



Malayan United Industries Berhad

Company No: 3809-W



**LAPORAN
TAHUNAN
2000
ANNUAL
REPORT**



RETAILING



HOTELS



FINANCIAL SERVICES



PROPERTY



FOOD & CONFECTIONERY



TRAVEL & TOURISM



MANUFACTURING & TRADING



EDUCATION



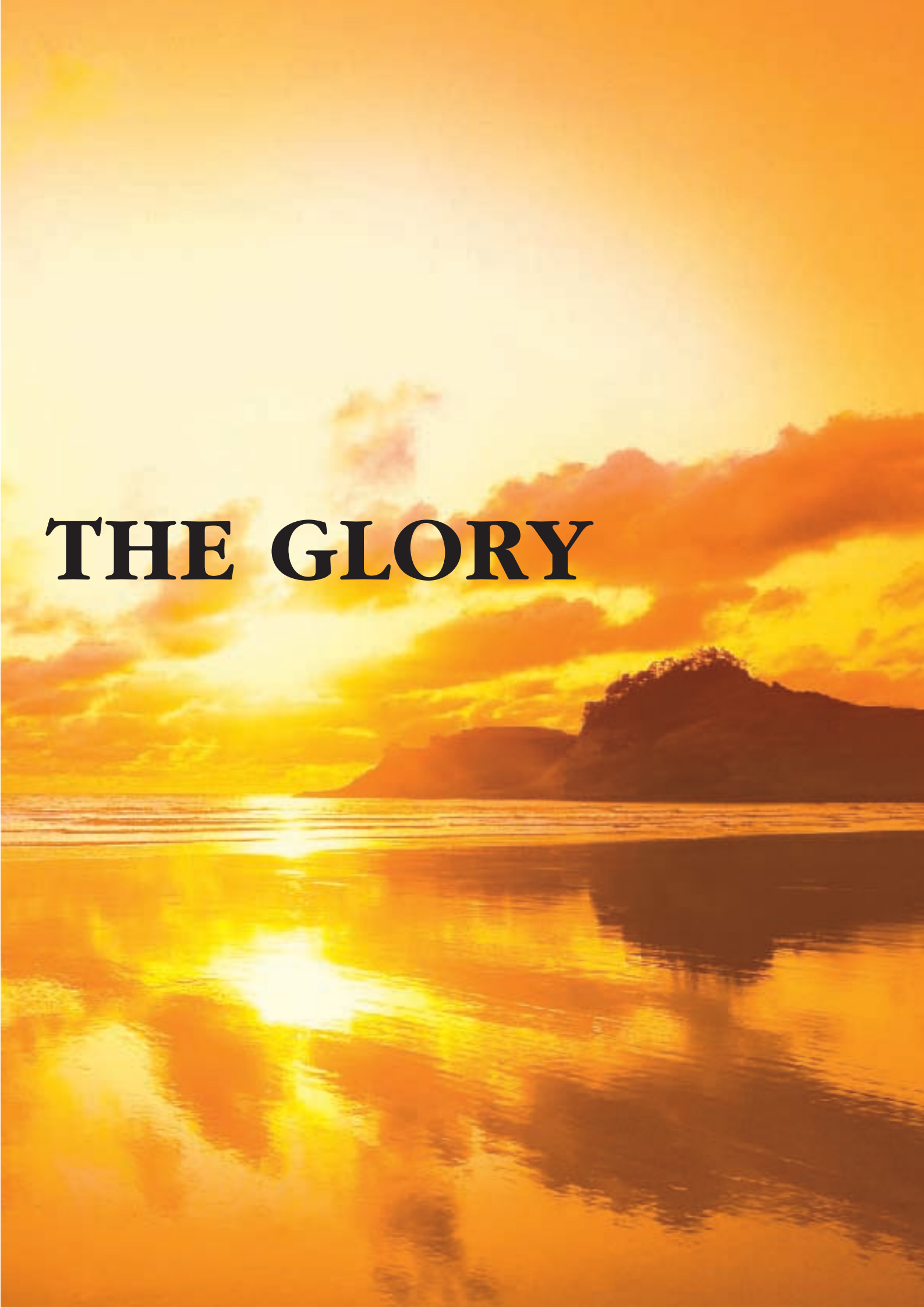
INFORMATION TECHNOLOGY

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TO GOD BE





THE GLORY

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of the Company will be held at Ming Crystal Ballroom, MingCourt Vista Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 22 June 2001 at 11.00 a.m. for the following purposes:-

1. To receive and adopt the audited financial statements for the year ended 31 December 2000 and the Reports of the Directors and the Auditors thereon;
2. To approve Directors' fees of RM324,000.00;
3. To consider and, if thought fit, pass the following resolutions in accordance with Section 129(6) of the Companies Act, 1965:-
 - i) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato' Md Khir Johari be re-appointed as a Director of the Company to hold office until the next Annual General Meeting of the Company."
 - ii) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr Yong Ming Sang be re-appointed as a Director of the Company to hold office until the next Annual General Meeting of the Company.";
4. To re-elect Dr Ngui Chon Hee who is retiring under the provisions of the Articles of Association of the Company;
5. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration;
6. As Special Businesses:-

To consider and, if thought fit, pass the following Ordinary Resolutions:-

 - i) "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 authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being"; and
 - ii) "THAT pursuant to the Company's Executive Share Option Scheme ("the Scheme") as approved by the shareholders at the Extraordinary General Meeting held on 3 May 1996, the Directors of the Company be and are hereby authorised, in accordance with Section 132D of the Companies Act, 1965, to allot and issue shares in the Company from time to time in accordance with the terms and conditions of the Scheme"; and
7. To transact any other business of which due notice shall have been received.

By order of the Board

Chik Wai Ming
Company Secretary

Kuala Lumpur
31 May 2001

EXPLANATORY NOTES TO SPECIAL BUSINESSES

- a) The Ordinary Resolution proposed under item 6(i), if passed, will empower the Directors of the Company, from the date of the above General Meeting until the next Annual General Meeting to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.
- b) The Ordinary Resolution proposed under item 6(ii), if passed, will empower the Directors of the Company to allot and issue shares pursuant to the Company's Executive Share Option Scheme.

Notes:-

- 1. A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company but if he is not a member, he must be a qualified legal practitioner, approved company auditor, a person approved by the Registrar of Companies in the particular case or a person approved by the Directors prior to the appointment.*
- 2. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. 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.*
- 3. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
- 4. The Form of Proxy must be deposited at the Registered Office of the Company at 14th Floor, MUI Plaza, Jalan P. Ramlee, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

CORPORATE INFORMATION

Board of Directors

Tan Sri Dato' Dr Khoo Kay Peng, P.S.M., D.P.M.J., K.M.N., J.P., HonD Litt, Hon LLD, *Chairman & Chief Executive*

Tan Sri Dato' Md Khir Johari, P.M.N., D.P.M.S.

Yong Ming Sang

Dr Ngui Chon Hee, J.S.M., K.M.N., S.M.T.

Ang Guan Seng

Nik Hashim bin Nik Yusoff

Khet Kok Yin

Loy Yet King

Mohamad Faiz bin Abdul Hamid (*Alternate to Yong Ming Sang*)

Secretary

Chik Wai Ming

Auditors

BDO Binder *Public Accountants*

Principal Bankers

Malayan Banking Berhad

OCBC Bank (Malaysia) Berhad

Public Bank Berhad

RHB Bank Berhad

Southern Bank Berhad

United Overseas Bank (Malaysia) Berhad

Registrar

Pan Malaysia Management Sdn. Bhd.

6th Floor, MUI Plaza, Jalan P. Ramlee, 50250 Kuala Lumpur

Tel. No. 21487696 Fax. No. 21442118

Registered Office

14th Floor, MUI Plaza, Jalan P. Ramlee, 50250 Kuala Lumpur

Tel. No. 21482566 Fax. No. 21445209 Website : www.mui-global.com

THE AUDIT COMMITTEE

MEMBERS OF THE COMMITTEE

Tan Sri Dato' Md Khir Johari, Chairman (*Independent Non-Executive Director*)

Yong Ming Sang (*Independent Non-Executive Director*)

Dr Ngui Chon Hee (*Non-Executive Director*)

TERMS OF REFERENCE

Membership

- The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members, the majority of whom shall not be:-
 - executive directors of the Company or any related corporation;
 - a spouse, parent, brother, sister, son or adopted son or daughter or adopted daughter of an executive director of the Company or of any related corporation;
 - any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of the Committee.
- The members of the Committee shall elect a Chairman from among their numbers who is not an executive director or an employee of the Company or any related corporation.
- If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.
- The term of office of the members of the Committee should be reviewed by the Board every two years.

Authority

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

Functions

- To review with the external auditors on:-
 - the audit plan;
 - their evaluation of the system of internal accounting controls; and
 - their audit report.
- To review the assistance given by the Company's officers to the auditors.
- To review the scope and results of the internal audit procedures.
- To review the financial statements of the Company and the Group and thereafter to submit them to the Board of the Company.
- To review any related party transactions that may arise within the Company or Group.
- To nominate a person or persons as external auditors.
- To perform such other functions as may be agreed to by the Committee and the Board.

CORPORATE OFFICERS

CHAIRMEN

Tan Sri Dato' Dr Khoo Kay Peng

Chairman

Malayan United Industries Berhad, Malaysia

MUI Properties Berhad, Malaysia

MUI Hong Kong Ltd, Hong Kong

MUI Australia Pty Ltd, Australia

Laura Ashley Holdings plc, United Kingdom

Laura Ashley, Inc., United States of America

Dato' Haji Ibrahim bin Abdul Rahman

Chairman

Pan Malaysian Industries Berhad, Malaysia

Dato' Mohd Ibrahim bin Mohd Zain

Chairman

Pan Malaysia Holdings Berhad, Malaysia

Pan Malaysia Capital Berhad, Malaysia

Dr Tong Keng Tatt

Chairman

Pan Malaysia Corporation Berhad, Malaysia

Dato' Ahmad Khairummuzammil bin Mohd Yusoff

Chairman

Metrojaya Berhad, Malaysia

Tan Sri Dato' Abu Talib bin Othman

Chairman

MUI Continental Insurance Berhad, Malaysia

Yong Ming Sang

Chairman

Hikari Builders Sdn Bhd, Malaysia

Tan Kok Quan

Chairman

Network Foods International Ltd, Singapore

Dato' Haji Abdul Raman bin Suliman

Chairman

PM Securities Sdn Bhd, Malaysia

Datuk Mohd Yassin bin Jaafar

Chairman

Pan Malaysia Equities Sdn Bhd, Malaysia

SENIOR MANAGEMENT

Tan Sri Dato' Dr Khoo Kay Peng

Group Chief Executive

Dato' Rastam bin Abdul Hadi

Group Adviser

Khet Kok Yin

Managing Director
Food Division
Financial Services Division
Management Services Division

Loy Yet King

Managing Director
Hotel Division

Ng Kwan Cheong

Managing Director
Retailing Division

Wong Aun Phui

Managing Director
Special Projects

Tan Choon Leng

Managing Director
Construction Division

Anthony Yap

Executive Director
Property Division
IT Division

EXECUTIVE DIRECTORS/ SENIOR VICE PRESIDENTS

Sushil Premchand

Paul Ng Tuan Tee

Dato' Choong Kok Min

Lillian Tan Lian Tee

Charles R. Holmes

Peter Kirschner

R. Badrinarayanan

Hj Ramli bin Hj Mahmudin

Robert Tan Cheng Leong

Sally Cheong Siew Mooi

Robert Heng Fook Hee

Eddy Leong Kok Wah

Woon See Soon

Chan Chong Lum

Lai Chee Leong

Steven Ti Teng Chye

George Tang Kim Siw

Noorjehan Rahima bt Abdul Jumat

Cheang Yoon Hoong

Michael Oh

Robert Auld



Smart casual by Reject Shop



A Somerset Bay collection



Metrojaya fun kids

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of your Company and the Group for the financial year ended 31 December 2000.

ECONOMIC REVIEW

The Malaysian economy started well in the new millennium by reporting robust quarterly Gross Domestic Product ("GDP") growth rates of 11.8%, 8.4% and 7.8% for the first three quarters of the year respectively. Overall, year 2000 registered a positive GDP rate of 8.5% compared to 5.8% in 1999. The expansionary fiscal and monetary policies implemented by the Government since 1998 have stimulated strong growth in economic activities whilst the continued pegging of the ringgit has provided stability to the currency and has contributed to a strong trade surplus. In an environment of strong and increasing aggregate domestic and external demand, most sectors on the supply side registered positive growth. The manufacturing and services sectors grew by 21.0% and 4.7% respectively and the construction sector grew by 1.1% compared to a contraction of 5.6% in the preceding year.

FINANCIAL HIGHLIGHTS

The Group reported a pre-tax loss of RM12.0 million compared with a pre-tax profit of RM63.4 million in the previous financial year. Shareholders' funds stood at RM2.15 billion whilst Group assets are reported as RM5.58 billion as at 31 December 2000.

CORPORATE DEVELOPMENTS

PM Securities Sdn Bhd ("PM Securities"), the stockbroking subsidiary of Pan Malaysia Capital Berhad ("PM Capital"), entered into an agreement in October 2000 to merge its existing stockbroking business with that of MBf Northern Securities Sdn Bhd ("MBf Northern"). The merger which has been completed, allows for the operation of the business of MBf Northern as a branch of PM Securities and the relevant authorities have approved this new branch to be located in Puchong, Selangor Darul Ehsan. The branch is expected to be operational by the end of the third quarter this year.



A contemporary East India look



East India Company, Amcorp Mall



Somerset Bay, One Utama Shopping Centre

In addition to the MBf Northern transaction, PM Securities entered into an agreement in November 2000 to merge its existing business with that of Malpac Securities Sdn Bhd and another agreement to acquire Pan Malaysia Equities Sdn Bhd as a subsidiary from PM Capital. The said mergers and acquisition are in line with the Group's objective to expand and build its stockbroking operations into one of its core businesses. This move is also in line with the Malaysian Government's policy on the consolidation of the stockbroking industry and the establishment of Universal Brokers. With these mergers/acquisition, PM Securities now qualifies to be a Universal Broker.

As part of its rationalisation program to divest non-core assets and to focus on financial services activities, Pan Malaysia Holdings Berhad entered into an agreement in August 2000 with Supermix Concrete (Malaysia) Sdn Bhd ("Supermix") to sell to Supermix its entire shareholding in Pengkalen Concrete Sdn Bhd for a consideration of approximately RM6.9 million. The sale was completed in March 2001.

In view of the uncertain economic environment in Indonesia and the fluctuation of the Rupiah, Network Foods International Ltd ("NFIL") disposed its entire shareholding in Fairbridge Corporation ("Fairbridge") for a cash consideration of US\$3.1 million (RM11.7 million) during the year under review. Fairbridge is the holding company of PT Indo Cocoa Specialities, an Indonesian corporation involved in the manufacturing of

Metrojaya flagship store in Mid Valley Megamall





Dining room in blues by Laura Ashley



Laura Ashley's richly coloured prints furnishing collection

cocoa products, chocolate and confectionery. The disposal resulted in a gain of approximately S\$5.3 million (RM11.7 million).

In order to increase its shareholding in Chemical Company of Malaysia Berhad ("CCM") to a more meaningful stake, Pan Malaysia Corporation Berhad ("PMC") through its wholly owned subsidiary, Lembaran Megah Sdn Bhd, entered into an agreement in December 2000 to acquire 46,000,000 ordinary shares of CCM representing approximately 12.9% of the existing paid-up capital of CCM for a total cash consideration of RM105.8 million. Together with the existing 35,954,000 ordinary shares held by Lembaran Megah Sdn Bhd, the acquisition will result in the PMC Group having an aggregate equity interest of approximately 23.0% of the existing issued and paid up capital of CCM, the biggest chemical company in Malaysia.

During the year under review, London Vista Hotel Limited ("LVH"), an associate company of the Group, extended a general offer for all the ordinary shares in the Regal Hotel Group PLC ("Regal") not already owned by LVH and parties acting in concert. Regal is listed on the London Stock Exchange. Upon close of the offer, LVH received acceptances in excess of 90% of the ordinary share capital of Regal whereupon LVH has compulsorily acquired the balance. The total number of hotels owned by the Group in United Kingdom, Australia, United States of America and Malaysia is now at 102 with aggregate rooms of 8,061 worldwide.

The year under review saw MUI Hong Kong Ltd ("MUI HK") completing a number of corporate exercises starting with a rights issue on the basis of one new ordinary share of HK\$0.20 each for every two existing ordinary shares held with three bonus warrants for every five rights shares at an issue price of HK\$0.20 per rights share. This issue raised approximately HK\$92.0 million (RM44.8 million), part of which was utilised to acquire a 23.6% equity interest in Zhaodaola Limited. Zhaodaola is a leading internet company in The People's Republic of China ("PRC") which owns and operates an internet lifestyle portal for Chinese users. The proceeds of the rights issue were also utilised to invest in Beijing Morning Star-New Ark International Travel Service Co. Ltd, the first Sino-foreign equity joint venture travel agency in Beijing which operates a travel business in PRC. The joint-venture which is 49% owned by MUI HK opened for business in September 2000.



Laura Ashley store in Richmond



Laura Ashley store along Brompton Road, Knightsbridge

In October 2000, MUI HK acquired a 45.8% equity interest in Kerry Financial Services Limited ("KFSL") for HK\$17.4 million (RM8.5 million). Following the acquisition, MUI HK also capitalised part of a loan due from KFSL resulting in a total holding of 54.8% in KFSL thereby making it a subsidiary. The acquisition is intended to expand the earning base of MUI HK and in December 2000, KFSL changed its name to Morning Star Financial Services Ltd ("MSFSL"), adopting the well established and recognised name of the travel arm of MUI HK.

REVIEW OF OPERATIONS

Malaysia

Retailing

With a regime of low interest rates, low inflation and easy liquidity conditions, consumer confidence was sustained in the year under review and this translated into an increase in consumer spending. The timely opening of Metrojaya Berhad's flagship store in the Mid Valley Megamall in April 2000, its fifth departmental store in Pelangi Plaza, Johor Bahru in the second half of 2000 and 10 specialty stores throughout the year, saw the Group's retailing operations achieving encouraging results. Metrojaya recorded a turnover and pre-tax profit of RM230.2 million and RM18.4 million respectively for the nine months ended 31 December 2000 compared to a turnover and pre-tax profit of RM176.5 million and RM14.9 million respectively for the previous corresponding period.

The retailing operations of Metrojaya now comprises 5 Metrojaya departmental stores, one Cosmart Hypermarket and 61 specialty stores under various concept stores such as Reject Shop, East India Company, Somerset Bay, Living Quarters and Zona.

Hotels

Despite higher tourist arrivals and an overall improvement in hotel occupancy rates in Kuala Lumpur for the first half of 2000, the hotel industry remained highly competitive. Although occupancy rates have shown an improvement, average room rates have increased only marginally from 1999. Despite the keen competition, there are a number of hotels which are under



Laura Ashley's fairytale princesses



Laura Ashley's modern Missy



Laura Ashley store along Harriet Street, London



Laura Ashley's soft, mystical mood



The lobby of MingCourt Vista Hotel, Kuala Lumpur



A newly refurbished room in MingCourt Vista Hotel, Kuala Lumpur

construction as are a number of service apartments, most of which will be centred in Kuala Lumpur.

The performance of MingCourt Vista Hotel Kuala Lumpur during the year under review was below expectations. As conditions will remain difficult, the hotel will continue to focus on offering quality products and high service level to remain competitive and to carve out a niche market for itself. To this end, the hotel has completed a multi million refurbishment programme, upgrading all of its 378 rooms during the second half of 2000.

The performance of Paradise Lagoon Hotel in Port Dickson was encouraging for the year under review. The hotel has recently completed refurbishment of all its 201 rooms and aims to achieve better results for this year.

Food and Confectionery

The food and confectionery operations of the Group in Malaysia are undertaken by Network Foods Industries Sdn Bhd ("NFI") and Network Foods (Malaysia) Sdn Bhd ("NFM"). NFI operates a chocolate manufacturing plant located in Shah Alam, which produces confectionery with household brands such as Kandos, Crispy and Van Houten. NFM markets and distributes over 200 items of imported food and confectionery products.

The food division has been actively seeking to promote its products overseas and the volume of its exports have increased by nearly 30% from the previous year. It now exports to 28 countries including Japan, Australia, United States of America and Taiwan. To achieve higher profitability, the food division has expanded its operations to distribute higher margin items such as wines and health food products. Currently, NFM distributes wines from Australia, Chile and Canada and is seeking to expand its range further to include wines from other countries. The food and confectionery operations in Malaysia reported encouraging turnover and profitability for the financial year ended 31 December 2000.

Property

During the year under review, West Synergy Sdn Bhd, a subsidiary of MUI Properties Berhad, launched the third phase of properties in Bandar Springhill which comprises 94 units of single-storey terrace houses known as "MERPATI" and 172 units of double-storey terrace houses known as "MERAK". Sales to-date of this phase of properties are very encouraging. Bandar Springhill is a 1,990 acre integrated township along the Seremban-Port Dickson highway near Lukut, Negeri Sembilan. The township development project has launched a total of 1,159 units of various types of properties since 1997.

The construction work on the second phase of Vila Sri Ukay comprising semi-detached houses progressed satisfactorily. The development project which comprises bungalows and semi-detached houses recorded encouraging sales and profitability during the year under review.

MUI Plaza, the Group's main commercial building located in Kuala Lumpur's golden triangle business district achieved gross rental revenue of over RM10.0 million and a satisfactory occupancy rate during the year under review.

Financial Services

During the year under review, MUI Continental Insurance Berhad ("MCI") reported a gross written premium of RM50.6 million, representing a 37.4% increase from last year. The overall performance of MCI was however affected by low fixed deposit interest income, stiff competition and increase in claims.

For the financial year ended 31 December 2000, PM Capital, the stockbroking arm of the Group reported a pre-tax profit of RM22.9 million, compared to a pre-tax loss of RM68.7 million in the previous year. The improved results were attributed mainly to the successful implementation of the rights issue and schemes of arrangement of PM Capital and its two stockbroking subsidiary companies. With the completion of the schemes, trading restrictions were uplifted and the stockbroking operations resumed normal business in February 2000.

The consolidation of the stockbroking industry in line with Government policy will no doubt give rise to many challenges but overall, will lead to the emergence of stronger players which can provide a full range of innovative services. PM Securities as a qualified Universal Broker plans to expand its network of branches and intends to take full advantage of the many opportunities which will arise from the consolidation.



The entrance of Paradise Lagoon Hotel



Paradise Lagoon Hotel, Port Dickson



The Plaza on Hyde Park hotel, London



The Falcon Hotel, Stratford upon Avon



The Foxy Fish pub at the Barns Hotel, Bedford

Singapore

Food and Confectionery

Network Foods International Ltd (“NFIL”) is listed on the Stock Exchange of Singapore and manages the Network Foods Group of companies which is engaged in the manufacturing, marketing and distribution of food and confectionery products in the Asia Pacific Region. In Singapore, the Group distributes a broad range of international brands including Tudor Gold, Blue Diamond, Pillsbury and Nestle. During the year under review, NFIL reported a pre-tax profit of S\$3.9 million (RM8.6 million) on the back of S\$53.0 million (RM116.7 million) in turnover and the company will continue to focus on building its own proprietary brands and seeking out new agency lines.

Hong Kong and The People’s Republic of China

Travel and Tourism

During the year under review, the performance of Morning Star Travel Service Ltd (“MST”), the travel and tourism arm of MUI Hong Kong Ltd, was affected by cautious consumer sentiment and low demand in Hong Kong due to higher unemployment rate and price deflation. Responding to the challenging operating environment, MST changed its pricing strategy and focused on quality products as well as cost control measures. As a result, MST managed to improve its gross profit margin and to contain its total operating costs.

MST launched its travel website www.morningstar.com.hk in February 2000. Upgrading work of its IT infrastructure catering for internet sales, on-line ticketing, hotel and tour reservations and payment settlement is progressing on schedule. In collaboration with SUNDAY Communications Limited (“SUNDAY”), MST started to provide travel information through SUNDAY’s newly launched WAP phone service in 2000.

Financial Services

The Morning Star Financial Services Ltd (“MSFSL”) group is engaged in securities broking, provision of investment advisory services and nominee services. For the year under review, MSFSL recorded a pre-tax profit of HK\$31.7 million (RM15.5 million) as compared to a loss of HK\$6.1 million (RM3.0 million) in the previous year.

Food and Confectionery

Network Foods (Hong Kong) Limited (“NFHK”) distributes food and confectionery of popular brands such as Van Houten, Tong Gardens, Sunshine and Andes in Hong Kong. During the year under review, despite cautious consumer spending in Hong Kong, NFHK achieved satisfactory performance due to effective cost control and better product mix.

Property

The construction of Part 2 Phase VI of Morning Star Villa (“MSV”) in Zhongshan City, PRC was completed on schedule and delivery of the residential units took place during June 2000. The development of Phase VII of MSV commenced in 2000 and the sales to-date of properties under this Phase have been very encouraging. To-date, MSV has built a total of 5,050 residential units. The Group’s other project in Zhongshan, Morning Star Plaza (“MSP”) is also progressing satisfactorily. MSP is targeted towards the domestic PRC market and over 70% of the residential units offered for sale under MSP have already been sold. To optimise land use and to offer a wider selection of units, MSP has also launched 5 blocks of 12 storey high-rise apartment units in addition to its current low-rise apartment blocks.

Information Technology

Zhaodaola Limited operates its lifestyle portal under the domain names of www.zhaodaola.com and www.zhaodaola.com.cn. Zhaodaola’s internet portal was selected by the second Annual China Internet Contest sponsored by China Youth Development Foundation as the best PRC lifestyle internet site in 2000. The daily page views of Zhaodaola reached two million as at 31 December 2000. Zhaodaola is well positioned to take advantage of the opportunities and to capitalise on the potential for e-commerce in PRC and Hong Kong.



