



Malayan United Industries Berhad

Company No: 3809-W



LAPORAN TAHUNAN

2001

ANNUAL REPORT

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-First Annual General Meeting of the Company will be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 June 2002 at 4.00 p.m. for the following purposes:-

1. To receive the audited financial statements for the financial year ended 31 December 2001 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 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 Director of the Company to hold office until the next Annual General Meeting of the Company.";
4. To re-elect the following Directors:-
 - i) Mr Loy Yet King
 - ii) Mr Khet Kok Yin
5. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration;
6. As Special Business:-

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

"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
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
6 June 2002



Notes:-

Proxy

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.*

Explanatory Note On Special Business

The Ordinary Resolution proposed under item 6, if passed, will empower the Directors of the Company, from the date of the above Annual 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-appointment/re-election are:-

- | | |
|----------------------------------|---|
| (a) Tan Sri Dato' Md Khir Johari | – Retiring pursuant to Section 129(2) of the Companies Act, 1965 |
| (b) Yong Ming Sang | – Retiring pursuant to Section 129(2) of the Companies Act, 1965 |
| (c) Khet Kok Yin | – Retiring pursuant to paragraph 7.28 of the Listing Requirements of Kuala Lumpur Stock Exchange ("KLSE") |
| (d) Loy Yet King | – Retiring pursuant to paragraph 7.28 of the Listing Requirements of KLSE |

2. Details of Attendance of Directors at Board Meetings held during the financial year ended 31 December 2001.

<u>Name of Directors</u>	<u>Number of Meetings Attended</u>
Tan Sri Dato' Dr Khoo Kay Peng	4/4
Tan Sri Dato' Md Khir Johari	3/4
Yong Ming Sang	4/4
Dr Ngui Chon Hee	4/4
Ang Guan Seng	4/4
Dato' Paduka Nik Hashim Nik Yusoff	3/4
Khet Kok Yin	4/4
Loy Yet King	2/4

3. The Thirty-First Annual General Meeting of the Company will be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 June 2002 at 4.00 p.m..



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

Dato' Paduka Nik Hashim Nik Yusoff, D.J.M.K.

Khet Kok Yin

Loy Yet King

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

Secretary

Chik Wai Ming

Auditors

BDO Binder *Chartered Accountants*

Principal Bankers

Bumiputra-Commerce Bank Berhad

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

PROFILE OF DIRECTORS

Tan Sri Dato' Dr Khoo Kay Peng

Age 63. Chairman and Group Chief Executive of Malayan United Industries Berhad. Appointed as Director on 18 January 1971 and has been Chairman since 1987. Was conferred an Honorary Doctor of Letters by the Curtin University of Technology, Perth, Australia in 1993 and Honorary Doctor of Law by Northwest College, Kirkland, Washington, USA in 2000. In 1985, was awarded the Manager of the Year Award by the Harvard Business School Alumni Club of Malaysia and was also honoured with the Entrepreneur of the Year Award by the Asian Institute of Management Graduates' Association of Malaysia and the Association of Banks, Malaysia. Had held a number of Government-appointed positions and was the Chairman of the Tourist Development Corporation, Vice Chairman of Malayan Banking Berhad and a trustee of the National Welfare Foundation. Currently, also the Chairman and Chief Executive of MUI Properties Berhad. Also sits on the Boards of Pan Malaysian Industries Berhad and MUI Continental Insurance Berhad. A deemed substantial shareholder of Malayan United Industries Berhad. Is the brother-in-law of Dr Ngui Chon Hee, who is a non-executive Director of Malayan United Industries Berhad. Attended all the four (4) Board Meetings held in the financial year.

Tan Sri Dato' Md Khir Johari

Age 79. Independent Non-Executive Director. Appointed as Director on 21 November 1988. Chairman of the Audit Committee and member of the Remuneration Committee. Was awarded Honorary Doctorates by University of Malaya (Doctor of Law), Universiti Pertanian Malaysia (Doctor of Letter) and La Salle College of Manila (Doctor of Education & Science) respectively. Was actively involved in the political movement of Malaya from the beginning and later on became one of the founding fathers of Malaysia. He stood for Parliament in the Kuala Muda, Kedah constituency in Malaysia's first General Elections in 1955 and was elected and remained a Member of Parliament for 27 years until 1982. On Independence Day, 31 August 1957, he was made Minister of Education. In 1960, he changed portfolios and became the Minister of Commerce and Industry. In 1964 he was appointed Minister of Agriculture and returned to the Education Ministry three (3) years later where he remained as Minister of Education until 1973, thus completing a term of nine and a half (9½) years as Minister of Education. In February 1973, he was made Ambassador of Malaysia to the United States of America and later, concurrently, Ambassador to the United Nations in New York. He returned to Malaysia from the United States of America in 1976. Currently, also a Director of MUI Properties Berhad, Magnum Corporation Berhad, Leisure Management Berhad, Mieco Chipboard Berhad and AXA Affin Assurance Berhad. Attended three (3) Board Meetings held in the financial year.

Yong Ming Sang

Age 71. Independent Non-Executive Director. Appointed as Director on 24 June 1980. Member of the Audit Committee and Nomination Committee. Also Chairman of the Remuneration Committee. He is a Fellow of the Royal Institution of Chartered Surveyors (United Kingdom) and of the Institution of Surveyors (Malaysia). Prior to joining the corporate sector in 1978, practised as a Chartered Quantity Surveying Consultant in a quantity-surveying firm of Messrs Yong Dan Mohamad Faiz of which he was the founder member. His corporate sector experience ranges from financial services, manufacturing, hotel, property development, airline industry to



tourism. Also serves as a Director of various public listed companies, which include MUI Properties Berhad, Pan Malaysia Holdings Berhad and Star Publications (Malaysia) Berhad. He is also the Chairman of Star Publications (Malaysia) Berhad. He had previously served as a Director of Malaysian Airline System Berhad, the national airline and of two statutory bodies, namely, Tourist Development Corporation and Keretapi Tanah Melayu. Currently, he is a member of the Board of Trustees of the National Art Gallery. Attended all the four (4) Board Meetings held in the financial year.

Dr Ngui Chon Hee

Age 68. Non-Independent Non-Executive Director. Appointed as Director on 21 November 1988. Member of the Audit and Remuneration Committees. A retired dental surgeon. Holds a Bachelor of Dental Surgery from the University of Singapore. Also, a Fellow in Dental Surgery of the Royal College of Surgeons of England. Had served in the Malaysian Health Service as a dental officer and retired as Senior Dental Consultant. Currently, also a Director of Pan Malaysia Corporation Berhad, Pan Malaysian Industries Berhad, Metrojaya Berhad and MUI Continental Insurance Berhad. Is the brother-in-law of Tan Sri Dato' Dr Khoo Kay Peng, who is the Chairman and Group Chief Executive of Malayan United Industries Berhad. Attended all the four (4) Board Meetings held in the financial year.

Ang Guan Seng

Age 63. Independent Non-Executive Director. Appointed as Director on 18 August 1989. Chairman of the Nomination Committee. He completed his 'O' Level education in Trinity Grammar School Kew, Melbourne, Australia in 1959. Has extensive experience and knowledge in commerce, industry, housing, building and trading. Also sits on the Boards of Petaling Garden Berhad and PPB Group Bhd. Attended all the four (4) Board Meetings held in the financial year.

Dato' Paduka Nik Hashim Nik Yusoff

Age 64. Independent Non-Executive Director. Appointed as Director on 25 July 1991. Member of the Nomination Committee. Holds a Bachelor of Arts (Honours) degree from Melbourne University, Australia and Master in Public Administration from Harvard University. Formerly, the Executive Director and Managing Director of MUI Bank Berhad (now known as Hong Leong Bank Berhad). Following the acquisition of MUI Bank Berhad by the Hong Leong Group in 1994, he was appointed as Advisor and continued to be on the Board of Hong Leong Bank Berhad until December 1995. Currently, also sits on the Boards of Genting Berhad, Bank Utama (Malaysia) Berhad, Utama Merchant Bank Berhad, Utama Banking Group Berhad, UBG Enterprise Berhad and CMS Trust Management Berhad. Attended three (3) Board Meetings held in the financial year.

PROFILE OF DIRECTORS (Cont'd)

Khet Kok Yin

Age 55. Non-Independent Non-Executive Director. Appointed as Director on 25 July 1991. Holds a Bachelor of Economics (Honours) from University of Malaya. Currently, he is the Managing Director of Pan Malaysian Industries Berhad, Pan Malaysia Corporation Berhad, Pan Malaysia Holdings Berhad, Pan Malaysia Capital Berhad and Metrojaya Berhad. Currently, also a Director of MUI Properties Berhad, MUI Continental Insurance Berhad and Chemical Company of Malaysia Berhad. Had served as President of the North American operations of The MUI Group in the United States of America and Managing Director of Kerry Securities Ltd (now known as Morning Star Securities Ltd). Attended all the four (4) Board Meetings held in the financial year.

Loy Yet King

Age 56. Non-Independent Non-Executive Director. Appointed as Director on 24 June 1980. He has many years of international experience in the sectors of food manufacturing and distribution, hospitality and real estate investments. Previously held the post of Executive Director of Central Sugars Berhad (now known as MUI Properties Berhad) and Chief Executive Officer of companies in Canada and the United States, related to hotel and real estate investments. Currently the Chief Executive Officer of Corus & Regal Hotels plc in the United Kingdom. He also sits on the board of other public companies in Singapore, Hong Kong and Australia. Attended two (2) Board Meetings held in the financial year.

Mohamad Faiz bin Abdul Hamid

(Alternate Director to Yong Ming Sang)

Age 62. Appointed as alternate Director on 24 June 1980. A Fellow of the Royal Institution of Chartered Surveyors, England in 1981 and the Institution of Surveyors, Malaysia in 1981. Was the Past President of the Institution of Surveyors, Malaysia. Has been a consultant quantity surveyor since 1968. Currently, a Director of Yong Dan Mohamad Faiz Sdn Bhd, a chartered quantity surveying and cost consultant firm. Currently, also a Director of Press Metal Berhad.

Note:-

Save as disclosed, none of the Directors and alternate Director has any family relationship with any Director and/or major shareholder of the Company. None of the Directors and alternate Director has any conflict of interest with the Company nor have they been convicted of any offences within the past ten (10) years.

All the Directors are Malaysians except for Mr Loy Yet King who holds a Canadian citizenship.



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors is committed to the principles of corporate governance in the Malaysian Code of Corporate Governance (the “Code”).

The Board of Directors will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the Best Practices of the Code wherever applicable in the best interests of the shareholders of the Company. The Board considers that it has generally applied the Principles and Best Practices of the Code.

Set out below is the description on the manner in which the Company has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

1. Directors

1.1 The Board

An effective Board leads and controls the Group. The Board is responsible for the overall performance of the Company and focuses mainly on strategies, performance, standards of conduct and critical business issues.

The Board meets at least four (4) times a year, with additional meetings convened as necessary. The Chairman is responsible for setting the agenda for Board meetings. Any Board member may, however, recommend the inclusion of items on the agenda. Such recommendations will be accommodated to the extent practicable. The agenda reaches the Board at least two (2) to three (3) weeks prior to Board meetings. Board meetings are typically scheduled a year in advance.

Four Directors' meetings were held during the financial year ended 31 December 2001. Details of the attendance of the Directors are disclosed on page 6 of the Annual Report.

1.2 Board Balance

The Board currently consist of eight (8) Directors:-

- One (1) Chairman/Group Chief Executive
- Four (4) Independent Non-Executive Directors
- Three (3) Non-Independent Non-Executive Directors

There is an alternate Director on the Board.

The Chairman functions both as Chairman of the Board and Group Chief Executive. The Board is mindful of the combined roles but is comfortable that there is no undue risk involved as all related party transactions are dealt with in accordance with the Listing Requirements of Kuala Lumpur Stock Exchange. All major matters and issues are referred to the Board for consideration and approval. The roles and contributions of independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board.

Together, the Directors bring a wide range of business and financial experience for effective direction and management of the Group's businesses. A brief description of the background of each Director is presented on pages 8 to 10 of the Annual Report.

The Board complies with the Listing Requirements of Kuala Lumpur Stock Exchange that requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be independent Directors.

Mr Yong Ming Sang has been identified as the senior independent non-executive Director to whom concerns regarding the Company may be conveyed.

The Board has established Board committees, which operate within defined terms of reference. These committees are:-

- Audit Committee
- Nomination Committee
- Remuneration Committee

The Report of the Audit Committee for the financial year ended 31 December 2001 is set out on pages 18 and 19 of the Annual Report.

Details of the Nomination Committee and Remuneration Committee are set out on pages 13 and 14 respectively of the Annual Report.

1.3 Supply of Information

The Board has unrestricted access to timely and accurate information necessary in the furtherance of their duties, which is not only quantitative but also any other information deemed suitable.

Board papers are distributed to Board members at least seven (7) days prior to the meeting. Important matters that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares may be discussed at the meeting without materials being distributed prior to the meeting.

In addition to Group performances that are discussed at the meeting, there is a schedule of matters reserved specifically for the Board's decision.

All Directors have access to the advice and service of the Company Secretary and where necessary, in the furtherance of their duties, obtain independent professional advice at the Group's expense.



1.4 Appointments to the Board

On 25 March 2002, the Board established the Nomination Committee. The members of the Nomination Committee are as follows:-

Chairman	Ang Guan Seng	- Independent Non-Executive Director
Members	Yong Ming Sang	- Independent Non-Executive Director
	Dato' Paduka Nik Hashim	- Independent Non-Executive Director
	Nik Yusoff	

The duties and functions of the Nomination Committee are:-

- identifying and recommending new nominees for the Board and Board Committees
- annually assesses the effectiveness of the Board as a whole, the Board Committees and contribution of each Director on an on-going basis
- annually reviews the mix of skills, experience and other qualities, including core competencies of non-executive Directors
- annually reviews the Board structure, size and composition

The decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Nomination Committee.

The Directors have direct access to the services of the Company Secretary who is responsible for ensuring that all appointments are properly made and all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act, 1965, Listing Requirements of Kuala Lumpur Stock Exchange and other regulatory requirements.

1.5 Directors' Training

All Directors are required to attend the training programmes that are prescribed by the Kuala Lumpur Stock Exchange from time to time. All Directors have attended the Mandatory Accreditation Programme during the calendar year 2001.

There is a familiarisation programme in place for new Board members, which include visits to the Group's businesses, and meetings with senior management as appropriate, to facilitate their understanding of the Group.

1.6 Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment.

In accordance with the existing Articles of Association of the Company, one-third (1/3) of the Directors (except for the Group Chief Executive), or if their number is not a multiple of three (3), then the number nearest to but not exceeding one-third (1/3), are required to submit themselves for re-election by rotation at each Annual General Meeting. The Directors propose to amend the Company's Articles of Association, inter-alia, to take account of paragraph 7.28 of the Listing Requirements of Kuala Lumpur Stock Exchange requiring all Directors to retire from office once at least in each three (3) years but shall be eligible for re-election. The proposed amendments to the Articles of Association would be tabled for approval by shareholders at the forthcoming Extraordinary General Meeting.

Under the existing terms of his appointment as Group Chief Executive of the Company, Tan Sri Dato' Dr Khoo Kay Peng does not retire in accordance with the requirements of paragraph 7.28 of the Listing Requirements of Kuala Lumpur Stock Exchange.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

2. Directors' Remuneration

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to govern the Group effectively. In the case of executive Directors, their remuneration are structured to link rewards to corporate and individual performance. In the case of non-executive Directors, the level of remuneration reflects the experience and level of responsibility undertaken by them.

