Establishment of Employees' Share Option Scheme and Proposed Private Placement were implemented in May 2002.
- The Private Placement of 5,465,000 new ordinary shares at RM1.00 each were completed in April 2002.

### PROSPECTS AND FUTURE OUTLOOK

The Group's core business, being the engineering specialist in chilled water, heat and steam system and manufacturer of the industrial and residential valves and accessories for all industrial sectors, has been tested and challenged in the past (3) three decades. It is the dynamic change of business equilibrium that sustains and spurs the Group's business until today.

The Board of Directors has implemented the first phase of five (5) years (2000 - 2005) business globalization plan three years ago. This plan has taken off positively. The Group has established manufacturing facilities in China in addition to the existing manufacturing facilities in Malaysia. This is to create an effective and flexible source of production supply for the competitive world market. Simultaneously, the Group establishes various business networks, either through the Group's own incorporated business entity or venture with existing local network, in the various foreign markets including Singapore, Philippines, Thailand, Indonesia, Vietnam, China, Hong Kong, Kuwait, Turkey, UAE, Chile, Peru and USA.

The existence of the Groups business is fundamentally related to the emergence and development of the industries.

The Board of Directors confidently believe that the Group business shall continue to grow through the existing business strategy and global networking.

### DIVIDEND

The Board of Directors has recommended for the shareholders' approval at the forthcoming Annual General Meeting, a final 1% tax-exempt dividend and a final gross dividend of 4.2% less tax at 28% for the financial year ended 31 December 2002.

### ACKNOWLEDGMENT

On behalf of the Board of Directors and Management of Unimech Group Berhad, I wish to express my sincere appreciation to our shareholders, employees, business partners, customers and various governmental authorities for their cooperation throughout the year and look forward to their continuing support for the year ahead.

**Dato' Lim Cheah Chooi**  
Executive Chairman and Managing Director

# Statement On Corporate Governance

Corporate governance is the system by which business corporation are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. And this system provides the structure for the company to set and achieve its objectives, and monitor its performance.

The Board recognizes and commits to observe the principles and best practices of the Malaysian Code on Corporate Governance to promote corporate fairness, transparency and accountability.

## **SECTION 1: BOARD OF DIRECTORS**

### **Composition and Balance**

The Board of Directors ("Board") plays a key role in overseeing the conducts of the business and operations of the Group. As such, the Board is made up of professionals and experienced and hand-on business entrepreneur with diverse knowledge, skills and exposure.

The current board comprises of (5) executive directors and (5) independent non-executive directors. The role of executive directors are responsible for making and implementing operational decisions, and the independent non-executive directors play a key supporting role, contributing their knowledge and experience towards the formulation of policies and in the decision making process. The number of Directors in the Board reflects a fair representation of the shareholders' interest. This will ensure that issues of strategy, performance and resources are fully discussed taking into the consideration of long-term interest of shareholders, employees, customers, and suppliers.

### **Board Responsibilities**

The Board retains full and effective overall control of and responsibility for the Company. This includes responsibilities for determining the overall strategic direction and business development of the Group. The Board particularly discusses, reviews and approves on key issues such as:-

- a. Annual and quarterly financial results.
- b. Corporate plans including fund raising, business acquisition and disposals etc
- c. Material agreements
- d. Major capital expenditures
- e. Budgets
- f. Succession plan for top management

### **Supply of information**

All directors are provided with written reports and supporting information prior to any discussion and meeting so that clarification or additional information can be sought if necessary.

The Board is given unrestricted access to all staff for any information pertaining to the company's affairs. Directors also have access to the advice and services of the Company Secretary and in addition, may seek independent advice if needed.

## Statement On Corporate Governance (cont'd)

### Attendance at Board Meeting

During the year under review, the Board has met (4) four times for the Group business and corporate matters.

The summary of the board meeting attendance during the directors' tenure in the financial year is as follows:-

Name Of Director	No. of Board Meeting	No. of Meeting Attended
Dato Lim Cheah Chooi	4	4
Dato Kamal Mohd Hashim bin Che Din	4	2
Siew Fook Kheong	4	4
Lim Kim Guan	4	4
Ngoi Foo Sing	4	4
Han Mun Kuan	4	4
Abdul Rafique bin Abdul Karim	4	4
Lee Yoke Khay	4	4
Dato Tan King Tai @ Tan Khoon Hai	4	3
Norman bin Abdul Rahman	4	4

### Board Committee

The Board is assisted by the Audit Committee. The Board has set up a Nomination Committee comprising of (3) three Independent Non-Executive Directors.