The Rose & Crown Hotel, Salisbury



Makeney Hall Hotel, Derby



The Blackwell Grange Hotel, Darlington



The Belsfield Hotel, Windermere



The spectacular 12th hole at Regent Park Golf Course

Australia

Hotels

The Group owns and manages five hotels with aggregate of 851 rooms in Australia, namely Sydney Vista in Sydney, Grosvenor Vista in Adelaide, Alice Springs Vista in Alice Springs and Hobart Vista and Pacific Vista in Tasmania. The influx of visitors to Australia during the staging of the Olympics in Sydney has contributed tremendously to the performance of the hotels particularly the Sydney Vista. The 2000 Sydney Summer Olympics helped showcase Australia on the world stage and this has led to the country being a favoured destination for most part of the year. Tourist arrivals remain strong throughout 2000 and the hotels expect a creditable performance in the forthcoming year.

Food and Confectionery

Network Foods Limited ("NFL"), which is listed on the Australia Stock Exchange, is the largest independent national distributor of confectionery and snackfoods within Australia with branches, sales teams and warehouses strategically located in every state of Australia.

Through various distribution network, NFL provides its principals with access to approximately 200 wholesalers, 20,000 traditional retail outlets, 800 convenience stores, 2,000 pharmacies and 5,000 supermarkets. Its international product portfolio includes the brands of

Entrance to the community of Regent Park and Regent Park Golf Club



Fisherman's Friend, Hershey Chocolate, SMINT, Mega Warheads, Trolli, V Pop, Beacon and Crispy.

For the year ended 31 December 2000, NFL reported a pre-tax profit of A\$1.1 million (RM2.4 million).

Education

The education business of the Group in Australia is conducted through three colleges namely Western Australia International College ("WAIC"), Australian Institute for University Studies ("AIUS") and the Australian Institute for Golf Management ("AIGM") under Excel Education Pty Ltd ("Excel"). WAIC and AIUS cater for diploma and degree equivalent courses accredited by Curtin University in Western Australia and in February 2001, AIUS has its first intake of students for the Monash diploma and Monash degree programmes in association with Monash University, Victoria.

Traditionally, AIUS and WAIC have concentrated on business courses. However, in view of the demand for quality golf management programme, AIGM was formed and was initially offering certificates in Golf Management. Building on the success of its earlier programme, AIGM is now offering diploma level courses in Professional Golf Management and its first intake was in February this year.

United Kingdom and Europe

Hotels

The Group, through Regal Hotel Group PLC ("Regal"), owns and operates a chain of 93 hotels with 6,463 guest rooms throughout the United Kingdom, under the brand names of *Corus* and *Regal*. For the financial year ended 31 December 2000, Regal reported a pre-tax profit of GBP2.9 million (RM16.7 million) as compared to a pre-tax loss of GBP13.8 million (RM84.8 million) in the previous financial year.

During the year under review, Regal focused on rationalising its hotel portfolio and the rebranding of a number of suitable hotels into "*Corus*" hotels. The stylish and exciting new *Corus* brand positions itself to cater for the higher-yield business traveler. It also offers innovative packages for meetings and events, supplemented by short breaks weekend business in order to maintain a more consistent level of occupancy. At year-end, approximately one third of the portfolio had been rebranded *Corus*.

The Plaza on Hyde Park, the Group's Central London flagship hotel with 402 guest rooms, commenced the second phase of its major upgrade programme. This refurbishment programme which is enhanced by the creation of Laura Ashley styled bedroom furnishings will serve as the focus prototype for future refurbishment in other hotels. The refurbishment which provides an upscale and luxurious look, is targeted towards attaining a higher room revenue yield.

Conscientious of the need to conserve the use of energy, Regal launched a group wide Environmental Policy in June 2000 which has also resulted in cost savings for the Regal group.

Regal's website was re-constituted in early 2000 into a more interactive format which includes an on-line reservation service. It was nominated for the prestigious "Best website by a hotel chain" award at the 2000 Hospitality Solutions Show in London. It can be accessed at either



Regent Park Pro Shop



Homes set in Regent Park



PM Securities' new public-viewing gallery, Kuala Lumpur

www.corushotels.co.uk or www.regalhotels.co.uk. *Corus* and *Regal* hotels also won the Best Leisure Marketing Award 2000 presented by the Hotel Marketing Association, an affiliate of the Chartered Institute of Marketing.

The Restaurant Partnership ("TRP") which is a subsidiary of Regal, operates 11 restaurants in London, Manchester and Antwerp. Some of the famous restaurants include Elena's L'Etoile, The Gay Hussar and Theirry's. TRP also operates 7 Simply Nico and Nico Central branded French restaurants.

Retailing

Laura Ashley Holdings PLC ("Laura Ashley"), the Group's 42.88% owned associated company listed on the London Stock Exchange, is principally involved in the design, manufacture, sourcing, distribution and sale of garments, accessories and home furnishings which are renowned for their traditional English country style.

Despite difficult trading conditions for retailers in the UK, Laura Ashley reported a pre-tax profit of GBP10.2 million (RM58.7 million) for the 52 weeks ended 27 January 2001 compared to a pre-tax loss of GBP4.1 million (RM25.2 million) in the previous financial year. The greatly improved performance of Laura Ashley was due to the strong sales growth achieved in both home furnishings and garments. Better margins due to

cost cutting measures, rationalisation of supply chain as well as new collection in clothing also contributed to the overall good performance of the company.

Laura Ashley operates 252 stores in the United Kingdom and Continental Europe. The company also has 213 franchised stores worldwide in countries such as Japan, Australia and the United States of America. During the year under review, 6 new stores were opened in the United Kingdom. The stores range from 1,000 sq. ft.

The new reception of PM Securities in Kuala Lumpur



to 5,000 sq. ft. in size. Three of the stores, in South Woodford, Nottingham and Nantwich are dedicated Home stores whilst the other 3 stores in Kendal, Dublin and Sevenoaks, are for Garments and Homes. The concept of larger, low rent stand-alone Home stores has yielded positive returns. Based on the success of this concept, another 20 stores are planned for roll-out this year.

The past year also saw the opening of 8 new franchised stores in Turkey, Middle East, Spain, Ukraine and Iceland. Over in the Far East, Laura Ashley Japan, the holder of the Laura Ashley franchise registered better performance against last year and has planned new store openings in 2001.

L'Oreal, the world's largest cosmetics retailer has developed a new fragrance under licence with Laura Ashley. "Magic Garden" was launched in France in December 2000. In addition to perfume, the entire range of Magic Garden toiletries, body spray, body lotion and shower gel will be available soon. Other licensing agreements under discussions are for tableware, garden furniture, watches and bridal-wear.

To optimise efficiency and streamline its various divisions, Laura Ashley has also restructured its manufacturing operations. Its factories in Carno, Wales which manufactures curtains, and at Texplan in Newtown, Wales which manufactures fabric and wallpaper, have both been placed under a subsidiary, Texplan Manufacturing Ltd. The new manufacturing operations which provide complementary manufacturing services will now operate as a stand-alone profit centre.

The online display and shopping website of Laura Ashley, www.lauraashley.com, will commence operations in the later part of 2001. The website will feature an extensive range of Laura Ashley home furnishings and garments for users to view and purchase in the United Kingdom.

United States Of America

Hotels And Leisure

During the year under review, the Group's Regent Park Golf Course in Charlotte, North Carolina launched its Regent Park's Professional Golf Management Program, conducted in conjunction with Queens College, Charlotte. Regent Park Golf Course which has won numerous awards including Metrolina Golfer's Choice Awards - Best Public Golf Course from 1996 to 1999 and in 2000, was rated "4 star" being the highest rating possible by Golf Digest magazine. Regent Park Golf Course strives to distinguish itself by consistently providing quality services and innovative programs for its patrons.

In Branson, Missouri, Regent Corporation owns and manages two lodging facilities, the Country Hearth Inn and Fiddlers Inn. Branson is slated as a top entertainment centre and has approximately 47 theatres with live performances throughout the year. It is a popular vacation destination attracting about 7 million visitors a year and the Group is seeking further investment opportunities in the vicinity.



MUI Continental Insurance Customer Service Centre, Kuala Lumpur

Pan Malaysia Equities' office in Seremban





Newly completed 'Suriya' double-storey terrace houses, Bandar Springhill



'Lily' double-storey bungalow, Bandar Springhill



'Orchid' single-storey bungalow, Bandar Springhill

Retailing

The Group's retail interest in the United States of America is conducted through Laura Ashley (North America), Inc ("LANA"), a subsidiary of Regent Corporation. LANA is a franchisee of Laura Ashley Holdings PLC which holds the franchise for United States of America and Canada. Additionally, LANA is also being granted the right to licence Laura Ashley products in United States of America and Canada. LANA operates 84 Laura Ashley stores and during the year under review, it performed within expectations.

Media and Entertainment

During the year under review, PorchLight Entertainment Inc ("PorchLight"), an associated company of the Group in the United States of America, completed 13 all new episodes of "Adventures from The Book of Virtues", now in its fourth season on PBS Television Network. The company also received an order for 40 episodes of "Jay Jay the Jet Plane" for daily broadcast on PBS beginning June 2001, including 14 new half-hours. PorchLight also delivered four new animated "short cartoons" of "Jetcat", a limited series for Nickelodeon. For Discovery Channel United States of America, the company received an order for 26 half-hours of a new animated series called "Tutenstein", scheduled to premiere in January 2002.

On the movie front, PorchLight produced five new "live action" films in 2000, the highest production level in the company's history. The films were delivered to United States of America networks including Disney Channel, Fox Family Channel, Discovery Channel (Animal Planet), and HBO. In addition, the films have been sold in over 40 countries worldwide.

PorchLight established its new Consumer Products Division in 2000 to provide licensing and merchandising representation services for owners of entertainment, literary and other trademark properties. The licensing programme for "Jay Jay The Jet Plane" has already signed over ten licenses in categories such as home video, publishing, plush toys, apparel, board games and others in the US alone. The Company has just begun an international licensing programme in support of "Jay Jay's" international broadcasts.

India

Lotus Chocolate Company Limited, the Group's subsidiary which is listed on the stock exchanges of Hyderabad and Bombay, owns and operates a modern manufacturing facility in Hyderabad with a production capacity of 2,000 tonnes per annum. The facility is equipped to manufacture industrial



chocolate products and consumer products for both national and export markets. For the year under review, the company performed within expectation.

COMMUNITY RELATIONS

In playing a role as a responsible and caring corporate citizen, The MUI Group continued its commitment to respond to the needs of the less privileged within our society.

In December 2000, MingCourt Vista Hotel, Kuala Lumpur and the Network Foods Group donated food and T-shirts towards a children's Christmas party and fete held at St. John's Institution to raise funds for orphanage and shelters such as Rumah Hope, Ozanam House and Assunta Orphanage. The Christmas party was attended by nearly 200 children from orphanages around Kuala Lumpur.

To promote better services in the tourism industry, MingCourt Vista, Kuala Lumpur also held a taxi campaign whereby drivers from various taxi companies attended a familiarisation and courtesy training programme organised by the hotel.

Metrojaya was also active in the various campaigns which included treating more than 100 children from Asrama Damai Orphanage to a pre-Hari Raya shopping outing at Mid Valley Megamall as well as the donation of food and money to the needy ahead of Deepavali celebrations. Metrojaya also came to the aid of the Kampung Kerinchi fire victims in August 2000 with aid packages consisting of essential foods, clothing and cash.



Newly completed double-storey shop offices, Bandar Springhill



'Chelsea' semi-detached houses, Vila Sri Ukay

MUI Plaza houses the headquarters of The MUI Group





One of Morning Star Villa's well-landscaped parks



Morning Star Villa, the award winning project of MUI Hong Kong Ltd, in Zhongshan, China

In the United Kingdom a team of staff from Regal hotels demonstrated not only their concern and commitment to the less privileged, but also their skills and endurance ability. A seven-member team took part in the "Three Peak's Challenge" in July, scaling the three highest mountains in Britain in aid of Children's Aid Direct. Members of staff also participated in a 480km charity cycle ride from the Great Wall of China to Tienanmen Square in aid of the Royal Society for Mentally Handicapped Children and Adults ("Mencap"). Mencap also organised a cycling and rafting experience in Costa Rica in which a member of staff participated and raised funds for charity.

Laura Ashley completed a third year contract with Marie Curie Cancer Care and also supported the Pink Ribbon magazine which aims to raise awareness of breast cancer. With the company's continued interest in design, Laura Ashley initiated a design scholarship in conjunction with Central Saint Martin's College of Art and Design to encourage and support new talent in the United Kingdom fashion industry.

The philosophy of caring propounded by the Group has been borne out by the staff in many ways, not least in the way which different companies within the Group responded to any call for assistance. The staff's compassion for the less fortunate re-affirms the Group's commitment towards achieving a caring community.

OUTLOOK FOR YEAR 2001

The year 2001 is expected to be another challenging year. The economy of the United States of America is expected to grow at a rate lower than

Morning Star Villa, a reflection of prestige with a touch of serenity





that experienced in the last decade and this will undoubtedly impact the global economy. The government has in March 2001, announced a RM3 billion plan to boost the Malaysian economy and the measures announced will negate some of the effect of a slowdown. Against this backdrop the Group will be cautious in its new business ventures while continuing to strive for excellence in all aspects of its existing business activities. The Group will continue to focus in consolidating and developing its core businesses and reviewing all possibilities of developing synergistic businesses to enhance the Group's earning base.

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to all our staff of 12,000 worldwide for their contributions, dedication and commitment. I also would like to thank my fellow Directors for their wise counsel and the shareholders for their confidence and support in the Board and Management of the Group.

In GOD We Trust

Tan Sri Dato' Dr Khoo Kay Peng
Chairman

Kuala Lumpur
8 May 2001



The entrance to the clubhouse of Morning Star Villa



Emphasis on landscape beautification in Morning Star Villa

DIRECTORS' REPORT

The Directors present herewith their report and audited financial statements of the Company and of the Group for the financial year ended 31 December 2000.

Principal Activities

The Company is an investment holding company. The principal activities of the Group consist of the following:-

- Retailing
- Hotels
- Food and Confectionery
- Property
- Construction
- Financial Services
- Manufacturing and Trading
- Travel and Tourism
- Education Services

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

Results

	<i>Group</i> <i>RM</i>	<i>Company</i> <i>RM</i>
(Loss)/Profit before taxation	(11,969,233)	17,078,130
Taxation	(30,960,313)	(5,414,264)
(Loss)/Profit after taxation	(42,929,546)	11,663,866
Minority interests	(21,838,358)	–
(Loss)/Profit attributable to shareholders of the Company	(64,767,904)	11,663,866
(Accumulated losses)/Unappropriated profits brought forward	(78,674,744)	372,094,469
(Accumulated losses)/Unappropriated profits carried forward	(143,442,648)	383,758,335



Movements In Reserves And Provisions

Material movements in reserves and provisions during the financial year are disclosed in the notes to the financial statements.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the financial year ended 31 December 2000.

Directors

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

Tan Sri Dato' Dr Khoo Kay Peng (Chairman & Chief Executive)
Tan Sri Dato' Md Khir Johari
Yong Ming Sang
Dr Ngui Chon Hee
Ang Guan Seng
Nik Hashim bin Nik Yusoff
Khet Kok Yin
Loy Yet King
Mohamad Faiz bin Abdul Hamid (Alternate to Yong Ming Sang)

None of the Directors who held office at the end of the financial year had, according to the Register of Directors' Shareholdings, any interest in the shares of the Company and its related corporations except as stated below:-

Ordinary shares of RM1 each in Malayan United Industries Berhad	Number of shares			Balance at 31.12.2000
	Balance at 1.1.2000	Bought	Sold	
Tan Sri Dato' Dr Khoo Kay Peng				
Indirect	857,646,400	—	—	857,646,400
Yong Ming Sang				
Direct	1,981,800	—	—	1,981,800
Indirect	549,640	—	—	549,640
Dr Ngui Chon Hee				
Direct	122,000	—	—	122,000
Indirect	270,000	—	—	270,000
Ang Guan Seng				
Indirect	68,353,800	—	—	68,353,800

The Directors' share options in the Company by virtue of the options granted to them under the Executive Share Option Scheme are as follows:-

	<i>Number of shares</i>		
	<i>Balance at 1.1.2000</i>	<i>Granted</i>	<i>Exercised</i>
Tan Sri Dato' Dr Khoo Kay Peng	125,000	—	—
Khet Kok Yin	112,000	—	—

**Ordinary shares of 50 sen each in
MUI Properties Berhad**

	<i>Number of shares</i>		
	<i>Balance at 1.1.2000</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Dr Khoo Kay Peng Indirect	540,612,661	—	—
Dr Ngui Chon Hee Direct	30,000	—	—
Indirect	84,000	—	—

**Ordinary shares of 50 sen each in
Pan Malaysia Corporation Berhad**

	<i>Number of shares</i>		
	<i>Balance at 1.1.2000</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Dr Khoo Kay Peng Indirect	420,364,500	—	—
Dr Ngui Chon Hee Indirect	35,000	—	—
Tan Sri Dato' Md Khir Johari Direct	94,082	—	—
Indirect	219,000	—	—
Nik Hashim bin Nik Yusoff Direct	10,000	—	—



**Ordinary shares of RM1 each in
Pan Malaysia Holdings Berhad**

	Number of shares		
	Balance at 1.1.2000	Bought/ #Debt Equity Conversion	Sold
Tan Sri Dato' Dr Khoo Kay Peng Indirect	493,550,867	#83,417,208	–
			Balance at 31.12.2000
			576,968,075

**Ordinary shares of RM1 each in
Pan Malaysia Capital Berhad**

	Number of shares		
	Balance at 1.1.2000	Bought	Sold
Yong Ming Sang Indirect	–	20,000	–
			Balance at 31.12.2000
			20,000

**Ordinary shares of RM1 each in
MUI Continental Insurance Berhad**

	Number of shares		
	Balance at 1.1.2000	Bought	Sold
Tan Sri Dato' Dr Khoo Kay Peng Indirect	32,550,000	–	–
			Balance at 31.12.2000
			32,550,000

By virtue of his deemed interests in the shares of the Company, Tan Sri Dato' Dr Khoo Kay Peng is deemed to have an interest in the shares of all the other subsidiaries of the Company to the extent that the Company has an interest.

In accordance with Section 129(2) of the Companies Act, 1965, Tan Sri Dato' Md Khir Johari and Mr Yong Ming Sang retire from the Board at the forthcoming Annual General Meeting, and the Directors recommend their re-appointment under Section 129(6) of the said Act.

In accordance with the Company's Articles of Association, Dr Ngui Chon Hee retires from the Board by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest.

Except for Tan Sri Dato' Dr Khoo Kay Peng and Mr Khet Kok Yin who are eligible for the Executive Share Option Scheme as mentioned below, neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement, to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Share Options

Under the Company's Executive Share Option Scheme ("ESOS" or "Scheme"), options to subscribe for 1,238,000 new ordinary shares of RM1 each in the Company were made available to eligible directors and executives of the Company and its subsidiary companies as at 31 December 2000 except for directors and executives of Pan Malaysia Holdings Berhad and its subsidiary companies who are eligible to participate under its own Executive Share Option Scheme.

The details of the ESOS are contained in the Bye-Laws and the salient features thereof are as follows:-

- (a) The Scheme is set up for participation in the ordinary share capital of the Company only. The total number of shares to be offered under the ESOS shall not exceed 10% of the total number of issued and paid-up ordinary shares of the Company at any time during the duration of the Scheme.
- (b) Eligible executives are those who have been in the service of the Group for a continuous period of at least five (5) years for Malaysian employees (including full-time executive directors who are involved in the day-to-day management and on the payroll of the Company) or at least one (1) year of continuous service with the Group as may be selected by the Option Committee.
- (c) The ESOS shall continue to be in force for a duration of five (5) years expiring on 5 July 2001.
- (d) The Scheme shall be administered by the Option Committee appointed by the Board and comprises directors of the Company who are not participating in the ESOS.
- (e) An option granted under the ESOS shall be capable of being exercised by the grantee during the year commencing 5 July 2000 to 4 July 2001 by notice in writing to the Company. The option granted shall be exercisable by the grantee in multiples of not less than 1,000 shares.
- (f) The persons to whom the options are granted under the Scheme have no right to participate in any other share option schemes which may be implemented by other companies within the Group.
- (g) The exercise price for each RM1 ordinary share under the Scheme shall be the average of the mean market quotation of the shares as quoted and shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five (5) market days prior to the respective dates of offer of the options, or the par value of shares of the Company, whichever is higher.

The movements in the Company's unissued shares under options during the financial year are as follows:-

	<i>Number of ordinary shares of RM1 each</i>				
	<i>Balance at</i>				<i>Balance at</i>
	<i>1.1.2000</i>	<i>Granted</i>	<i>Exercised</i>	<i>Terminated</i>	<i>31.12.2000</i>
Number of unissued shares under options at an exercise price of RM1.80 per share	1,372,000	—	—	134,000	1,238,000



Other Statutory Information

- (a) In the opinion of the Directors:-
- (i) the results of the operations of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in note 4 to the financial statements;
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made; and
 - (iii) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company or of the Group to meet their obligations as and when they fall due.
- (b) Before the income statements and balance sheets of the Company and of the Group were made out, the Directors took reasonable steps:-
- (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (c) At the date of this report, the Directors are not aware of any circumstances which would render:-
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the Company and the Group inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Company and of the Group misleading.
- (d) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company and the Group misleading or inappropriate.

(e) As at the date of this report there does not exist:-

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

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

Significant Corporate Developments

The significant corporate developments are disclosed in note 31 to the financial statements.

Auditors

The auditors, BDO Binder, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board

Yong Ming Sang

Director

Dr Ngui Chon Hee

Director

Kuala Lumpur

27 April 2001



Fisherman's Friend lozenges



Network Foods warehouse, Australia

PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan bagi Syarikat dan Kumpulan anda untuk tahun kewangan berakhir 31 Disember 2000.

TINJAUAN EKONOMI

Ekonomi Malaysia memulakan alaf baru begitu baik dengan melaporkan bagi suku tahunan kadar pertumbuhan Keluaran Dalam Negara Kasar ("KDNK") yang hebat sebanyak 11.8%, 8.4% dan 7.8% bagi tiga suku pertama masing-masing tahun ini. Pada keseluruhannya, tahun 2000 mencatatkan kadar pertumbuhan KDNK yang positif sebanyak 8.5% berbanding dengan 5.8% pada tahun 1999. Dasar kewangan dan fiskal perluasan yang dilaksanakan oleh Kerajaan sejak 1998 telah merangsangkan pertumbuhan kukuh dalam kegiatan-kegiatan ekonomi, sementara dasar berterusan penetapan nilai ringgit memberi stabiliti kepada matawang dan menghasilkan lebih dagangan yang tinggi. Dalam suasana permintaan agregat dalaman dan luaran yang kukuh dan meningkat, kebanyakan sektor penawaran mencatat pertumbuhan positif. Sektor pembuatan dan perkhidmatan masing-masing telah tumbuh 21.0% dan 4.7% dan sektor pembinaan naik 1.1% berbanding dengan pengecutan 5.6% pada tahun sebelumnya.

SOROTAN PENTING KEWANGAN

Kumpulan melaporkan kerugian sebelum cukai sebanyak RM12.0 juta berbanding dengan keuntungan sebelum cukai RM63.4 juta bagi tahun kewangan sebelumnya. Dana para pemegang saham berada pada RM2.15 bilion sementara aset Kumpulan dilaporkan pada RM5.58 bilion tepat pada 31 Disember 2000.

PERKEMBANGAN KORPORAT

PM Securities Sdn Bhd ("PM Securities"), anak syarikat pembrokeran Pan Malaysia Capital Berhad ("PM Capital") telah mengikat satu perjanjian pada Oktober 2000 untuk bergabung perniagaan pembrokeran yang sedia ada dengan MBf Northern Securities Sdn Bhd ("MBf Northern"). Penggabungan yang telah selesai ini, membolehkan perniagaan MBf Northern beroperasi sebagai cawangan PM Securities, dan pihak-pihak berkuasa yang tertentu telah meluluskan cawangan baru ini ditempatkan di Puchong, Selangor Darul Ehsan. Cawangan ini dijangka mula beroperasi pada penghujung suku tahun ketiga tahun ini.

Susulan daripada urusan niaga MBf Northern, PM Securities mengikat satu perjanjian pada November 2000 untuk bergabung perniagaan sedia ada dengan Malpac Securities Sdn Bhd dan satu lagi perjanjian untuk memperolehi Pan Malaysia Equities Sdn Bhd sebagai anak syarikat. Penggabungan tersebut dan perolehan dari PM Capital adalah selaras dengan objektif Kumpulan meluaskan dan membangunkan operasi pembrokerannya supaya menjadi salah satu perniagaan utama. Langkah ini juga selaras dengan dasar Kerajaan Malaysia mengenai pengukuhan industri pembrokeran dan penubuhan Universal Brokers. Dengan penggabungan perolehan ini, PM Securities kini layak menjadi sebagai Universal Broker.

Sebahagian dari program perasionalan untuk melepaskan aset-aset bukan utama dan menumpukan perhatian kepada kegiatan khidmat kewangan, Pan Malaysia Holdings Berhad mengikat satu perjanjian pada Ogos 2000 dengan Supermix Concrete (Malaysia) Sdn Bhd ("Supermix") untuk menjual kepada Supermix seluruh pegangan sahamnya dalam Pengkalan Concrete Sdn Bhd bagi pertimbangan lebih kurang RM6.9 juta. Jualan ini telah diselesaikan pada Mac 2001.