On 25 March 2002, the Board established the Remuneration Committee. The members of the Remuneration Committee are as follows:-

Chairman	Yong Ming Sang	- Independent Non-Executive Director
Members	Tan Sri Dato' Md Khir Johari	- Independent Non-Executive Director
	Dr Ngui Chon Hee	- Non-Independent Non-Executive Director

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of executive Directors in all forms, drawing from outside advice as necessary. Nevertheless, the determination of remuneration packages of executive Directors is a matter for the Board as a whole and individual executive Directors are required to abstain from discussion of their own remuneration.

The Remuneration Committee shall also recommend to the Board the remuneration of non-executive Directors. The determination of the remuneration of the non-executive Directors is a matter for the Board as a whole.

For the financial year ended 31 December 2001, the aggregate of remuneration received by Directors of the Company from the Company and the subsidiary companies categorised into appropriate components were as follows:-

	Salaries	Fees	Benefits- in-kind	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Director	1,140	174	34	2,054	3,402
Non-Executive Directors	710	432	7	465	1,614
	1,850	606	41	2,519	5,016

The number of Directors of the Company whose remuneration during the year falls within the respective bands were as follows:-

Range of remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	—	2
RM50,001 to RM100,000	—	2
RM100,001 to RM150,000	—	1
RM400,001 to RM450,000	—	1
RM800,001 to RM850,000	—	1
RM3,400,001 to RM3,450,000	1	—



3. Relationship with Shareholders and Investors

In addition to various announcements made during the year, the timely release of quarterly financial results provides shareholders with a regular overview of the Group's performance and operations.

Shareholders and members of the public can also obtain information on the annual and quarterly reports and the announcements made by accessing the Kuala Lumpur Stock Exchange's website.

Notice of the Annual General Meeting and the Annual Report are sent to all shareholders. At Annual General Meetings, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session.

4. Accountability and Audit

4.1 Financial Reporting

In presenting the annual and quarterly reports, the Directors aim to present a balanced and comprehensive assessment of the Group's position and prospects. The Audit Committee assists the Board in ensuring accuracy, adequacy and completeness of information for disclosure.

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 111 of the Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited financial statements pursuant to paragraph 15.27(a) of the Listing Requirements of Kuala Lumpur Stock Exchange is set out on page 16 of the Annual Report.

4.2 Internal Control

The Directors acknowledge their responsibilities for the internal control system in the Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognises the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits.

The Board recognises that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimising and managing them. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Group's assets.

4.3 Relationship with the Auditors

The Company's external auditors, Messrs BDO Binder has continued to report to members of the Company on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements.

The role of the Audit Committee in relation to the external auditors is set out in the Report on Audit Committee on pages 18 and 19 of the Annual Report.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required by company law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the results and cash flows of the Company and of the Group for that period.

The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements.

The Directors also ensure that applicable accounting standards have been followed.

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



OTHER INFORMATION

1. MATERIAL CONTRACTS

There are no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2001 or entered into since the end of the previous financial year.

2. SANCTIONS AND/OR PENALTIES IMPOSED

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

3. NON-AUDIT FEES

During the financial year ended 31 December 2001, non-audit fees paid to the external auditors by the Company and its subsidiaries amounted to RM376,000 (2000 : RM561,000).

4. REVALUATION POLICY

The Group has not adopted a policy of regular revaluation on landed properties.

REPORT OF THE AUDIT COMMITTEE

MEMBERS

Name	Designation
Tan Sri Dato' Md Khir Johari - <i>Chairman</i>	<i>Independent Non-Executive Director</i>
Yong Ming Sang	<i>Independent Non-Executive Director</i>
Dr Ngui Chon Hee	<i>Non-Independent Non-Executive Director</i>

TERMS OF REFERENCE

1. Constitution

The Audit Committee was established on 5 July 1994. The Board shall ensure that the composition of the Audit Committee comply as far as possible with the Listing Requirements of Kuala Lumpur Stock Exchange as well as other regulatory requirements.

2. Authority

- The Audit 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 Audit Committee.
- The Audit Committee shall have unlimited access to all information and documents relevant to its activities as well as to the internal and external auditors and senior management of the Group.
- The Audit 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.

3. Functions

The functions of the Audit Committee shall be:-

- to review the following and report to the Board of Directors:-
 - (a) the audit plan with the external auditors;
 - (b) the evaluation of the system of internal controls with the external auditors;
 - (c) the audit report with the external auditors;
 - (d) the assistance and co-operation given by the employees of the Company to the external auditors;
 - (e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audits, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
 - i) changes in or implementation of major accounting policy changes;
 - ii) significant and unusual events;
 - iii) significant adjustments arising from the audit;
 - iv) the going concern assumption; and
 - v) compliance with accounting standards and other legal requirements;
 - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (i) any letter of resignation from the external auditors;
 - (j) whether there is any reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;
- to recommend the nomination of a person or persons as external auditors;
- to consider the external auditors' fee and any questions of dismissal;
- to review the external auditors' management letter and management's response;
- to discuss problems and reservations arising out of external or internal audits and any matters which the auditors may wish to bring up (in the absence of management or the Executive Directors of the Group where necessary);
- to consider the major findings of internal investigations and management's response;
- to review any appraisal or assessment of the performance of members of the internal audit function;



- to inform itself of any appointments or resignations of internal audit staff members and provide resigning staff member an opportunity to submit his reasons for resigning, together with such other functions as may be agreed to by the Audit Committee and Board of Directors.

4. Meetings

During the financial year ended 31 December 2001, six (6) Audit Committee Meetings were held. Except for Dr Ngui Chon Hee who attended all the six (6) meetings, the other members of the Audit Committee attended five (5) meetings of the Audit Committee.

In addition to the Committee members, the Chief Financial Officer and Head of Internal Audit are invited for attendance at each meeting. The respective head of companies/departments and their management team attend when audit reports on their companies/departments are tabled for discussion. The presence of the external auditors will be requested when required.

Upon the request of the external auditors, the Chairman shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the Board or shareholders.

5. Summary of Activities of the Audit Committee During the Financial Year Ended 31 December 2001

The Audit Committee reviewed and deliberated fourteen (14) audit reports on assignments conducted by the Internal Audit. The Audit Committee also appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported.

In addition, the unaudited quarterly financial statements and the audited financial statements of the Company and the Group were reviewed by the Audit Committee together with the Chief Financial Officer, prior to recommending the same for approval by the Board, upon being satisfied that the financial reporting and disclosure requirements of the relevant authorities had been complied with. Any significant issues resulting from the audit of the financial statements by the external auditors were deliberated.

The Audit Committee reviewed and approved the Annual Audit Plan for the calendar year 2001. In its review of the Annual Audit Plan, the Audit Committee reviewed the scope and coverage over the activities of the respective business units of the Group .

6. Internal Audit Function

The internal audit function is performed by the Group Internal Audit Department and is independent of the activities audited. The function is performed with impartiality, proficiency and due professional care. The Internal Audit reports to the Audit Committee, and regularly reviews and appraises the Group's key operations. Its activities include:-

- appraising the adequacy and integrity of internal controls and management information systems;
- ascertaining the effectiveness of management in identifying principal risks and to manage such risks through appropriate systems of internal control;
- ascertaining the level of compliance with the Group's plans, policies, procedures and adherence to laws and regulations;
- appraising the effectiveness of administrative controls applied and the reliability and integrity of data that are produced within the Group;
- ascertaining the adequacy of controls for safeguarding the Group's assets from losses of all kinds; and
- conducting special reviews or investigations requested by management or by the Audit Committee.

The Internal Audit carries out audit assignments based on an audit plan that is reviewed and approved by the Audit Committee. The reports of the audits undertaken were presented to the Audit Committee and forwarded to the management concerned for attention and necessary action.

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

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

Professor Arthur K C Li

Chairman

Corus & Regal Hotels plc, United Kingdom

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

Tan Kok Quan

Chairman

Network Foods International Ltd, Singapore

Dato' Haji Abdul Raman bin Suliman

Chairman

PM Securities Sdn Bhd, Malaysia

Lawrence Chai Tat Onn

Chairman

Laura Ashley, Inc. United States of America



SENIOR MANAGEMENT

Tan Sri Dato' Dr Khoo Kay Peng

Group Chief Executive

Dato' Rastam bin Abdul Hadi

Group Adviser

Khet Kok Yin

Managing Director

Financial Services Division

Food 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

Lillian Tan Lian Tee

Managing Director

Management Services Division

Anthony Yap

Executive Director

Property Division

Hotel Division

EXECUTIVE DIRECTORS/ SENIOR VICE PRESIDENTS

Sushil Premchand

Paul Ng Tuan Tee

Dato' Choong Kok Min

Peter Kirschner

R. Badrinarayanan

Hj Ramli bin Hj Mahmudin

Robert Tan Cheng Leong

Sally Cheong Siew Mooi

Robert Heng Fook Hee

Woon See Soon

Robert Ti

Chan Chong Lum

Lai Chee Leong

Steven Ti Teng Chye

Noorjehan Rahima bt Abdul Jumat

Cheang Yoon Hoong

Michael Oh

Daniel Leong Soon Peng

Tan Lai Huat

Rahmat bin Awi

CHAIRMAN'S STATEMENT



An elegant look by Laura Ashley



One of Laura Ashley's stores in the UK



Comfortable living by Laura Ashley

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of the Group for the financial year ended 31 December 2001.

ECONOMIC REVIEW

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The performance of the Malaysian economy in 2001 was affected by the worldwide economic slowdown. Real Gross Domestic Product ('GDP') in Malaysia grew at a rate of 0.4% in the year under review, compared to 8.3% in 2000. Aggregate domestic demand, the main driving force of the economy grew by 2.3% due to the strong 13.9% growth in public sector expenditure. The services and construction sectors grew by 4.9% and 2.3% respectively in 2001 compared to 4.8% and 1.0% in 2000. Growth of the services sector was broadbased with finance, insurance, real estate and business services sub-sectors recording stronger growth. The construction sector benefited from the accelerated disbursement for projects under the Malaysian Government's fiscal stimulus programme. The growth in the services and construction sectors helped to mitigate the slowdown of the export oriented industries. The manufacturing sector had contracted by 5.1% in 2001.

Malaysia's balance of payments remained strong in the year under review with current account surplus standing at RM27.4 billion. Net international reserves stood at RM119.6 billion as at 28 February 2002, which was adequate to cover 5.2 months of retained imports and was 5.1 times of short-term external debts.

FINANCIAL PERFORMANCE

For the financial year under review, the Group recorded a pre-tax profit of RM35.6 million on revenues of RM692.8 million, compared to a pre-tax loss of RM12.0 million on revenues of RM705.1 million in the year 2000. The Group's total assets and shareholders' funds as at 31 December 2001 stood at RM7.75 billion and RM2.13 billion respectively.

REVIEW OF OPERATIONS

The MUI Group has extensive interests in retailing, hotels, food and confectionery, financial services, property, education, travel and tourism. A substantial portion of its revenues is derived from overseas operations. Its geographical reach covers Malaysia, the United Kingdom, Continental Europe, the United States of America, Canada, Australia, Hong Kong, the People's Republic of China, India and Singapore.

Retailing

The Group owns a 42.88% stake in Laura Ashley Holdings plc ('Laura Ashley'), the British based international retailer, and holds significant indirect interest in Malaysia's leading retailer Metrojaya Berhad.

Laura Ashley is listed on the London Stock Exchange. It is principally involved in the design, manufacture, sourcing, distribution and sale of clothing, accessories and home furnishings which are renowned and admired for their traditional



A timeless look in soft colours by Laura Ashley - United Kingdom

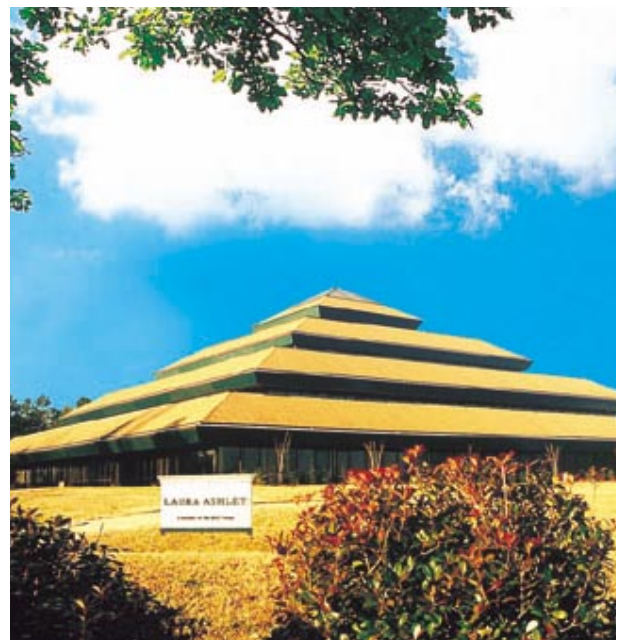
English country style. The group operates more than 200 stores in the United Kingdom ('UK') and Continental Europe, while it has major franchised stores in the United States of America ('USA'), Canada, Japan and other parts of Asia. Laura Ashley reported a profit before exceptional items and tax of £8.6 million (RM47.1 million) for the 52 weeks ended 26 January 2002 on a turnover of £276.8 million (RM1.52 billion), compared to the previous year's profit before exceptional items and tax of £8.4 million (RM48.3 million) on a turnover of £259.1 million (RM1.49 billion).

Laura Ashley continues to focus on expanding its home furnishing and clothing operations. Following the success of its new stand-alone home furnishings stores, the group is expanding its network of Home stores throughout the UK. Laura Ashley differentiates itself from its competitors by offering a complete range of furnishing products including sofas, cabinet furniture, soft furnishings and lighting. This is complemented by the group's Design Service. Laura Ashley continues to build awareness for its Home Furnishings through its mail order business, which has been extended to include 4 catalogues a year. Laura Ashley's international clothing operation took another stride forward in 2001 when its Autumn collection was featured

by Vogue magazine. Laura Ashley's website, www.lauraashley.com was launched in late 2001 to offer shoppers a new channel of customer services and sales. Online sales to date are very encouraging.

Laura Ashley ('North America') Inc, a subsidiary of the Group's 49% owned associated company, Regent Corporation, is pursuing an aggressive licensing strategy to expand its business. Major American based firms have already signed up to use the Laura Ashley brand name for a wide range of consumer products.

The Headquarters of Laura Ashley Inc, North America





A festive table by Laura Ashley

They include Saks Incorporated, Kravet, Hollander Home, Kincaid Furniture and Summersault. Laura Ashley's clothing and accessories for instance, will be sold through Saks's 125 outlets in the USA. Negotiations are still in progress with several other leading firms.

In Malaysia, Metrojaya Berhad operates 5 department stores and over 60 specialty stores nationwide. Its specialty stores comprise East India Company, Somerset Bay, Living Quarters, La Senza Girl and Reject Shop. In September 2001 the group completed the renovation of the 100,000 sq. ft. Metrojaya department store in Plaza Pelangi at Johor Bahru. La Senza Girl, a Canadian brand, which provides exciting fashions for girls between the age of 8 to 14, was opened at One Utama Shopping Complex in December 2001. To position the group for overseas expansion, Metrojaya is completing a major upgrade of its retail technology infrastructure and benchmarking its business processes to global retail practices.