The Nomination Committee will be responsible for making recommendation on any director appointment to the Board.

### Re-election

Pursuant to the provisions of the Article of Association of the Company, all directors shall be subject to retirement and re-election at least once every three (3) years.

## SECTION 2: DIRECTORS' REMUNERATION

The Board has set up a Remuneration Committee comprising of one (1) Non-Executive Director and two (2) Independent Non-Executive Directors.

The Remuneration Committee will be responsible for drawing up the policy framework and making recommendation to the Board on remuneration package and benefits for the Executive Directors. The remuneration package of the Non-Executive Director will be decided by the Board, with the concerned directors being abstained from deliberation and voting on decision.

The annual Directors' fees is approved by the shareholders at the Annual General Meeting. The company pays meeting allowances to directors who attend the board meeting.



## Statement On Corporate Governance (cont'd)

The summary of the remuneration of Directors for the financial year ended 31 December 2002 is as follows:-

Group	Salary	Allowance	Fee	Bonus	Commission	Total
Executive	Nil	30,000	30,000	Nil	Nil	60,000
Non-executive	Nil	6,000	30,000	Nil	Nil	36,000

Subsidiary	Salary	Allowance	Fee	Bonus	Commission	Total
Executive	1,433,799	104,610	Nil	81,715	942,503	2,562,627
Non-executive	Nil	Nil	Nil	Nil	Nil	Nil

	Executive	Non-executive
Less than RM 50,000	13	4
Between RM 50,000 to RM100,000	6	Nil
Between RM100,000 to RM150,000	6	Nil
Between RM150,000 to RM200,000	1	Nil
Between RM200,000 to RM250,000	3	Nil

### SECTION 3: SHAREHOLDERS

#### Relationship with Shareholders and Investors

The Group recognizes the importance of a good relationship with shareholders and investors. As such, the Group always keep them update through one or a combination of the following medium:-

- Publication and distribution of Annual Report, containing facts, figures, statutory reports and disclosures.
- Publication and distribution of circulars to shareholders.
- Issuing of press release and announcement to the KLSE and national newspaper.
- Holding dialogue conference with analyst and press representative.
- Responding to enquiries in a timely manner.

The company has a comprehensive website namely [www.unimech.com.my](http://www.unimech.com.my) and periodically updates it with the latest development with pertinent information for the shareholders, investors and any others who are interested in the Groups information.

## **Annual General Meeting**

Notice of the AGM and Annual Report are sent out to shareholders at least 21 days before the date of meeting.

The Company encourages the shareholders to attend the AGM as it serves an important platform for shareholders to meet and exchange views with the Board members. At each AGM, the Board allocates a question and answer session for the shareholders. And all question shall be responded by the Board members.

In the re-election of Directors, the Board will ensure that full information is disclosed through the Notice of Meeting.

Each item of special business included in the Notice of Meeting will be accompanied by a full explanation of the effect of the proposed resolution. This is to facilitate a better understanding and evaluation of the issues involved.

## **SECTION 4: ACCOUNTABILITY AND AUDIT FUNCTION**

### **Financial Reporting**

The Group's financial reporting in the form of quarterly and annual financial statements represents a balanced and understandable assessment of the Group's position and prospects. The Audit Committee of the Board also places an important role in ensuring that the information disclosed is accurate and adequate.

### **Internal Control**

The Group maintains system of internal control in each subsidiary and each subsidiary operational management is responsible for its assessment and evaluation of any significant risk. The subsidiary directors are responsible to the Group's board of directors for effective risk monitoring and controls.

The Group's Statement Of Internal Control is enclosed separately for the information of shareholders.

### **Relationship with auditors**

The Board maintains a transparent and formal relationship with the Group's external auditors through the Audit Committee.

### **Statement of Compliance with the Best Practices of the Code**

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied throughout the financial year with the Best Practices as set out in the Code.

# Audit Committee Report

## MEMBERS

Lee Yoke Khay	Chairman	Independent Non-executive director
Dato Tan King Tai @ Tan Khoon Hai	Member	Independent Non-executive director
Siew Fook Kheong	Member	Deputy Managing Director/Group General Manager

## TERM OF REFERENCE

### Objectives

The principal objective of the Audit Committee is to assist the Board of Directors in discharging its duties and responsibilities in the area of corporate government and business, public accountability of the Company and its subsidiaries and associates.

### Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference.