Network Foods Limited, Australia

Memandangkan kepada suasana ekonomi yang tidak menentu di Indonesia dan turun naik nilai Rupiah, Network Foods International Ltd (“NFIL”) melepaskan seluruh pegangan sahamnya dalam Fairbridge Corporation (“Fairbridge”) bagi pertimbangan tunai US\$3.1 juta (RM11.7 juta) pada tahun dalam tinjauan. Fairbridge adalah syarikat pemegangan PT Indo Cocoa Specialities, sebuah perbadanan Indonesia yang terlibat dengan pembuatan produk koko, coklat dan konfeksi. Pelepasan ini menghasilkan keuntungan lebih kurang S\$5.3 juta (RM11.7 juta).

Untuk meningkatkan pegangan sahamnya dalam Chemical Company of Malaysia Berhad (“CCM”) kepada tagan yang lebih bermakna, Pan Malaysia Corporation Berhad (“PMC”) melalui anak syarikat milik penuhnya, Lembaran Megah Sdn Bhd, telah mengikat satu perjanjian pada Disember 2000 untuk memperolehi 46,000,000 saham biasa CCM yang merupakan lebih kurang 12.9% modal berbayar sedia ada CCM bagi pertimbangan sejumlah wang tunai sebanyak RM105.8 juta. Bersama-sama dengan 35,954,000 saham biasa sedia dipegang oleh Lembaran Megah Sdn Bhd, perolehan ini akan berhasil dengan Kumpulan PMC memiliki kepentingan ekuiti agregat lebih kurang 23.0% dari modal terbitan dan berbayar sedia ada CCM, syarikat kimia terbesar di Malaysia.

Sepanjang tahun dalam tinjauan, London Vista Hotel Limited (“LVH”), sebuah syarikat bersekutu Kumpulan, membuat tawaran umum bagi semua saham biasa dalam Regal Hotel Group PLC (“Regal”) yang belum dimiliki oleh LVH dan pihak-pihak yang bertindak bersama-sama. Regal adalah tersenarai dalam Bursa Saham London. Pada penutupan tawaran itu, LVH telah mendapat penerimaan lebih dari 90% modal saham biasa Regal maka LVH telah memiliki bakinya secara wajib. Jumlah hotel milik Kumpulan kini di United Kingdom, Australia, Amerika Syarikat dan Malaysia ialah 102 dengan agregat 8,061 bilik di seluruh dunia.

Pada tahun dalam tinjauan juga menyaksikan MUI Hong Kong Ltd (“MUI HK”) menyempurnakan beberapa urusan korporat yang bermula dengan terbitan hak pada asas satu saham biasa baru pada HK\$0.20 setiap satu bagi setiap dua saham biasa sedia dipegang dengan tiga waran bonus bagi setiap lima saham hak pada harga terbitan HK\$0.20 setiap satu saham hak. Isu ini menghasilkan lebih kurang HK\$92.0 juta (RM44.8 juta), sebahagian darinya digunakan untuk memperolehi 23.6% kepentingan ekuiti dalam Zhaodaola Limited. Zhaodaola adalah syarikat Internet terkemuka di Republik Rakyat China (“RRC”) yang memiliki dan menjalankan portal internet gaya hidup bagi pengguna-pengguna China. Hasil terbitan hak ini juga digunakan untuk melabur dalam Beijing Morning Star-New Ark International Travel Service Co. Ltd, agensi pelancongan usahasama Sino dengan agensi negara asing yang pertama di



Vpops lollipops

A variety of Tudor Gold exquisite milk chocolates





CrispyO mint biscuits and Crispy choc bars



Newly introduced beverages, My One and Fruit Ace

Ice Mony, ice lollies



Beijing, yang menjalankan perniagaan pelancongan di RRC. Usahasama yang dimiliki oleh MUI HK sebanyak 49% ini mula berniaga pada September, 2000.

Pada Oktober 2000, MUI HK memperoleh 45.8% kepentingan ekuiti dalam Kerry Financial Services Limited ("KFSL") pada HK\$17.4 juta (RM8.5 juta). Meyusul perolehan ini, MUI HK juga memodalkan sebahagian dari pinjaman yang dijangka dari KFSL, yang menghasilkan jumlah pegangan 54.8% dalam KFSL, dengan itu menjadikannya anak syarikat. Perolehan ini bertujuan meluaskan asas pendapatan MUI HK dan pada Disember 2000, KFSL menukar namanya kepada Morning Star Financial Services Ltd ("MSFSL"), sempena nama cabang pelancongan MUI HK yang mantap dan dikenali ramai.

TINJAUAN OPERASI

Malaysia

Peruncitan

Dalam regim kadar faedah rendah, inflasi rendah dan keadaan kecairan yang lega, keyakinan pengguna dapat dikekalkan pada tahun dalam tinjauan dan ini ditafsirkan sebagai peningkatan perbelanjaan pengguna. Pembukaan gedung induk Metrojaya Berhad di Mid Valley Megamall pada April 2000 kena pada waktunya, juga gedung kelima di Plaza Pelangi, Johor Baru pada separuh kedua tahun 2000 dan 10 buah gedung khusus pada sepanjang tahun, ternampak operasi peruncitan Kumpulan mencapai hasil yang menggalakkan. Metrojaya melaporkan putaran dan keuntungan sebelum cukai masing-masing RM230.2 juta dan RM18.4 juta bagi sembilan bulan berakhir 31 Disember 2000 berbanding dengan putaran dan keuntungan sebelum cukai masing-masing RM176.5 juta dan RM14.9 juta bagi tempoh yang sama tahun sebelumnya.

Operasi peruncitan Metrojaya kini terdiri dari 5 gedung serbaneka Metrojaya, satu Hypermarket Cosmart dan 61 gedung khusus di bawah pelbagai konsep seperti Reject Shop, East India Company, Somerset Bay, Living Quarters dan Zona.

Perhotelan

Sungguhpun kedatangan pelancong meningkat dan kadar penghunian hotel di Kuala Lumpur semakin baik pada keseluruhannya bagi separuh pertama tahun 2000, industri hotel tetap bersaing sengit. Walaupun kadar penghunian menunjukkan peningkatan, kadar sewaan purata meningkat hanya sedikit dari tahun 1999. Sungguhpun persaingan sengit, terdapatnya beberapa hotel dan apartment penuh khidmat yang kebanyakannya tertumpu di Kuala Lumpur sedang dibina.

Prestasi MingCourt Vista Hotel Kuala Lumpur pada tahun dalam tinjauan adalah di bawah jangkaan. Berhadapan dengan suasana yang tetap tidak menyenangkan, hotel ini akan terus menumpukan perhatian kepada menawarkan produk-produk bermutu dan tahap perkhidmatan yang tinggi untuk terus bersaing sambil berusaha menempah tempat tersendiri dalam pasaran. Untuk tujuan itu, hotel ini telah menyempurnakan satu rancangan pengindahan bagi peningkatan kesemua 378 bilik bernilai berjuta-juta ringgit pada separuh kedua tahun 2000.

Prestasi Paradise Lagoon Hotel di Port Dickson adalah menggalakkan bagi tahun dalam tinjauan. Hotel ini baru sahaja selesai mengindahkan 201 biliknya dengan tujuan mencapai prestasi yang lebih baik tahun ini.

Makanan dan Konfeksi

Operasi makanan dan konfeksi Kumpulan di Malaysia dijalankan oleh dari Network Foods Industries Sdn Bhd ("NFI") dan

Network Foods (Malaysia) Sdn Bhd (“NFM”). NFI menjalankan sebuah kilang pembuatan coklat di Shah Alam yang mengeluarkan konfeksi berjenama seperti Kandos, Crispy dan Van Houten. NFM memasarkan dan mengedarkan lebih dari 200 jenis makanan dan konfeksi yang diimport.

Bahagian makanan telah bergiat untuk memajukan produknya di luar negara dan jumlah eksportnya telah meningkat hampir sebanyak 30% dari tahun sebelumnya. Ia kini mengeksport ke 28 negara termasuk Jepun, Australia, Amerika Syarikat dan Taiwan. Untuk mencapai keuntungan yang lebih tinggi, bahagian makanan telah meluaskan operasinya untuk mengedarkan barangan bermargin lebih tinggi seperti wain dan produk makanan kesihatan. Kini NFM mengedarkan wain dari Australia, Chile dan Canada cuba meluaskan bidangnya dengan mengedar wain dari negara-negara lain. Operasi makanan dan konfeksi di Malaysia melaporkan putaran dan keuntungan yang menggalakkan bagi tahun kewangan berakhir 31 Disember 2000.

Hartanah

Sepanjang tahun dalam tinjauan, West Synergy Sdn Bhd, sebuah anak syarikat MUI Properties Berhad telah melancarkan fasa ketiga pembinaan hartanah di Bandar Springhill yang terdiri dari 94 unit rumah teres setingkat yang dikenali sebagai “MERPATI” dan 172 unit rumah teres dua tingkat yang dikenali sebagai “MERAK”. Setakat ini, penjualan fasa ini amat menggalakkan. Bandar Springhill merupakan bandar bersepadu lengkap di sepanjang lebuh raya Seremban-Port Dickson berhampiran Lukut, Negeri Sembilan. Projek pembinaan bandar ini telah melancarkan 1,159 unit pelbagai jenis hartanah sejak 1997.

Kerja pembinaan fasa kedua Vila Sri Ukay terdiri dari rumah berkembar telah berjalan dengan memuaskan. Projek pembangunan yang terdiri dari banglo dan rumah berkembar ini mencatat penjualan dan keuntungan yang menggalakkan sepanjang tahun dalam tinjauan.

MUI Plaza, bangunan komersil utama Kumpulan yang terletak dalam kawasan perniagaan segitiga emas Kuala Lumpur mencapai hasil sewaan kasar lebih dari RM10.0 juta dan kadar penghunian yang memuaskan sepanjang tahun dalam tinjauan.

Perkhidmatan Kewangan

Sepanjang tahun dalam tinjauan, MUI Continental Insurance Berhad (“MCI”) melaporkan premium tertulis kasar RM50.6 juta, dan ini merupakan



Van Houten chocolates



Glencourt snack crackers

Network Foods, Shah Alam





*Instore display of
Hershey's products*



Launch of CrispyO biscuits

Network Foods International Ltd, Singapore

peningkatan 37.4% dari tahun sebelumnya. Namun, prestasi keseluruhan MCI terjejas oleh hasil faedah rendah deposit tetap, saingan sengit dan tuntutan yang meningkat.

Bagi tahun kewangan berakhir 31 Disember 2000, PM Capital, cabang pembrokeran Kumpulan telah melaporkan keuntungan sebelum cukai RM22.9 juta, berbanding dengan kerugian sebelum cukai RM68.7 juta pada tahun sebelumnya. Kemajuan ini disebabkan oleh kejayaan pelaksanaan terbitan hak dan skim-skim susunan PM Capital dan dua anak syarikat pembrokerannya. Dengan selesainya skim-skim ini, sekatan-sekatan perdagangan dibatalkan dan operasi pembrokeran bermula semula seperti biasa pada Februari 2000.

Penyatuan industri pembrokeran seiring dengan dasar Kerajaan ini pasti akan menimbulkan pelbagai cabaran tetapi pada keseluruhannya, akan membawa kemunculan pemain-pemain yang lebih kukuh yang boleh menawarkan berbagai-bagai khidmat inovatif. PM Securities sebagai Universal Broker yang berkelayakkan, merancang untuk meluaskan rangkaian cawangannya dan bertujuan mengambil kesempatan penuh pelbagai peluang yang akan berbangkit dari penyatuan ini.

Singapura

Makanan dan Konfeksi

Network Foods International Ltd ("NFIL") tersenarai dalam Bursa Saham Singapura dan mengurus syarikat-syarikat Network Foods Group yang terlibat dengan pembuatan, pemasaran dan pengedaran produk-produk makanan dan konfeksi di Wilayah Asia Pasifik. Di Singapura, Kumpulan ini mengedarkan pilihan meluas jenama antarabangsa termasuk Tudor Gold, Blue Diamond, Pillsbury dan Nestle. Sepanjang tahun dalam tinjauan, NFIL melaporkan keuntungan sebelum cukai S\$3.9 juta (RM8.6 juta) dan putaran S\$53.0 juta (RM116.7 juta) dan syarikat ini akan terus menumpukan perhatian untuk mengembangkan jenama-jenama empunya dan mencari agensi-agensi baru.

Hong Kong dan Republik Rakyat China

Pangembaraan dan Pelancongan

Sepanjang tahun dalam tinjauan, prestasi Morning Star Travel Service Ltd ("MST"), cabang pangembaraan dan pelancongan MUI Hong Kong Ltd terjejas oleh sentimen berhati-hati pengguna dan permintaan rendah di Hong Kong akibat kadar pengangguran lebih tinggi dan deflasi harga. Untuk mengendali suasana operasi yang mencabar, MST menukarkan strategi penentuan harga dan menumpukan perhatian kepada produk-produk bermutu dan kawalan kos. Hasilnya, MST berjaya membaiki margin untung kasar dan membendung semua kos operasi.



MST telah melancarkan laman web pengembaraannya *www.morningstar.com.bk* pada Februari 2000. Usaha meningkatkan infrastruktur IT bagi memenuhi jualan Internet, urusan tiket on-line, penempahan hotel dan perjalanan, serta penjelasan bayaran berjalan mengikut jadual. Berkerjasama dengan SUNDAY Communications Limited ("SUNDAY"), MST mula menawarkan penerangan mengenai pengembaraan melalui khidmat telefon WAP yang baru dilancar oleh SUNDAY pada tahun 2000.

Perkhidmatan Kewangan

Kumpulan Morning Star Financial Services Ltd ("MSFSL") sedang melibatkan diri dengan pembrokeran sekuriti, khidmat nasihat pelaburan dan khidmat penama. Bagi tahun dalam tinjauan, MSFSL mencatatkan keuntungan sebelum cukai HK\$31.7 juta (RM15.5 juta) berbanding dengan kerugian HK\$6.1 juta (RM3.0 juta) pada tahun sebelumnya.

Makanan dan Konfeksi

Network Foods (Hong Kong) Limited ("NFHK") mengedarkan makanan dan konfeksi jenama-jenama terkenal seperti Van Houten, Tong Gardens, Sunshine dan Andes di Hong Kong. Sepanjang tahun dalam tinjauan, walaupun terdapat perbelanjaan berhati-hati pengguna Hong Kong, NFHK mencapai prestasi memuaskan hasil kawalan kos yang berkesan dan campuran produk yang lebih baik.

Hartanah

Pembinaan Bahagian 2 Fasa VI Morning Star Villa ("MSV") di Zhongshan City, RRC selesai mengikut jadual dan penyerahan unit rumah kediaman berlangsung pada Jun 2000. Pembangunan Fasa VII MSV bermula pada tahun 2000 dan setakat ini penjualan hartanah dalam Fasa ini amat menggalakkan. Hingga kini, MSV telah membina sejumlah 5,050 unit rumah kediaman. Satu lagi projek Kumpulan ini di Zhongshan, Morning Star Plaza ("MSP") juga berjalan dengan memuaskan. MSP ditujukan kepada pasaran tempatan RRC dan lebih dari 70% unit kediaman yang ditawarkan MSP telah dijual. Untuk menggunakan tanah secara optima dan menawarkan pilihan unit yang lebih luas, MSP juga melancarkan 5 blok apartment 12-tingkat sebagai tambahan kepada blok-blok apartment jenis rendah sedia ada.

Teknologi Maklumat

Zhaodaola Limited menjalankan portal gaya hidupnya di bawah nama domain *www.zhaodaola.com* dan *www.zhaodaola.com.cn*. Gerbang Internet Zhaodaola dipilih oleh Annual China Internet Contest yang kedua tajaan China Youth Development Foundation sebagai laman Internet gaya hidup RRC terbaik bagi tahun 2000. Pengunjung harian ke laman ini mencapai angka dua juta pada 31 Disember 2000. Zhaodaola kini bersedia mengambil kesempatan dari peluang-peluang dan potensi e-commerce di RRC dan Hong Kong.

Australia

Hotel

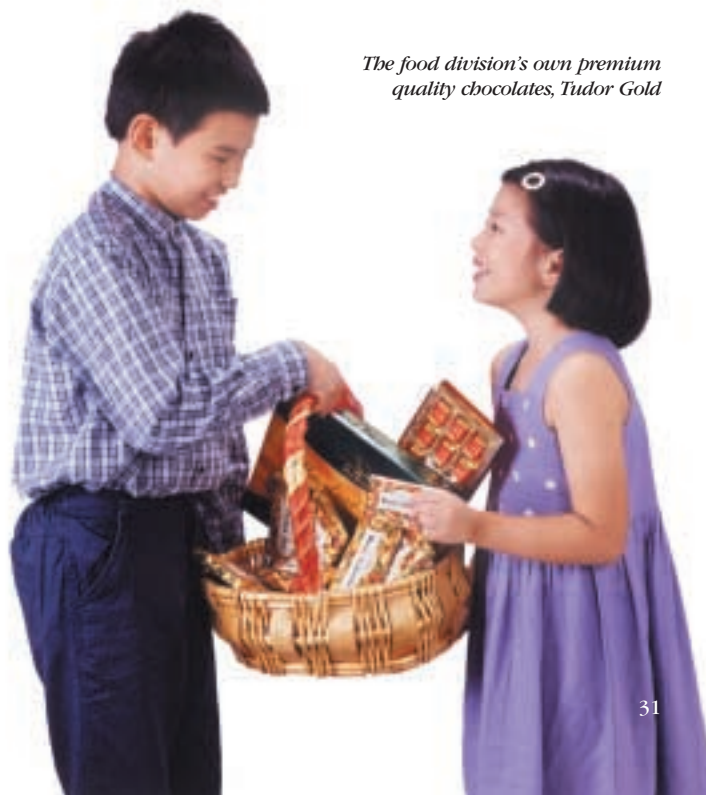
Kumpulan memiliki dan mengurus lima hotel dengan agregat bilik 851 unit di Australia, iaitu Sydney Vista di Sydney, Grosvenor Vista di Adelaide, Alice Springs Vista di Alice Springs dan Hobart Vista dan Pacific Vista di Tasmania. Kemasukan pesat pelancong ke Australia semasa Sukan Olimpik di Sydney telah menyumbang



Launch of Fisher products



Launch of new Crispy Orange choc bars



The food division's own premium quality chocolates, Tudor Gold



'Adventures from the Book of Virtues' is produced and distributed by PorchLight Entertainment

dengan hebatnya kepada prestasi hotel-hotel Kumpulan terutamanya Sydney Vista. Sydney Summer Olympics 2000 meletakkan Australia di peta dunia dan ini menjadikan negara itu destinasi kesukaan ramai hampir sepanjang tahun. Kedatangan pelancong masih kukuh sepanjang tahun 2,000 dan hotel-hotel ini menjangkakan prestasi yang membanggakan pada tahun akan datang.

Makanan dan Konfeksi

Network Foods Limited ("NFL"), yang tersenarai di Bursa Saham Australia, adalah pengedar bebas terbesar konfeksi dan makanan ringan di negara Australia dengan cawangan, pasukan pemasaran dan pergudangan di tempat-tempat strategik di setiap negeri.

Melalui pelbagai rangkaian pengedaran, NFL menawarkan barangan utamanya masuk ke lebih kurang 200 pemborong, lebih dari 20,000 cawangan peruncitan tradisional, 800 gedung serbaneka, 2,000 farmasi dan 5,000 pasaraya. Portfolio produk antarabangsanya meliputi jenama-jenama Fisherman's Friend, Hershey Chocolate, SMINT, Mega Warheads, Trolli, V Pop, Beacon dan Crispy.

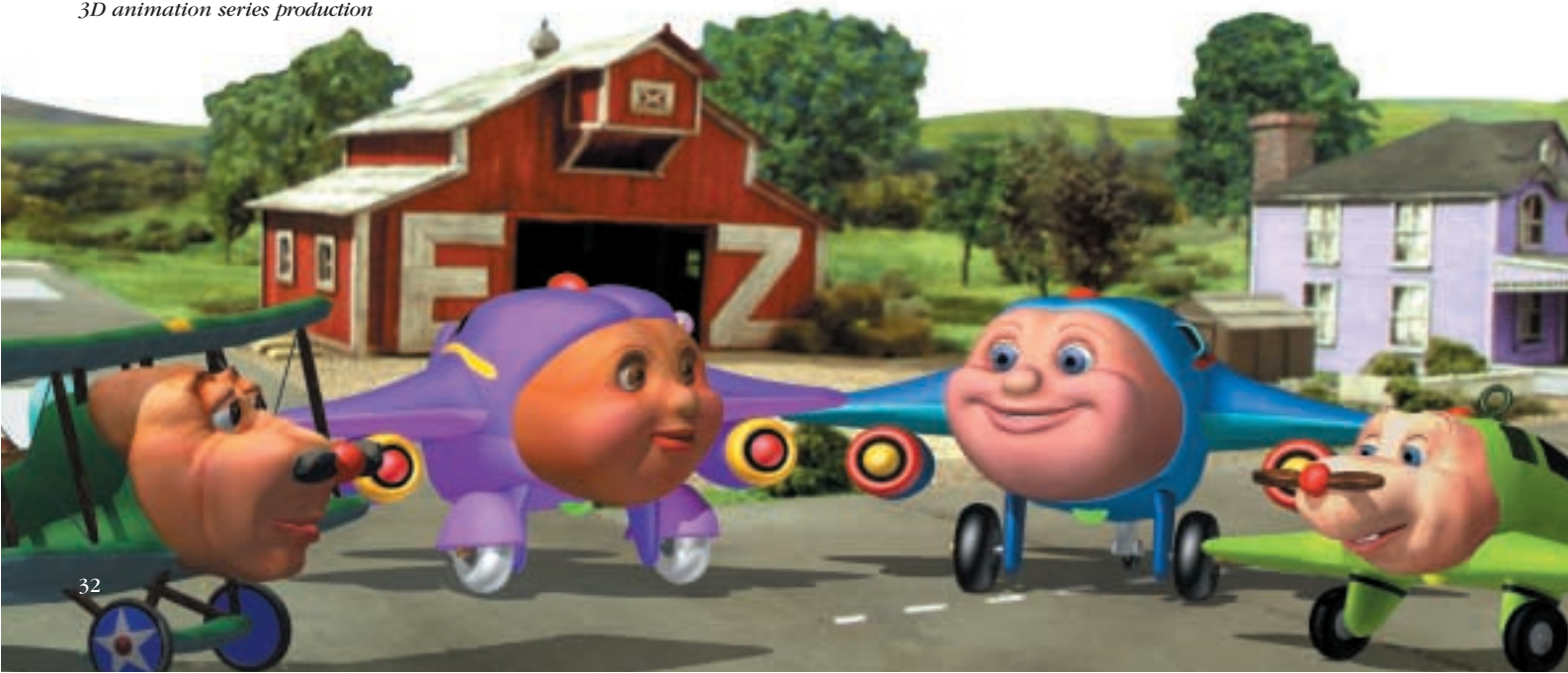
Bagi tahun berakhir 31 Disember 2000, NFL melaporkan keuntungan sebelum cukai sebanyak A\$1.1 juta (RM2.4 juta).

Pendidikan

Perniagaan pendidikan Kumpulan di Australia dijalankan melalui tiga kolej, iaitu Western Australia International College ("WAIC"), Australian Institute for University Studies ("AIUS") dan Australian Institute for Golf Management ("AIGM") di bawah Excel Education Pty Ltd ("Excel"). WAIC dan AIUS menyediakan kursus-kursus diploma dan ijazah yang diiktiraf oleh Curtin University di Western Australia dan pada Februari 2001, AIUS menerima kemasukan pertamanya untuk program diploma dan ijazah Monash bersekutu dengan Monash University, Victoria.

Mengikut tradisi, AIUS dan WAIC menumpukan perhatian kepada kursus-kursus perniagaan. Walau bagaimanapun untuk memenuhi permintaan bagi program pentadbiran golf bermutu, AIGM telah ditubuhkan dan pada mulanya AIGM menawarkan sijil Golf Management. Berasaskan kejayaan program sebelum ini, AIGM kini menawarkan kursus diploma Professional Golf Management dan pengambilan pertamanya pada Februari tahun ini.

'Jay Jay the Jet Plane', a PorchLight's 3D animation series production



United Kingdom dan Eropah

Hotel

Kumpulan ini, melalui Regal Hotel Group PLC ("Regal"), memiliki dan menjalankan satu rangkaian 93 hotel dengan 6,463 bilik di seluruh United Kingdom, di bawah jenama *Corus* dan Regal. Bagi tahun kewangan berakhir 31 Disember 2000, Regal melaporkan keuntungan sebelum cukai sebanyak GBP2.9 juta (RM16.7 juta) berbanding dengan kerugian sebelum cukai sebanyak GBP13.8 juta (RM84.8 juta) pada tahun kewangan sebelumnya.

Sepanjang tahun dalam tinjauan, Regal menumpukan perhatian kepada perasionalan portfolio hotelnya dan menjenamakan semula beberapa hotel yang sesuai dibawah kumpulan hotel *Corus*. *Corus*, jenama baru penuh gaya dan menarik ini bersedia untuk melayan tetamu ahli perniagaan yang menghasilkan pulangan lebih tinggi. Selain dari menawarkan pakej inovatif bagi mesyuarat dan upacara, pengunjung percutian hujung minggu mengekalkan kadar penghunian yang agak tetap. Pada akhir tahun, lebih kurang satu pertiga portfolionya telah dijenamakan semula sebagai *Corus*.

The Plaza on Hyde Park, hotel utama Kumpulan di London dengan 402 bilik telah memulakan fasa kedua program peningkatannya. Program pengindahan ini dipertingkatkan lagi dengan ciptaan kemasan bilik gaya Laura Ashley dan ini akan menjadi tumpuan prototaip pengindahan hotel-hotel lain kelak. Pengindahan yang menawarkan kemasan mahal lagi mewah ini adalah untuk mencapai hasil bilik lebih tinggi.

Menyedari keperluan untuk menjimat tenaga, Regal melancarkan satu Dasar Alam Sekitar pada Jun 2000 bagi semua hotel dalam Kumpulan dan berjaya menjimat kos bagi Kumpulan.