Laura Ashley children's wear



The sharp fall in GDP growth of the Malaysian economy from 8.3% in the year 2000 to 0.4% in 2001 adversely affected Metrojaya's performance as consumer spending contracted in the economic slowdown.

Hotels

The MUI Group owns and operates in total 91 hotels as at 31 December 2001 with 86 hotels throughout the UK and 5 other hotels in Malaysia and Australia, under the Corus & Regal Hotels brands. Corus is a stylish and exciting new brand which aims to become the UK's premier mid market hotel group, which is the fastest growing sector in Britain. The Corus brand focuses on the higher-yield business travellers, meetings and events market, supplemented by short breaks of leisure business to ensure consistency of higher occupancy through the week.

With the induction and branding of the MUI Group's 2 hotels in Malaysia and 3 hotels in Australia in October 2001, the Corus brand now has an international presence. All the hotels within the Group are now better placed to benefit from sales and marketing promotions as well as synergies in operations and human resources. It is also in a better position to explore opportunities in key cities in Asia, North America and Europe for acquisition and management contracts.



Smart evening attire by Metrojaya

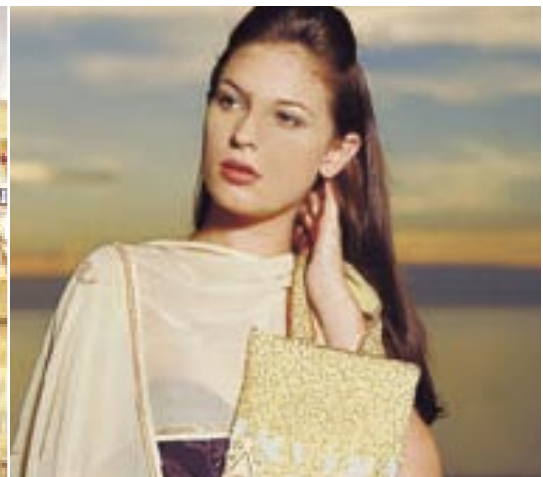
The Corus & Regal Hotels plc has also embarked upon rationalisation of its hotel portfolio in the UK; certain hotels that do not meet its long term strategic plan are being divested and new acquisitions will be made in replacement.

The Corus hotel Kuala Lumpur and the Corus Paradise resort Port Dickson achieved higher occupancy and better performance compared to the previous year. After the multi-million dollar refurbishments, the Corus hotel Sydney, Corus hotel Adelaide and Corus hotel Hobart have performed satisfactorily despite all the difficult challenges post Sydney Olympics and the tragic September 11th incidents in the USA as well as the collapse of Ansett Airlines.

Metrojaya's flagship store at Mid Valley Megamall, Kuala Lumpur - Malaysia



Evening wear for ladies - Metrojaya





A summer look by Living Quarters

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Bottom left: Low price branded clothing for all the family by Reject Shop

Right top: A Reject Shop store at The Mines Shopping Fair - Malaysia

Right bottom: Casual attire by Reject Shop

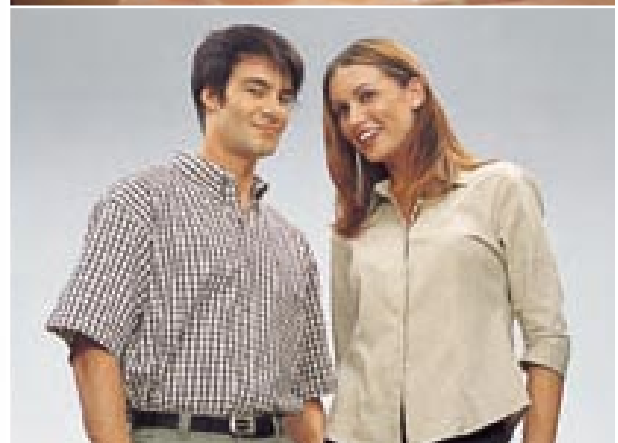


The Corus & Regal Hotels plc's flagship in Central London, The Plaza on Hyde Park, has completed the refurbishment of another 77 bedrooms in the style of Laura Ashley fabrics and colours in 2001. The refurbishment has ensured a more upscale and luxurious feel for guests.

The UK hotel operation faced a challenging trading environment in 2001 following the outbreak of the foot and mouth disease and the aftermath of September 11th. Notwithstanding, for the year ended 31 December 2001, the Corus & Regal Hotels plc in the UK reported an increased pre-tax profit of £5.4 million (RM29.7 million) as against £2.9 million (RM16.7 million) in the year 2000, an 85% improvement.

In November 2001, MUI Media Ltd, a wholly-owned subsidiary of the Group completed the acquisition of 100% of the issued and paid-up share capital of London Vista Hotel Limited that controls Corus & Regal Hotels plc.

The Group, through its associate company, Regent Corporation, also owns and manages two





Somerset Bay collections



Top: A Somerset Bay store - Kuala Lumpur, Malaysia

lodging facilities, The Country Hearth Inn and Fiddlers Inn in Branson, Missouri, USA. Branson is a popular vacation destination for more than 7 million visitors a year because of its wide variety of theatres for the performing arts.

Food and Confectionery

The Group operates its food and confectionery business through its subsidiary, Pan Malaysia Corporation Berhad ('PMC'), which is listed on the Kuala Lumpur Stock Exchange. PMC owns the Network Foods group of companies, which are engaged in the manufacturing, marketing, and distribution of food and confectionery products.

Network Foods International Ltd ('NFIL'), which is listed on the Stock Exchange of Singapore, is the holding company of the Network Foods group of companies in Malaysia, Singapore, Hong Kong and India. In Malaysia, the group is involved in manufacturing and distribution operations through Network Foods Industries Sdn Bhd ('NFI') and Network Foods (Malaysia) Sdn Bhd ('NFM') respectively. NFI owns a 10,800 sq. metres chocolate and confectionery factory at Shah Alam, Selangor, which produces its own successful brands of Crispy, Tango, Kiddies and Tudor Gold

chocolates. It also manufactures the Van Houten range of chocolates under licence. The products of NFI are exported to over 30 countries worldwide. NFM markets, sells and distributes the products of the group and other agency lines in Malaysia. In 2001, NFM introduced a new range of biscuits called CrispyO and added to its agency lines, quality wines imported from Canada, Chile, Australia and Italy which are well received by the public. Both NFM and NFI reported improved performances during the year under review.

Casual wear by East India Company - Malaysia





An East India Company store at Subang Parade, Malaysia

Network Foods (Hong Kong) Ltd ('NFHK') distributes a wide range of the group's products and agency lines in the territory of Hong Kong. NFHK is poised to expand its operations into the vast mainland China market in the future. The company reported higher profits in 2001. Lotus Chocolate Company Limited, which is listed on the Stock Exchanges of Hyderabad and Bombay, owns and operates a chocolate manufacturing plant in India. The company performed below expectations in 2001 due to a difficult trading environment.

NFIL recorded a pre-tax operating profit of S\$2.7 million (RM5.7 million) in 2001 compared to a pre-tax operating loss of S\$1.4 million (RM3.1 million) in the year 2000. The consolidated turnover rose by 1.9% to S\$49.4 million, after adjusting for the disposal of the group's shareholding in PT Indo Cocoa Specialities, an Indonesian company involved in the manufacturing of cocoa, chocolate and confectionery products in 2000. The improved performance of NFIL is due to strong exports from the company's Malaysian manufacturing operations, the successful introduction of new products, and prudent cost control measures.

The group also operates in Australia, through Network Foods Limited ('NFL') which is listed on the Australian Stock Exchange. NFL is the largest independent confectionery distributor in Australia. The company has sales teams and warehouses strategically located in Australia's major states from where it distributes internationally renowned brand names such as Cadbury, Nestle, Mars, Wrigley's, Hershey's chocolates, and SMINT as well as the group's own Crispy range of chocolates. NFL reported a pre-tax profit of A\$0.5 million (RM1.0 million) on a turnover of A\$107.3 million (RM210.3 million) in 2001.

Financial Services

The Group has stockbroking operations in Malaysia and Hong Kong through PM Securities Sdn Bhd ('PM

Securities'), a subsidiary of Pan Malaysia Capital Berhad ('PM Capital'), and Morning Star Securities Ltd, a subsidiary under the MUI Hong Kong group.

PM Securities is one of the first few stockbroking firms to be approved by the Malaysian authorities to be a Universal Broker. This enables the company to diversify from being just a stockbroker to offering a full range of capital market and advisory services including asset management, derivative products and internet trading. To meet the objectives of a Universal Broker, the group embarked and completed on 8 December 2001 an internal capital rationalisation exercise involving *inter alia*, the transfer of PM Capital's entire equity interest in Pan Malaysia Equities Sdn Bhd to PM Securities and the subsequent transfer of PM Capital's entire equity interest in PM Securities to Kimara Asset Management Sdn Bhd, another wholly-owned subsidiary of PM Capital. By the end of June 2002 PM Securities will have a total of 7 branches throughout Peninsula Malaysia in Puchong, Johor Bahru, Seremban, Penang, Melaka and Klang. Its principal office and headquarters will remain in Kuala Lumpur.

The performance of PM Securities in 2001 was adversely affected by the 60% decline in market transactions in the Kuala Lumpur Stock Exchange. The fall in the value of market transactions from RM244.05 billion to RM96.02 billion led to its holding company PM Capital registering a pre-tax loss of RM42.8 million for the financial year ended 31 December 2001, compared to a pre-tax profit of RM22.9 million in the previous financial year.

The market in Hong Kong remained weak because of the global economic uncertainty. This impacted the performance of Morning Star Securities Ltd. In the year ahead, Morning Star Securities Ltd will continue to focus on strategies to expand its client base.

The MUI Group has a strong presence in the general insurance sector through MUI

Continental Insurance Berhad ('MCI'). With 14 branches throughout Malaysia, it has a comprehensive base to market its variety of products such as fire, marine, health, motor and other classes of insurance. It is integrating its business processes via information technology to offer better services to its valued customers. MCI recorded a gross written premium of RM72.5 million in the year ended 31 December 2001, compared to RM50.6 million previously. It achieved pre-tax profits of RM4.9 million in 2001 compared to a pre-tax profit of RM0.6 million in 2000.

In May 2001, MCI completed a rights issue of 16,523,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per new ordinary share to increase its paid-up capital to RM67.4 million. The Group's aggregate equity interest in MCI increased from 64.02% to 72.85% after the completion of the rights issue.

Properties

The Group is involved in property development, property investment and property management through MUI Properties Berhad ('MUI Properties')



*Corus hotel Kuala Lumpur, Malaysia
(formerly known as MingCourt Vista Hotel)*

and MUI Hong Kong Ltd. It has built up a strong presence in Malaysia and the People's Republic of China during recent years through major development projects.

In Malaysia, the Group continues to develop its Bandar Springhill project, which is a 1,990 acres integrated township strategically located off the Seremban-Port Dickson highway in Negeri Sembilan. The mixed residential, commercial and industrial development, which was launched in 1997, is expected to be completed in numerous phases over a 15-year period and will eventually comprise approximately 11,000 units. To date, over 1,000 units have been sold, of which 458 residential houses were successfully completed and handed over in 2001.

Left: The luxurious lobby at Corus hotel Kuala Lumpur

Right: A deluxe room at Corus hotel Kuala Lumpur, overlooking the magnificent Petronas Twin Towers





Corus Paradise resort Port Dickson - Malaysia

MUI Properties also owns MUI Plaza, a 22 storey 350,000 sq. ft. commercial building in the heart of Kuala Lumpur's central business district. MUI Plaza, which also houses the Group's headquarters, has a current occupancy rate of over 81%. The second phase of the refurbishment programme of MUI Plaza continued in 2001 with the renovation of the main lobby area which will eventually include a new café to improve the facilities for tenants and visitors. For the financial year under review, MUI Properties achieved a pre-tax profit of RM22.6 million on a turnover of RM120.7 million, compared to a pre-tax profit of RM20.5 million on a turnover of RM121.3 million in the year 2000.

In the People's Republic of China, MUI Hong Kong Ltd, completed the construction of Phase VII-Part I and Part II of Morning Star Villa ('MSV'), its award winning property development project in Zhongshan. Work on the project first began in 1992. To date, over 5000 units have

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Right top: A suite at Corus Paradise resort

Right bottom: Relaxing by the pool at Corus Paradise resort

Below: The magnificent entrance at Corus Paradise resort





The Plaza on Hyde Park hotel, London - United Kingdom

been built of which 93% are sold. In November 2001, MSV won a national award in Beijing for best sales to homebuyers outside mainland China. The Group's other project in Zhongshan City, Morning Star Plaza, is targeted towards domestic buyers in China. The construction works of the eastern site of Morning Star Plaza, which comprises of twelve 7-storey towers and five 12-storey towers, were completed during the year under review.

The Group also owns 2,000 acres of golf and development land at Regent Park in North Carolina, USA, through its 49% owned associated company, Regent Corporation. The Regent Park Golf Course has won numerous awards over the years for providing quality services and innovative programmes for its patrons.

Education

The Group has interests in the provision of educational services through a wholly-owned Australian subsidiary, namely Excel Education Pty Ltd. ('Excel'). Excel's Australian Institute for University Studies ('AIUS') and the Australian Institute for Golf Management are co-located on a 13.8 hectares campus in Perth, Western Australia. AIUS conducts various degree, diploma and certificate programmes in affiliation with Curtin

University of Technology, Monash College and Monash University. The Monash diploma and degree programmes commenced in February 2001 and enrolment is expected to increase.

Travel and Tourism

In the travel services sector, Morning Star Travel Service Ltd, Hong Kong ('MST') and Pan Malaysia

A bedroom in the style of Laura Ashley colours and fabrics at The Plaza on Hyde Park hotel





The picturesque Belsfield Hotel, Lake Windermere - United Kingdom



*Edgwarebury Hotel, Hertfordshire
- United Kingdom*

Travel and Tours Sdn Bhd in Kuala Lumpur, offer a wide range of travel destinations for tourist and business travellers. MST was awarded 'The Best Foreign Tour Operator' by the Ministry of Culture, Arts and Tourism of Malaysia, in conjunction with the Tourism Board of Malaysia in June 2001. Beijing Morning Star - New Ark International Travel Service Co., Ltd ('MST Beijing'), which is a 49% owned associated company of MST, focused on international and domestic inbound travels in 2001. MST Beijing is well positioned to take an active role in the growing tourism market in mainland China, especially with China's entry into the World Trade Organisation. The hosting of the 2008 Summer Olympic Games in Beijing is expected to provide further business opportunities for MST Beijing.

Media and Entertainment

The Group is one of the top 5 shareholders in South China Morning Post, the leading English Language newspaper publisher in Hong Kong. The Group also has a 50% interest in PorchLight Entertainment Inc, Los Angeles, USA ('PorchLight'). PorchLight co-developed and produced with Discovery Kids a thirteen episode series entitled 'Tutenstein' which will premiere in 2002. PorchLight's award winning series 'Jay Jay the Jet Plane' was launched on PBS Television Network during 2001 as part of the 'Ready to Learn' block of pre-school programming. Its Consumer Products Division also launched a successful 'Jay Jay' licensing programme with over 30 licensees signing up to cover all major product categories including video, publishing, toys, interactive and apparel. PorchLight began production of 2 one-hour animated movies in 2001, titled 'The Night Before Christmas' and 'The Haunted Pumpkin of Sleepy Hollow'.