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

### Composition

The Audit Committee shall consist of at least three (3) members appointed by the Board from amongst the directors, comprising a majority of independent non-executive directors. The members of the Audit Committee shall select a chairman from amongst the independent non-executive directors. At least one member of the audit committee must be a member of the Malaysia Institute of Accountants or if he is not a member of Malaysia Institute of Accountants, he must have at least (3) three years working experience and he must have passed the examinations specified in the Part 1 of the 1st Schedule of the Accountants Act 1967 or he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967. No alternative director is appointed as a member of the audit committee.

### Duties

The duties of the Committee shall be:-

- To review the audit plan with external auditor
- To evaluate the system of internal control with external auditor
- To review the internal audit report with the external auditor
- To review the assistance given by the employees to the external auditor
- To review 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
- To review 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. To review the quarterly results and year end financial statements, prior to the approval by the board of directors on:-
  - i. changes in or implementation of major accounting policy changes
  - ii. significant and unusual events; and
  - iii. compliance with accounting standards and other legal requirement
- h. To review any related party transaction and conflict of interest situation that may arise within the group including any transaction, procedure or course of conduct that raises question of management integrity.
- i. To review any letter of resignation from the external auditor.
- j. To review whether there is reason to believe that the external auditor is not suitable for re-appointment.
- k. To recommend the nomination of a person or persons as external auditors.

### **Reporting Procedures**

The Executive Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

### **Number Of Meetings**

There are (4) four meetings conducted with full attendance from the members in the financial year 2002.

### **Summary Of Activities**

During the year under review, the Committee undertook the following activities:-

1. Review of the Quarterly and Annual Financial Statement to ensure that they are in compliance with the requirement of relevant authorities.
2. Discuss and plan for Internal Audit Plan and Schedule
3. Discuss on new ruling and issues from KLSE.
4. Discuss and plan on the Special Internal Audit assignment.
5. Discuss and plan for the new requirements on Annual Report.

### **Internal Audit Function**

The Committee is aware of the essentialness of an independent and adequately resourced internal audit function for the effectiveness of the internal control system. The internal audit function was established for the purpose of maintaining a sound and effective system of internal control over the Group's business operation. The internal audit function will be conducted on group basis to ensure consistency of the application of policies and procedures.

The main roles of the function are as follows :-

1. Review, appraise and to ensure compliance with the Groups policies, guidelines, procedures and systems of internal control.
2. Evaluates the effectiveness of the internal control systems and to assess any potential risk arising from inadequate controls.
3. Highlight major weakness in control procedures to the Audit Committee and make recommendation for improvements.

The state of internal control of the Company as a group presently is in good order and under control with the existing control procedures and systems.

# Statement Of Internal Control

## RESPONSIBILITY OF THE BOARD OF DIRECTORS

Pursuant to paragraph 15.27(b) of the Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements, the Board of Directors of the Group is pleased to provide the following statement on the state of internal control, which has been prepared in accordance with the "Statement on Internal Control - Guidance for Directors of Public Listed Companies" issued by the Institute of Internal Auditors Malaysia and adopted by the KLSE.

## INTERNAL CONTROL

The Board acknowledges the essentialness to maintain a sound system of internal control that could provide reasonable assessment of effective management and efficient operation. The Board recognizes that the system of internal control is designed to manage rather than to eliminate the risk of failure in achieving the business objectives.

The system of internal control being practiced by the Group include:-

1. Monthly monitoring and reviewing of the financial results.
2. Regular internal audit on subsidiaries and associate companies to provide reasonable assurance to the Board that the system of internal control of the Group is properly complied.
3. Comprehensive business plans to check and balance with the actual achievements.
4. Organization structure with clear lines of accountability.

The Group's system of internal control is designed to provide reasonable but not absolute assurance against the risk of material errors, fraud or financial losses from occurring because internal control may be circumvented or overridden. The rationale of the system of internal control is to enable the Group to achieve its corporate objectives within an acceptable risk profile.

The Group continues to take measures to strengthen its internal control system and manage its risks.

## INTERNAL AUDIT FUNCTION

The internal audit functions are carried out by the Group's internal audit team. Regular internal audits are carried out to assess the adequacy and integrity of the system of internal control based on the audit plan reviewed and approved by the Audit Committees. The internal auditors advise the management on areas for improvement and subsequently follow-up to determine the extent of their recommendations that have been implemented.

The internal audit reports are circulated to the members of the Audit Committees who review the findings with management at its quarterly meeting. The external auditors are also invited to attend the audit review meeting.

Based on the internal audit reports for the financial year ended 31 December 2002, the general system of internal controls of the Group is satisfactory. Based on the work done, there were no material weaknesses in the system of internal control.

This statement has been reviewed by the external auditors in compliance with the KLSE Listing Requirements paragraph 15.24.