Pada awal 2000, laman web Regal ini disusun semula menjadi format lebih interaktif termasuklah khidmat penempahan on-line. Ia dicalonkan untuk pertandingan berprestij "Best website by a hotel chain" pada Hospitality Solutions Show 2000 di London. Ia boleh dilihat di www.corushotels.co.uk atau www.regalhotels.co.uk. Hotel-hotel *Corus* dan Regal juga telah memenangi Best Leisure Marketing Award 2000 yang disampaikan oleh Hotel Marketing Association, persatuan gabungan Chartered Institute of Marketing.

The Restaurant Partnership ("TRP"), anak syarikat Regal menjalankan 11 restoran di London, Manchester dan Antwerp. Sesetengah restoran terkenalnya adalah Elena's L' Etoile, The Gay Hussar dan Thierry's. TRP juga menjalankan 7 restoran Perancis, Simply Nico dan Nico Central.

Peruncitan

Laura Ashley Holdings PLC ("Laura Ashley") adalah syarikat bersekutu milik Kumpulan sebanyak 42.88% yang tersenarai di Bursa Saham London. Pada utamanya, ia banyak melibatkan diri dengan rekabentuk, membuat, mengedar dan menjual pakaian, perhiasan dan kemasan rumah yang terkenal dengan gaya tradisional desa Inggeris.

Walaupun terdapat suasana perniagaan yang kurang menyenangkan bagi peruncit di United Kingdom, Laura Ashley melaporkan keuntungan sebelum cukai GBP10.2 juta (RM58.7 juta) bagi 52 minggu berakhir 27 Januari, 2001 berbanding dengan kerugian sebelum cukai GBP4.1 juta (RM25.2 juta) pada tahun sebelumnya. Prestasi Laura Ashley yang meningkat dengan baik itu disebabkan perkembangan jualan yang hebat bagi kemasan rumah dan pakaian. Margin lebih tinggi hasil langkah pemotongan kos, perasionalan rangkaian pembekal serta koleksi baru pakaian membantu prestasi keseluruhan syarikat ini.

Laura Ashley mengendalikan 252 gedung di United Kingdom dan Eropah. Syarikat ini juga mempunyai 213 gedung francais di seluruh dunia seperti di Jepun, Australia dan Amerika Syarikat. Pada tahun dalam tinjauan, 6 gedung baru dibuka di United Kingdom. Semua gedung ini terdiri dari keluasan 1,000 kps hingga ke 5,000 kps. Tiga dari gedung-gedung ini, di South Woodford, Nottingham dan Nantwich khusus untuk hiasan rumah sementara tiga lagi di Kendal, Dublin dan



'Cone Control', a new animated series distributed by Porchlight Entertainment



'The Trial of Old Drum', a quality feature film produced and distributed by PorchLight Entertainment



Staff of Morning Star Travel at your service

Sevenoaks adalah untuk pakaian dan kemasan rumah. Konsep gedung lebih besar tetapi pada sewaan lebih rendah yang khusus untuk kemasan rumah membawa hasil positif. Berasaskan kejayaan ini, 20 lagi gedung dirancang untuk tahun ini.

Tahun lalu juga melihat pembukaan 8 lagi gedung francais di Turki, Timur Tengah, Sepanyol, Ukraine dan Iceland. Di Timur Jauh pula, Laura Ashley Japan, pemegang francais Laura Ashley mencatatkan prestasi lebih baik berbanding tahun sebelumnya dan telah

merancang untuk membuka gedung-gedung baru pada tahun 2001.

L'Oreal, peruncit kosmetik paling besar di dunia telah mencipta satu haruman di bawah lesen Laura Ashley. "Magic Garden" dilancarkan di Perancis pada Disember 2000. Selain dari minyak wangi, semua barang kegunaan peribadi Magic Garden, seperti semburan badan, losyen badan dan gel mandian akan dipasarkan tidak lama lagi. Lain-lain lesen perjanjian dalam perbincangan adalah untuk hiasan meja, perabot taman, jam dan pakaian pengantin.

Untuk meningkatkan keberkesanan dan menjuruskan pelbagai bahagian, Laura Ashley telah menyusun semula operasi pembuatannya. Kilang-kilangnya di Carno, Wales yang membuat kain langsir dan di Texplan di Newton, Wales yang membuat kain dan kertas dinding telah diletakkan di bawah satu anak syarikat, Texplan Manufacturing Ltd. Operasi-operasi pembuatan baru ini yang menawarkan khidmat-khidmat pembuatan bantuan kini beroperasi sebagai pusat keuntungan bersendirian.

Laman web pameran dan jualan Laura Ashley, www.lauraashley.com, akan beroperasi lewat tahun 2001. Laman web ini akan mempamerkan pilihan luas pakaian dan perhiasan rumah Laura Ashley untuk pengguna melihat dan membeli di United Kingdom.

Amerika Syarikat

Hotel dan Peranginan

Sepanjang tahun dalam tinjauan, kumpulan Regent Park Golf Course di Charlotte, North Carolina melancarkan program Regent Park's Professional Golf Management yang dijalankan bersempena dengan Queens College, Charlotte. Regent Park Golf Course yang telah memenangi berbagai anugerah termasuk Metrolina Golfer's Choice Awards - Best Public Golf Course dari tahun 1996 hingga ke 1999 dan pada tahun 2000 disenaraikan sebagai "4 Bintang" iaitu tahap tertinggi yang diberi oleh majalah Golf Digest. Regent Park Golf Course cuba menyerlah dalam operasinya dengan menawarkan khidmat bermutu secara konsisten dan program inovatif kepada pelanggannya.

Di Branson, Missouri, Regent Corporation memiliki dan mengurus dua kemudahan

The various package tours offered by Morning Star Travel Service



penginapan, Country Hearth Inn dan Fiddlers Inn. Branson dipilih sebagai pusat hiburan terbaik dan mempunyai lebih kurang 47 panggung dengan persembahan secara langsung sepanjang tahun. Ia merupakan lokasi percutian popular dan menarik lebih kurang 7 juta pelawat setahun. Kumpulan sedang mencari peluang pelaburan selanjutnya di kawasan itu.

Peruncitan

Kepentingan peruncitan Kumpulan di Amerika Syarikat dijalankan melalui Laura Ashley (North America), Inc (“LANA”), sebuah anak syarikat Regent Corporation. LANA merupakan pemegang francais Laura Ashley Holdings Plc yang memegang francais bagi Amerika Syarikat dan Canada. Di samping itu, LANA juga diberi hak melesenkan produk Laura Ashley di Amerika Syarikat dan Canada. LANA menjalankan 84 gedung Laura Ashley dan sepanjang tahun dalam tinjauan ia menunjukkan prestasi dalam jangkaan.

Media dan Hiburan

Sepanjang tahun dalam tinjauan, PorchLight Entertainment Inc (“PorchLight”), sebuah syarikat bersekutu Kumpulan di Amerika Syarikat menyiapkan 13 episod baru “Adventures from the Book of Virtues”, kini dalam musim keempat di PBS Television Network. Syarikat ini juga menerima tempahan 40 episod “Jay Jay the Jet Plane” bagi siaran harian PBS bermula Jun 2001, termasuklah 14 episod baru selama setengah-jam. PorchLight juga mengeluarkan empat kartun pendek baru beranimasi “Jetcat”, satu siri terhad bagi Nickelodeon. Bagi Discovery Channel Amerika Syarikat, syarikat menerima tempahan bagi 26 rancangan setengah-jam siri animasi baru “Tutenstein” dijadualkan membuat tayangan perdana pada Januari 2002.

Bagi filem pula, PorchLight mengeluarkan lima filem ‘aksi hidup’ baru pada tahun 2000, tahap pengeluaran paling tinggi dalam sejarah syarikat. Filem-filem ini dihantar kepada beberapa network di Amerika Syarikat termasuklah Disney Channel, Fox Family Channel, Discovery Channel (Animal Planet) dan HBO. Tambahan pula, filem-filem ini telah dijual kepada lebih dari 40 negara di seluruh dunia.

One of the Morning Star Travel Service branches





*Chocolate production in progress,
Network Foods Industries*



Chocolate wrapping in progress

Chocolate packaging



PorchLight telah menubuhkan Consumer Products Division baru pada tahun 2000 untuk memberi khidmat perwakilan dalam urusan perlesenan dan perdagangan bagi pemilik pusat hiburan, kesusasteraan dan lain-lain syarikat tanda perdagangan. Program pelesenan “Jay Jay the Jet Plane” telah menandatangani lebih dari sepuluh lesen bagi kategori seperti video pengguna, penerbitan, mainan kanak-kanak, pakaian, mainan dalaman dan lain-lain di Amerika Syarikat sahaja. Syarikat ini baru memulakan program pelesenan antarabangsa untuk memajukan siaran antarabangsa “Jay Jay”.

India

Lotus Chocolate Company Limited, anak syarikat Kumpulan yang disenaraikan di Bursa Saham Hyderabad dan Bombay memiliki dan mengendalikan sebuah kilang dengan kemudahan pembuatan moden di Hyderabad dengan keupayaan pengeluaran sebanyak 2,000 tan setahun. Kilang ini lengkap untuk mengeluarkan produk coklat perusahaan dan produk pengguna bagi pasaran dalaman dan eksport. Bagi tahun dalam tinjauan, syarikat menunjukkan prestasi dalam jangkaan.

HUBUNGAN MASYARAKAT

Dalam usaha memainkan peranannya sebagai warga korporat yang bertanggungjawab lagi penyayang, Kumpulan MUI terus menunjukkan komitmennya menyahut panggilan mereka yang kurang bernasib baik dalam masyarakat kita.

Pada Disember 2000, MingCourt Vista Hotel, Kuala Lumpur dan Network Foods Group menderma makanan dan kemeja-T kepada kanak-kanak di sebuah parti sambutan Krismas. Ia juga mengadakan jamuan Krismas di St. John’s Institution untuk mengumpul dana bagi rumah anak yatim dan rumah perlindungan seperti Rumah Hope, Ozanam House dan Assunta Orphanage. Parti Krismas itu dihadiri oleh 200 kanak-kanak daripada beberapa rumah anak yatim di sekitar Kuala Lumpur.

Untuk mempromosikan khidmat industri pelancongan, MingCourt Vista, Kuala Lumpur juga mengadakan satu kempen di mana pemandu teksi pelbagai syarikat telah menghadiri program sopan santun yang dikendalikan oleh hotel itu.

Metrojaya juga aktif dalam pelbagai kempen, termasuklah membawa lebih dari 100 kanak-kanak Asrama Damai Orphanage ke pesta membeli belah di Mid Valley Megamall sebelum Hari Raya, dan menderma makanan dan wang kepada yang memerlukan untuk sambutan Hari Deepavali. Metrojaya juga menderma bungkusan makanan, pakaian dan wang kepada mangsa kebakaran di Kampung Kerinci pada Ogos 2000.

Di United Kingdom, sepasukan kakitangan hotel Regal mempamerkan keprihatinan dan komitmen mereka kepada masyarakat kurang bernasib baik, sambil menguji keupayaan mereka mengharungi cabaran. Dalam “Three Peak’s Challenge” pada bulan Julai, pasukan tujuh ahli itu telah mendaki tiga gunung tertinggi di Britain untuk menderma kepada Children’s Aid Direct. Kakitangan hotel juga telah mengambil bahagian dalam acara amal berbasikal sejauh 480 km dari Great Wall of China ke Tiananmen Square untuk Royal Society of the Mentally Handicapped Children and Adults (“Mencap”). Salah seorang kakitangan juga mengambil bahagian dalam acara amal berbasikal dan berakut di Costa Rica yang dijalankan oleh Mencap.

Laura Ashley telah selesai kontrak bagi tahun ketiga dengan Marie Curie Cancer Care dan menyokong majalah Pink Ribbon yang mewujudkan kesedaran mengenai kanser payu dara. Sebagai syarikat yang berminat terus kepada rekabentuk, Laura Ashley bersama dengan Central Saint Martin’s College of Art and Design telah memulakan biasiswa rekabentuk untuk merangsang and menyokong bakat baru dalam industri fesyen United Kingdom.



Work in progress, Labels Specialist Industries

Falsafah penyayang yang dihayati oleh Kumpulan dipamerkan oleh kakitangan dengan pelbagai cara. Berbagai syarikat telah bertindak untuk menyahut panggilan mereka yang memerlukan. Sikap penyayang kakitangan terhadap masyarakat yang kurang bernasib baik ini mengukuhkan lagi komitmen Kumpulan kepada usaha mencapai satu masyarakat penyayang.

PROSPEK BAGI TAHUN 2001

Tahun 2001 dijangka satu lagi tahun yang mencabar. Ekonomi Amerika Syarikat dijangka merosot pada tahap lebih rendah dari yang dialami pada dekad lalu dan ini pasti akan menjejaskan ekonomi dunia. Pada Mac 2001, Kerajaan telah mengumumkan rancangan berjumlah RM3 bilion untuk merangsangkan ekonomi Malaysia dan langkah-langkah yang diumumkan ini akan mengurangkan sedikit sebanyak kesan kelembapan ekonomi. Dalam suasana begini Kumpulan akan bersikap berhati-hati dalam semua perniagaan baru sambil berusaha mencapai kecemerlangan dalam semua aspek kegiatan perniagaan kini. Kumpulan akan terus menumpukan perhatian kepada penyatuan dan pembangunan perniagaan-perniagaan utama dan mengkaji semula semua kemungkinan membangunkan perniagaan-perniagaan sinergistik untuk meningkatkan asas perolehan Kumpulan.

PENGHARGAAN

Saya ingin menyatakan penghargaan ikhlas kepada 12,000 kakitangan di seluruh dunia di atas sumbangan, dedikasi dan komitmen mereka. Saya juga ingin mengucapkan terima kasih kepada rakan-rakan Pengarah atas nasihat bijak mereka dan kepada para pemegang saham di atas keyakinan dan sokongan mereka kepada Lembaga Pengarah dan pihak Pengurusan Kumpulan.

Kepada TUHAN Kita Bertawakal

Tan Sri Dato' Dr Khoo Kay Peng
Pengerusi

8 Mei 2001



Labels in production



Students of the Australian Institute of Golf Management (AIGM) at the Joondalup Country Club

馬聯工業有限公司

主席獻詞

我很高興代表董事部同人，向各位提呈本公司和集團截至2000年12月31日財務年的年度及財務報告。

經濟評論

新千年伊始，馬來西亞經濟表現強勁成長；2000年首三個季度的國內總產值增率分別達到11.8%、8.4%及7.8%，2000年全年的國內總產值增長率達8.5%，而1999年則是5.8%。政府自1998年開始落實的擴張性財務及金融政策，刺激了經濟活動的強勁成長；馬幣由於繼續實施固定匯率而保持穩定，導致我國取得強大的貿易盈餘。鑒於國內外需求不斷堅穩地提高，大部份經濟領域的供應方面皆取得正數成長。製造業和服務業分別增長21.0%和4.7%；建築業增長1.1%，而上一一年則萎縮5.6%。

財務摘要

集團于2000年度蒙受扣稅前虧損1千200萬零吉，而上一一年則取得扣稅前盈利6千340萬零吉。截至2000年12月31日，股東資金總計21億5千萬零吉；集團總資產達55億8千萬零吉。

企業發展

泛馬資本有限公司（泛馬資本）的證券經紀子公司-PM證券有限公司（PM證券）在2000年10月簽署合約，把PM證券及馬婆北區證券有限公司（馬婆北區證券）現有的證券經紀業務合併。這項已經完成的併購使到馬婆北區證券的業務成為PM證券的分行。有關當局已批准此新分行設立在雪蘭莪州的蒲種。預料新分行將在今年第三季度開始運作。

PM證券在併購了馬婆北區證券後，于2000年11月簽訂合約，把PM證券的現有業務與Malpac證券有限公司合併；同時PM證券簽訂另一項合約，向泛馬資本收購泛馬資金有限公司為子公司。以上的併購及收購，符合了集團要擴展證券經紀業務為集團核心業務之一的目標，同時也配合我國政府要鞏固國內證券業及設立全方位證券經紀行的政策。在完成以上併購和收購之後，PM證券將俱備成為全方位證券行的資格。

2000年8月，泛馬控股有限公司與Supernix水泥（馬）有限公司（“Supernix”）簽署合約，把孟加蘭水泥有限公司的所有股份出售予Supernix，售價約690萬零吉。此項在2001年3月完成的交易是泛馬控股推行合理化計劃，以脫售非核心資產及專注於財務服務領域的部份計劃。

ARUS-Curtin University Joondalup Campus, Perth, Western Australia





Biology class at AIUS



Campus library, AIUS

在檢討年內，由于印尼的經濟形勢動盪及印尼盾波動極大，集團屬下的 Network Foods International Ltd ("NFIL") 以 310 萬美元 (折 1 千 170 萬零吉) 現金脫售它在 Fairbridge Corporation ("Fairbridge") 的全部股份。Fairbridge 是印尼從事可可產品、巧克力及糖果製造業務的 PT Indo Cocoa Specialities 公司的母公司。NFIL 脫售此公司，獲取了約 530 萬新元 (折 1 千 170 萬零吉) 的盈餘。

2000 年 12 月，泛馬企業有限公司 (泛馬企業) 通過獨資子公司 Lembaran Megah Sdn Bhd，簽署合約，以 1 億 580 萬零吉收購馬來西亞化工有限公司 ("CCM") 46,000,000 股普通股份，佔 CCM 現有繳足股本的約 12.9%。此舉具體增加了泛馬控股在 CCM 所持有的股權。由于 Lembaran Megah 已持有 CCM 35,954,000 股普通股，上述收購將使泛馬企業集團佔 CCM 已發出及繳足股本的約 23.0%。CCM 是全馬最大的化學品公司。

在檢討年內，集團聯號 London Vista 酒店有限公司 ("LVH") 全面收購 LVH 及其有關公司尚未持有的 Regal 酒店集團有限公司 ("Regal") 其餘普通股份。Regal 在倫敦股票交易所掛牌。在上述收購獻議截止時，LVH 收到的接納獻議超過了 Regal 普通股本逾 90%，因此，LVH 強製收購了 Regal 的剩餘股份。集團目前在英國、澳洲、美國及馬來西亞所擁有的酒店總達 102 間，全球客房共計 8,061 間。

在檢討年內，馬聯香港有限公司 (馬聯香港) 完成了若干企業計劃：首先是以前持有 2 股普通股配 1 股面值 0.20 港元新普通股比例連紅利憑單的附加股計劃。憑單是按每 5 股配股份配 3 份憑單，而每股配售股發售價則是 0.20 港元。發售上述附加股及憑單共籌措了約 9 千 200 萬港元 (折 4 千 480 萬零吉)，其中部份款項用以收購【找到啦有限公司】(找到啦) 的 23.6% 股權。找到啦是中華人民共和國一家主導互聯網公司，擁有及經營一個以華人用戶為對象的互聯網生活方式網站。以上附加股的部份款項也以投資北京星晨 New Ark 國際旅遊服務有限公司。這是北京首家在中華人民共和國經營旅遊業務的中外合資旅行社。合資公司的 49% 由馬聯香港持有。新公司經于 2000 年 9 月開張營業。

2000 年 10 月，馬聯香港以 1 千 740 萬港元 (折 850 萬零吉) 收購 Kerry 財務有限公司 "KFSL" 45.8% 股權。隨後，馬聯香港把 KFSL 所欠部份貸款資本化，而使馬聯香港在 KFSL 所持股權增至 54.8%，進而使 KFSL 成為子公司。收購 KFSL 的目的在於擴大馬聯香港的收入範圍。2000 年 12 月，配合馬聯香港屬下歷史悠久的旅遊公司星晨旅遊社的商號，KFSL 易名為星晨財務有限公司 ("MSFSL")。

業務檢討

馬來西亞

零售業

在檢討年內，利率偏低、低通膨及銀根放鬆，助長了消費人的信心，導致消費增加。集團的美羅有限公司把握時機，于 2000 年 4 月在吉隆坡谷中城廣場開設主導百貨商店及于 2000 年下半年在柔佛州新山彩虹廣場開設第五間百貨商店，及全年設立另外 10 所專賣店，使到集團的零售業務取得令人鼓舞的業績。截至 2000 年 12 月 31 日的 9 個月，美羅的營業額達 2 億 3 千零 20 萬零吉，扣稅前盈利 1 千 840 萬零吉，而 1999 年同期的營業額是 1 億 7 千 650 萬零吉，稅前盈利 1 千 490 萬零吉。

美羅時下的零售業務包括 5 間美羅百貨公司，一家 Cosmart 霸級市場，以及 61 間以 Reject Shop, East India Company, Somerset Bay, Living Quarters 及 Zona 等概念商店商號經營的專賣店。





Metrojaya Berhad's Deputy Chairman, Dato' Mohd Ibrahim bin Mohd Zain, Managing Director & CEO, Mr Kbet Kok Yin, Chairman, Dato' Ahmad Khatirummuhammad and wife of Deputy Prime Minister, Datin Seri Endon Mahmood at the Metrojaya official opening in Mid Valley Megamall



Metrojaya Berhad's Managing Director & CEO, Mr Kbet Kok Yin (right), exchanging documents with JDA Software Group Inc CEO, Mr Jim Armstrong

酒店業

雖然在2000年上半年，到達我國觀光的旅客人次增加，以及吉隆坡各酒店的住客率整體提高，但酒店業依然十分競爭。住客率雖有提高，但平均房費只比1999年略高。儘管競爭劇烈，尚有若干酒店及商務公寓在建築中，尤其是吉隆坡一帶。

在檢討年內，吉隆坡明閣Vista酒店的業績比預期低。鑒于酒店業行情甚具挑戰，明閣Vista酒店將不斷著重為客戶提供優質產品及服務，以保持競爭力和開辟專有的市場。有鑒于此，明閣Vista酒店在2000年下半年耗資數百萬零吉，進行重新裝修工程，提升全部378間客房的裝潢。

在檢討年內，位于波德申的Paradise Lagoon酒店取得令人鼓舞的業績。該酒店最近重新裝修全部201間客房，以期今年的業績更上一層樓。

食品及糖果業

集團在馬來西亞的食品及糖果業由Network Foods Industries Sdn Bhd ("NFI") 和Network Foods (Malaysia) Sdn Bhd ("NFM") 所組成。NFI在雪蘭莪州莎亞南設有巧克力工廠，生產家喻戶曉的品牌如Kandos, Crispy, Van Houten等。NFM則從事銷售及經銷逾200種進口食品和糖果產品。

集團的食品部正積極設法向海外促銷產品，使到去年的出口量比上一年增加約30%。集團的產品目前遠銷全球28個國家，其中包括日本、澳洲、美國及台灣等。為了進一步增加利潤，食品部把業務擴展，以分銷利潤較高的產品；如葡萄酒及保健食品。NFM目前分銷來自澳洲、智利及加拿大的葡萄酒，同時設法增加其他國家的產品。在截至2000年12月31日財務年，集團在馬來西亞的食品及糖果業務取得令人鼓舞的營業額及盈利。

產業

在檢討年內，馬聯產業有限公司子公司-West Synergy有限公司發售了春泉鎮第三期房地產，計94單位"MERPATI"型單層排屋及172單位"MERAK"型雙層排屋。本期房地產的銷量，迄今令人鼓舞。春泉鎮佔地1,990畝，位於森美蘭州蘆骨附近芙蓉-波德申高速公路旁。自1997年以來，此房屋發展項目已推出共1,159單位各類房地產。

Vila Sri Ukay第二期半獨立式房屋的工程進展令人滿意。在檢討年內，此項包括獨立式及半獨立式房屋的房屋發展項目取得令人鼓舞的銷量及盈利。

在檢討年內，集團位于吉隆坡金三角商業區的主要商業大樓--馬聯大廈獲取總租金逾1千萬零吉及令人滿意的出租率。

財務服務業

在檢討年內，馬聯大洲保險有限公司("MCI")獲取總保費5千零60萬零吉，比上一年增加了37.4%。然而，整體上，MCI的業績受到底落的定期存款利息收入、劇烈競爭及索賠增加所影響。



The chefs of Richmond Hotel from the Corus & Regal hotels group, bagged awards for their culinary skills

截至2000年12月31日，集團的證券經紀機構-泛馬資本獲取稅前盈利2千290萬零吉，而上一一年則蒙受稅前虧損6千870萬零吉。該公司業績好轉，主要是泛馬資本及其屬下兩家證券經紀子公司成功落實附加股及重組計劃。在完成以上計劃後，當局撤消了對該公司證券經紀業務所實施的限制，使業務於2000年2月恢復正常。

國內各證券經紀公司遵循政府政策下而進行合併後，無疑形成了不少挑戰，但整體上，將使證券經紀公司更加強大和提供全方位的創新服務。已具備全方位證券經紀資格的PM證券，計劃擴展分行網及充份捉緊在證券經紀行合併後湧現的機會。

新加坡 食品及糖果業

在新加坡股票交易所掛牌的 Network Foods International Ltd ("NFIL") 負責管理 Network Foods 集團；後者從事在亞太地區製造、銷售及經銷食品、糖果業務。該集團在新加坡分銷的各種國際品牌包括 Tudor Gold、Blue Diamond、Pillsbury 及 Nestle。在檢討年內，NFIL 獲取營業額 5 千 300 萬新元（折 1 億 1 千 670 萬零吉）及稅前盈利 390 萬新元（折 860 萬零吉）。該公司將繼續致力於建立本身的產品品牌及物色新的代理產品。

香港及中華人民共和國 旅遊業

在檢討年內，消費者採取謹慎態度及香港失業率高漲和通貨緊縮，導致需求下降，波及馬聯香港屬下的旅遊機構-星晨旅遊有限公司（星晨旅遊）的業績。星晨旅遊因時制宜，以克服充滿挑戰的營業環境，改變訂價策略，而偏重優質品，同時開源節流，成功提升毛利率及控制營運成本。

2000年2月，星晨旅遊推出旅遊網址-www.morningstar.com.hk，該公司為了在互聯網上進行銷售、網上票務、酒店及旅遊預訂，以及付款等服務，而提升資訊科技基本設施的工作，依時進行。此外，星晨與 SUNDAY 通訊有限公司（"SUNDAY"）合作，通過 SUNDAY 在 2000 年推出的 WAP 電話服務，提供旅遊資訊。

財務服務業

星晨財務服務集團經營證券經紀、投資顧問及托名服務。在檢討年內，該集團獲取稅前綜合盈利 3 千 170 萬港元（折 1 千 550 萬零吉），而上一一年則蒙受虧損 610 萬港元（折 300 萬零吉）。

食品及糖果業

Network Foods（香港）有限公司（"NFHK"）在香港分銷多種暢銷品牌如 Van Houten、Tong Gardens、Sunshine 及 Andes。在檢討年內，NFHK 採取有效的成本控制及更好的產品配合，取得令人滿意的業績。

房地產

位於中國廣東省中山市的星晨別墅第 6 期次階段工程依期建竣及在 2000 年 6 月移交住宅單位。第 7 期工程在 2000 年施工，迄今的銷量令人鼓舞。到目前為止，星晨別墅共建造 5,050 個住宅單位。集團在中山的另一個項目-星晨廣場進度也令人滿意。此項目以中國國內市場為對象，其中 70% 推出的住宅單位已出售。為了提高土地的使用及推出更多選擇的單位，星晨廣場除了原有的低層公寓以外，也推出了 5 幢 12 層公寓。

資訊科技

找到啦有限公司經營的生活方式網站以-www.zhaodaola.com 和 www.zhaodaola.com.cn 為域名。該網站在 2000 年在中國青年發展基金所舉辦的第二屆中國互聯網競賽中，被選為中國最佳生活方式網站。截至 2000 年 12 月 31 日，找到啦的每天頁面瀏覽次數達到兩百萬次。找到啦目前俱備良好條件，將把握中、港兩地的電子商務潛能。



MUI Group Managing Director, Mr Kbet Kok Yin (right), exchanging documents with Beijing Tourism General Manager, Mr Mei Yunxin in a joint venture agreement



Ice Mony key dealers' incentive trip



MUI Continental Insurance Executive Training 2000 in Kenya



Metrojaya warehouse team with Shab Alam Bomba training officers



FIVE-YEAR SUMMARY OF FINANCIAL HIGHLIGHTS

As at 31 December	2000	1999	1998	1997	1996
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, Plant & Equipment	744,253	796,023	810,404	863,782	838,219
Investments	1,901,267	1,846,690	1,971,436	3,255,535	2,475,669
Net Current Assets	567,360	639,734	162,714	31,257	7,724
Intangibles & Goodwill	1,023,080	1,024,311	1,051,452	1,145,379	1,039,774
	4,235,960	4,306,758	3,996,006	5,295,953	4,361,386
Financed By:-					
Share Capital	1,940,532	1,940,532	1,940,532	1,940,532	1,296,876
Reserves	223,744	304,865	285,152	1,149,868	546,705
Minority Interests	1,814,341	1,795,328	1,125,944	975,866	923,530
Deferred & Long Term Liabilities	257,343	266,033	644,378	1,229,687	1,594,275
	4,235,960	4,306,758	3,996,006	5,295,953	4,361,386
Financial year ended 31 December	2000	1999	1998	1997	1996
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	705,111	697,097	775,558*	1,124,466*	539,796*
(Loss)/Profit Before Taxation	(11,969)	63,362	(338,055)	83,810	187,768
(Loss)/Profit After Taxation	(42,930)	58,720	(413,589)	4,268	146,353
(Loss)/Profit Attributable to Shareholders of the Company	(64,768)	42,776	(562,612)	(25,832)	63,609
Dividends (Net)	—	—	—	41,206	45,391

* The revenues for these financial years exclude the amounts relating to associated companies to conform with the current presentation.