Other Investments

The Group, through Pan Malaysia Corporation Berhad, in 2001, increased its equity stake in Chemical Company of Malaysia Berhad ('CCM') from 10.1% to 23.1% through the acquisition of 46,349,000 ordinary shares of RM1.00 each in the company for a total cash consideration of RM106.3 million. CCM, which is listed on the Kuala Lumpur Stock Exchange, is principally an investment holding and management company with subsidiaries and associated companies engaged in the manufacture and marketing of fertilizers, chlor-alkali products, pharmaceutical and healthcare products, the marketing of a wide range of chemicals and the development and operation of medical centres and related medical services.

COMMUNITY RELATIONS

The Group believes in being a responsible and good corporate citizen. In pursuance of the same, companies in the MUI conglomerate respond by participating actively in community betterment programmes, charity and fund raising projects, sponsorship of events and donations for sports related activities. Corus hotel Kuala Lumpur hosted a party for a group of children from two children's homes. The Plaza on Hyde Park Hotel, London, helped to raise funds for two UK based charities, 'Comic Relief' and the 'National Association for the Blind', and Metrojaya donated money and clothing to orphanages and homes for the elderly.

PROSPECTS FOR 2002

The leading economic indicators signal that the global economy is in the early stages of a recovery in 2002. The Malaysian economy is expected to strengthen in the course of 2002 with real GDP growth at 3.5% in tandem with sustained domestic

demand and improvement in global economic conditions. Private consumption is anticipated to rise by 5.0% in view of the cumulative effects from the Malaysian Government's measures to increase disposable income.

The Group will explore new opportunities to increase revenues to enhance shareholder value in 2002. The operating units in the Group will continue to increase productivity and expand their respective businesses while focusing on prudent cost control measures to remain profitable and competitive. Barring any unforeseen circumstances, the Group is expected to achieve satisfactory performance in 2002.

ACKNOWLEDGEMENTS

On behalf of the Board, I wish to express my sincere appreciation to the Management and staff of the Group for their contribution, dedication and commitment. I would also like to thank my fellow members of the Board for their unwavering support as well as our shareholders

Burnham Beeches Hotel, Buckinghamshire - United Kingdom



The Richmond Hill Hotel, Surrey - United Kingdom

for the confidence that they have shown in the Board and Management of the Group.

In GOD We Trust

Tan Sri Dato' Dr Khoo Kay Peng
Chairman

Kuala Lumpur
2 May, 2002



Chocolate moulding, Network Foods Industries Sdn Bhd - Malaysia



Premium chocolates by the Network Foods group

馬聯工業有限公司 2001年年度報告

主席獻詞

我很高興代表董事部同人，向各位提呈集團截至2001年12月31日財務年度的年報及財務報告。

經濟評論

馬來西亞在2001年的經濟表現受到全球經濟放緩的波及，在檢討年內，大馬實國內生產總值增長僅0.4%，而2000年的增率為8.3%。作為國家經濟主要推動力的國內需求，在高達13.9%增長率的公共界開銷帶動下，增長了23%，在2001年，服務業和建築業分別增長4.9%和2.3%，而2000年的增率為4.8%和1.0%。服務業的增長為全面性，以金融、保險、房地產及商業界的表現更為強勁。大馬政府在振興經濟的財務刺激計劃下，加速對各項計劃的撥款，使到建築業受益。服務業和建築業的增長，多少抵消了出口導向行業的放緩，而製造業在2001年則萎縮了5.1%。

在檢討年內，大馬的收支平衡保持堅強，經常帳順差高達274億零吉，淨國際儲備于2002年2月28日總達1千196億零吉，足以維持3.2個月的持續進口及相等于短期外債的5.1倍。

財務摘要

在檢討中的財務年內，集團的稅前盈利達3千560萬零吉，營業額達6億9千280萬零吉；而2000年則是稅前虧損1千200萬零吉，營業額達7億510萬零吉。截至2001年12月31日，集團總資產和股東資金分別是77.5億零吉和21.5億零吉。

業務檢討

馬聯集團經營的業務極為廣泛，包括零售、酒店、食品及糖果、財務服務、房地產、教育及旅遊業等領域，涵蓋了馬來西亞、英國、歐洲、美國、加拿大、澳洲、香港、中華人民共和國、印度及新加坡等國家和地區。集團從海外業務獲取了重大的收入。

零售業

集團持有英國國際零售商，Laura Ashley 控股有限公司(Laura Ashley)的42.88%股權，並在大馬首要零售商——義源有限公司，持有重大的關連股權。

Laura Ashley在倫敦股票交易所掛牌，其主要業務是設計、製造、採集、分銷及銷售以英國傳統田園風格而備受歡迎的著名服裝、配件及家居裝飾品。Laura Ashley集團在英國和歐洲經營逾200間分店，並在美國、加拿大、日本及亞洲地區設有主要的特許經銷店。在截至2002年1月26日的立周內，Laura Ashley的特許項目及稅前盈利達860萬英鎊(折4千710萬零吉)，營業額達2億7千680萬英鎊(折15億2千萬零吉)；而2000年的特別項目及稅前盈利達840萬英鎊(折4千830萬零吉)，營業額達2億9千910萬英鎊(折14億9千萬零吉)。

Laura Ashley繼續以擴展家居裝飾品和服裝業作為經營的重點。該集團成功推出獨立的家居裝飾品商店—Home後，正致力把該商店擴展到整個英國。Laura Ashley以提供齊全的裝飾產品，包括沙發、餐椅、傢俱、枕頭及燈飾等，同時配合集團的設計服務顯示其與同業所不同之處。Laura Ashley不斷進取業務，向消費者提高對其家居裝飾品的認識。目前該公司的購銷商品表已增加到每年四倍。在2001年，著名時尚雜誌Vogue專文介紹了Laura Ashley秋季精選服裝，使到Laura Ashley國際服裝業更上一層。Laura Ashley的網站www.lauraashley.com在2001年抄推出，為購物者提供了顧客服務及銷售的一個新管道。迄今，網上銷售極為令人鼓舞。

在美國方面，由本集團持有49%股權的聯號公司Regent Corporation擁有的子公司，Laura Ashley(北美洲)公司正採用積極的特許經營策略，以擴展業務。多家以美國為基地的公司已經簽約，為各種消費品採用Laura Ashley作為品牌。這些公司包括Saks Incorporated、Korvet、Hollander Home、Kirkald Furniture及Sammamish。例如Laura Ashley的服裝和裝飾品將在Saks遍及美國各地的125個分店銷售。Laura Ashley目前也和另外多家主要公司進行類似的洽商。

在馬來西亞，義源有限公司在全國經營五間百貨商店和逾60間專賣店，包括East India Company、Siamset Bay、Living Quarters、La Hanna Girl及Rajast Shop。在2001年9月，義源設在柔佛州新山彩虹

廣場佔地10萬平方尺的美羅百貨商店的裝修工程完成。在2001年12月，美羅由加拿大引進的時裝品牌 La Senza Girl在One Union購物中心開張。此品牌為年齡5至14歲的少女提供各款時尚的服裝。由于集團正在放眼國際，以擴展海外市場，美羅已展開重大的計劃，提升零售科技基礎設施和經營程序，以配合全球的零售方式。

大馬經濟的國內總產值增長率在2001年大幅度從2000年3.3%萎縮到0.4%，導致消費人的消費削減，波及了美羅的業績。

酒店業

截至2001年12月31日，馬聯集團在全球擁有及經營共91間酒店，其中86間位于英國，另外5間設在大馬和澳洲。這些酒店以Corus & Regal酒店品牌營運。作為一個時尚、創新的品牌，Corus的宗旨是成為英國首要的中檔酒店集團。目前，英國中檔的酒店市場是成長最快的領域。Corus品牌的主要對象是收益較高的商務旅客、會議及活動市場，配合短期的休閒業務，以確保持續的高住客率。

隨著馬聯集團設在國內的2間酒店和澳洲的3間酒店于2001年10月採用了Corus品牌後，Corus成為了國際品牌。集團旗下酒店將在促銷和行銷活動及在營運及人力資源上所發揮的協同作用下受惠。

The successful CrispyO biscuits



A variety of products distributed by the Network Foods group

此外，集團也具備更好的條件以開拓在亞洲、北美及歐洲主要城市的商機，進行收購及爭取酒店管理合約。

Corus & Regal酒店有限公司也為英國的酒店業務進行合理化計劃，脫售不符合集團長期策略計劃的酒店，同時收購新酒店，以取代脫售的酒店。

在檢討年內，吉隆坡Corus酒店和號售申的Corus Paradise渡假村的住客率和業績都比上一年好。在澳洲方面，儘管在悉尼奧運後及美國911事件和澳洲Ansett航空公司倒閉等事件，導致旅遊業面對嚴峻挑戰，集團旗下的悉尼Corus酒店、阿德雷得Corus酒店以及荷巴特的Corus酒店經過數以百萬元的裝修後，依然取得令人滿意的業績。

在2001年，Corus & Regal酒店有限公司位于倫敦中部的旗艦酒店，The Plaza on Hyde Park完成了77間以Laura Ashley產品和色彩裝飾客房的裝修工

Van Houten chocolates





程，這項裝修工程，為住客創造了高貴、典雅的住宿情趣。

在2001年，英國受到口蹄疫肆虐和英國發生911襲擊事件，使到集團在英國的酒店業務的經營情況極為困難。在截至2001年12月31日的財務年度裡，英國 Corns & Regal 有限公司取得540萬英鎊(折2千970萬零吉)的稅前盈利，比2000年的290萬英鎊(折1千670萬零吉)激增85%。

在2001年11月，本集團獨資擁有的子公司 MUI Media Limited 完成了對 London Vista 酒店有限公司100%發出及繳足股本的收購。該公司控制 Corns & Regal 酒店有限公司。

本集團還通過聯號 Regent 公司，也擁有及管理在英國米蘇里州布朗森市的兩間客棧，即 The Country Earth Inn 和 Paddocks Inn。布朗森是個著名的競價名勝，以擁有舉辦各種表演藝術的劇院而聞名遐邇，每年吸引逾700萬遊客到訪。

Below left: An AIUS lecture in progress

Right: Students taking time out on AIUS campus

Bottom: Biology students at work at AIUS





The AIUS campus, Perth - Australia

食品與糖果業

本集團透過在吉隆坡股票交易所掛牌的子公司－泛馬企業有限公司 (PMC)，經營食品及糖果業務。PMC 擁有 Network Foods 集團。Network Foods 集團從事食品及糖果產品的生產、行銷及分銷。

在新加坡股票交易所掛牌的 Network Foods International Ltd (NFL) 是 Network Foods 集團在大馬、新加坡、香港及印度的控股公司。在大馬方面，該集團透過 Network Foods Industries Sdn Bhd (NFI) 和 Network Foods (Malaysia) Sdn Bhd (NFM)，經營食品製造和分銷業務。NFI 在雪蘭莪州沙亞府擁有一座佔地 10,000 平方公尺的巧克力糖果工廠，生產本身各種名牌產品如 Cipsy, Tango, Kisses 及 Ticker Gold 巧克力，同時也在特許權下生產 Van Houten 系列巧克力。NFI 的產品外銷全球逾 50 個國家。NFM 則在大馬行銷、分銷、銷售集團及代理的產品。在 2001 年，NFM 推出了 CipsyO 新系列餅乾，並增加了來自加拿大、智利、澳洲及意大利備受大眾歡迎的葡萄酒代理權。在檢討年內，NFM 和 NFI 的業績都有改進。

Network Foods (香港) 有限公司 (NFEH) 負責在香港分銷集團及代理的各種產品。該公司已作好準備進軍中國大陸廣大的市場。該公司在 2001 年的盈利增加。在印度海德拉巴和孟買證券交易所掛牌

的 Lotus 巧克力有限公司，在印度擁有和經營一座巧克力工廠。由於經營環境艱難，該公司在 2001 年的淨額未導運。

NFIL 在 2001 年反虧為盈，賺取了稅前營業盈利 270 萬元新幣 (折 570 萬零吉)，而在 2000 年則蒙受稅前營業虧損 140 萬元新幣 (折 310 萬零吉)。綜合營業額增加 1.9%，至 4 千 940 萬元新幣。此數目已扣除集團在 2000 年脫售印尼的巧克力、可可及糖果產品製造公司－PT Indo Cocoa Specialities 股權的影響。NFL 業績改善，是由于該公司大馬製造業務的出口強勁，加上成功推出新產品及慎重的成本節省措施。

Computer aided design students at AIUS





An eye catching advertisement for Corus hotels on a City Centre bus in Kuala Lumpur

集團也選在澳洲證券交易所上市的 Network Foods Limited (NFL)，在澳洲經營業務。NFL 是澳洲最大的獨立糖果分銷商，並在澳洲主要省份備有銷售人員和設在戰略性地點的貨倉，以分銷各種國際名牌產品，如 Cadbury、Nestle、Mars、Wrigley's、Hershey's 巧克力，以及 SMINT 和集團本身的 Cissy 系列巧克力。在 2001 年，NFL 賺取稅前盈利 50 萬澳元（折 100 萬零吉），營業額達 1 億零 730 萬澳元（折 2 億 1 千零 30 萬零吉）。

財務服務

集團選置泛馬資本有限公司（泛馬資本）屬下子公司 FM 證券私人有限公司（FM 證券）和馬聯香港集團子公司星晨證券有限公司，而分別在大馬和香港經營證券經紀業務。

FM 證券是獲得大馬當局批准成為全方位證券經紀的少數證券行之一。此地位使 FM 證券不僅經營證券經紀業務，而且能把握多種機會，以發展全方位的企業財務業務、資產管理、金融衍生產品及互聯網證券買賣等。為了符合成為全方位經紀的條件，集團在 2001 年 12 月 8 日完成了一項內部資本合理化計劃。此計劃包括把泛馬資本在泛馬資本私人有限公司（Pan Malaysia Equities Sdn Bhd）所持有的全部股權，轉移給 FM 證券，隨後把泛馬資本在 FM 證券所持有的全部股權，轉移給泛馬資本屬下另一家屬實子公司——金馬拉資產管理私人有限公司。到了 2002 年 6 月底，FM 證券將在大馬半島各地設有七間分行，即在檳城、新山、芙蓉、檳城、馬六甲及巴生。該公司的主要辦事處和總行將保留在吉隆坡。

吉隆坡證券交易所 2001 年的交投銳減 60%，對 FM 證券造成負面影響。隨股市交投個位從 2 千 440.5 億零吉猛跌至 960.3 億零吉，導致 FM 證券的控股公司——泛馬資本在截至 2001 年 12 月 31 日年財務年度裡，蒙受稅前虧損 4 千 230 萬零吉，而在上個財務年則賺取了稅前盈利 2 千 280 萬零吉。

由於全球經濟動向飄忽，香港股市保持疲弱，進而波及本集團轄下星晨財務有限公司的業績。在未來的一年，星晨財務將繼續集中擴大客戶基礎的各項策略。

馬聯集團選置馬聯大洲保險有限公司（MLI）而積極參與普設保險業務。該公司在全馬設有 14 間

分行，通過廣泛的網路，銷售各種保險產品，包括火險、水險、保健險、車險及其他保險。該公司正採用資訊科技對業務綜合，向客戶提供更周到的服務。在截至 2001 年 12 月 31 日的財務年度，馬聯大洲保險的保費收入達 7 千 250 萬零吉，上一年則達到 5 千零 60 萬零吉；稅前盈利計 490 萬零吉，而 2000 年的稅前盈利是 60 萬零吉。