This statement is made in accordance to the opinion and comment by the Board of Directors in the Board Meeting dated 20 February 2003.

## Statement Of Directors' Responsibilities In Relation To Financial Statement

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

The Directors consider that, in preparing the financial statements of the Company and Group for the year ended 31 December 2002, the Company have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have also considered that all applicable accounting standards have been followed and confirm that the financial statements have been prepared on the going concern basis.

The Directors are responsible for ensuring that the Company maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Company and Group to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1965.

The Directors have also general responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group.

# Other Information Required By The Listing Requirements Of The Kuala Lumpur Stock Exchange

## SHARE BUYBACKS

During the financial year, the Company did not enter into any share buyback transactions.

## OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or convertible securities were issued/exercised during the financial year other than the exercise of options under the Employee Share Option Scheme as disclosed in the Directors' report.

## AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

During the financial year, the Company did not sponsor any ADR or GDR program.

## IMPOSITION OF SANCTIONS AND PENALTIES

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

## NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors by the Group and by the Company for the financial year amounted to RM61,990 and RM9,700 respectively.

## PROFIT ESTIMATE, FORECAST OR PROJECTION

There were no profit estimate, forecast or projection made in the financial year.

## PROFIT GUARANTEE

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

## MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders.

## REVALUATION OF LANDED PROPERTIES

The Group's revaluation policy is disclosed in the Note of the Financial Statement.

## UTILIZATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The utilization of the proceed from private placement is as follows:-

	RM
Working Capital	7,173,000
Expenses relating to the Proposals	150,000
	<hr/>
	7,323,000
	<hr/>

# Shareholdings Statistic

As At 15 April 2003

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-up Capital	:	RM60,311,667.00
Class of Shares	:	Ordinary Shares of RM1-00 each fully paid
No. of Shareholders	:	2,785
Voting Right	:	One Vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	10	37	0.00
100 – 1,000	448	409,261	0.68
1,001-10,000	2,032	6,440,253	10.68
10,001-100,000	240	6,565,925	10.89
100,001-3,015,582	53	30,091,608	49.89
3,015,583 –60,311,667	2	16,804,583	27.86
	2,785	60,311,667	100.00

## SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares Held of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
1 Dato' Lim Cheah Chooi	20,359,250	33.76	–	–
2 Ngoi Foo Sing	4,616,279	7.65	–	–
3 Lim Kim Guan	5,114,153	8.48	–	–

## DIRECTORS' INTEREST IN THE SHARE CAPITAL

Name of Director	Direct Interest	%	Deemed Interest	%	No. Of Unexercised Options
Dato' Lim Cheah Chooi	20,359,250*	33.76	–	–	232,000
Dato' Kamal Mohd Hashim bin Che Din	333,333	0.55	–	–	–
Siew Fook Kheong	282,386*	0.47	–	–	290,000
Lim Kim Guan	5,114,153*	8.48	–	–	232,000
Ngoi Foo Sing	4,616,279*	7.65	–	–	290,000
Han Mun Kuan	850,249*	1.41	–	–	290,000
Abdul Rafique bin Abdul Karim	1,247,334*	2.07	–	–	–
Norman bin Abdul Rahman	13,333	0.02	–	–	–
Lee Yoke Khay	13,333	0.02	–	–	–
Dato' Tan King Tai @ Tan Khoon Hai	49,492*	0.08	–	–	–

\* Certain shares are held through nominee companies

## SUBSIDIARY

Unimech Engineering (Vietnam) Sdn. Bhd.

Name of Directors	Ordinary Shares of RM1 each				
	Balance as at 1.1.02	Direct Interest Bought/ (Sold)	Balance as at 21.12.02	Deemed Interest Balance as at 1.1.02	Deemed Interest Balance as at 21.12.02
Siew Fook Kheong	1	38,000	38,001	231,800	231,800



# Analysis Of Shareholdings (cont'd)

As At 15 April 2003

By virtue of his interest of more than 15% in the shares of the Company, Dato' Lim Cheah Chooi is also deemed to have interest in the shares of all its subsidiary companies to the extent the Company has an interest.