INCOME STATEMENTS

For the financial year ended 31 December 2000

	Note	Group		Company	
		2000	1999	2000	1999
		RM	RM	RM	RM
Revenue	3	705,110,833	697,066,880	18,516,249	29,646,421
Cost of sales		(496,346,543)	(531,002,387)	—	—
Gross profit		208,764,290	166,064,493	18,516,249	29,646,421
Other operating income		47,715,677	75,862,673	—	—
Distribution costs		(18,775,882)	(12,766,520)	—	—
Administrative expenses		(125,480,943)	(134,425,247)	(1,438,119)	(1,352,934)
Other operating expenses		(41,803,791)	(55,382,235)	—	—
Exceptional items	4	35,911,146	222,345,623	—	—
Profit from operations		106,330,497	261,698,787	17,078,130	28,293,487
Finance cost		(85,593,010)	(141,171,642)	—	—
Share of results of associated companies		(32,706,720)	(57,164,860)	—	—
(Loss)/Profit before taxation	5	(11,969,233)	63,362,285	17,078,130	28,293,487
Taxation	6	(30,960,313)	(4,642,708)	(5,414,264)	(6,492,277)
(Loss)/Profit after taxation		(42,929,546)	58,719,577	11,663,866	21,801,210
Minority interests		(21,838,358)	(15,943,348)	—	—
Net (Loss)/Profit Attributable To Shareholders Of The Company		(64,767,904)	42,776,229	11,663,866	21,801,210
		Sen	Sen		
(Loss)/Earnings Per Share	7				
—Basic		(3.3)	2.2		

BALANCE SHEETS

As at 31 December 2000

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
Property, Plant And Equipment	8	538,429,964	592,291,103	—	—
Investment Properties	9	141,000,000	141,000,000	—	—
Subsidiary Companies	10	—	—	1,274,004,880	1,272,954,880
Associated Companies	11	789,823,153	678,847,146	—	—
Investments	12	1,111,443,531	1,167,842,751	—	—
Development Properties	13	64,822,358	62,731,695	—	—
Intangible Assets	14	—	1,482,529	—	—
Goodwill On Consolidation		1,023,080,415	1,022,828,891	—	—
Current Assets					
Development properties and expenditure	13	122,180,360	128,793,218	—	—
Inventories	15	60,903,208	72,062,584	—	—
Trade and other receivables	16	681,651,664	557,916,543	1,346,209,261	1,334,474,668
Amounts owing by brokers and clients	17	28,473,876	38,005,824	—	—
Government securities and bonds	18	24,587,331	19,059,965	—	—
Short term investments	19	26,717,268	53,420,091	—	—
Tax recoverable		39,641,268	37,987,189	—	—
Deposits, bank balances and cash	20	925,732,901	1,192,329,635	422,558	433,087
		1,909,887,876	2,099,575,049	1,346,631,819	1,334,907,755
Less: Current Liabilities					
Trade and other payables	21	226,446,579	279,953,069	137,664	287,013
Borrowings	22	1,027,899,872	1,066,487,613	—	—
Provision for taxation		88,181,424	113,399,991	49,639,812	48,380,265
		1,342,527,875	1,459,840,673	49,777,476	48,667,278
Net Current Assets		567,360,001	639,734,376	1,296,854,343	1,286,240,477
		4,235,959,422	4,306,758,491	2,570,859,223	2,559,195,357
Financed by:-					
Share Capital	23	1,940,531,778	1,940,531,778	1,940,531,778	1,940,531,778
Reserves	24	210,485,195	295,283,181	630,327,445	618,663,579
Shareholders' Funds		2,151,016,973	2,235,814,959	2,570,859,223	2,559,195,357
Minority Interests		1,814,340,682	1,795,328,314	—	—
Reserves For Unearned Premium		13,258,890	9,581,376	—	—
Redeemable Convertible Bond	25	1,000,000	1,000,000	—	—
Deferred And Long Term Liabilities					
Borrowings	22	247,860,774	255,023,608	—	—
Employee benefits	26	788,854	624,114	—	—
Deferred taxation	27	7,693,249	9,386,120	—	—
		256,342,877	265,033,842	—	—
		4,235,959,422	4,306,758,491	2,570,859,223	2,559,195,357

The attached notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2000

Group

	<i>Non-Distributable</i>				<i>Distributable</i>			
	<i>Share Capital RM</i>	<i>Share Premium RM</i>	<i>Revaluation Reserves RM</i>	<i>Exchange Fluctuation Reserves RM</i>	<i>Capital Reserves RM</i>	<i>General Reserves RM</i>	<i>Accumulated Losses RM</i>	<i>Total RM</i>
At 1 January 1999	1,940,531,778	220,305,408	27,429,774	110,424,919	15,120,934	25,257,587	(121,450,973)	2,217,619,427
Group's share of post-acquisition reserves of associated companies	-	-	-	(404,331)	-	-	-	(404,331)
Right and special issues expenses	-	-	-	-	(1,925,861)	-	-	(1,925,861)
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	-	(22,250,505)	-	-	-	(22,250,505)
Net loss not recognised in income statement	-	-	-	(22,654,836)	(1,925,861)	-	-	(24,580,697)
Net profit attributable to shareholders	-	-	-	-	-	-	42,776,229	42,776,229
At 31 December 1999	1,940,531,778	220,305,408	27,429,774	87,770,083	13,195,073	25,257,587	(78,674,744)	2,235,814,959
At 1 January 2000	1,940,531,778	220,305,408	27,429,774	87,770,083	13,195,073	25,257,587	(78,674,744)	2,235,814,959
Group's share of post-acquisition reserves of associated companies	-	-	-	(800,141)	(1,290,216)	-	-	(2,090,357)
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	-	(25,110,591)	-	-	-	(25,110,591)
Net loss not recognised in income statement	-	-	-	(25,910,732)	(1,290,216)	-	-	(27,200,948)
Reserve arising from investment in subsidiary company's ICPS *	-	-	-	-	7,170,866	-	-	7,170,866
Net loss attributable to shareholders	-	-	-	-	-	-	(64,767,904)	(64,767,904)
At 31 December 2000	1,940,531,778	220,305,408	27,429,774	61,859,351	19,075,723	25,257,587	(143,442,648)	2,151,016,973

* ICPS refers to Irredeemable Convertible Preference Shares

Company

	<i>Non-Distributable</i>			<i>Distributable</i>	
	<i>Share Capital RM</i>	<i>Share Premium RM</i>	<i>Revaluation Reserves RM</i>	<i>Unappropriated Profits RM</i>	<i>Total RM</i>
At 1 January 1999	1,940,531,778	220,305,408	26,263,702	350,293,259	2,537,394,147
Net profit attributable to shareholders	-	-	-	21,801,210	21,801,210
At 31 December 1999	1,940,531,778	220,305,408	26,263,702	372,094,469	2,559,195,357
At 1 January 2000	1,940,531,778	220,305,408	26,263,702	372,094,469	2,559,195,357
Net profit attributable to shareholders	-	-	-	11,663,866	11,663,866
At 31 December 2000	1,940,531,778	220,305,408	26,263,702	383,758,335	2,570,859,223

CASH FLOW STATEMENTS

For the financial year ended 31 December 2000

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Cash Flows From Operating Activities				
(Loss)/Profit before taxation	(11,969,233)	63,362,285	17,078,130	28,293,487
Adjustments for:-				
Exceptional items (Note b)	(38,580,783)	(228,283,418)	—	—
Amortisation and write off of intangible assets	1,322,834	4,693,997	—	—
Amortisation of premium on government securities	56,964	6,065	—	—
Depreciation	32,210,812	30,161,108	—	—
Plant and equipment written off	144,534	162,106	—	—
Interest expense	85,593,010	211,842,794	—	—
Dividend income	(22,152,866)	(19,938,161)	(11,529,653)	(23,260,335)
Interest income	(72,014,487)	(101,207,923)	(6,986,596)	(6,386,086)
Investments written off	3,300	211,880	—	—
Profit on disposal of property, plant and equipment	(581,027)	(239,905)	—	—
Profit on disposal of short term investments	(4,356,038)	(3,098,627)	—	—
Provision for diminution in value of short term investments	6,739,905	2,019,026	—	—
Provision for employee benefits	52,848	128,455	—	—
Reserves for unearned premiums	3,677,514	1,517,142	—	—
Losses in associated companies	32,706,720	57,164,860	—	—
Operating profit/(loss) before working capital changes	12,854,007	18,501,684	(1,438,119)	(1,352,934)
Decrease/(Increase) in short term investments	24,360,273	(5,214,462)	—	—
Decrease/(Increase) in inventories	9,551,770	(4,325,291)	—	—
(Increase)/Decrease in receivables and amounts owing by brokers and clients	(118,990,668)	(12,222,972)	259,636	21,820
Decrease in payables	(22,787,122)	(83,710,777)	(149,349)	(234,739)
Cash used in operations	(95,011,740)	(86,971,818)	(1,327,832)	(1,565,853)
Deposits received from dealers and remisiers maintained as trust monies	(701,702)	(3,016,987)	—	—
Interest paid	(95,410,210)	(121,734,777)	—	—
Interest received	72,014,487	101,207,923	54,810	28,226
Employee benefits paid	(17,458)	(153,406)	—	—
Tax refund	4,966,795	11,478,388	770,945	348,957
Tax paid	(53,601,301)	(25,185,383)	(2,587,696)	(947,425)
Net cash used in operating activities	(167,761,129)	(124,376,060)	(3,089,773)	(2,136,095)



CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2000

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Cash Flows From Investing Activities				
Advances to subsidiary companies	—	—	(23,537,021)	(184,054,340)
Repayments from subsidiary companies	—	—	18,474,578	40,388,630
Deferred and pre-operating expenses incurred	—	(754,192)	—	—
Dividends received from associated companies	—	2,511,424	—	—
Dividends received	21,053,297	18,896,475	9,191,687	16,747,441
Purchase of investments in associated companies	(165,312,758)	(94,042,450)	—	—
Purchase of investments in subsidiary companies	—	—	(1,050,000)	—
Purchase of other investments	(13,921,901)	(59,005,950)	—	—
Purchase of government bonds and securities	(10,194,330)	(7,484,081)	—	—
Purchase of property, plant and equipment and development expenditure incurred	(26,456,292)	(21,206,119)	—	—
Proceeds from redemption of preference shares in a subsidiary company	—	—	—	129,100,000
Proceeds from disposal of investments in associated companies	—	163,623,157	—	—
Proceeds from disposal of investments in existing subsidiary companies	—	6,579,048	—	—
Proceeds from disposal of subsidiary companies (Note d)	11,464,073	330,000	—	—
Proceeds from disposal of other investments	76,695,992	116,925,162	—	—
Proceeds from disposal of government bonds and securities	4,610,000	6,567,368	—	—
Proceeds from disposal of property, plant and equipment	2,570,505	3,526,214	—	—
Acquisition of a subsidiary company net of bank balances and cash acquired (Note e)	37,279	—	—	—
Bank overdrafts net of deposits, bank balances and cash disposed of on disposal of subsidiary companies (Note d)	1,642,109	253,261	—	—
Bank overdrafts net of bank balances and cash of subsidiary companies not consolidated (Note f)	(9,254)	9,994,860	—	—
Net cash (used in)/generated from investing activities	(97,821,280)	146,714,177	3,079,244	2,181,731

CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2000

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Cash Flows From Financing Activities				
Proceeds from issue of shares to minority shareholders in subsidiary companies	21,020,268	38,295,220	—	—
Proceeds from drawdown of term loans and utilisation of revolving credits	225,109,292	127,895,907	—	—
Dividends paid to minority shareholders of subsidiary companies	(14,763,354)	(27,437,268)	—	—
Payment of expenses incurred on corporate exercises	—	(2,233,430)	—	—
Repayment of bank borrowings	(168,969,284)	(589,027,657)	—	—
Net cash generated from/(used in) financing activities	62,396,922	(452,507,228)	—	—
Effects of exchange rate changes	2,399,764	225,780	—	—
Net (decrease)/increase in cash and cash equivalents	(200,785,723)	(429,943,331)	(10,529)	45,636
Settlement of bank overdrafts pursuant to schemes arrangement	—	372,750,297	—	—
Cash and cash equivalents as at 1 January:-				
As previously reported	1,002,592,382	1,058,413,830	433,087	387,451
Effects of exchange rate changes on cash and cash equivalents	(2,654,662)	1,371,586	—	—
As restated	999,937,720	1,059,785,416	433,087	387,451
Cash and cash equivalents as at 31 December (Note a)	799,151,997	1,002,592,382	422,558	433,087

(a) Cash and cash equivalents consist of the following:-

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Deposits, bank balances and cash	925,732,901	1,192,329,635	422,558	433,087
Bank overdrafts	(122,862,215)	(186,720,266)	—	—
	802,870,686	1,005,609,369	422,558	433,087
Less: Dealers' and remisiers' deposits maintained as trust monies included in:-				
– bank balances and cash	(582,345)	(2,822,797)	—	—
– term and call deposits	(3,136,344)	(194,190)	—	—
	(3,718,689)	(3,016,987)	—	—
	799,151,997	1,002,592,382	422,558	433,087



CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2000

(b) Exceptional items as presented in the cash flow statements comprise:-

	Group	
	2000	1999
	RM	RM
Profit/(Loss) on disposal of investments in		
– existing subsidiary companies	–	(10,825,020)
– associated companies	–	29,584,996
– others	27,557,723	18,707,333
Profit/(Loss) on disposal of subsidiary companies	11,429,990	(198,053)
Profit on disposal of properties	–	330,588
Gain on dilution of interest in a subsidiary company	–	185,719,052
Provision for diminution in value of long term investments	(3,126,130)	(41,892,356)
Provision for diminution in value of development properties	–	(2,640,000)
Provision for corporate guarantees	(2,350,000)	(2,268,000)
Writeback of/(Provision for) doubtful debts	7,747,765	(55,532,895)
Writeback of/(Provision for) contingent loss	418,735	(1,416,317)
Loss on foreign exchange - unrealised	(6,092,082)	(10,208,497)
Interest expenses waived under schemes of arrangement of subsidiary companies	210,272	118,596,771
Bad debts written off	(364,429)	(108,599)
Surplus arising from subsidiary companies not consolidated (Note f)	3,148,939	434,415
	38,580,783	228,283,418

(c) During the financial year, the Group acquired quoted shares totalling RM4,370,021 (1999 : unquoted shares totalling RM92,200,000) from certain debtors pursuant to debt settlement arrangements and no cash was paid for the acquisition.

CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2000

(d) The effects of the disposal of subsidiary companies are analysed as follows:-

	Group	
	2000	1999
	RM	RM
Assets and liabilities disposed		
Property, plant and equipment	3,428,824	18,647
Inventories	1,607,606	321,068
Trade and other receivables	2,815,603	867,115
Bank balances and cash	249,581	7,304
Goodwill	307,435	123,307
Trade and other payables	(3,043,440)	(278,992)
Bank overdrafts	(1,891,690)	(260,565)
Other bank borrowings	(3,439,836)	—
Minority interests	—	(269,831)
Attributable net assets disposed	34,083	528,053
Profit/(Loss) on disposal of subsidiary companies	11,429,990	(198,053)
Net proceeds received	11,464,073	330,000

(e) The effects of the acquisition of a subsidiary company are analysed as follows:-

	Group	
	2000	1999
	RM	RM
Assets and liabilities acquired		
Property, plant and equipment	1	—
Bank balances and cash	37,281	—
Trade and other receivables	7,305	—
Trade and other payables	(604,321)	—
Value of net liabilities acquired	(559,734)	—
Goodwill on net assets acquired	559,736	—
Total purchase consideration	2	—
Less : Bank balances and cash acquired	(37,281)	—
Cash flow on acquisition, net of bank balances and cash acquired	(37,279)	—

(f) The effects of subsidiary companies under winding up not consolidated are analysed as follows:-

	Group	
	2000	1999
	RM	RM
Assets and liabilities not consolidated		
Development properties	20,000,000	—
Property, plant and equipment	5,297,000	6,304,556
Short term investments	—	50,000
Inventories	—	3,234,309
Trade and other receivables	—	11,708,484
Trade and other payables	(5,986,852)	(1,490,182)
Bank borrowings	(22,468,341)	(11,093,035)
Taxation	—	(26,566)
Minority interests	—	872,879
Surplus arising from subsidiary companies not consolidated	3,148,939	434,415
Bank overdrafts net of bank balances and cash of subsidiary companies not consolidated	(9,254)	9,994,860

The attached notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

1. Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Company and of the Group have been prepared under the historical cost convention modified to include the revaluation of land and buildings, investment properties and certain investments in subsidiary companies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies for the financial year ended 31 December 2000, with the exception of those referred to in note 10(b). Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve arising on consolidation.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered.

The Directors are of the opinion that the existing goodwill on consolidation consists of significant economic benefits to the Group and with no permanent impairment to its carrying value. Accordingly, the Directors consider that no amortisation of the goodwill is necessary.

(c) Associated Companies

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Associated companies are companies in which the Group exercises significant influence.

Equity accounting involves recognising in the income statement the Group's share of the results of associated companies for the period. The Group's investments in associated companies are carried in the balance sheet at an amount that includes the Group's share of post-acquisition reserves and retained earnings less losses.

The results and reserves of the associated companies are based on the latest available audited or management financial statements.

(d) Intangible Assets

The cost of intangible assets is amortised over the period in which the related benefits are expected to be realised except for trademarks which are stated at cost and will be written down only when the Directors are of the opinion that there is a permanent diminution in their value.

(e) Investments

Investments in subsidiary companies, associated companies and other investments held on a long term basis are stated at cost, except for certain investments in subsidiary companies which are stated at valuation. Provision is only made where, in the opinion of the Directors, there is a permanent diminution in value.

Malaysian Government Securities and Bonds are stated at cost adjusted for amortisation of premiums or accretion of discounts to maturity date.

(f) Investment Properties

Investment properties, principally comprising office buildings, are held for long term rental yields.

The Group has not adopted a policy of regular revaluation. However, the Directors periodically assess the carrying value of its investment properties based upon the advice of professional valuers. The carrying value of its investment properties are not written down unless the Directors are of the opinion that there is a permanent decline in value of these investment properties.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation except for certain land and buildings of the Group which were revalued in 1982, 1983 and 1986 based on independent professional valuations and Directors' valuations using open market values basis.

Freehold land is not depreciated. Leasehold land is amortised in equal instalments over the period of the lease ranging from 24 years to 99 years.

All other property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset over their estimated useful lives at the following annual rates:-

	%
Buildings	2 to 2.5
Plant & machinery	5 to 10
Furniture, fittings & equipment	5 to 20
Motor vehicles	15 to 30
Renovations	5 to 20

Depreciation on assets under construction commences when the assets are ready for their intended use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.



(h) Leases and Hire Purchase Commitments

Assets under finance leases and hire purchase contracts which in substance transfer the risks and benefits of ownership of the assets to the Group have been capitalised under property, plant and equipment and the corresponding liabilities are taken up under lease and hire purchase creditors. The assets are depreciated on the same basis as that of the Group's other assets. The finance charges are allocated to the income statement so as to give a constant periodic rate of charge on the remaining leases and hire-purchase liabilities.

Leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statement as incurred.

(i) Bad and Doubtful Debts

Bad debts are written off when known. Specific provision is made for those debts considered doubtful. In respect of the stockbroking subsidiary companies, provision for doubtful debts is made in accordance with the Rules of the Kuala Lumpur Stock Exchange.

(j) General Insurance Underwriting Results

The general insurance underwriting results are determined after taking into account, inter alia, unearned premiums and outstanding claims.

The calculation of unearned premiums reserves is based on the following rates:-

Marine	– 25% of premiums less reinsurance
General Business	– “Method of 24” on premiums less reinsurances and commissions

Outstanding claims represent claims arising from incidents prior to the accounting date but not settled and include provision for the probable cost of claim incurred but not reported by the date on which records for the year are closed. Any difference between the estimated cost and subsequent settlement is dealt with in the revenue account of the year in which the settlement takes place.

(k) Employee Benefits

The employee benefits are in respect of overseas subsidiary companies. Provision is made for long service leave and annual leave estimated to be payable to employees on the basis of statutory and contractual requirements. The amounts have been apportioned between current and non-current, the current provision being the portion that is expected to be paid within the next twelve months. Employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made for those entitlements.

(l) Deferred Taxation

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(m) Currency Translation

In the Group financial statements, assets and liabilities of overseas subsidiary companies are translated at exchange rates ruling at the balance sheet date. Income statement items are translated at average exchange rates for the financial year. All exchange differences are dealt with through the exchange fluctuation reserve account.

Foreign currency transactions in Group companies are accounted for at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

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

Foreign Currency	31.12.2000	31.12.1999
1 US Dollar	RM3.800	RM3.800
1 Singapore Dollar	RM2.193	RM2.282
1 Pound Sterling	RM5.664	RM6.151
1 Australian Dollar	RM2.106	RM2.476
1 Hong Kong Dollar	RM0.487	RM0.489

(n) Revenue Recognition

Revenue from sale of goods and rendering of services is recognised upon delivery of products and customer acceptance, if any, or performance of service, net of sale taxes and discounts, and after eliminating sales within the Group.

Brokerage fees are recognised on the contract date.

Interest income is recognised on an accrual basis. For the stockbroking subsidiary companies, where margin accounts and contra losses of share trading accounts are considered non-performing in accordance with the Rules of Kuala Lumpur Stock Exchange, the recognition of interest income is suspended. In this case, interest income is recognised upon receipt until all arrears have been paid.

Revenue from development properties is recognised on percentage of completion method in cases where the outcome of the development can be reliably estimated. Anticipated losses are provided for in full.

Dividends from subsidiary and associated companies and other investments are included in the income statements of the Company and the Group when the shareholder's right to receive payment is established.



(o) Property Development Expenditure

Property development expenditure includes the cost of land held for development, related development costs common to the whole development project, direct costs of construction and where applicable attributable profit on construction in progress.

Costs charged to income statement in respect of completed properties sold comprise all direct costs of construction and related land and development costs.

The portion of the property development expenditure relating to projects where development works have been undertaken and are expected to be completed within the normal operating cycle, is shown as current assets.