在 2001 年 5 月，馬聯大洲保險完成了以每股售價 1 零吉發售 16,523,000 股附加股的計劃，使公司繳足股本增至 6 千 740 萬零吉。在完成上述附加股後，本集團在馬聯大洲保險所持有的股權從 64.02% 增至 72.15%。

房地產

本集團通過馬聯產業有限公司（馬聯產業）和馬聯香港有限公司，而從事房地產發展、投資及管理業務。本集團近年來在馬來西亞和中印人民共和國發展多項重大項目後，在馬中兩地建立強大的基礎。

在馬來西亞方面，集團繼續發展位於森美蘭州芙蓉一波德申高速公路旁的佔地 1,990 畝的《榮泉鎮》計劃。這項綜合性的住宅、工商地產發展計劃在 1997 年動工，預期分多階段，在 15 年內全面完成後將共建約 11,000 單位的房屋。迄今逾 1,000 單位已出售，其中 458 單位住宅在 2001 年建竣。

馬聯產業也擁有位於吉隆坡市中心商業地區的 22 層高馬聯大廈。建築面積達 35 萬方尺的馬聯大廈也是本集團總部的所在地；其租用率超過 81%。在 2001 年，集團繼續推行馬聯大廈的第二期裝修工程；大廈前端的裝修項目包括一個新的咖啡廳，為租戶和訪客提供更佳的設施。在檢討中的財務年裡，馬聯產業賺取稅前盈利 2 千 260 萬零吉，營業額達 1 億 2 千零 70 萬零吉，而 2000 年的稅前盈利達 2 千零 50 萬零吉，營業額共 1 億 2 千 190 萬零吉。

在中華人民共和國方面，馬聯香港在中山市推行的得興項目《星晨別墅》計劃的第三期第 1 和第 2 部份順利建竣。這項目在 1992 年施工。迄今，共建屋逾 5,000 單位，其中 95% 已售出。在 2001 年 11 月，《星晨別墅》在北京蒙視大陸以外最佳購置者銷售的全國性獎項。本集團在中山市的另一個房地產項目是《星晨廣場》。此項目的對象為中國的國內買主。《星晨廣場》的東區共建有 12 幢 7 層

高樓和5幢12層高樓，此項目工程在檢討年內竣工。

本集團也還擁有49%股權的聯號Regent公司，而在美國北卡羅來納州的Regent公園擁有面積2,000畝的Regent公園高爾夫球場及發展地皮。這個高爾夫球場在過去幾年以提供優質服務及創新的活動著稱，而獲獎無數。

教育事業

本集團還擁有實業的澳洲子公司Excel教育有限公司(Excel)，提供教育服務。Excel屬下的澳洲大學學院(AIUS)和澳洲高爾夫球管理學院共設在西澳柏斯面積13.8畝的校園。AIUS在葛丁理工大學、蒙納斯學院及蒙納斯大學協助下，提供各種學位、文憑及證書課程。蒙納斯文憑和學位課程在2001年1月開辦，預料就讀學生將會增加。

旅遊業

在旅遊業方面，本集團旗下香港星島旅遊有限公司和設在吉隆坡的泛馬旅遊私人有限公司為遊客和商務旅客提供廣泛的旅遊目的地。星島旅遊在2001年6月，榮獲大馬文化、藝術及旅遊部聯合大馬旅遊促進局頒發的《最佳外國旅遊社》獎項。由星島旅遊擁有49%股權的聯號—北京星島—Now Ask 國



Celebrating the extensive refurbishment at Corus Grosvenor hotel, Adelaide. From left, Mr. Anthony Yap, Executive Director MUI Properties, Mr. Khet Kok Yin, Managing Director of The MUI Group, The Hon. Joan Hall, Minister of Tourism, The Right Hon. Alfred Huang, Lord Mayor of Adelaide City Council, and The Hon. Mike Rann, Leader of The Opposition

際旅遊有限公司(北京星島)在2001年的營業重點以國際及國內旅客的國內旅遊為主。北京星島已準備積極參與在發展中的中國旅遊市場。尤其是中國加入世界貿易組織後，國內旅遊業的前景更是一片大好。中國成功申辦2008年北京夏季奧運會，預料將為北京星島造就更多商機。

媒體及娛樂業

本集團是香港首要英文報章出版公司—南華早報五大股東之一。本集團也在美國洛杉磯的PorchLight娛樂公司(PorchLight)持有50%股權。PorchLight和Discovery Kids聯合拍製了一套共13集的片集《Tutenstein》。此片集在2002年首映。此外，PorchLight得獎作品《Jay Jay the Jet Plane》在2001年在PBS電視網播出，作為《Ready to Learn》學齡兒童的部份電視節目。PorchLight的消費產品組也成功地

A charity Christmas party held by staff of Corus hotel - Kuala Lumpur



Metrojaya staff distributing gifts to the elderly



推行了一項名為《Jay Jay》的特許權計劃，導致了超過 30 個特許權經營商，以銷售各主要種類之產品，如錄影帶、出版、玩具、互動產品及服裝等。PorchLight 在 2001 年開始拍攝 2 部片長 1 小時的動畫電影《The Night Before Christmas》和《The Haunted Pumpkin of Sleepy Hollow》。

其他投資

本集團透過泛馬企業有限公司在 2001 年，以現金 1 億零 650 萬零吉，收購馬來西亞化工有限公司 (CCM) 的 4 千 634 萬 9 千普通股，而使集團在該公司所持有的股權從 10.1% 增至 23.1%。在吉隆坡股票交易所掛牌的 CCM 主要是一家控股和管理公司，其子公司和聯號從事製造與行銷化肥、農藥、藥劑和保健品、各種化學品行銷，以及發展與操作醫藥中心和相關醫療服務。

公益事業

本集團的宗旨是作為一個負責任的良好企業公民。有鑒于此，其聯集團對各公益事業無不踴躍，種

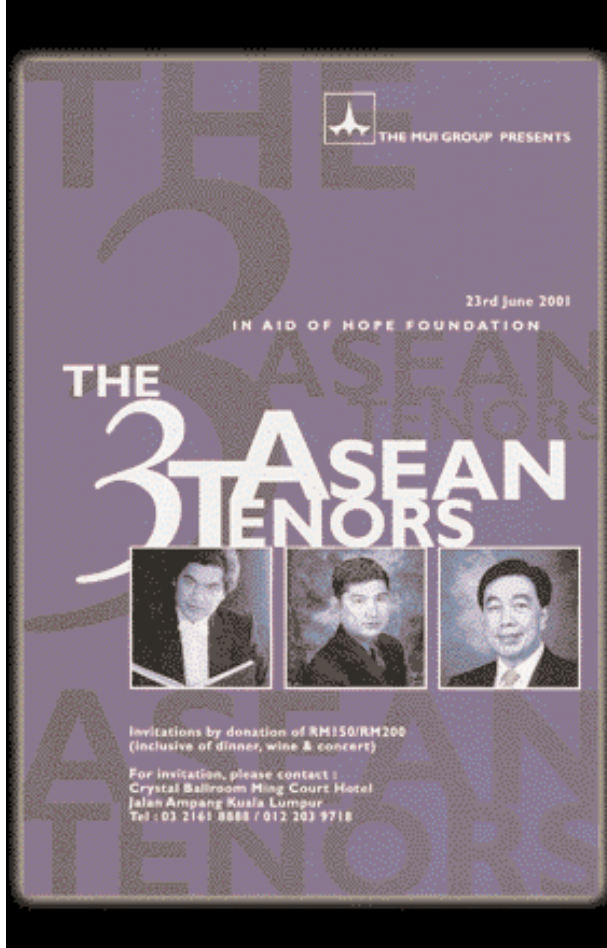


YAB Dato' Seri Utama Tan Sri Haji Mohd Isa bin Dato' Haji Abdul Samad, Menteri Besar of Negeri Sembilan (left) with Mr. Anthony Yap, Executive Director MUI Properties Berhad, at the handing over of keys ceremony for Phase E2, Bandar Springhill, Port Dickson - Malaysia

Below top and left: Team building exercises for employees of MUI Continental Insurance

Bottom right : A MUI Continental Insurance Technical Training course on Insurance Products





The MUI Group sponsored the 3 Asean Tenors to perform at Corus hotel, Kuala Lumpur



Top right: Senior staff of The MUI Group enjoying a festive Chinese New Year lunch with members of the Malaysian media



Bottom right: A group of children receiving gifts from Metrojaya as part of their Hari Raya celebration

僑參與各項有益社會的活動、慈善及聯歡事業，贊助及資助體育項目等。吉隆坡的 Corus 酒店設茶會招待兩所孤兒院的兒童，而倫敦的 The Plaza on Hyde Park 酒店也為英國兩個慈善組織 - 'Comic Relief' 及全國盲人協會籌款。美國兩州獻善款和衣物給各孤兒院和安老院。

2002年展望

各主要的經濟指標顯示全球經濟在2002年開始復甦。由於國內需求持續以及全球經濟狀況好轉，預料大馬經濟將在2002年出現轉機，實際國內總產值的增率將達到3.5%。大馬政府提高人民可支配收入的各項措施將會起立竿見影的成效，導致私人消費在今年將躍升3.0%。

本集團將在2002年繼續盡力以開拓新的市場，以增加收入，進而提高股東的價值。與此同時，集團各營業單位將不遺餘力地提升生產力，擴展業務，以及開源節流，保持盈利和競爭力。如無意外，本集團將在2002年取得令人滿意的業績。

敬謝

我謹此代表董事部同人，對集團管理層和全體員工的奉獻、任勞任怨和忠心不二，致于由衷的謝忱。我也在此感謝董事部同人對我們全力支持，以及感謝全體股東對本集團董事及管理層的信心。

我們的主席

丹斯里拿督廖繼雄博士
董事主席

吉隆坡

2002年1月2日

The Management of Corus hotel Kuala Lumpur, serves lunch to the staff as an appreciation for their efforts over the past year



PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Akaun Kumpulan bagi tahun kewangan berakhir 31 Disember 2001.

TINJAUAN EKONOMI

Prestasi ekonomi Malaysia bagi tahun 2001 terjejas oleh kemerosotan ekonomi dunia. Keluaran Dalam Negara Kasar ('KDNK') sebenar Malaysia berkembang pada kadar 0.4% bagi tahun dalam tinjauan, berbanding dengan 8.3% pada tahun 2000. Agregat permintaan dalaman, iaitu pendorong terpenting pembangunan ekonomi berkembang pada kadar 2.3% hasil peningkatan kukuh sektor perbelanjaan awam sebanyak 13.9%. Sektor perkhidmatan dan



The MUI Group Headquarters, MUI Plaza - Kuala Lumpur

The award winning project of MUI Hong Kong Limited in Zhongshan, China





Top: The double-storey shop offices at Bandar Springhill

Bottom: A view of part of the Bandar Springhill development



The entrance to Bandar Springhill, Negeri Sembilan - Malaysia

pembinaan masing-masing berkembang pada kadar 4.9% dan 2.3% pada tahun 2001 berbanding dengan 4.8% dan 1.0% pada tahun 2000. Perkembangan sektor perkhidmatan adalah meluas dengan kewangan, insurans, hartanah dan sub-sektor khidmat niaga mencatatkan perkembangan lebih kukuh. Sektor pembinaan telah mendapat manfaat dari percepatan pembahagian projek yang diambil oleh Kerajaan Malaysia sebagai langkah rangsangan fiskal. Perkembangan sektor perkhidmatan dan pembinaan telah membantu mengurangkan kesan kemerosotan industri-industri berasaskan eksport. Sektor pembuatan telah mengecut sebanyak 5.1% pada tahun 2001.

Imbangan pembayaran Malaysia terus kukuh pada tahun dalam tinjauan dengan kelebihan akaun semasa sebanyak RM27.4 bilion. Rizab bersih antarabangsa ialah RM119.6 bilion pada 28 Februari 2002, dan ini memadai untuk menampung 5.2 bulan import kekal dan 5.1 kali ganda hutang luaran jangka pendek.

PENCAPAIAN KEWANGAN

Bagi tahun kewangan dalam tinjauan, Kumpulan telah mencatatkan keuntungan sebelum cukai sebanyak RM35.6 juta berdasarkan perolehan sebanyak RM692.8 juta, berbanding dengan kerugian sebelum cukai RM12.0 juta berdasarkan perolehan RM705.1 juta pada tahun 2000. Aset Kumpulan dan dana para pemegang saham masing-masing berjumlah RM7.75 bilion dan RM2.13 bilion pada 31 Disember 2001.

TINJAUAN OPERASI

Kumpulan MUI mempunyai kepentingan luas dalam bidang peruncitan, hotel, makanan dan konfeksi, perkhidmatan kewangan, hartanah, pendidikan dan pelancongan. Sebahagian penting perolehan adalah hasil operasi daripada luar negara. Operasi MUI meliputi Malaysia, United Kingdom, Eropah, Amerika Syarikat, Australia, Hong Kong, Republik Rakyat China, India dan Singapura.



'Bayan' - a new double-storey house, part of Phase V at Bandar Springhill



The Bandar Springhill sales office

Peruncitan

Kumpulan memiliki 42.88% kepentingan dalam Laura Ashley Holdings plc ('Laura Ashley'), sebuah peruncit antarabangsa Britain, dan kepentingan tidak langsung dalam Metrojaya Berhad, peruncit terulung di Malaysia.

Laura Ashley tersenarai di Bursa Saham London. Ia terutamanya, terlibat dengan mereka bentuk, membuat, mencari sumber, mengedar dan menjual pakaian, perhiasan dan kemasan rumah yang terkenal dan dikagumi kerana gaya tradisional negara Inggeris. Kumpulan ini mengendalikan lebih daripada 200 kedai di United Kingdom ('UK') dan Eropah, sementara banyak kedai francaisnya beroperasi di Amerika Syarikat, Jepun dan lain-lain negara Asia. Laura Ashley telah mencatatkan keuntungan sebelum cukai sebanyak £8.6 juta (RM47.1 juta) bagi 52 minggu berakhir 26 Januari 2002 berdasarkan perolehan sebanyak £276.8 juta (RM1.52 bilion) berbanding dengan keuntungan sebelum cukai £8.4 juta (RM48.3 juta) berdasarkan kepada perolehan sebanyak £259.1 juta (RM1.49 bilion) pada tahun sebelumnya.

Laura Ashley terus menumpukan perhatian kepada pembesaran operasi produk kemasan rumah dan pakaian. Susulan kejayaan kedai-kedai tunggal yang baru bagi kemasan rumah, kumpulan ini sedang meluaskan rangkaian kedai kemasan di seluruh UK. Laura Ashley berbeza daripada kesemua saingannya kerana ia menawarkan rangkaian produk kemasan rumah yang menyeluruh termasuk sofa, kabinet, kemasan ringan dan lampu. Ia dilengkapi oleh Design Service kumpulannya. Laura Ashley seterusnya mempromosikan produk kemasan rumahnya melalui khidmat hantaran pos yang kini meliputi 4 katalog setahun. Operasi pakaian antarabangsa Laura Ashley telah mencapai satu lagi kejayaan pada tahun 2001

apabila koleksi musim bunganya disiarkan dalam majalah Vogue. Laman web Laura Ashley, www.lauraashley.com telah dilancarkan pada akhir tahun 2001 untuk menawarkan kepada para pembeli satu lagi saluran khidmat pelanggan. Setakat ini, penjualan *on-line* amat menggalakkan.