## THIRTY LARGEST SHAREHOLDERS

Name	No. of Shares	% of Issued Share Capital
1 Dato' Lim Cheah Chooi	16,804,583	27.86
2 Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Cheah Chooi	2,798,667	4.64
3 JB Nominees (Tempatan) Sdn. Bhd. Kimzen Capital Services Sdn. Bhd. for Select Assets Sdn. Bhd.	2,379,000	3.94
4 Ngoi Foo Sing	2,274,279	3.77
5 Lim Kim Guan	1,956,375	3.24
6 Cimsec Nominees (Tempatan) Sdn. Bhd. EON Finance Berhad for Ngoi Foo Sing	1,500,000	2.49
7 Lim Eng Leng	1,386,000	2.30
8 HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Kim Guan (MEMO)	1,060,000	1.76
9 TCL Nominees (Tempatan) Sdn. Bhd. Perbadanan Kemajuan Negeri, Negeri Sembilan	1,056,667	1.75
10 Abdul Rafique Bin Abdul Karim	1,047,334	1.74
11 HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Han Mun Kuan (MEMO)	849,333	1.41
12 HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ngoi Foo Sing (MEMO)	842,000	1.40
13 AMMB Nominees (Tempatan) Sdn. Bhd. Amtrustee Berhad for BHLB Pacific Dana Al-Ihsan	795,000	1.32
14 Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hi Geok Kim @ Hi Peh Lang	745,000	1.24
15 Lim Kim Guan	650,000	1.08
16 Universal Trustee (Malaysia) Berhad BHLB Pacific Emerging Companies Growth Fund	650,000	1.08
17 Mayfin Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Kim Guan	645,000	1.07
18 Wong Kam Hoong	603,333	1.00
19 BAM Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Simpanan Pekerja for Koh Kim Teck	534,000	0.89
20 Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Kim Guan	533,334	0.88
21 Affin-Acf Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Jun Lin	450,000	0.75
22 Affin-Acf Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Cheah Chooi	450,000	0.75
23 Affin-Acf Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Yean Shue	450,000	0.75
24 Affin-Acf Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sim Kim Heoh	450,000	0.75
25 Koh Boon Kheng	393,333	0.65
26 Shamsudin @ Samad Bin Kassim	373,333	0.62
27 Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Yee Hean	353,333	0.59
28 Angie Ooi Min Huey	350,000	0.58
29 Kamal Mohamed Hashim Bin Che Din	333,333	0.55
30 ACME Assets Holdings Sdn. Bhd.	313,000	0.52

## List Of Properties

DETAIL OF THE LANDED PROPERTIES OF THE UGB GROUP ARE SET OUT BELOW:

Registered/ Beneficial Owner	Location	Description/ Existing use	Tenure/ (Approximate age of building) Year	Approximate land area/ (Build up area) sq.m.	Audited net book value as at 31.12.2002 RM	Date of Acquisition/ (Revaluation)
UME(M)	H.S (D) No. 435, Section 4, Butterworth, Province Wellesley, Penang. (V/BW/HAI/99)	Shophouse/ rented out	Freehold/ (21 years)	186/ (371)	316,394	(31.12.1999)
UME(M)	Lot Nos. 3075, 3076 and 3167, Section 4, Butterworth, Province Wellesley North, Penang. (V/BW/HAS/99)	Office and warehouse	Freehold/ (7 years)	881/ (1,711)	2,264,525	(31.12.1999)
UME(M)	Lot 3078, Section 4, Butterworth, Province Wellesley North, Penang. (V/BW/HAO/99)	Open storage area	Freehold/ (Not applicable)	766	620,000	(31.12.1999)
UME(M)	No. 598-15-A Menara Asa, Jalan Tanjung Bungah, 11200 Penang. (V/PG/9231)	Apartment/ residential/ rented out	Freehold/ (3 years)	(101)	184,000	(31.12.1999)
UME(M)	Parcel No S-23-F, level 23, Menara Northern, Lot No. 313, 314, 417 & 418, Section 13, Georgetown, Penang. Grant No. 18239, 5375, 6551 & 5996	Shoplot/ vacant	Freehold (4 years)	(57)	148,851	18.5.1999
UME(M)	Phase 1A bearing address B-4-4, Taman Desa Relau, (Villa Condominium), Lebuh Relau 2, 11900 Relau, Penang.	Apartment/ rented out	Freehold (9 years)	(65)	126,928	(31.12.1999)
UME(M)	No.G-09, Block A, Lorong Cantik 10, Taman Gemilang, Butterworth.	Apartment/ rented out	Freehold (8 years)	(65)	77,550	29.3.2000
UME(M)	H.S (D). No. 1204, No P.T. Lot 3574, Sec 4, Butterworth with No. 56, Lengkok Kapal, 12100 Butterworth.	Shophouse/ warehouse	Freehold (4 years)	147/ (194)	347,894	26.4.2000
UME(M)	Lot No. 3575, Sec 4, Butterworth with No. 54, Lengkok Kapal, 12100 Butterworth.	Shophouse/ warehouse	Freehold (4 years)	173/ (229)	328,067	4.9.2000