Interest relating to development properties is capitalised during the periods in which the activities to prepare and develop the properties are carried out.

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis for raw materials and on the first-in-first-out basis for the other inventories. Cost includes the actual cost of materials and incidentals and where relevant, an appropriate proportion of production overhead, transport and handling charges.

(q) Short Term Investments

Short term investments are stated at the lower of cost and market value.

(r) Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances and cash, deposits, bank overdrafts and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2. General Information

The Company is an investment holding company. The principal activities of the Group consist of the following:-

- Retailing
- Hotels
- Food and Confectionery
- Property
- Construction
- Financial Services
- Manufacturing and Trading
- Travel & Tourism
- Education Services

The number of employees in the Group as at 31 December 2000 is approximately 12,000.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The registered office of the Company is at 14th Floor, MUI Plaza, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.

3. Revenue

Revenue of the Group and Company comprises the following:-

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Sale of goods	456,198,829	484,380,769	–	–
Revenue from hotels	50,605,863	47,614,480	–	–
Gross written insurance premium	50,416,225	36,601,566	–	–
Income recognised on property development	38,365,918	15,861,043	–	–
Interest income	29,844,971	40,482,671	6,986,596	6,386,086
Income from sale of tickets and travel related services	28,584,679	19,789,019	–	–
Dividend income	16,725,491	15,588,769	11,529,653	23,260,335
Brokerage fees	12,786,027	5,316,905	–	–
Education fees	11,526,126	20,476,055	–	–
Property rental income	7,282,285	10,504,510	–	–
Others	2,774,419	451,093	–	–
	705,110,833	697,066,880	18,516,249	29,646,421



4. Exceptional Items

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Profit/(Loss) on disposal of subsidiary companies	11,429,990	(198,053)
Profit/(Loss) on disposal of investments in		
– existing subsidiary companies	–	(10,825,020)
– associated companies	–	29,584,996
– others	27,557,723	18,707,333
Profit on disposal of properties	–	330,588
Provision for diminution in value of long term investments	(3,126,130)	(41,892,356)
Provision for diminution in value of development properties	–	(2,640,000)
Provision for corporate guarantees	(2,350,000)	(2,268,000)
Writeback of/(Provision for) doubtful debts	7,747,765	(55,532,895)
Writeback of/(Provision for) contingent loss	418,735	(1,416,317)
Loss in foreign exchange		
– unrealised	(6,092,082)	(10,208,497)
– realised	(3,500,373)	–
Retrenchment benefits	(788,387)	(1,543,088)
Corporate exercise expenses	–	(4,394,707)
Gain on dilution of interest in a subsidiary company	–	185,719,052
Interest expenses waived under schemes of arrangement of subsidiary companies	210,272	118,596,771
Bad debts written off	(364,429)	(108,599)
Bad debts recovered	1,619,123	–
Surplus arising from subsidiary companies not consolidated	3,148,939	434,415
	35,911,146	222,345,623

5. (Loss)/Profit Before Taxation

(Loss)/Profit before taxation is stated after charging:-

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Auditors' remuneration				
– current	1,334,500	1,211,894	50,000	50,000
– underprovision in prior years	14,249	76,636	–	–
Depreciation	32,210,812	30,161,108	–	–
Directors' remuneration				
– fees	1,009,530	753,730	324,000	–
– other emoluments	7,182,908	8,061,994	285,000	270,000
– benefits in kind	39,941	132,463	–	–
Plant and equipment written off	144,534	162,106	–	–
Investments written off	3,300	211,880	–	–
Interest expense				
– bank overdrafts	8,581,243	48,537,904	–	–
– term loans	16,706,184	28,527,936	–	–
– other borrowings	60,305,583	134,776,954	–	–
Rental of buildings	4,634,910	2,765,359	–	–
Rental of equipment	1,346,985	290,676	–	–
Provision for employee benefits	52,848	128,455	–	–
Amortisation of premiums on government securities	56,964	6,065	–	–
Provision for diminution in value of short term investments	6,739,905	2,019,026	–	–
Deferred and pre-operating expenses written off	–	3,136,564	–	–
Amortisation of intangible assets	1,322,834	1,557,433	–	–
Staff costs	74,151,346	77,671,489	–	–
and after crediting:-				
Gross dividends				
Subsidiary companies				
– quoted in Malaysia	–	–	11,469,653	23,215,335
– unquoted	–	–	60,000	45,000
Other investments				
– quoted in Malaysia	3,927,033	4,079,490	–	–
– quoted overseas	18,180,833	15,813,671	–	–
– unquoted	45,000	45,000	–	–
Interest income				
– subsidiary companies	–	–	6,931,786	6,357,860
– government securities	1,826,317	1,255,991	–	–
– others	70,188,170	99,951,932	54,810	28,226
Profit on disposal of plant and equipment	581,027	239,905	–	–
Profit on disposal of short term investments	4,356,038	3,098,627	–	–
Rental income	8,745,948	9,938,440	–	–



6. Taxation

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Current taxation				
– Malaysia	32,695,670	–	5,414,264	6,492,277
– Foreign	1,725,272	4,133,985	–	–
Recoverable effect of tax credit in respect of dividends received from subsidiary companies	(6,158,388)	(7,022,743)	–	–
Deferred taxation (Note 27)	(194,578)	(367,484)	–	–
	28,067,976	(3,256,242)	5,414,264	6,492,277
Group's share of taxation of associated companies	7,120,617	10,853,373	–	–
	35,188,593	7,597,131	5,414,264	6,492,277
Over provision in respect of prior years	(4,228,280)	(2,954,423)	–	–
	30,960,313	4,642,708	5,414,264	6,492,277

The taxation charge of the Group for the financial year ended 31 December 2000 is due to the tax provision by certain subsidiary and associated companies which have taxable income and losses suffered by certain subsidiary companies for which no group relief is available. For the financial year ended 31 December 1999, the taxation charge is in respect of tax provision by foreign subsidiary and associated companies and no provision for taxation has been made by Malaysian subsidiary and associated companies in respect of business income earned due to the tax waiver granted in the Income Tax (Amendment) Act, 1999.

The effective tax rate of the Company for the financial year ended 31 December 2000 is higher than the statutory tax rate prevailing in Malaysia due to certain expenses not deductible for tax purposes.

7. (Loss)/Earnings Per Share

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share of the Group is calculated by dividing the net loss attributable to shareholders of RM64,767,904 (1999 : net profit attributable to shareholders of RM42,776,229) by the number of ordinary shares in issue during the financial year of 1,940,531,778 (1999 : 1,940,531,778).

(b) Diluted earnings per share

The diluted earnings per share ("EPS") is not disclosed for the financial year ended 31 December 2000 as the exercise price based on the assumed exercise of the options under the Executive Share Option Scheme ("ESOS") of the Company is higher than the average market price of the shares. As for the financial year ended 31 December 1999, the EPS based on the assumed exercise of the options under the ESOS is antidilutive.

8. Property, Plant And Equipment

Group

Cost or Valuation

	Freehold Land RM	Long Term Leasehold Land RM	Short Term Leasehold Land RM	Buildings RM	Plant & Machinery RM	Motor Vehicles RM	Furniture Fittings & Equipment RM	Construction Work-In Progress RM	Renovation RM	2000 RM	Total 1999 RM
At 1 January	127,533,082	30,545,428	5,503,214	379,550,172	125,333,267	50,552,899	86,185,289	8,871,295	12,501,204	826,575,850	827,480,402
Exchange adjustments	(5,948,935)	530,243	-	(24,515,367)	(2,441,269)	(1,832,156)	(4,530,096)	(85,488)	(7,159)	(38,830,227)	13,485,365
Reclassifications	13,050	(25,988)	-	323,745	(5,024,271)	-	4,890,968	(31,488)	(146,016)	-	-
At 31 December	121,597,197	31,049,683	5,503,214	355,358,550	117,867,727	48,720,743	86,546,161	8,754,319	12,348,029	787,745,623	840,965,767
Additions	2,061	63,982	-	2,073,333	1,478,513	907,893	7,108,053	1,484,861	7,887,531	21,006,227	14,171,740
Disposals	(340,525)	-	-	-	(1,518,142)	(3,236,803)	(2,391,041)	-	(398,706)	(7,885,217)	(8,028,946)
Written off	-	-	-	-	-	(4,404)	(887,577)	-	-	(891,981)	(1,738,215)
Acquisition of subsidiary	-	-	-	-	-	-	14,800	-	-	14,800	-
Disposal of subsidiaries	-	(508,708)	-	(4,739,134)	(1,323,522)	(292,893)	(92,492)	-	-	(6,956,749)	(59,360)
Subsidiaries under liquidation	-	-	-	(808,000)	-	-	-	(257,000)	-	(5,297,000)	(18,735,136)
not consolidated	(4,232,000)	-	-	-	-	-	-	-	-	-	-
At 31 December	117,026,733	30,604,957	5,503,214	351,884,749	116,504,576	46,094,536	90,297,904	9,982,180	19,836,854	787,735,703	826,575,850
Accumulated Depreciation											
At 1 January	-	1,139,686	1,151,964	50,265,256	84,651,467	41,987,540	47,221,812	-	7,867,022	234,284,747	221,475,149
Exchange adjustments	-	866,914	-	(3,620,915)	(1,107,664)	(1,097,955)	(2,073,888)	-	-	(7,033,508)	1,769,117
Reclassifications	-	(25,761)	-	-	(3,636,841)	-	3,724,204	-	(61,602)	-	-
At 31 December	-	1,980,839	1,151,964	46,644,341	79,906,962	40,889,585	48,872,128	-	7,805,420	227,251,239	223,244,266
Charge for the year	-	273,834	98,691	6,424,973	7,772,114	3,174,970	11,784,704	-	2,681,526	32,210,812	30,161,108
Disposals	-	-	-	-	(985,663)	(2,897,617)	(1,664,256)	-	(348,203)	(5,895,739)	(5,073,225)
Written off	-	-	-	-	-	(2,202)	(745,245)	-	-	(747,447)	(1,576,109)
Acquisition of subsidiary	-	-	-	-	-	-	14,799	-	-	14,799	-
Disposal of subsidiaries	-	-	-	(634,234)	(2,521,519)	(292,893)	(79,279)	-	-	(3,527,925)	(40,713)
Subsidiaries under liquidation	-	-	-	-	-	-	-	-	-	-	-
not consolidated	-	-	-	-	-	-	-	-	-	-	(12,430,580)
At 31 December	-	2,254,673	1,250,655	52,435,080	84,171,894	40,871,843	58,182,851	-	10,138,743	249,305,739	234,284,747
Net Book Value											
At 31 December 2000	117,026,733	28,350,284	4,252,559	299,449,669	32,332,682	5,222,693	32,115,053	9,982,180	9,698,111	538,429,964	-
At 31 December 1999	127,533,082	29,405,742	4,351,250	329,284,916	40,681,800	8,565,359	38,963,477	8,871,295	4,634,182	-	592,291,103



8. Property, Plant And Equipment (Cont'd)

(a) Property, plant and equipment stated at valuation are as follows:-

	Group	
	2000	1999
	RM	RM
<i>Freehold land and buildings</i>		
Valuation in 1982	150,000	150,000
Valuation in 1983	91,412,937	91,412,937
Valuation in 1986	16,960,356	16,960,356
	108,523,293	108,523,293

The valuations for 1982 and 1983 were based on valuations by independent professional valuers whilst that for 1986 was based on valuation by the Directors. All valuations were on the basis of open market. The valuations have not been updated as the Group has not adopted a policy of regular revaluation. Pursuant to the transitional provisions of International Accounting Standard No. 16 (Revised) - Property, Plant and Equipment, the said assets are stated at their valuation less accumulated depreciation. The carrying amounts of the said assets that would have carried at cost less accumulated depreciation cannot be determined from available records.

- (b) Certain of the long term leasehold land and buildings, and plant and machinery of the subsidiary companies with net book value totalling RM139,068,225 (1999 : RM170,497,236) are pledged to financial institutions for banking facilities granted to these subsidiary companies.
- (c) Plant and equipment of the Group with net book value totalling RM1,225,104 (1999 : RM4,704,066) have been acquired under hire purchase and lease arrangements.

9. Investment Properties

	Group	
	2000	1999
	RM	RM
At Directors' valuation (1983)		
Freehold land	56,004,200	56,004,200
Building	84,995,800	84,995,800
	141,000,000	141,000,000

The valuation in 1983 was on the basis of open market.

The Group has not adopted a policy of regular revaluation. However, the Directors periodically assess the carrying value of its investment properties based upon the advice of professional valuers. The carrying value of its investment properties are not written down unless the Directors are of the opinion that there is a permanent decline in value of these investment properties.

10. Subsidiary Companies

	<i>Company</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Investments in subsidiary companies		
Quoted shares		
At cost	500,097,532	500,097,532
At Directors' valuation (1983)	56,529,299	56,529,299
	556,626,831	556,626,831
Unquoted shares		
At cost less provision for diminution in value of RM20,613,666 (1999 : RM20,613,666)	671,760,280	670,710,280
At Directors' valuation:-		
– 1983	38,717,769	38,717,769
– 1987	6,900,000	6,900,000
	717,378,049	716,328,049
	1,274,004,880	1,272,954,880
Market value of quoted shares	207,723,421	407,983,179

(a) Certain investments in subsidiary companies are carried at revalued amounts based on valuations made by Directors in 1983 and 1987. The valuations have not been updated as the Company has not adopted a policy of regular revaluation. As IAS 25, Accounting For Investments, became operative in Malaysia for financial statements covering periods beginning on or after 1 January 1993, the investments in subsidiary companies are stated at its previous valuation less provision for diminution in value, if any.

(b) The consolidated financial statements do not deal with the following subsidiary companies:-

- i) Pengkalen (Hong Kong) Limited ("PHK") and its subsidiary companies, Grand Union Insurance Company Limited ("GUI") and Grand Union General and Motor Insurance Company Limited ("GUGM")

PHK is a subsidiary company of Pan Malaysia Holdings Berhad ("PM Holdings"). Winding up orders and the appointment of liquidators were made by the Hong Kong High Court against GUI and GUGM. The cost of investment in PHK has been fully written off. Similarly, the amount due from PHK has been fully written off by the Group.

- ii) Meltis Plc ("Meltis")

Meltis is a subsidiary company of Pengkalen (UK) Plc ("PUK"), and has been placed under receivership. The cost of investment in Meltis has been fully written off.

- iii) GCIH (Singapore) Pte Ltd ("GCIH"), Welland Investments Pte Ltd ("WIPL") and Heng's Food & Beverage Industries Pte Ltd ("HFBI")

GCIH, WIPL and HFBI are subsidiary companies of PUK and are in the process of winding up. The costs of these investments have been fully written off.

- iv) Pengkalen Electronics Industries Sdn Bhd ("PEI") and Asia Entertainment Network Sdn Bhd ("AEN")

PEI and AEN are subsidiary companies of PM Holdings and winding up orders were made by the Kuala Lumpur High Court against PEI and AEN. The costs of these investments have been fully written off.



10. Subsidiary Companies (Cont'd)

- v) Technitone (M) Sdn Bhd ("Technitone") and its subsidiary companies, Office Business Systems Sdn Bhd, Office Business Systems (Penang) Sdn Bhd, Office Business Systems (Malacca) Sdn Bhd and Sensor Equipment Sdn Bhd

Technitone and its subsidiary companies are in the process of voluntary winding up. The cost of these investments have been fully written down and the amounts owing by these companies have been fully provided for by the Group.

- vi) Pengkalen Heights Sdn Bhd ("PHSB")

PHSB was placed under liquidation during the financial year. Accordingly, the consolidated income statement includes the financial results of PHSB up to date when PHSB was placed under liquidation. The cost of the investment has been fully written down and the amount owing by PHSB has been fully provided for by the Group.

- (c) The effects of the non-consolidation of PHSB on the financial results of the Group are as follows:-

	2000	1999*
	<i>At the date of</i>	
	<i>non-consolidation</i>	
	RM	RM
Revenue	—	—
Other operating income	—	4,978
Operating cost	(102,017)	(2,975,385)
Surplus arising from subsidiary company not consolidated	3,148,939	—
Profit/(Loss) from operations	3,046,922	(2,970,407)
Finance cost	(938,135)	(2,641,887)
Profit/(Loss) before taxation	2,108,787	(5,612,294)
Taxation	—	—
Decrease in Group loss attributable to shareholders		
(1999 : Decrease in Group profit attributable to shareholders)	2,108,787	(5,612,294)

The effects of the non-consolidation of PHSB on the financial position of the Group are as follows:-

	2000	1999*
	<i>At the date of</i>	
	<i>non-consolidation</i>	
	RM	RM
Assets and liabilities not consolidated		
Development properties	20,000,000	20,000,000
Property, plant and equipment	5,297,000	5,297,000
Trade and other receivables	—	22,119
Bank balances and cash	9,254	12,581
Trade and other payables	(5,986,852)	(8,462,754)
Bank borrowings	(22,468,341)	(21,455,016)
Net liabilities not consolidated	(3,148,939)	(4,586,070)

The effects of the non-consolidation of PHSB on the cash flows of the Group are disclosed in note (f) to the cash flow statements.

* These are the comparative financial results/position for the financial year ended/as at 31 December 1999 in respect of the above subsidiary company not consolidated.

10. Subsidiary Companies (Cont'd)

- (d) The financial statements of Technitone and its subsidiary companies were not consolidated with those of the Group for the financial year ended 31 December 1999. The effects of the non-consolidation of these subsidiary companies on the financial results of the Group for the said financial year were as follows:-

	<i>1999 Up to the date of non-consolidation RM</i>
Revenue	9,761,629
Other operating income	22,912
Operating cost	(8,657,327)
Surplus arising from subsidiary companies not consolidated	434,415
Profit from operations	1,561,629
Finance cost	(923,914)
Increase in Group profit attributable to shareholders	<u>637,715</u>

The effects of the non-consolidation of Technitone and its subsidiary companies on the financial position of the Group were as follows:-

	<i>1999 At the date of non-consolidation RM</i>
Assets and liabilities not consolidated	
Property, plant and equipment	6,304,556
Investment	50,000
Current assets	14,942,793
Current liabilities	(1,516,748)
Term loans and bank borrowings	(21,087,895)
Minority interests	872,879
Net liabilities not consolidated	<u>(434,415)</u>

The effects of the non-consolidation of Technitone and its subsidiary companies on the cash flows of the Group for the previous financial year are disclosed in note (f) to the cash flow statements.

- (e) Acquisition of a subsidiary company

On 30 November 2000, the Group acquired 2 ordinary shares of RM1 each representing the entire issued and paid-up capital of Meridian Nominess (Tempatan) Sdn Bhd ("Meridian") for a cash consideration of RM2. Meridian is involved in the provision of share registration, nominees and share custodian services.

The effects of the acquisition of Meridian on the financial results of the Group for the financial year are as follows:-

	<i>2000 From date of acquisition RM</i>
Revenue	—
Operating expenses	(1,071)
Loss before taxation	(1,071)
Taxation	—
Increase in Group loss attributable to shareholders	<u>(1,071)</u>



10. Subsidiary Companies (Cont'd)

The effects of the acquisition of Meridian on the financial position of the Group as at 31 December 2000 are as follows:-

	<i>As at 31. 12. 2000 RM</i>
Assets and liabilities acquired	
Property, plant and equipment	1
Trade and other receivables	7,305
Deposits, bank balances and cash	37,281
Trade and other payables	(524,534)
Net liabilities acquired	<u>(479,947)</u>

The effects of the acquisition of Meridian on the cash flows of the Group at the date of acquisition are disclosed in note (e) to the cash flow statements.

There were no acquisitions of subsidiary companies during the financial year ended 31 December 1999.

(f) Disposals of subsidiary companies

The disposals of subsidiary companies during the financial year ended 31 December 2000 are as follows:-

- (i) On 27 July 2000, MUI Properties Berhad disposed of its entire shareholding in Kemakmorani Industri Sdn Bhd ("KISB") for a total consideration of RM180,000. KISB was involved in the business of printing and trading.
- (ii) On 14 November 2000, Network Foods International Ltd disposed of its entire shareholding in Fairbridge Corporation ("Fairbridge") for a cash consideration of US\$3.1 million (RM11.7 million). Fairbridge held 80% of the shares in PT Indo Cocoa Specialities, an Indonesian corporation involved in the manufacturing of cocoa products, chocolate and confectionery.

The effects of the above disposal of KISB and Fairbridge on the financial results of the Group for the financial year are as follows:-

	<i>2000 Up to the date of disposals RM</i>	<i>1999* RM</i>
Revenue	9,993,584	10,637,233
Operating costs	(22,756,276)	(3,421,089)
Profit on disposal of subsidiary companies	11,429,990	—
(Loss)/Profit from operations	(1,332,702)	7,216,144
Finance cost	(794,849)	(3,527,284)
(Loss)/Profit before taxation	(2,127,551)	3,688,860
Taxation	—	—
(Loss)/Profit after taxation	(2,127,551)	3,688,860
Minority interests	5,770,687	(1,644,674)
Decrease in the Group loss attributable to shareholders (1999 : Increase in Group profit attributable to shareholders)	<u>3,643,136</u>	<u>2,044,186</u>

10. Subsidiary Companies (Cont'd)

The effects of the disposal of KISB and Fairbridge on the financial position of the Group are as follows:-

	2000 <i>At date of disposals</i> RM	<i>1999*</i> RM
Assets and liabilities disposed		
Property, plant and equipment	3,428,825	8,718,192
Inventories	1,607,606	1,140,750
Trade and other receivables	2,815,602	3,182,691
Bank balances and cash	249,581	173,660
Goodwill	307,435	307,435
Trade and other payables	(3,043,440)	(5,237,329)
Bank overdrafts	(1,891,690)	(16,248,504)
Borrowings	(3,439,836)	(4,724,987)
Net assets/(liabilities) disposed	34,083	(12,688,092)

* These are the comparative financial results/positions for the financial year ended/as at 31 December 1999 in respect of the above subsidiary companies disposed of.

The effects of the disposal of KISB and Fairbridge on the cash flows of the Group are disclosed in note (d) to the cash flow statements. During the financial year ended 31 December 1999, the Group has disposed of its 60% equity interest in Milrin Pharmaceutical Company (M) Sdn Bhd, which was involved in the trading of pharmaceutical products. The effects of the disposal on the financial results of the Group for the previous financial year up to the date of disposal are not disclosed as the subsidiary company was disposed of at the beginning of the previous financial year. The effects of the disposal on the financial position of the Group for the previous financial year are disclosed in note (d) to the cash flow statements.

(g) The subsidiary companies consolidated are listed on pages 95 to 103.

11. Associated Companies

	2000 RM	<i>Group</i> <i>1999</i> RM
Investments in associated companies:-		
Quoted shares, at cost		
Malaysian	525,211,512	367,498,754
Overseas	336,278,477	336,278,477
	861,489,989	703,777,231
Unquoted shares, at cost	119,680,938	113,817,939
	981,170,927	817,595,170
Group's share of post-acquisition reserves and retained profits less losses	(191,347,774)	(138,748,024)
	789,823,153	678,847,146
Market value of quoted shares		
Malaysian	131,702,399	166,561,501
Overseas	261,589,675	279,411,236
	393,292,074	445,972,737



11. Associated Companies (Cont'd)

(a) The Group's interests in associated companies comprises:-

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Group's share of net assets	434,643,877	332,696,187
Premium on acquisitions	355,179,276	346,150,959
	789,823,153	678,847,146

(b) Certain quoted shares in an overseas associated company held by an overseas subsidiary company were pledged to an overseas financial institution for a credit facility of HK\$855.4 million (RM416.8 million) granted to another overseas associated company.

(c) The associated companies are listed on pages 95 to 103.

12. Investments

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Quoted shares		
Malaysian, at cost	263,387,244	264,545,296
Overseas, at cost less provision for diminution in value of RM46,787,720 (1999 : RM46,278,845)	475,565,475	477,907,857
	738,952,719	742,453,153
Unquoted shares, at cost less provision for diminution in value of RM172,753,402 (1999 : RM169,963,566)	372,490,812	425,389,598
	1,111,443,531	1,167,842,751
Market value of quoted shares		
Malaysian	141,973,763	153,213,594
Overseas	434,660,535	487,098,636
	576,634,298	640,312,230

Certain overseas quoted investments held by overseas subsidiary companies are pledged to overseas financial institutions for credit facilities of HK\$1,055.4 million (RM514.2 million) granted to an overseas subsidiary company and an overseas associated company.

13. Development Properties

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Freehold land, at cost	104,942,735	114,443,654
Development expenditure	82,059,983	96,529,145
Less : Provision for diminution in value	—	(19,447,886)
	187,002,718	191,524,913
Less : Amount included under current assets		
Land and development expenditure	166,945,683	144,377,097
Add : Attributable profit	8,323,955	3,533,101
Less : Progress billings	(53,089,278)	(19,116,980)
	122,180,360	128,793,218
	64,822,358	62,731,695

Interest expense included in development expenditure amounted to RM10,027,472 (1999 : RM7,764,796). As at 31 December 1999, development property of a subsidiary company with carrying value of RM20,000,000 has been charged to a financial institution for banking facilities granted to the said subsidiary company.