Laura Ashley ('North America') Inc, anak syarikat bersekutu Regent Corporation, dimana Kumpulan mempunyai 49% kepentingan, sedang menguruskan strategi pelesenan untuk meluaskan perniagaan. Beberapa syarikat penting Amerika sudah pun bersetuju menggunakan jenama Laura Ashley bagi berbagai-bagai jenis produk pengguna. Ini termasuklah Saks Incorporated, Kravet, Hollander Home, Kincaid Furniture dan Summersault. Umpamanya, pakaian dan perhiasan Laura Ashley akan dijual di semua 125 kedai Saks di Amerika Syarikat. Rundingan dengan lain-lain syarikat terkenal sedang diuruskan.

Di Malaysia, Metrojaya Berhad mengendalikan 5 gedung serbaneka dan lebih daripada 60 kedai khusus di seluruh negara. Kedai-kedai khusus ini terdiri daripada East India Company, Somerset Bay, Living Quarters, La Senza Girl dan Reject Shop. Pada September 2001 kumpulan telah menyiapkan pengubahsuaian kedai serbaneka Metrojaya seluas 100,000 kaki persegi di Plaza Pelangi, Johor Bahru. La Senza Girl, jenama Kanada yang menawarkan fesyen menawan kanak-kanak perempuan antara 8 dan 14 tahun telah dibuka di One Utama Shopping Complex pada Disember 2001. Untuk meluaskan perniagaannya ke luar negara, Metrojaya sedang berusaha untuk meningkatkan infrastruktur teknologi peruncitan dan memperbaiki proses perniagaannya sesuai dengan dasar peruncitan dunia. Kejatuhan mendadak KDNK Malaysia daripada 8.3% pada tahun 2000 kepada 0.4% pada tahun 2001 telah menjejaskan prestasi Metrojaya kerana perbelanjaan pengguna menurun akibat kemerosotan ekonomi.

Hotel

Kumpulan MUI memiliki dan mengendalikan 91 hotel pada 31 Disember 2001, iaitu 86 hotel di seluruh UK, dan 5 hotel di Malaysia dan Australia di bawah jenama Corus & Regal Hotels. Corus merupakan jenama baru yang bergaya lagi ceria yang berazam menjadi kumpulan hotel terunggul dalam pasaran peringkat pertengahan, dimana sektor perhotelan membangun paling pantas di Britain. Dengan menumpukan perhatian kepada tetamu ahli perniagaan yang menghasilkan pulangan lebih tinggi, acara mesyuarat serta tetamu yang membuat percutian singkat, jenama Corus berharap boleh mencapai tahap penghunian tinggi sepanjang minggu.

Dengan pengenalan dan penamaan 2 hotel di Malaysia dan 3 hotel di Australia milik Kumpulan MUI pada Oktober 2001, jenama Corus kini mencapai tahap antarabangsa. Dengan itu, kesemua hotel dalam Kumpulan kini lebih bersedia untuk menikmati manfaat promosi jualan dan pemasaran serta operasi sinergi dan sumber tenaga pekerja. Ia berada di kedudukan lebih



The golf course at Regent Park, North Carolina - USA

baik untuk mencari pelbagai peluang di bandar-bandar utama di Asia, Amerika Utara dan Eropah untuk pemilikan dan kontrak pengurusan.

Corus & Regal Hotels plc juga telah mula merasionalisasi portfolio hotelnya di UK; beberapa hotel yang tidak selaras dengan rancangan jangka panjangnya dilepaskan dan pemilikan-pemilikan baru akan dibuat untuk menggantikannya.

Corus hotel Kuala Lumpur dan Corus Paradise resort Port Dickson telah mencapai penghunian dan prestasi lebih baik berbanding dengan tahun sebelumnya. Setelah membelanjakan beberapa juta untuk proses pembaharuan, Corus hotel Sydney, Corus hotel Adelaide dan Corus hotel Hobart telah mencapai prestasi memuaskan walaupun terdapat banyak cabaran setelah

Homes set in Regent Park, North Carolina - USA





Just some of MUI Continental Insurance product brochures

tamatnya Sukan Olimpik Sydney, peristiwa tragik 11 September di Amerika Syarikat dan keruntuhan Ansett Airlines.

Hotel kemegahan Corus & Regal Hotels plc di Central London, The Plaza on Hyde Park telah selesai memperbaharui 77 bilik lagi dengan gaya dan warna Laura Ashley pada tahun 2001. Pembaharuan ini memastikan suasana lebih mewah lagi mahal bagi tetamu.

Operasi hotel di UK mengalami suasana niaga yang mencabar pada tahun 2001 akibat penyakit kaki dan mulut dan peristiwa 11 September. Walaubagaimanapun, bagi tahun berakhir 31 Disember 2001, Corus & Regal Hotels plc di UK mencatatkan kenaikan keuntungan sebelum cukai sebanyak £5.4 juta (RM29.7 juta) berbanding dengan £2.9 juta (RM16.7 juta) pada tahun 2000, yang merupakan peningkatan sebanyak 85%.

Customer service counts at MUI Continental Insurance Berhad





Morning Star Travel - Hong Kong, participating at an international travel fair

Pada November 2001, MUI Media Ltd, anak syarikat penuh milik Kumpulan selesai memiliki 100% saham modal terbitan dan berbayar London Vista Hotel Limited yang menguasai Corus & Regal Hotels plc.

Melalui syarikat sekutunya Regent Corporation, Kumpulan memiliki dan mengendalikan dua rumah penginapan, The Country Hearth Inn dan Fiddlers Inn di Branson, Missouri, A.S. Bandar Branson merupakan destinasi percutian popular, dan setiap tahun ia dilawati oleh lebih daripada 7 juta pengunjung yang ingin menikmati pelbagai pementasan yang terdapat di sana. Country Hearth Inn dan Fiddlers Inn terletak di tengah-tengah Branson.

Makanan dan Konfeksi

Kumpulan menjalankan operasi makanan dan konfeksi melalui anak syarikatnya Pan Malaysia Corporation Berhad ('PMC') yang tersenarai di Bursa Saham Kuala Lumpur. PMC memiliki Kumpulan Syarikat Network Foods yang membuat, memasarkan dan mengedarkan produk makanan dan konfeksi.

Network Foods International Ltd ('NFL') yang tersenarai di Bursa Saham Singapura ialah syarikat pegangan kumpulan Syarikat Network

Foods di Malaysia, Singapura, Hong Kong dan India. Di Malaysia, kumpulan ini terlibat dengan pembuatan dan pengedaran, masing-masing melalui Network Foods Industries Sdn Bhd ('NFI') dan Network Foods (Malaysia) Sdn Bhd ('NFM'). NFI memiliki sebuah kilang coklat dan konfeksi seluas 10,800 meter persegi di Shah Alam, Selangor, yang mengeluarkan jenama-jenama coklat laris seperti Crispy, Tango, Kiddies dan Tudor Gold. Ia juga berlesen untuk mengeluarkan coklat Van Houten. Produk-produk NFI dieksport

Pan Malaysia Travel & Tours Sdn Bhd, Kuala Lumpur





PM Securities at MUI Plaza, Kuala Lumpur - Malaysia



A new PM Securities branch at Puchong, Selangor - Malaysia

ke lebih daripada 30 negara. NFM memasar, menjual dan mengedar produk-produk kumpulan ini di Malaysia. Pada tahun 2001, NFM telah memperkenalkan satu rangkaian biskut baru CrispyO dan telah menambah kepada saluran agensinya wain bermutu dari Canada, Chile, Australia dan Itali, yang diterima baik oleh orang ramai. Kedua-dua NFM and NFI mencatatkan prestasi lebih baik pada tahun dalam tinjauan.

Network Foods (Hong Kong) Ltd ('NFHK') mengedarkan satu rangkaian produk kumpulan di Hong Kong. NFHK bersedia untuk meluaskan operasinya ke tanah besar China yang begitu luas pada masa akan datang. Syarikat ini telah mencatatkan keuntungan yang lebih tinggi pada tahun 2001. Lotus Chocolate Company Limited yang tersenarai di Bursa Saham Hyderabad dan Bombay memiliki dan menjalankan kilang coklat di India. Syarikat ini tidak mencapai prestasi yang diharap-harapkan pada tahun 2001 kerana suasana perdagangan yang sukar.

NFIL mencatatkan keuntungan operasi sebelum cukai sebanyak S\$2.7 juta (RM5.7 juta) pada tahun 2001 berbanding dengan kerugian operasi sebelum cukai sebanyak S\$1.4 juta (RM3.1 juta) pada tahun 2000. Perolehan tergabung meningkat sebanyak 1.9% kepada S\$49.4 juta, setelah mengambilkira penjualan saham ekuiti Kumpulan dalam PT Indo Cocoa Specialities, syarikat Indonesia yang mengeluarkan produk koko, coklat dan konfeksi pada tahun 2000. Prestasi NFIL yang meningkat adalah hasil eksport kukuh dari operasi pembuatannya di Malaysia, kejayaan produk-produk baru, serta kawalan kos bijak.

Kumpulan juga beroperasi di Australia melalui Network Foods Limited ('NFL') yang tersenarai di Bursa Saham Australia. NFL ialah pengedar bebas konfeksi terbesar di negara Australia. Syarikat ini mempunyai pasukan jualan dan gudang-gudang yang terletak dengan

strategiknya di semua negeri utama di Australia di mana ia mengedarkan jenama antarabangsa terkenal seperti Cadbury, Nestle, Mars, Wrigley's, Hershey's dan SMINT serta coklat-coklat kumpulan jenama Crispy. NFL mencatatkan keuntungan sebelum cukai sebanyak A\$0.5 juta (RM1.0 juta) berdasarkan perolehan sebanyak A\$107.3 juta (RM210.3 juta) pada tahun 2001.

Perkhidmatan Kewangan

Kumpulan mempunyai operasi pembrokeran di Malaysia dan Hong Kong melalui PM Securities Sdn Bhd ('PM Securities'), anak syarikat Pan Malaysia Capital Berhad ('PM Capital') dan Morning Star Securities Ltd, anak syarikat tidak langsung di bawah kumpulan MUI Hong Kong.

PM Securities adalah salah satu syarikat broker yang pertama diluluskan oleh pihak berkuasa Malaysia sebagai Universal Broker. Ini membolehkan ia mempelbagaikan kegiatan, daripada menjadi pembroker untuk menawarkan kegiatan penuh kewangan korporat, pengurusan harta, produk-produk derivatif dan perniagaan melalui internet. Untuk mencapai tujuan-tujuannya sebagai Universal Broker, pada 8 Disember 2001 kumpulan telah menyelesaikan rancangan rasionalisasi modal dalaman yang melibatkan antara lain, pemindahan kepentingan ekuiti sepenuhnya PM Capital dalam Pan Malaysia Equities Sdn Bhd kepada PM Securities dan pemindahan seterusnya kepentingan ekuiti sepenuhnya PM Capital dalam PM Securities kepada Kimara Asset Management Sdn Bhd, satu lagi anak syarikat penuh milik PM Capital. Pada akhir bulan Jun 2002 PM Securities dijangka mempunyai 7 cawangan di seluruh Semenanjung Malaysia di Puchong, Johor Bahru, Seremban, Pulau Pinang, Melaka dan Klang. Ibu pejabat dan pejabat utamanya akan tetap berada di Kuala Lumpur.

Prestasi PM Securities pada tahun 2001 terjejas dengan buruknya oleh penurunan 60% urusniaga saham di Bursa Saham Kuala Lumpur. Kejatuhan nilai urusniaga saham daripada RM244.05 bilion kepada RM96.02 bilion menyebabkan syarikat pegangannya PM Capital mencatatkan kerugian sebelum cukai sebanyak RM42.8 juta bagi tahun kewangan berakhir 31 Disember 2001, berbanding dengan keuntungan sebelum cukai RM22.9 juta pada tahun kewangan sebelumnya.

Pasaran saham di Hong Kong tetap lemah kerana ekonomi dunia yang tidak menentu. Ini menjejaskan prestasi Morning Star Financial Services Ltd. Pada tahun akan datang, Morning Star Financial Services akan terus menumpukan perhatiannya kepada strategi-strategi peluasan asas langganannya.

Kumpulan MUI mempunyai kehadiran yang kukuh dalam sektor insurans melalui MUI Continental Insurance Berhad ('MCI'). Dengan 14 cawangan di seluruh Malaysia, ia mempunyai asas komprehensif untuk memasarkan pelbagai produk seperti insurans kebakaran, marin, kesihatan, motor dan lain-lain. Ia sedang mengukuhkan proses perniagaannya melalui teknologi maklumat supaya dapat menawarkan khidmat lebih baik kepada pelanggan. MCI mencatatkan premium tertulis kasar sebanyak RM72.5 juta pada tahun berakhir 31 Disember 2001, berbanding dengan RM50.6 juta sebelumnya. Ia mencapai keuntungan sebelum cukai RM4.9 juta berbanding dengan keuntungan sebelum cukai RM0.6 juta pada tahun 2000.

Pada Mei 2001, MCI selesai menawarkan terbitan hak 16,523,000 saham biasa baru RM1.00 tiap satu pada harga terbitan RM1.00 tiap satu saham biasa baru untuk meningkatkan modal berbayarnya kepada RM67.4 juta. Kepentingan ekuiti agregat Kumpulan dalam MCI telah meningkat daripada 64.02% kepada 72.85% setelah terbitan hak itu selesai.



The Deputy Education Minister of Malaysia, Y.B. Dato' Hon Choon Kim, accompanied by Mr. Khet Kok Yin, Managing Director of The MUI Group, cuts the ceremonial ribbon to officially open the new Seremban branch of PM Securities

Hartanah

Kumpulan terlibat dengan pembinaan, pelaburan dan pengurusan hartanah melalui MUI Properties Berhad ('MUI Properties') dan MUI Hong Kong Ltd. Melalui pelbagai projek binaan utama, Kumpulan telah dapat mengukuhkan kehadirannya di Malaysia dan juga di Republik Rakyat China.

Di Malaysia, Kumpulan terus membina projek Bandar Springhill, iaitu sebuah pekan bersepadu seluas 1,990 ekar yang terletak dengan strategiknya berhampiran lebuh raya Seremban-Port Dickson, Negeri Sembilan. Pembangunan campuran rumah kediaman, komersil dan perindustrian yang dilancarkan pada tahun 1997 ini dijangka siap berperingkat-peringkat dalam masa 15 tahun dan akan meliputi lebih kurang 11,000 unit. Setakat ini, lebih daripada 1,000 unit telah dijual, termasuk 458 rumah kediaman yang berjaya disiapkan dan diserahkan pada tahun 2001.

MUI Properties juga memiliki Plaza MUI, bangunan komersil 22 tingkat seluas 350,000 kaki persegi di tengah-tengah kawasan perniagaan Kuala Lumpur. Plaza MUI yang juga menempatkan ibu pejabat Kumpulan mempunyai kadar penghunian lebih 81%. Fasa kedua pengindahan Plaza MUI yang diteruskan pada tahun 2001 dengan mengubahsuai ruang legar utama yang akan menyediakan satu



A handshake seals a deal



The spacious public viewing gallery at PM Securities

kafeteria baru untuk kemudahan penghuni dan pengunjung. Bagi tahun kewangan dalam tinjauan, MUI Properties mencapai keuntungan sebelum cukai sebanyak RM22.6 juta berdasarkan perolehan RM120.7 juta, berbanding dengan keuntungan sebelum cukai RM20.5 juta berdasarkan perolehan RM121.3 juta pada tahun 2000.

Di Republik Rakyat China, MUI Hong Kong Ltd telah menyelesaikan pembinaan Fasa VII-Bahagian I dan Bahagian II Morning Star Villa ('MSV'), projek pembinaan yang telah memenangi anugerah di Zhongshan. Kerja pembinaan projek ini bermula pada tahun 1992. Setakat ini, lebih daripada 5,000 unit telah dibina dimana 93% telah dijual. Pada November 2001, MSV memenangi anugerah kebangsaan di Beijing kerana penjualan paling laris kepada pembeli dari luar tanah besar China. Satu lagi projek Kumpulan di Zhongshan City, Morning Star Plaza, ditujukan kepada pembeli domestik di China. Kerja pembinaan bahagian timur Morning Star Plaza yang terdiri daripada dua belas menara 7-tingkat dan lima menara 12-tingkat selesai pada tahun dalam tinjauan.

Kumpulan juga memiliki 2,000 ekar tanah untuk golf dan tanah untuk pembangunan di Regent Park, North Carolina, A.S., melalui Regent Corporation, syarikat milik bersekutu sebanyak 49%. Regent Park Golf Course telah menerima pelbagai anugerah pada tahun-tahun yang lalu di atas khidmat dan program bermutunya kepada para pemain golf.

Pendidikan

Kumpulan memiliki kepentingan dalam khidmat pendidikan melalui anak syarikat penuh miliknya di Australia, iaitu Excel Education Pty Ltd. ('Excel'). Kedua-dua Australian Institute for University Studies ('AIUS') dan Australian Institute for Golf Management yang dimiliki oleh Excel

terletak di kampus seluas 13.8 hektar di Perth, Australia Barat. AIUS menjalankan pelbagai program sijil, diploma dan ijazah dengan Curtin University of Technology, Monash College dan Monash University. Program diploma dan ijazah Monash bermula pada Februari 2001 dan kemasukan penuntut dijangka akan meningkat.

Pelancongan dan Pengembaraan

Bagi sektor pelancongan dan pengembaraan, Morning Star Travel Service Ltd, Hong Kong ('MST') dan Pan Malaysia Travel and Tours Sdn Bhd di Kuala Lumpur menawarkan pelbagai destinasi bagi pelancong biasa dan ahli perniagaan. Pada Jun 2001 MST telah menerima anugerah 'The Best Foreign Tour Operator' dari Kementerian Kebudayaan, Kesenian dan Pelancongan Malaysia anjuran Lembaga Pelancongan Malaysia. Beijing Morning Star - New Ark International Travel Service Co., Ltd ('MST Beijing'), iaitu syarikat bersekutu 49% milik MST menumpu perhatiannya kepada kemasukan pelancong domestik dan antarabangsa pada tahun 2001. MST Beijing juga bersedia untuk mengambil peranan cergas dalam pasaran pelancongan yang semakin meningkat di tanah besar China, terutamanya dengan kemasukan China ke World Trade Organisation. Peranannya sebagai tuan rumah Summer Olympic Games 2008 di Beijing dijangka akan menyediakan peluang perniagaan seterusnya kepada MST Beijing.

Media dan Hiburan

Kumpulan merupakan salah satu daripada pemegang saham utama South China Morning Post, penerbit akhbar Bahasa Inggeris terulung di Hong Kong. Kumpulan juga memiliki 50% kepentingan dalam PorchLight Entertainment Inc,

Los Angeles, A.S. ('PorchLight'). Berganding dengan Discovery Kids, PorchLight telah menerbitkan tiga belas episod 'Tutenstein' yang mula ditayangkan pada tahun 2002. Siri PorchLight yang telah memenangi anugerah, 'Jay Jay the Jet Plane' dilancarkan di PBS Television Network dalam tahun 2001 sebagai sebahagian daripada rancangan 'Ready to Learn' bagi kanak-kanak pra-sekolah. Bahagian Produk Pengguna PorchLight telah melancarkan program pelesenan 'Jay Jay' dengan 30 pemegang lesen untuk meliputi semua kategori produk, termasuk video, percetakan, permainan, pakaian dan bidang interaktif. Pada tahun 2001, PorchLight telah memulakan pengeluaran rancangan animasi 'The Night Before Christmas' dan 'The Haunted Pumpkin of Sleepy Hollow'.

Pelaburan Lain

Pada 2001, melalui Pan Malaysia Corporation Berhad, Kumpulan telah meningkatkan ekuitinya dalam Chemical Company of Malaysia Berhad ('CCM') daripada 10.1% kepada 23.1% melalui pemilikan 46,349,000 saham biasa RM1.00 setiap satu dengan



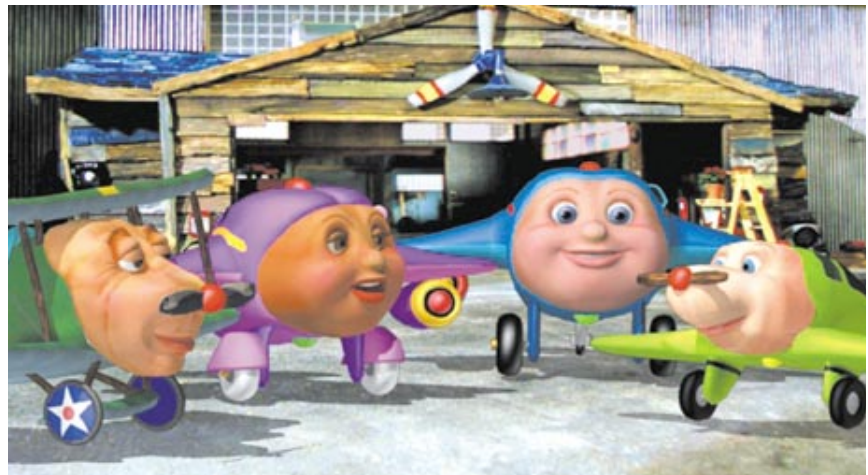
PM Securities, Seremban, Negeri Sembilan

bayaran RM106.3 juta. CCM yang tersenarai di Bursa Saham Kuala Lumpur, merupakan syarikat pelaburan holding dan pengurusan bersama anak syarikat dan syarikat bersekutu terlibat dalam bidang pembuatan dan pemasaran baja, produk chlor-alkali, produk farmaseutikal dan kesihatan, pemasaran yang meluas barangan kimia dan pembangunan dan operasi pusat perubatan dan perkhidmatan perubatan yang berkaitan.

HUBUNGAN MASYARAKAT

Kumpulan tetap percaya kepada peranannya sebagai warga korporat yang bertanggungjawab. Oleh itu, syarikat-syarikat dalam konglomerat ini bergiat cergas dalam pelbagai program yang meningkatkan kebajikan masyarakat, projek amal, acara kebajikan

The successful 'Jay Jay the Jet Plane', 3D animation, PorchLight Entertainment - USA





Part of the chocolate manufacturing process, Network Foods Industries Sdn Bhd - Malaysia

dan kegiatan sukan. Corus hotel Kuala Lumpur telah menjadi tuan rumah kepada kanak-kanak daripada dua rumah kebajikan. The Plaza on Hyde Park di London pula berjaya mengumpul dana bagi dua badan amal di UK, iaitu 'Comic Relief' dan 'National Association for the Blind'. Metrojaya pula telah menyumbangkan wang dan pakaian kepada rumah anak-anak yatim dan warga tua.

PROSPEK BAGI 2002

Tanda-tanda utama ekonomi menunjukkan bahawa ekonomi dunia sedang berada di peringkat awal pemulihan pada tahun 2002. Ekonomi Malaysia dijangka semakin kukuh sepanjang tahun 2002 dengan Keluaran Domestik Negara Kasar berkembang pada 3.5% seiring dengan permintaan dalaman bertahan dan situasi ekonomi dunia yang semakin baik. Penggunaan swasta dijangka akan meningkat sebanyak 5.0% memandangkan kesan





A range of wines distributed by Network Foods (Malaysia) Sdn Bhd

kumulatif hasil beberapa langkah Kerajaan Malaysia untuk meningkatkan pendapatan boleh guna. Kumpulan akan meneroka peluang-peluang baru untuk meningkatkan perolehan dan nilai saham. Unit-unit operasi Kumpulan akan terus meningkatkan daya pengeluaran dan meluaskan niaga masing-masing, sambil menumpukan perhatian kepada kawalan kos bijak supaya keuntungan dan daya saing terus dinikmati. Kecuali berlakunya keadaan yang tidak boleh diramalkan, Kumpulan dijangka mencapai prestasi memuaskan pada tahun 2002.

PENGHARGAAN

Bagi pihak Lembaga, saya ingin menyatakan penghargaan ikhlas saya kepada pihak Pengurusan dan kakitangan Kumpulan di atas sumbangan, dedikasi dan komitmen mereka. Saya juga ingin menyampaikan ucapan terima kasih kepada rakan-rakan Pengarah atas sokongan kental mereka dan kepada para pemegang saham di atas keyakinan mereka kepada Lembaga Pengarah dan juga Pengurusan Kumpulan.

Kepada TUHAN Kita Bertawakal

Tan Sri Dato' Dr Khoo Kay Peng
Pengerusi

Kuala Lumpur
2 Mei, 2002

Glencourt snack crackers



STATISTICS OF SHAREHOLDINGS

As at 29 April 2002

Class of Share: Ordinary share of RM1 each
Voting Rights: 1 vote per ordinary share

Substantial Shareholders as per Register of Substantial Shareholders

Name	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
1. Pan Malaysian Industries Berhad	199,490,000	10.28	695,726,400	35.85
2. KKP Holdings Sdn Bhd	—	—	895,216,400	46.13
3. Soo Lay Holdings Sdn Bhd	—	—	895,216,400	46.13
4. Tan Sri Dato' Dr Khoo Kay Peng	—	—	895,216,400	46.13
5. Serveast Trading Sdn Bhd	260,022,400	13.40	—	—
6. Favourmark Corporation Sdn Bhd	155,900,000	8.03	—	—

Directors' Shareholdings in the Company and related corporations as per Register of Directors' Shareholdings

	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
Ordinary shares of RM1 each in Malayan United Industries Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	—	—	895,216,400	46.13
Yong Ming Sang	1,981,800	0.10	549,640	0.03
Ang Guan Seng	—	—	68,353,800	3.52
Ordinary shares of 50 sen each in MUI Properties Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	—	—	540,612,661	70.75
Dr Ngui Chon Hee	30,000	0.00	84,000	0.01
Ordinary shares of 50 sen each in Pan Malaysia Corporation Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	—	—	420,364,500	56.84
Tan Sri Dato' Md Khir Johari	94,082	0.01	219,000	0.03
Dr Ngui Chon Hee	—	—	35,000	0.01
Ordinary shares of RM1 each in Pan Malaysia Holdings Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	—	—	576,968,075	62.39
Ordinary shares of RM1 each in MUI Continental Insurance Berhad				
Tan Sri Dato' Dr Khoo Kay Peng	—	—	49,073,000	72.85

Distribution Of Shareholders

Holdings	No. of Holders	%	No. of Shares	%
Less than 1,000 shares	283	0.43	107,499	0.01
1,000 to 10,000 shares	52,680	80.40	213,094,314	10.98
10,001 to 100,000 shares	11,789	17.99	329,770,921	16.99
100,001 to less than 5% of issued shares	771	1.18	784,116,644	40.41
5% and above of issued shares	3	0.00	613,442,400	31.61
Total	65,526	100.00	1,940,531,778	100.00



Thirty (30) Largest Securities Accounts Holders

<i>Name</i>	<i>No. of Shares</i>	<i>%</i>
1. Mayban Nominees (Tempatan) Sdn Bhd - Malayan Banking Bhd Hong Kong for Serveast Trading Sdn Bhd	258,054,400	13.30
2. Pan Malaysian Industries Berhad	199,490,000	10.28
3. Mayban Nominees (Tempatan) Sdn Bhd - Malayan Banking Berhad Hong Kong for Favourmark Corporation Sdn Bhd	155,898,000	8.03
4. Mayban Nominees (Asing) Sdn Bhd - Malayan Banking Bhd Hong Kong for Pamford Limited	88,392,000	4.56
5. Plenary Investments Pte Ltd	67,038,800	3.45
6. Permodalan Nasional Berhad	64,000,000	3.30
7. Rigap Prima Sdn Bhd	46,000,000	2.37
8. Peak Meadow Sdn Bhd	37,570,000	1.94
9. Mayban Nominees (Tempatan) Sdn Bhd - Malayan Banking Bhd Hong Kong for Good Proffer Sdn Bhd	34,083,000	1.76
10. Hope Foundation	32,084,400	1.65
11. Nada Saujana Sdn Bhd	22,830,000	1.18
12. Mayban Nominees (Tempatan) Sdn Bhd - Malayan Banking Bhd Hong Kong for Kiwiton Sdn Bhd	20,000,000	1.03
13. Mayban Nominees (Tempatan) Sdn Bhd - Malayan Banking Bhd Hong Kong for Scopebright (M) Sdn Bhd	20,000,000	1.03
14. RC Nominees (Tempatan) Sdn Bhd - Hope Foundation	19,370,000	1.00
15. UOBM Nominees (Asing) Sdn Bhd - Pledged Securities Account for Prime View International Limited	10,000,000	0.52
16. Lembaga Tabung Angkatan Tentera	10,000,000	0.52
17. PAB Nominee (Tempatan) Sdn Bhd - Pledged Securities Account for KOP Mantap Sdn Bhd	10,000,000	0.52
18. Hope Foundation	8,947,701	0.46
19. Pengkalen Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Prime View International Limited	8,040,000	0.41
20. Employees Provident Fund Board	7,828,200	0.40
21. True Benefits Sdn Bhd	7,432,000	0.38
22. Milikita Sdn Bhd	5,279,000	0.27
23. Ke-Zan Nominees (Asing) Sdn Bhd - Kim Eng Ong Asia Securities Pte Ltd for Glen Holdings (Pte) Ltd	4,674,000	0.24
24. The Central Depository (Pte) Limited	4,500,234	0.23
25. Menteri Kewangan Malaysia	4,207,117	0.22
26. Aseam Malaysia Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Johan Equities Sdn Bhd	4,100,000	0.21
27. Bank Kerjasama Rakyat Malaysia Berhad - Pledged Securities Account for Yayasan Islam Negeri Kedah	3,332,500	0.17
28. Pengkalen Nominees (Tempatan) Sdn Bhd - Morning Star Securities Limited for Hope Foundation	3,200,000	0.16
29. Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund SW6A for California Public Employees Retirement System	3,050,160	0.16
30. Amanah Ikhtiar Malaysia	3,000,000	0.15
Total	1,162,401,512	59.90

GROUP FINANCIAL HIGHLIGHTS

FIVE-YEAR SUMMARY

As at 31 December	2001	2000	1999	1998	1997
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, Plant & Equipment	2,843,472	603,253	655,023	669,404	722,782
Investment Properties	141,000	141,000	141,000	141,000	141,000
Investments	1,820,114	1,901,267	1,846,690	1,971,436	3,255,535
Intangibles & Goodwill	981,655	1,023,080	1,024,311	1,051,452	1,145,379
Net Current Assets	300,160	567,360	639,734	162,714	31,257
	6,086,401	4,235,960	4,306,758	3,996,006	5,295,953

Financed By:-

Share Capital	1,940,532	1,940,532	1,940,532	1,940,532	1,940,532
Reserves	204,986	223,744	304,865	285,152	1,149,868
Minority Interests	1,708,130	1,814,341	1,795,328	1,125,944	975,866
Deferred & Long Term Liabilities	2,232,753	257,343	266,033	644,378	1,229,687
	6,086,401	4,235,960	4,306,758	3,996,006	5,295,953

Financial year ended 31 December	2001	2000	1999	1998	1997
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	692,839	705,111	697,097	775,558*	1,124,466*
Profit/(Loss) Before Taxation	35,551	(11,969)	63,362	(338,055)	83,810
Profit/(Loss) After Taxation	8,839	(42,930)	58,720	(413,589)	4,268
Net (Loss)/Profit Attributable to Shareholders of the Company	(18,653)	(64,768)	42,776	(562,612)	(25,832)
Dividends (Net)	—	—	—	—	41,206

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



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 2001.