14. Intangible Assets

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
At cost less amortisation		
Pre-operating expenses	—	851,873
Deferred expenditure	—	630,656
	—	1,482,529

15. Inventories

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Food, beverages and hotel supplies	1,576,027	1,846,809
Sundry stores and consumables	1,278,223	1,784,860
Raw materials	16,463,394	15,824,574
Finished goods	37,741,014	46,173,575
Work-in-progress	3,844,550	6,432,766
	60,903,208	72,062,584



16. Trade And Other Receivables

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Trade receivables	484,624,164	494,581,208	—	—
Less : Provision for doubtful debts net of bad debts written off of RM21,935 (1999 : nil) for the Group	(22,780,023)	(17,800,678)	—	—
	461,844,141	476,780,530	—	—
Other receivables, deposits and prepayments	175,290,233	135,070,953	69,063	328,699
Less : Provision for doubtful debts net of bad debts written off of RM144,943 (1999 : nil) for the Group	(52,535,354)	(55,728,442)	—	—
	122,754,879	79,342,511	69,063	328,699
Amounts owing by associated companies	99,062,727	3,251,679	—	—
Less : Provision for doubtful debts	(2,010,083)	(1,458,177)	—	—
	97,052,644	1,793,502	—	—
Amounts owing by subsidiary companies	—	—	1,346,140,198	1,334,145,969
	681,651,664	557,916,543	1,346,209,261	1,334,474,668

- (a) Included in other receivables, deposits and prepayments are deposits totalling RM58,500,000 (1999 : nil) paid in respect of the proposed business merger with MBf Northern Securities Sdn Bhd and Malpac Securities Sdn Bhd ("Malpac Securities"), and the acquisition of shares in Chemical Company of Malaysia Berhad as disclosed in notes 31 (e), (f) and (j) to the financial statements respectively.
- (b) The amounts owing by associated companies represent balances arising from advances, which are unsecured, bear interest at 6.8% per annum and are repayable on demand.
- (c) The amounts owing by subsidiary companies, which represent balances arising from advances and payments made on behalf by the Company, are unsecured, have no fixed terms of repayment and are interest-free except for amounts totalling RM85,214,182 (1999 : RM83,606,796) which bear interest at 4% to 8% per annum (1999 : 8% per annum).

The recoverability of these amounts are dependent on the underlying values of the investments held by these companies which are subject to the economic conditions affecting the country. The Directors are of the opinion that the underlying values of the investments will recover in line with the improvement in economic conditions.

17. Amounts Owning By Brokers And Clients

The amounts owing by brokers and clients are stated net of provision for doubtful debts amounting to RM578,283,176 (1999 : RM641,301,074) after netting of bad debts written off amounting to RM53,383,698 (1999 : RM20,425,025).

18. Government Securities And Bonds

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
At cost after amortisation and accretion	24,587,331	19,059,965
Market value	24,842,042	19,378,346

19. Short Term Investments

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Quoted shares, at cost less provision for diminution in value of RM12,897,589 (1999 : RM6,262,202)	26,717,268	53,420,091
Market value of quoted shares	28,056,641	53,848,315

20. Deposits, Bank Balances and Cash

	<i>Group</i>		<i>Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Term deposits with:-				
– Licensed banks	778,900,247	1,036,829,755	375,809	320,999
– Licensed finance companies	87,962,717	52,671,067	–	–
– Other corporations	19,215,894	71,068,497	–	–
Call deposits	2,268,312	2,618,974	–	–
Bank balances and cash	37,385,731	29,141,342	46,749	112,088
	925,732,901	1,192,329,635	422,558	433,087

Included in deposits, bank balances and cash of the Group are the following:-

- An amount of RM18,406 (1999 : RM45,964) belonging to a subsidiary company representing customers' segregated funds which has been segregated and separately accounted for under Section 52A of the Futures Industry Act, 1993;
- Amounts totalling RM8,284,826 (1999 : RM1,078,751) held under the Housing Development Accounts which are interest bearing pursuant to Section 7A of the Housing Developers Act, 1966; and
- Amounts totalling RM8,686,029 (1999 : RM11,517,997) maintained as trust monies in accordance with the requirements of the Kuala Lumpur Stock Exchange and the Securities Industry Act, 1983.



21. Trade And Other Payables

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Trade payables	102,821,226	126,781,598	—	—
Other payables and accrued liabilities	123,625,353	153,171,471	137,664	287,013
	226,446,579	279,953,069	137,664	287,013

Included in other payables and accrued liabilities of the Group are provision for corporate guarantees and contingent liabilities totalling RM13,830,087 (1999 : RM39,255,273) and dealers' and remisiers' commission and deposits totalling RM28,986,307 (1999 : RM32,933,357).

22. Borrowings

	Group	
	2000	1999
	RM	RM
Current		
Bank overdrafts		
secured	3,711,680	58,761,732
unsecured	119,150,535	127,958,534
Bills payable		
secured	19,818,666	11,101,779
unsecured	5,747,866	2,398,594
Bank revolving credits		
secured	126,027,463	26,908,357
unsecured	747,550,000	629,608,164
Current portion of term loans	5,346,453	207,986,879
Hire purchase and lease liabilities	547,209	1,763,574
	1,027,899,872	1,066,487,613
Non-Current		
Term loans		
secured	75,208,242	138,856,664
unsecured	177,461,754	323,444,190
Hire purchase and lease liabilities	537,231	709,633
Current portion of term loans	(5,346,453)	(207,986,879)
	247,860,774	255,023,608
(a) The maturities of non-current term loans are as follows:-		
– between 1 year to 5 years	234,795,827	239,100,226
– more than 5 years	12,527,716	15,213,749
	247,323,543	254,313,975
(b) Details of hire purchase and finance lease liabilities are as follows:-		
Hire purchase and minimum lease payments:-		
– within 1 year	620,958	1,889,120
– between 1 year to 5 years	629,984	834,217
	1,250,942	2,723,337
Future finance charges	(166,502)	(250,130)
Present value of hire purchase and finance lease liabilities	1,084,440	2,473,207

22. Borrowings (Cont'd)

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Portion payable:-		
– within 1 year (current)	547,209	1,763,574
– between 1 year to 5 years (non-current)	537,231	709,633
	1,084,440	2,473,207

(c) Bills payable, bank overdrafts and bank revolving credits bear interests at between 0.5% to 2.5% per annum (1999 : 0.5% to 5.0% per annum) above the base lending rates/cost of funds of the lending institutions.

(d) The banking facilities of certain subsidiary companies are secured by the following:-

(i) fixed charges over certain landed properties, fixed deposits, marketable securities and plant and machinery of the subsidiary companies; and

(ii) floating charges over all the other assets of these subsidiary companies.

The said banking facilities are also guaranteed by the Company and certain subsidiary companies.

(e) Term loans in respect of overseas subsidiary companies amounting to RM63,139,085 (1999 : RM138,123,894) bear interests at between 8.0% to 16.0% per annum (1999 : 8.0% to 16.0% per annum). The other term loans bear interests at between 0.75% to 2.75% per annum (1999 : 0.75% to 2.75% per annum) above the base lending rates/cost of funds of the lending institutions.

(f) The unsecured term loans include revolving credit facilities of RM135,000,000 (1999 : RM142,000,000) which have been classified under long term liabilities as the obligations will be retired after 12 months.

23. Share Capital

	<i>Group/Company</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
Authorised		
Ordinary shares of RM1 each	3,000,000,000	3,000,000,000
Issued & fully paid		
Ordinary shares of RM1 each	1,940,531,778	1,940,531,778



23. Share Capital (Cont'd)

(a) Executive Share Option Scheme

An Executive Share Option Scheme ("Scheme") was implemented for the benefit of eligible directors and executives of the Group on 8 July 1996, expiring on 5 July 2001. Under the Scheme, an Option Committee appointed by the Board of Directors to administer the Scheme, will offer the options to subscribe for new ordinary shares in the Company to eligible directors and executives of the Group except for directors and executives of Pan Malaysia Holdings Berhad and its subsidiary companies, who are eligible to participate under its own Executive Share Option Scheme.

As at 31 December 2000, there were 1,238,000 unissued shares under options granted pursuant to the Scheme at an exercise price of RM1.80.

(b) Special Issue

In 1997, the Company implemented a special issue of 169,680,000 new ordinary shares of RM1 each at an issue price of RM1.35 per share to Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI"). A total of 124,905,000 shares were applied for and issued to the approved Bumiputera investors. The issuance of the balance 44,775,000 shares ("Balance Shares") is still pending completion in view of the current market prices of the shares. The Company has written to the Securities Commission ("SC") to seek an extension of time from 11 June 2000 to 31 December 2001 for the Company to complete the issuance of the Balance Shares but the request was declined by SC on 28 August 2000. The SC had however suggested that a new application be resubmitted for the Balance Shares.

24. Reserves

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Non-Distributable				
Share premium	220,305,408	220,305,408	220,305,408	220,305,408
Revaluation reserve	27,429,774	27,429,774	26,263,702	26,263,702
Exchange fluctuation reserve	61,859,351	87,770,083	—	—
Capital reserve	19,075,723	13,195,073	—	—
Distributable				
General reserve	25,257,587	25,257,587	—	—
(Accumulated losses)/				
Unappropriated profits	(143,442,648)	(78,674,744)	383,758,335	372,094,469
	210,485,195	295,283,181	630,327,445	618,663,579

(a) (Accumulated losses)/Unappropriated profits are (absorbed)/retained by:-

	Group	
	2000	1999
	RM	RM
The Company	383,758,335	372,094,469
Subsidiary companies	(321,050,262)	(284,445,829)
Associated companies	(206,150,721)	(166,323,384)
	(143,442,648)	(78,674,744)

(b) Subject to the agreement with the Inland Revenue Board, based on the estimated tax credit available and balance in the tax-exempt account for distribution of tax-exempt dividends, approximately RM44.0 million of the unappropriated profits of the Company as at 31 December 2000 are available for distribution by way of dividends without incurring additional tax liability.

25. Redeemable Convertible Bond

The principal terms of the redeemable convertible bond ("Bond") are as follows:-

- (i) convertible up to 1,000,000 ordinary shares of RM1 each in Pan Malaysia Capital Berhad ("PM Capital") within a five (5) year period to 28 December 2004 or redeemable for cash at maturity on 29 December 2004; and
- (ii) no coupon rate is attached to and no interest is payable on the Bond.

26. Employee Benefits

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
At 1 January	2,822,932	2,845,978
Exchange adjustments	(202,242)	1,905
Provision for the financial year	195,376	245,690
Unused amounts reversed	(142,528)	(117,235)
Paid during the financial year	(17,458)	(153,406)
At 31 December	2,656,080	2,822,932
Less : Current portion included in other payables	(1,867,226)	(2,198,818)
	788,854	624,114

The employee benefits are in respect of overseas subsidiary companies. Provision is made for long service leave and annual leave estimated to be payable to employees on the basis of statutory and contractual requirements. The amounts have been apportioned between current and non-current, the current provision being the portion that is expected to be paid within the next twelve months. Employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made for those entitlements.

27. Deferred Taxation

	<i>Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>RM</i>	<i>RM</i>
At 1 January	9,386,120	8,353,035
Exchange adjustments	(834,453)	278,864
Transfer (to)/from tax provision account	(663,840)	1,121,705
Transfer to income statement (refer Note 6)	(194,578)	(367,484)
At 31 December	7,693,249	9,386,120

Deferred taxation at end of the financial year is in respect of the timing differences arising from the excess of capital allowances over the corresponding depreciation and other timing differences. All timing differences are provided for except for the tax effects of the surplus on revaluation of the freehold land and buildings which have not been recognised in the financial statements as the Group has no intention of disposing the revalued assets in the foreseeable future.



28. Segment Information Of The Group

By Industry

	<i>Revenue</i>		<i>Profit/(Loss)</i>		<i>Assets Employed</i>	
	<i>2000</i>	<i>1999</i>	<i>Before Taxation</i>			
	<i>RM'000</i>	<i>RM'000</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
Retailing	775,480	696,309	18,940	(5,170)	247,118	245,488
Hotels	172,489	138,494	(6,440)	(24,796)	237,845	323,643
Food & Confectionery	348,742	380,219	11,197	3,800	250,030	205,249
Properties & Construction	57,291	43,008	16,235	14,582	594,864	563,622
Financial Services	97,899	83,191	22,856	(88,039)	784,589	834,911
Manufacturing & Trading	107,478	103,341	(5,566)	1,130	84,296	93,438
Travel & Tours	61,454	127,612	385	(3,170)	71,431	74,822
Education Services	11,526	20,990	(1,989)	4,721	45,943	56,732
Others	124,318	87,514	(67,587)	160,304	3,262,371	3,368,694
	1,756,677	1,680,678	(11,969)	63,362	5,578,487	5,766,599
Less : Group's share of associated companies' revenue	(1,051,566)	(983,611)	—	—	—	—
	705,111	697,067	(11,969)	63,362	5,578,487	5,766,599

By Geographical Region

	<i>Revenue</i>		<i>Profit/(Loss)</i>		<i>Assets Employed</i>	
	<i>2000</i>	<i>1999</i>	<i>Before Taxation</i>			
	<i>RM'000</i>	<i>RM'000</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
Malaysia	373,351	361,616	(21,610)	36,599	3,624,157	4,169,809
Asia-Pacific	183,331	207,531	31,223	51,239	1,165,920	771,429
Australia	275,706	308,196	850	8,058	144,129	199,998
North America	116,868	64,670	(24,200)	(13,150)	336,049	383,055
United Kingdom	807,421	738,665	1,768	(19,384)	308,232	242,308
	1,756,677	1,680,678	(11,969)	63,362	5,578,487	5,766,599
Less : Group's share of associated companies' revenue	(1,051,566)	(983,611)	—	—	—	—
	705,111	697,067	(11,969)	63,362	5,578,487	5,766,599

9. Capital And Other Commitments

- (a) As at 31 December 2000, the Group has commitments in respect of capital expenditure contracted but not provided for amounting to RM1.8 million (1999 : RM1.5 million).
- (b) In accordance with the scheme of arrangement by Pan Malaysia Holdings Berhad ("PM Holdings"), the indebtedness to the class of creditors referred to as the secured creditors and unsecured guarantee creditors were settled by issuance of new ordinary shares of RM1 each in PM Holdings ("New Shares") at par on a Ringgit-to-Ringgit basis.

Also, in accordance with the scheme, the Company and Loyal Design Sdn Bhd ("LDSB"), a wholly-owned subsidiary company, have on 27 December 1999 entered into put option agreements with the said creditors whereby the Company and LDSB granted put options to buy these New Shares at a maximum of RM1 per share. These New Shares were issued on 29 December 1999. The details of the put options are as follows:-

Put Options Granted By	No. Of New Shares Under The Put Options	Exercise Period
The Company	69,949,144	Commencing thirty-six (36) months from the date of issuance of the New Shares and ending on the day falling fourteen (14) trading days thereafter (inclusive of the commencement date and the day it ends), unless otherwise extended by the Company.
LDSB	60,630,807	Commencing thirty-six (36) months from the date of issuance of the New Shares and ending on the day falling on the second anniversary thereafter (inclusive of the commencement date and the day it ends).

(c) Operating Lease Commitments

	Group	
	2000	1999
	RM	RM
Non cancellable operating lease commitments not provided for in the financial statements:		
– within 1 year	2,154,309	1,092,914
– between 1 year to 5 years	4,304,524	4,096,862
– more than 5 years	17,451,381	16,999,003
	23,910,214	22,188,779



30. Contingencies

Group

- (a) A suit was filed on 28 May 1996, in the High Court of Kuala Lumpur by three minority shareholders of Malayan United Industries Berhad, who hold a total of 48,800 shares, against the Company, all its directors and 3 others seeking inter alia, declaration that the acquisition of all shares in the capital of PM Holdings be declared void. No trial date has been fixed to date and the Company's solicitor is of the considered opinion that the chances of success of the Company and its Directors are good.
- (b) A suit was filed on 17 May 1996, in the High Court of Kuala Lumpur by LDSB against PM Holdings and all its former directors for breach of directors' duties in conducting the affairs of PM Holdings during the period involved with the takeover offer by the Company for PM Holdings. The suit also seeks to declare, inter alia, that various options granted by PM Holdings under the PM Holdings Executive Share Option Scheme are void. The parties are awaiting the fixing of a new trial date. The Group's solicitor is of the considered opinion that LDSB's chances of success on the claim is good.

The parties have consented to an order (Order) essentially restraining PM Holdings from issuing any new shares such as to increase the capital beyond 197,804,678 ordinary shares of RM1 each except for such shares as are exempted by the Order of Court dated 3 August 1996. Subsequently, the Order was varied to the extent that PM Holdings be at liberty to issue further new shares for the purposes of carrying out a rights issue, a special issue and schemes of arrangement.

- (c) In the ordinary course of their business, the two stockbroking subsidiary companies, PM Securities Sdn Bhd ("PM Securities") and Pan Malaysia Equities Sdn Bhd ("PM Equities"), have taken legal actions for the recovery of amounts owing by their clients and their clients' guarantors. In respect of several of these legal actions for the recovery of amounts totalling approximately RM247 million (1999 : RM78 million) together with interests and costs, the defendants have filed counterclaims alleging breach of duties by the stockbroking companies. The amount counterclaimed totalled approximately RM90 million (1999 : RM50 million) together with interests, costs and damages. The stockbroking subsidiary companies are defending these counterclaims.
- (d) As at 31 December 2000, PM Holdings has given corporate guarantees in respect of banking, hire purchase and leasing facilities granted to non-consolidated and former subsidiary companies totalling RM32.8 million (1999 : RM36.6 million). The guarantees are unsecured.
- (e) An overseas financial institution has granted credit facility of HK\$855.4 million (RM416.8 million) to an overseas associated company against pledge of quoted overseas shares held by certain overseas subsidiary companies.

Company

At 31 December 2000, the Company has guaranteed the bank credit facilities of subsidiary companies for a total of RM919.3 million (1999 : RM928.3 million). The guarantees are unsecured.

31. Significant Corporate Developments

The significant corporate developments of the Group during and subsequent to the financial year ended 31 December 2000 are as follows:-

- (a) On 28 January 2000, the respective shareholders of Technitone (M) Sdn Bhd (“Technitone”), Office Business Systems Sdn Bhd (“OBS”), Office Business Systems (Malacca) Sdn Bhd (“OBS (M)”), Office Business Systems (Penang) Sdn Bhd (“OBS (P)”) and Sensor Equipment Sdn Bhd (“SESB”) resolved at their respective extraordinary general meetings to wind-up the respective companies voluntarily. The respective Board of Directors of these companies have earlier on 30 December 1999 resolved the same.

Technitone, a 64.1% owned subsidiary company of PM Holdings, had ceased its operations following the non-approval of its proposed scheme of arrangement by its scheme creditors at the court convened meeting held on 6 April 1999. Accordingly, in consultation with its creditors, Technitone has agreed to the appointment of a receiver and manager by its debenture holder on 9 August 1999. On 6 September 1999, a receiver and manager was also appointed by the debenture holder for OBS, a subsidiary company of Technitone pursuant to a debenture executed by OBS. The proposed scheme of arrangement of OBS was also not approved by its scheme creditors at the court convened meeting held on 6 April 1999. OBS (M), OBS (P) and SESB are subsidiary companies of OBS.

- (b) On 2 February 2000 and 10 February 2000, the Kuala Lumpur Stock Exchange uplifted the trading restrictions placed on PM Equities and PM Securities respectively.
- (c) On 25 April 2000, the Kuala Lumpur High Court issued a winding up order against Pengkalen Heights Sdn Bhd (“PHSB”), a 70.0% owned subsidiary company of PM Holdings.

PHSB, which proposed scheme of arrangement was not approved by its scheme creditors at the court convened meeting held on 7 April 1999, has discontinued with the development of its hotel and service apartments project as it was deemed no longer viable under the prevailing circumstances.

- (d) On 12 August 2000, PM Holdings entered into a Share Sale Agreement with Supermix Concrete (Malaysia) Sdn Bhd for the disposal of PM Holdings’ entire shareholding of 10,000,000 ordinary shares of RM1 each representing the entire share capital of Pengkalen Concrete Sdn Bhd (“PCSB”) (“PCSB Sale”). PCSB has two subsidiary companies, namely Pengkalen Concrete (EM) Sdn Bhd (“PCEM”), a wholly-owned subsidiary company, and Pengkalen-SMJ JV Sdn Bhd, a 70.0% owned subsidiary company. The PCSB Sale consideration was agreed at RM6.9 million. PM Holdings will be responsible for the repayment of bank borrowings of PCSB and PCEM which are guaranteed by PM Holdings. The PCSB Sale was approved by the Ministry of International Trade and Industry on 28 November 2000 and was completed on 23 March 2001.
- (e) On 2 October 2000, PM Securities entered into a Business Merger Agreement with MBf Northern Securities Sdn Bhd (Special Administrators Appointed) (“MBf Northern”) whereby the existing business of PM Securities will be merged with the stockbroking and associated activities of MBf Northern, including the acquisition of certain fixed assets of MBf Northern, for a purchase consideration of RM65.0 million to be satisfied in cash (“MBf Northern Merger”). The MBf Northern Merger, which has been approved by the relevant authorities and the shareholders of PM Capital and PM Securities, was completed on 22 January 2001. Approval has also been received from the relevant authorities to resite the business of MBf Northern as a branch of PM Securities in Puchong, Selangor Darul Ehsan.



31. Significant Corporate Developments (Cont'd)

- (f) On 27 November 2000, PM Securities entered into a Business Merger Agreement with Malpac Securities ("Malpac Agreement") whereby the existing business of PM Securities will be merged with the stockbroking and associated activities of Malpac Securities and for the surrender of the licence issued by the Securities Commission to Malpac Securities pursuant to the Securities Industries Act, 1983 and the variation of the said licence to allow the operations of Malpac Securities as a branch of PM Securities. PM Securities further agreed to acquire certain assets of Malpac Securities. The total purchase consideration was subsequently agreed upon at up to RM85.75 million with further consideration to be taken in respect of depreciation of the said assets from 27 November 2000 to the date of completion. At their respective extraordinary general meetings held on 14 March 2001, 5 April 2001 and 17 April 2001, the shareholders of PM Capital, Malpac Holdings Berhad and PM Securities approved the proposed merger and acquisition of assets. The proposed merger and acquisition of assets are pending the approvals of the relevant authorities.
- (g) On 13 December 2000, PM Capital entered into a sale and purchase agreement with PM Securities ("PME Agreement") for the proposed sale and transfer of the entire issued and paid-up share capital of PM Equities comprising 237,123,722 ordinary shares of RM1 each, 91,934,379 redeemable non-convertible preference shares of RM1 each and 36,000,000 redeemable exchangeable preference shares of RM1 each for a total sale consideration of RM117,856,838 ("PME Consideration") to be satisfied by the issuance of up to 100,000,000 new ordinary shares of RM1 each in PM Securities at an issue price of RM1 per share and the balance consideration to be payable in cash ("Proposed PME Transaction").

Pursuant to the terms of the PME Agreement, upon certification of the financial statements of PM Equities by the auditors for the financial year ended 31 December 2000, if there is any variation to the net tangible assets ("NTA") of PM Equities as at 31 October 2000, the purchase consideration for the Proposed PME Transaction shall be adjusted accordingly on a Ringgit-for-Ringgit basis and the balance payable to PM Capital shall be based on the NTA as stated in the audited financial statements of PM Equities for the financial year ended 31 December 2000. At their respective extraordinary general meetings held on 14 March 2001 and 17 April 2001, the shareholders of PM Capital and PM Securities approved the Proposed PME Transaction. The Proposed PME Transaction is pending the approvals of the relevant authorities.

- (h) On 13 December 2000, PM Capital has also entered into an agreement ("Restructuring Agreement") with Kimara Asset Management Sdn Bhd ("Kimara Asset"), a wholly-owned subsidiary company of PM Capital, whereby PM Capital agreed to the proposed sale and transfer of PM Capital's entire interest in the issued paid-up share capital of PM Securities comprising 261,448,123 ordinary shares of RM1 each, 174,048,160 redeemable non-convertible preference shares of RM1 each together with the new ordinary shares of RM1 each in PM Securities to be issued to PM Capital pursuant to the Proposed PME Transaction for a sale consideration of RM361.0 million ("PMS Consideration") to be satisfied by the issuance of 361,000,000 new ordinary shares of RM1 each in Kimara Asset at an issue price of RM1 per share ("Proposed Restructuring").

Pursuant to the Restructuring Agreement, upon the certification of the financial statements of PM Equities by the auditors for the financial year ended 31 December 2000 which may result in a change in the PME Consideration, the PMS Consideration will also be adjusted accordingly. At their respective extraordinary general meetings held on 14 March 2001 and 17 April 2001, the shareholders of PM Capital and Kimara Asset approved the Proposed Restructuring. The Proposed Restructuring is pending the approvals of the relevant authorities.

31. Significant Corporate Developments (Cont'd)

- (i) On 15 December 2000, Labels Specialist Industries Sdn Bhd, a 51.25% owned subsidiary of PM Holdings entered into an agreement for the sale of its entire shareholding of 124,950 ordinary shares of RM1 each representing 51.0% of the total issued and paid-up share capital of Focusprint Sendirian Berhad for a cash consideration of RM4.5 million ("FSB Sale"). The FSB Sale was completed on 23 March 2001.
- (j) Lembaran Megah Sdn Bhd, a wholly-owned subsidiary of Pan Malaysia Corporation Berhad, had on 14 December 2000 entered into a sale and purchase agreement with Dimensi Bersatu Sdn Bhd for the acquisition of 46,000,000 ordinary shares of RM1 each representing 12.9% of the existing issued and paid-up capital of Chemical Company of Malaysia Berhad at RM2.30 per share for a cash consideration of RM105.8 million ("Acquisition"). The Acquisition has been approved by Foreign Investment Committee and Securities Commission on 16 March 2001 and 26 April 2001 respectively.

32. Significant Related Party Transactions And Balances

The significant related party transactions undertaken by the Group with its related parties during the financial year are as follows:-

	<i>Group</i>
	<i>2000</i>
	<i>1999</i>
	<i>RM</i>
	<i>RM</i>
Advances by a wholly-owned overseas subsidiary company to overseas associated companies	95,774,970
	–

The advances are unsecured, bear interest at 6.8% per annum and are repayable on demand. The above advances remained outstanding as at 31 December 2000.

33. Comparatives

Following the adoption of MASB standards in the preparation of this set of financial statements, the presentation and classification of certain items in the financial statements have been amended. Accordingly, comparative amounts for those items have been reclassified and/or expanded to ensure comparability with the current financial year.



STATEMENT BY DIRECTORS

We, Yong Ming Sang and Dr Ngui Chon Hee, being two of the Directors of Malayan United Industries Berhad, state that in the opinion of the Directors, the financial statements set out on pages 55 to 92 are drawn up in accordance with the applicable approved accounting standards so as to give a true and fair view of:-

- (i) the state of affairs of the Company and of the Group as at 31 December 2000; and
- (ii) the results and cash flows of the Company and of the Group for the financial year ended 31 December 2000.

On behalf of the Board

Yong Ming Sang

Dr Ngui Chon Hee

Kuala Lumpur
27 April 2001

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Lai Chee Leong, the person primarily responsible for the financial management of Malayan United Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 55 to 92 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 Lai Chee Leong at Kuala Lumpur in the Federal Territory on 27 April 2001.

Lai Chee Leong

Before me

Robert Lim Hock Kee
Commissioner for Oaths

REPORT OF THE AUDITORS

To the members of Malayan United Industries Berhad

We have audited the financial statements set out on pages 55 to 92. The preparation of the financial statements are the responsibility of the Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion:-

- (a) the financial statements have been properly drawn up in accordance with applicable approved accounting standards and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2000 and of their results and the cash flows of the Group and of the Company for the financial year then ended; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors as indicated on pages 95 to 103, being financial statements that have been included in the consolidated financial statements.

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

BDO Binder

AF:0206

Public Accountants

Tan Kim Leong, JP

235/6/01 (J/PH)

Partner

Kuala Lumpur

27 April 2001



SUBSIDIARY AND ASSOCIATED COMPANIES OF MALAYAN UNITED INDUSTRIES BERHAD

As at 31 December 2000

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
1. Acquiline Sdn Bhd	100	100	Investment holding	Malaysia
2. Alameda Enterprises Limited	100	100	Investment holding	British Virgin Islands
3. Ample Line Sdn Bhd	100	100	Investment holding	Malaysia
4. Ascada Sdn Bhd	100	100	Investment holding	Malaysia
5. Carulli Holdings Sdn Bhd	100	100	Investment holding	Malaysia
6. Continental Capitals Sdn Bhd	100	100	Investment holding	Malaysia
7. Creative Vest (M) Sdn Bhd	100	100	Investment holding	Malaysia
+ 8. CSB-Canada Trading Ltd	100	100	Investment holding	Canada
+ 9. Davson Limited	100	100	Investment holding	Hong Kong
10. Farrago Sdn Bhd	100	100	Investment holding	Malaysia
11. Fuchsia Enterprises Limited	100	100	Investment holding	British Virgin Islands
12. Grand Oak Sdn Bhd	100	100	Investment holding	Malaysia
13. Honoraire Sdn Bhd	100	100	Inactive	Malaysia
14. Libertyray (M) Sdn Bhd	100	100	Investment holding	Malaysia
15. Loyal Design Sdn Bhd	100	100	Investment holding	Malaysia
16. Malayan United Management Sdn Bhd	100	100	Management services	Malaysia
* 17. MUI Properties Berhad	70.75	70.75	Investment holding	Malaysia
18. Malayan United Nominees (Asing) Sdn Bhd	100	100	Dormant	Malaysia
19. Malayan United Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
20. Malayan United Security Services Sdn Bhd	100	100	Security services	Malaysia
21. Malayan United Trading Sdn Bhd	100	100	Investment holding	Malaysia
22. Marco Polo Trading Sdn Bhd	100	100	Investment holding	Malaysia
23. Mayang Unggul Sdn Bhd	100	100	Investment holding	Malaysia
24. Megah Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
25. Merchant Network Sdn Bhd	100	100	Investment holding	Malaysia
26. Ming Court Beach Hotel (P.D.) Sdn Bhd	100	100	Hotel ownership	Malaysia
27. Ming Court Hotel (KL) Sdn Bhd	100	100	Hotel & catering	Malaysia
28. Ming Court Inn (Penang) Sdn Bhd	100	100	Inactive	Malaysia
+ 29. Ming Court Hotels International Limited	100	100	Dormant	Hong Kong
30. Ming Court Hotels International Sdn Bhd	100	100	Inactive	Malaysia
+ 31. MUI Asia Limited	100	100	Investment holding	Hong Kong
32. MUI Capital Sdn Bhd	100	100	Moneylending	Malaysia
+ 33. MUI China Limited	100	100	Investment holding	Hong Kong
* 34. MUI Continental Insurance Berhad	64.02	64.02	General insurance	Malaysia
35. MUI dotCom Sdn Bhd	100	—	Information technology	Malaysia
+ 36. MUI Enterprises Limited	100	100	Investment holding	Hong Kong
37. MUI Enterprises Sdn Bhd	100	100	Investment holding	Malaysia
+ 38. MUI Resources Limited	100	100	Investment holding	Hong Kong
+ 39. MUI Media Limited	100	100	Dormant	United Kingdom
40. MUI Media Ltd	100	100	Investment holding	British Virgin Islands
+ 41. MUI Philippines, Inc.	100	100	Investment holding	Philippines

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
42. MUI Property Management Sdn Bhd	100	100	Dormant	Malaysia
43. MUI Security Services Sdn Bhd	100	100	Dormant	Malaysia
44. MUI Sdn Bhd	100	100	Investment holding	Malaysia
+ 45. MUI Singapore Pte Ltd	100	100	Dormant	Singapore
+ 46. MUI (UK) Limited	100	100	Investment holding	United Kingdom
47. Natloyal (M) Sdn Bhd	100	100	Property investment	Malaysia
48. Novimax (M) Sdn Bhd	100	100	Investment holding	Malaysia
49. Oriental Omega Sdn Bhd	100	100	Investment holding	Malaysia
* 50. Pan Malaysia Corporation Berhad	56.85	56.85	Investment holding	Malaysia
51. Pan Malaysia Holdings Berhad	72.01	68.75	Investment, property holding & management company	Malaysia
52. Prizewood Sdn Bhd	100	100	Investment holding	Malaysia
53. Pure Capital Sdn Bhd	100	100	Investment holding	Malaysia
54. Regal Classic Sdn Bhd	100	100	Investment holding	Malaysia
55. Sergap Makmur Sdn Bhd	100	100	Investment holding	Malaysia
56. Southern Challenger (M) Sdn Bhd	100	100	Investment holding & trading	Malaysia
57. Tarrega Holdings Sdn Bhd	100	100	Investment holding	Malaysia
58. United Continental Properties Sdn Berhad	64.02	64.02	Property investment	Malaysia
59. United Review (M) Sdn Bhd	100	100	Investment holding	Malaysia
60. Universal Growth Limited	100	100	Investment holding	British Virgin Islands
61. Vista Hotels Sdn Bhd	100	100	Investment holding	Malaysia

+ Indicates subsidiary companies audited by member firms of BDO International.

* Indicates subsidiary companies not audited by BDO Binder.

<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
1. Asia Pacific Media Corporation	50	50	Investment holding	U.S.A.
2. Asian Capital Equities, Inc	20	20	Stockbroking	Philippines
3. Farrago Holdings, Inc	40	40	Investment holding	Philippines
4. Firstway International Investment Limited	25	25	Investment holding	Hong Kong
5. Hernando Holdings Limited	33.33	33.33	Inactive	British Virgin Islands
6. Laura Ashley Holdings plc	42.88	42.88	Design, manufacture, sourcing, distribution & sale of garments, accessories & home furnishings	United Kingdom
7. Mansara International Limited	35	35	Investment holding	British Virgin Islands



<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
8. Porchlight Entertainment, Inc	50	50	Development & production of animation entertainment	U.S.A.
9. Regent Corporation	49	49	Investment holding	U.S.A.
10. Zhaodaola China Internet, Ltd	26.27	20.58	Internet portal & related business	Bermuda

Associated Companies of Firstway International Investment Limited

As at 31 December 2000

<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
1. MUI Hong Kong Ltd	40.57	60.86	Hotel, travel services & property development	Cayman Islands
2. Morning Star Financial Services Limited (formerly known as Kerry Financial Services Limited)	38.17	44.18	Stockbroking	Hong Kong

Subsidiary Companies of Regent Corporation *

As at 31 December 2000

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
1. Laura Ashley (North America), Inc.	67.04	68.23	Retailing of garments, home furnishings & accessories & licensing	U.S.A.
2. London Vista Hotel Limited	100	100	Investment holding	United Kingdom
3. Plaza on Hyde Park Limited	100	51	Hotel & catering	United Kingdom
4. Regal Hotel Group PLC	100	20	Hotel & catering	United Kingdom
5. Regent Carolina Corporation	100	100	Resort operation & property investment	U.S.A.
6. Regent Park Corporation	100	100	Golf course operation & property development	U.S.A.

* The list comprises major subsidiary companies only.

SUBSIDIARY COMPANIES OF MUI PROPERTIES BERHAD

As at 31 December 2000

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
1. AIGM Sdn Bhd	100	100	Dormant	Malaysia
2. Appreplex (M) Sdn Bhd	100	100	Investment holding	Malaysia
3. Bahtera Muhibbah Sdn Bhd	100	100	Investment holding	Malaysia
4. Bashan Sdn Bhd	100	100	Inactive	Malaysia
5. Cesuco Trading Limited	100	100	Investment holding	Hong Kong
6. C.S. Investments Private Limited	100	100	Inactive	Singapore
7. CSB Sdn Bhd	100	100	Investment holding	Malaysia
8. CSB Holdings Sdn Bhd	100	100	Investment holding	Malaysia
9. Delray Sdn Bhd	100	100	Property investment	Malaysia
10. Dirnavy Pty Limited	100	100	Hotel & catering	Australia
11. Dondang Sayang Holdings Sdn Bhd	100	100	Investment holding	Malaysia
12. Elegantplex (M) Sdn Bhd	100	100	Investment holding	Malaysia
13. Excel Education Pty Ltd	100	100	Education services	Australia
14. Green Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
15. Heritage Challenger (M) Sdn Bhd	100	100	Investment holding	Malaysia
16. Indanas Sdn Bhd	100	100	Investment holding	Malaysia
17. Integrated Mark (M) Sdn Bhd	100	100	Investment holding	Malaysia
18. Intercontinental Properties Sdn Bhd	100	100	Investment holding	Malaysia
19. Kemakmoran Industri Sdn Bhd	—	100	Printing & trading	Malaysia
20. Lambaian Maju Sdn Bhd	100	100	Investment holding	Malaysia
21. Lembaran Makmur Sdn Bhd	100	100	Investment holding & trading	Malaysia
22. Lunula Pty Limited	100	100	Hotel & catering	Australia
23. Malayan United Properties Sdn Bhd	100	100	Property investment	Malaysia
24. Malayan United Realty Sdn Bhd	100	100	Property investment & investment holding	Malaysia
25. Mecommas Pty Limited	100	100	Hotel & catering	Australia
26. Ming Court Hotel (Vancouver) Ltd	100	100	Investment holding	Canada
27. Ming Fung Sendirian Berhad	100	100	Property investment	Malaysia
28. Miranex Sdn Bhd	100	100	Moneylending	Malaysia
29. MUI Australia Pty Ltd	100	100	Investment holding	Australia
30. MUI Investments (Canada) Ltd	100	100	Investment holding	Canada
31. MUI Plaza Sdn Bhd	100	100	Property investment	Malaysia
32. MUI Property Services Sdn Bhd	100	100	Property services	Malaysia
33. MUI Resorts Sdn Bhd	100	100	Investment holding	Malaysia
34. MUP Sdn Bhd	100	100	Property investment	Malaysia
35. MUR Sdn Bhd	100	100	Inactive	Malaysia
36. Peristal Enterprise Sdn Bhd	100	100	Investment holding	Malaysia
37. Peters Ice Cream (M) Sdn Bhd	100	100	Dormant	Malaysia
38. Pistole Holdings Sdn Bhd	100	100	Inactive	Malaysia
39. Polacre Sdn Bhd	100	100	Property development	Malaysia
40. Portico Sdn Bhd	100	100	Property development	Malaysia
41. Prescada Sdn Bhd	100	100	Investment holding	Malaysia
42. Resort & Leisure Homes Sdn Bhd	100	100	Property development	Malaysia
43. Shun Fung Sendirian Berhad	100	100	Property investment	Malaysia
44. Superex Sdn Bhd	100	100	Property investment	Malaysia
45. Two Holdings Sdn Bhd	100	100	Property investment	Malaysia
46. Unique Octagon Sdn Bhd	100	100	Investment holding	Malaysia
47. West Synergy Sdn Bhd	60	60	Property investment & development	Malaysia

All the above subsidiary companies are not audited by BDO Binder.



SUBSIDIARY AND ASSOCIATED COMPANIES OF PAN MALAYSIA CORPORATION BERHAD

As at 31 December 2000

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
* 1. Acmes Investment Limited	100	100	Investment holding	Hong Kong
* 2. Baiduri Pertama Sdn Bhd	100	100	Investment holding	Malaysia
* 3. Bidou Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 4. Chalpillar (M) Sdn Bhd	100	100	Property management	Malaysia
* 5. Cherubim Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
* 6. Clacton Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 7. Delight Consolidated Sdn Bhd	100	100	Investment holding	Malaysia
* 8. Faith Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
* 9. Gelombang Sinar Sdn Bhd	100	100	Investment holding	Malaysia
* 10. Jaguh Padu Sdn Bhd	100	100	Investment holding	Malaysia
* 11. Jerico Sdn Bhd	100	100	Investment holding	Malaysia
* 12. Jomuda Sdn Bhd	100	100	Investment holding	Malaysia
* 13. Lembaran Megah Sdn Bhd	100	100	Investment holding	Malaysia
* 14. Megafine Nominees (Asing) Sdn Bhd	100	100	Inactive	Malaysia
* 15. Megafort Sdn Bhd	100	100	Investment holding	Malaysia
* 16. Megawise Sdn Bhd	100	100	Moneylending	Malaysia
* 17. Mikonwadi Sdn Bhd	100	100	Inactive	Malaysia
+ 18. Network Foods International Ltd	79.09	79.12	Investment holding	Singapore
+ 19. Network Foods Limited	67.27	67.27	Marketing & distribution of confectionery & other food products	Australia
* 20. Pan Malaysia Management Sdn Bhd	100	100	Management services	Malaysia
* 21. Pan Malaysia-Singapore Holdings (Pte) Ltd	100	100	Investment holding	Singapore
* 22. Panorama Scope Sdn Bhd	100	100	Investment holding	Malaysia
* 23. Plumblin Sdn Bhd	100	100	Investment holding	Malaysia
* 24. PMCW Enterprises Sdn Bhd	100	100	Investment holding	Malaysia
* 25. PMCW Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 26. PMRI Investments (Singapore) Pte Ltd	100	100	Investment holding	Singapore
* 27. Syahdu Pinta Sdn Bhd	100	100	Investment holding	Malaysia
* 28. Taraf Sanjung (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 29. Tunas Juara Sdn Bhd	100	100	Investment holding	Malaysia
* 30. Ultipac Sdn Bhd	100	100	Inactive	Malaysia
* 31. United Pace Sdn Bhd	100	100	Investment holding	Malaysia
* 32. Uniwell Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia

<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
@ Pan Malaysian Industries Berhad	26.39	23.48	Investment holding	Malaysia

@ Pan Malaysian Industries Berhad held 44.20% equity interest in Malayan United Industries Berhad as at 31 December 2000.

Subsidiary Companies of Network Foods Limited

As at 31 December 2000

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
+ 1. Balfour Grange Pty Ltd	100	100	Property investment	Australia
+ 2. Dinnie Rundle Pty Ltd	100	100	Dormant	Australia
+ 3. Universal Confectionery Pty Ltd	100	100	Dormant	Australia

Subsidiary Companies of Network Foods International Ltd

As at 31 December 2000

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
1. Danau Gelombang Sdn Bhd	100	100	Inactive	Malaysia
+ 2. Fairbridge Corporation	—	100	Investment holding	British Virgin Islands
* 3. Lotus Chocolate Company Limited	52.20	52.20	Manufacturing of chocolate & confectionery	India
+ 4. Marcel's Patisserie (S) Pte Ltd	100	100	Dormant	Singapore
+ 5. MUI Internet (Singapore) Pte Ltd (formerly known as Le Chocolatier Boutique Pte Ltd)	100	100	Dormant	Singapore
+ 6. Network Foods Distribution Pte Ltd	100	100	Distribution of confectionery products & biscuits	Singapore
+ 7. Network Foods (Hong Kong) Limited	100	100	Distribution of chocolates, cocoa based products, biscuits & confectionery	Hong Kong
8. Network Foods Industries Sdn Bhd	81.54	70	Manufacturing of consumer chocolate products	Malaysia
9. Network Foods (Malaysia) Sdn Bhd	100	100	Marketing and distribution of chocolate & confectionery	Malaysia
+ 10. PT Indo Cocoa Specialities	—	80	Manufacturing of chocolate & confectionery	Indonesia
+ 11. Quintrinox Pte Ltd	100	100	Investment holding	Singapore
+ 12. Sparkton Investment Limited	100	100	Inactive	Hong Kong
+ 13. Specialist Food Retailers Pte Ltd	100	100	Inactive	Singapore
14. Tiffany Enterprise Sdn Bhd	100	100	Dormant	Malaysia
+ 15. Tiffany Hampers & Gifts Pte Ltd	100	100	Sales of floral arrangements & supply of gift hampers	Singapore

+ Indicates subsidiary companies audited by member firms of BDO International.

* Indicates subsidiary companies not audited by member firms of BDO Binder.



SUBSIDIARY AND ASSOCIATED COMPANIES OF PAN MALAYSIA HOLDINGS BERHAD

As at 31 December 2000

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i> %	<i>1999</i> %		
1. Buana Mewah Sdn Bhd	100	100	Inactive	Malaysia
2. Fibercorp (Sarawak) Sdn Bhd (a 55% subsidiary company of Pengkalen Comtec Sdn Bhd)	30.25	30.25	Dormant	Malaysia
3. Fiberoptik (Sabah) Sdn Bhd	55	55	Dormant	Malaysia
n 4. Focusprint Sendirian Berhad (a 51% subsidiary company of Labels Specialist Industries Sdn Bhd)	26.14	26.14	Manufacturing of carton boxes, general packaging products & printing press	Malaysia
+ 5. Golden Carps Pte Ltd	100	100	Inactive	Singapore
+ 6. Grandvestment Company Limited	100	100	Investment holding	Hong Kong
7. Kayangan Makmur Sdn Bhd	100	100	Investment holding	Malaysia
8. Kejora Etika Sdn Bhd	100	100	Dormant	Malaysia
9. Labels Specialist Industries Sdn Bhd	51.25	51.25	Manufacturing & sale of self- adhesive sticker labels	Malaysia
10. Pengkalen Building Materials Sdn Bhd	100	100	Trading in building materials	Malaysia
11. Pan Malaysia Capital Berhad	73.83	73.83	Investment holding	Malaysia
+ 12. Pengkalen Company Limited	100	100	Dormant	United Kingdom
13. Pengkalen Comtec Sdn Bhd	55	55	Dormant	Malaysia
n 14. Pengkalen Concrete Sdn Bhd	100	100	Manufacturing & dealing in cement, pre-mixed concrete & builders' requisites	Malaysia
n 15. Pengkalen Concrete (E.M.) Sdn Bhd	100	100	Manufacturing & dealing in cement, pre-mixed concrete & builders' requisites	Malaysia
16. Pengkalen Engineering & Construction Sdn Bhd	100	100	Building & construction	Malaysia
17. Pengkalen Equities Sdn Bhd	100	100	Investment holding & dealing	Malaysia
18. Pengkalen Foodservices Sdn Bhd	100	100	Inactive	Malaysia
19. Pengkalen HB Property Services Sdn Bhd	100	100	Dormant	Malaysia
◇ 20. Pengkalen Heights Sdn Bhd	70	70	In liquidation	Malaysia
21. Pengkalen Hill Resort Sdn Bhd	100	100	Dormant	Malaysia
22. Pengkalen Holiday Resort Sdn Bhd	90	90	Operating a hotel & resort	Malaysia
23. Pengkalen Pasar Borong Sdn Bhd	80	80	Inactive	Malaysia
24. Pengkalen Properties Sdn Bhd	100	100	Inactive	Malaysia
25. Pengkalen Raya Sdn Bhd	100	100	Inactive	Malaysia
n 26. Pengkalen-SMJ J.V. Sdn Bhd (a 70% subsidiary company of Pengkalen Concrete Sdn Bhd)	70	70	Supply & trading of ready-mixed concrete, construction & civil engineering works	Malaysia
27. Pan Malaysia Travel & Tours Sdn Bhd (formerly known as Pengkalen Travel Sdn Bhd)	80	80	Travel agent & chartered flight travel contractors	Malaysia
+ 28. Pengkalen (UK) Plc	84.12	84.12	Investment holding	United Kingdom
29. Serba Sinar Sdn Bhd	100	100	Dormant	Malaysia
30. Twin Phoenix Sdn Bhd	100	100	Dormant	Malaysia

	<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
		<i>2000</i>	<i>1999</i>		
		%	%		
*	1. Excelpac Industries Sdn Bhd (a 25% associated company of Pan Malaysia Travel & Tours Sdn Bhd [formerly known as Pengkalen Travel Sdn Bhd])	20	20	Inactive	Malaysia

Subsidiary Companies of Pan Malaysia Capital Berhad

As at 31 December 2000

	<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
		<i>2000</i>	<i>1999</i>		
		%	%		
	1. Bayan Niaga Sdn Bhd	100	100	Moneylending	Malaysia
	2. KESB Nominees (Asing) Sdn Bhd	100	100	Dormant	Malaysia
	3. KESB Nominees (Tempatan) Sdn Bhd	100	100	Nominee & custodian services	Malaysia
	4. Kimara Asset Management Sdn Bhd	100	100	Dormant	Malaysia
°	5. Meridian Nominees (Tempatan) Sdn Bhd	100	—	Share registration, nominee & share custodian services	Malaysia
	6. Pan Malaysia Equities Sdn Bhd	100	100	Stockbroking	Malaysia
	7. PCB Asset Management Sdn Bhd	100	100	Research & fund management services	Malaysia
	8. Pengkalen Nominees (Asing) Sdn Bhd	99.99	99.99	Nominee & custodian services	Malaysia
	9. Pengkalen Nominees (Tempatan) Sdn Bhd	99.99	99.99	Nominee & custodian services	Malaysia
	10. Pengkalen Options & Futures Sdn Bhd	100	100	Options & financial futures broker	Malaysia
	11. PM Securities Sdn Bhd	99.99	99.99	Stockbroking	Malaysia

Subsidiary and Associated Companies of Pengkalen (UK) Plc

As at 31 December 2000

	<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
		<i>2000</i>	<i>1999</i>		
		%	%		
	1. Anglo Pacific Corporation (Malaysia) Sdn Bhd	64.82	64.82	Investment holding	Malaysia
	2. Anglo Pacific Holdings (Malaysia) Sdn Bhd	100	100	Investment holding	Malaysia
*	3. Aqua Lanka (Private) Limited	100	100	Dormant	Sri Lanka
+	4. Central Cocoa Pte Ltd	100	100	Dormant	Singapore
	5. Cocoa Specialities (Malaysia) Sdn Bhd	64.82	64.82	Inactive	Malaysia
	6. GCIH (Malaysia) Sdn Bhd	100	100	Inactive	Malaysia
+	7. GCIH Property Limited	100	100	Investment holding	Hong Kong
•+	8. GCIH Trademarks Limited	100	100	Licensing of trademarks	Hong Kong
	9. Giatjaya Enterprise Sdn Bhd	64.82	64.82	Inactive	Malaysia
*	10. Grand Central (Ceylon) Rubber Estates, Limited	100	100	Dormant	United Kingdom
*	11. Grand Central Limited	100	100	Dormant	Sri Lanka
*	12. Highland Tea Company of Ceylon, Limited	100	100	Dormant	United Kingdom
	13. Kuril Plantations Sdn Berhad	64.82	64.82	Inactive	Malaysia
+	14. Meltis Holdings Limited	84	84	Investment holding	United Kingdom
*	15. Nagolle Holdings Limited	100	100	Dormant	United Kingdom
*	16. Nagolle (Ceylon) Rubber and Tea Plantations, Limited	100	100	Dormant	United Kingdom



<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
* 17. Network Foods International Limited	100	100	Dormant	United Kingdom
18. Tenamaju Sdn Bhd	64.82	64.82	Inactive	Malaysia
* 19. The Panawatte Tea and Rubber Estates, Limited	100	100	Dormant	United Kingdom
* 20. The Yatiyantota Ceylon Rubber Company Limited	100	100	Dormant	United Kingdom
21. Upali Group Sdn Bhd	64.82	64.82	Dormant	Malaysia
+ 22. Wellon Distribution Pte Ltd	100	100	Dormant	Singapore

<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
1. Desa Kuril Sdn Berhad	32.41	32.41	Dormant	Malaysia
2. Pufirut Preserving Works (Malaysia) Sdn Bhd	50	50	Inactive	Malaysia
3. Schwartau (Far East) Sdn Bhd	50	50	Inactive	Malaysia

Associated Company of Anglo Pacific Corporation (Malaysia) Sdn Bhd

As at 31 December 2000

<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2000</i>	<i>1999</i>		
	<i>%</i>	<i>%</i>		
# 1. Network Foods Industries Sdn Bhd	—	30	Manufacturing of consumer chocolate products	Malaysia

+ Indicates subsidiary companies audited by member firms of BDO International.

* Indicates subsidiary and associated companies not audited by member firms of BDO International.

◇ Company under liquidation which financial statements are not consolidated with the Company's financial statements.

■ Agreements had been entered into during the financial year ended 31 December 2000 for the disposal of these companies.

● GCIH Property Limited has a direct equity interest of 49%.

The company ceased to be an associated company of the Pan Malaysia Holdings Berhad group, as the group's equity interest in the company was diluted to 18.5% with the issuance of new ordinary shares by the company.

° Subsidiary company acquired during the financial year ended 31 December 2000.