Principal Activities

The Company is an investment holding company. The principal activities of its subsidiary and associated companies are retailing, hotels, food & confectionery, property, financial services, travel and tourism, and education services.

There have been no significant changes in the Group's activities during the financial year except that certain subsidiary companies which were involved in the manufacturing and trading activities were disposed of or ceased operations.

Financial Results

	<i>Group</i> <i>RM</i>	<i>Company</i> <i>RM</i>
Profit before taxation	35,550,944	19,237,637
Taxation	(26,711,569)	(3,094,068)
Profit after taxation	8,839,375	16,143,569
Minority interests	(27,491,961)	—
Net (Loss)/Profit attributable to shareholders of the Company	(18,652,586)	16,143,569
(Accumulated losses)/Unappropriated profits brought forward	(143,442,648)	383,758,335
(Accumulated losses)/Unappropriated profits carried forward	(162,095,234)	399,901,904

DIRECTORS' REPORT (Cont'd)

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 2001.

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

Dato' Paduka Nik Hashim 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 1.1.2001	Bought	Sold	Balance at 31.12.2001
Tan Sri Dato' Dr Khoo Kay Peng				
Indirect	857,646,400	37,570,000	—	895,216,400
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



As at the beginning of the financial year, Tan Sri Dato' Dr Khoo Kay Peng and Mr Khet Kok Yin have options to subscribe for 125,000 ordinary shares of RM1 each and 112,000 ordinary shares of RM1 each respectively in the share capital of the Company pursuant to the Executive Share Option Scheme. These options were not exercised and they lapsed on 5 July 2001.

Ordinary shares of 50 sen each in MUI Properties Berhad	Number of shares			
	Balance at 1.1.2001	Bought	Sold	Balance at 31.12.2001
Tan Sri Dato' Dr Khoo Kay Peng				
Indirect	540,612,661	—	—	540,612,661
Dr Ngui Chon Hee				
Direct	30,000	—	—	30,000
Indirect	84,000	—	—	84,000

Ordinary shares of 50 sen each in Pan Malaysia Corporation Berhad	Number of shares			
	Balance at 1.1.2001	Bought	Sold	Balance at 31.12.2001
Tan Sri Dato' Dr Khoo Kay Peng				
Indirect	420,364,500	—	—	420,364,500
Dr Ngui Chon Hee				
Indirect	35,000	—	—	35,000
Tan Sri Dato' Md Khir Johari				
Direct	94,082	—	—	94,082
Indirect	219,000	—	—	219,000
Dato' Paduka Nik Hashim Nik Yusoff				
Direct	10,000	—	—	10,000

DIRECTORS' REPORT (Cont'd)

Ordinary shares of RM1 each in Pan Malaysia Holdings Berhad	Number of shares		
	Balance at 1.1.2001	Bought	Sold
Tan Sri Dato' Dr Khoo Kay Peng Indirect	576,968,075	–	–

Ordinary shares of RM1 each in Pan Malaysia Capital Berhad	Number of shares		
	Balance at 1.1.2001	Bought	Sold
Yong Ming Sang Indirect	20,000	–	20,000

Ordinary shares of RM1 each in MUI Continental Insurance Berhad	Number of shares		
	Balance at 1.1.2001	Bought/ *Rights issue	Sold
Tan Sri Dato' Dr Khoo Kay Peng Indirect	32,550,000	*16,523,000	–

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.

Pursuant to paragraph 7.28 of the Listing Requirements of Kuala Lumpur Stock Exchange, Messrs Khet Kok Yin and Loy Yet King retire from the Board at the forthcoming Annual General Meeting, and they being eligible, offer themselves 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.

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 available to eligible directors and executives of the Company and its subsidiary companies as at 1 January 2001 except for directors and executives of Pan Malaysia Holdings Berhad and its subsidiary companies who were eligible to participate under its own Executive Share Option Scheme.

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

- (a) The Scheme was 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 were 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 were 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 was in force for a duration of five (5) years and it expired on 5 July 2001.
- (d) The Scheme was administered by the Option Committee appointed by the Board and comprised directors of the Company who were not participating in the ESOS.
- (e) An option granted under the ESOS was 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 was exercisable by the grantee in multiples of not less than 1,000 shares.
- (f) The persons to whom the options were granted under the Scheme had no right to participate in any other share option schemes which might be implemented by other companies within the Group.
- (g) The exercise price for each RM1 ordinary share under the Scheme was 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 as at the beginning of the financial year up to the date prior to its expiry on 5 July 2001 were as follows:-

	<i>Number of ordinary shares of RM1 each</i>				<i>Balance at 4.7.2001</i>
	<i>Balance at 1.1.2001</i>	<i>Granted</i>	<i>Exercised</i>	<i>Terminated</i>	
Number of unissued shares under options at an exercise price of RM1.80 per share	1,238,000	—	—	36,000	1,202,000

DIRECTORS' REPORT (Cont'd)

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 abilities 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) 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 33 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

30 April 2002

INCOME STATEMENTS

For the financial year ended 31 December 2001

		Group		Company	
		2001	2000	2001	2000
	Note	RM	RM	RM	RM
Revenue	3	692,838,721	705,110,833	21,398,704	18,516,249
Cost of sales		(480,721,411)	(496,346,543)	–	–
Gross profit		212,117,310	208,764,290	21,398,704	18,516,249
Other operating income		64,236,823	47,715,677	–	–
Distribution costs		(15,407,183)	(18,775,882)	–	–
Administrative expenses		(130,148,757)	(125,480,943)	(1,367,094)	(1,438,119)
Other operating expenses		(33,998,053)	(41,803,791)	–	–
Exceptional items	4	81,339,654	35,911,146	–	–
Profit from operations		178,139,794	106,330,497	20,031,610	17,078,130
Finance cost		(105,058,570)	(85,593,010)	(793,973)	–
Share of results of associated companies		(39,097,492)	(32,706,720)	–	–
Share of results of joint ventures	12	1,567,212	–	–	–
Profit/(Loss) before taxation	5	35,550,944	(11,969,233)	19,237,637	17,078,130
Taxation	6	(26,711,569)	(30,960,313)	(3,094,068)	(5,414,264)
Profit/(Loss) after taxation		8,839,375	(42,929,546)	16,143,569	11,663,866
Minority interests		(27,491,961)	(21,838,358)	–	–
Net (Loss)/Profit Attributable To Shareholders Of The Company		(18,652,586)	(64,767,904)	16,143,569	11,663,866
		Sen	Sen		
Loss Per Share	7	(0.96)	(3.33)		

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



BALANCE SHEETS

As at 31 December 2001

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>2001</i> <i>RM</i>	<i>2000</i> <i>RM</i>	<i>2001</i> <i>RM</i>	<i>2000</i> <i>RM</i>
Property, Plant And					
Equipment	8	2,778,592,827	538,429,964	—	—
Investment Properties	9	141,000,000	141,000,000	—	—
Subsidiary Companies	10	—	—	1,274,004,880	1,274,004,880
Associated Companies	11	966,786,466	789,823,153	—	—
Joint Ventures	12	18,645,515	—	—	—
Investments	13	834,682,264	1,111,443,531	—	—
Development Properties	14	64,878,459	64,822,358	—	—
Intangible Assets	15	144,037,021	—	—	—
Goodwill On Consolidation		837,618,266	1,023,080,415	—	—
Current Assets					
Development properties and expenditure	14	121,014,847	122,180,360	—	—
Inventories	16	58,935,783	60,903,208	—	—
Trade and other receivables	17	740,171,150	681,651,664	1,390,546,719	1,346,209,261
Amounts owing by brokers and clients	18	35,334,025	28,473,876	—	—
Government securities and bonds	19	31,733,532	24,587,331	—	—
Short term investments	20	22,957,998	26,717,268	—	—
Tax recoverable		24,773,992	39,641,268	—	—
Deposits, bank balances and cash	21	928,183,431	925,732,901	328,413	422,558
		1,963,104,758	1,909,887,876	1,390,875,132	1,346,631,819
Less: Current Liabilities					
Trade and other payables	22	393,411,970	226,446,579	68,826	137,664
Borrowings	23	1,181,496,222	1,027,899,872	—	—
Provision for taxation		88,036,253	88,181,424	47,014,421	49,639,812
		1,662,944,445	1,342,527,875	47,083,247	49,777,476
Net Current Assets		300,160,313	567,360,001	1,343,791,885	1,296,854,343
		6,086,401,131	4,235,959,422	2,617,796,765	2,570,859,223
Financed by:-					
Share Capital	24	1,940,531,778	1,940,531,778	1,940,531,778	1,940,531,778
Reserves	25	188,463,430	210,485,195	646,471,014	630,327,445
Shareholders' Funds		2,128,995,208	2,151,016,973	2,587,002,792	2,570,859,223
Minority Interests		1,708,130,030	1,814,340,682	—	—
Reserves For Unearned					
Premium		16,523,076	13,258,890	—	—
Redeemable Convertible Bond	26	1,000,000	1,000,000	—	—
Deferred And Long Term					
Liabilities					
Borrowings	23	2,222,457,684	247,860,774	—	—
Employee benefits	27	659,508	788,854	—	—
Deferred taxation	28	8,635,625	7,693,249	—	—
Amount owing to a subsidiary company	29	—	—	30,793,973	—
		2,231,752,817	256,342,877	30,793,973	—
		6,086,401,131	4,235,959,422	2,617,796,765	2,570,859,223

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2001

Group

	Non-Distributable					Distributable		
	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Exchange Fluctuation Reserve RM	Capital Reserve RM	General Reserve RM	Accumulated Losses RM	Total RM
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 a 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
At 1 January 2001	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
Group's share of post-acquisition reserves of associated companies	-	-	-	(604,721)	773,445	-	-	168,724
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	-	(24,138,605)	-	-	-	(24,138,605)
Net profit/(loss) not recognised in income statement	-	-	-	(24,743,326)	773,445	-	-	(23,969,881)
Reserve arising from investment in a subsidiary company's ICPS*	-	-	-	-	20,600,702	-	-	20,600,702
Net loss attributable to shareholders	-	-	-	-	-	-	(18,652,586)	(18,652,586)
At 31 December 2001	1,940,531,778	220,305,408	27,429,774	37,116,025	40,449,870	25,257,587	(162,095,234)	2,128,995,208

* ICPS refers to Irredeemable Convertible Preference Shares

Company

	Non-Distributable		Distributable		Total RM
	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Unappropriated Profits RM	
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
At 1 January 2001	1,940,531,778	220,305,408	26,263,702	383,758,335	2,570,859,223
Net profit attributable to shareholders	-	-	-	16,143,569	16,143,569
At 31 December 2001	1,940,531,778	220,305,408	26,263,702	399,901,904	2,587,002,792

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



CASH FLOW STATEMENTS

For the financial year ended 31 December 2001

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Cash Flows From Operating Activities				
Profit/(Loss) before taxation	35,550,944	(11,969,233)	19,237,637	17,078,130
Adjustments for:-				
Exceptional items (Note b)	(81,326,709)	(38,580,783)	—	—
Amortisation and write off of intangible assets	—	1,322,834	—	—
Amortisation of premium on government securities	216,649	56,964	—	—
Depreciation	37,824,420	32,210,812	—	—
Plant and equipment written off	676,281	144,534	—	—
Interest expense	105,058,570	85,593,010	793,973	—
Dividend income	(41,359,760)	(22,152,866)	(17,042,982)	(11,529,653)
Interest income	(58,925,455)	(72,014,487)	(4,355,722)	(6,986,596)
Investments written off	3,300	3,300	—	—
Profit on disposal of property, plant and equipment	(10,830)	(581,027)	—	—
Loss/(Profit) on disposal of short term investments	246,836	(4,356,038)	—	—
Provision for diminution in value of short term investments	5,021,906	6,739,905	—	—
(Writeback of)/Provision for employee benefits	(12,837)	52,848	—	—
Reserves for unearned premiums	3,264,186	3,677,514	—	—
Share of results of associated companies	39,097,492	32,706,720	—	—
Share of results of joint ventures	(1,567,212)	—	—	—
Operating profit/(loss) before working capital changes	43,757,781	12,854,007	(1,367,094)	(1,438,119)
(Increase)/Decrease in short term investments	(6,992,390)	24,360,273	—	—
(Increase)/Decrease in inventories	(3,946,115)	9,551,770	—	—
Decrease/(Increase) in receivables and amounts owing by brokers and clients	34,284,371	(72,490,668)	(13,233)	259,636
Decrease in payables	(66,175,309)	(22,787,122)	(68,838)	(149,349)
Cash generated from/(used in) operations	928,338	(48,511,740)	(1,449,165)	(1,327,832)
Deposits received from dealers and remisiers maintained as trust monies	(3,566,453)	(701,702)	—	—
Interest paid	(107,638,448)	(95,410,210)	—	—
Interest received	58,925,455	72,014,487	7,235	54,810
Employee benefits paid	(130,729)	(17,458)	—	—
Tax refund	13,184,882	4,966,795	—	770,945
Tax paid	(18,474,160)	(53,601,301)	(947,424)	(2,587,696)
Net cash used in operating activities	(56,771,115)	(121,261,129)	(2,389,354)	(3,089,773)

CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2001

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Cash Flows From Investing Activities				
Advances to subsidiary companies	—	—	(158,236,145)	(23,537,021)
Repayments from subsidiary companies	—	—	118,260,407	18,474,578
Dividends received	36,320,080	21,053,297	12,270,947	9,191,687
Purchase of investments in associated companies	(110,488,694)	(165,312,758)	—	—
Purchase of investments in subsidiary companies	—	—	—	(1,050,000)
Purchase of other investments	(11,424,897)	(13,921,901)	—	—
Purchase of government bonds and securities	(11,362,850)	(10,194,330)	—	—
Purchase of property, plant and equipment and development expenditure incurred	(26,492,842)	(26,456,292)	—	—
Amount paid for acquisition of stockbroking licences pursuant to business merger arrangements (<i>Note 33 (b)</i>)	(97,537,021)	(46,500,000)	—	—
Proceeds from disposal of subsidiary companies (<i>Note d</i>)	27,398,686	11,464,073	—	—
Proceeds from disposal of other investments	63,198,555	76,695,992	—	—
Proceeds from disposal of government bonds and securities	4,000,000	4,610,000	—	—
Proceeds from disposal of property, plant and equipment	2,402,252	2,570,505	—	—
Acquisition of a subsidiary company net of bank balances and cash less bank overdrafts acquired (<i>Note e</i>)	63,995,312	37,279	—	—
Bank overdrafts net of deposits, bank balances and cash disposed of on disposal of subsidiary companies (<i>Note d</i>)	(3,606,594)	1,642,109	—	—
Bank balances and cash of subsidiary companies not consolidated (<i>Note f</i>)	(829,434)	(9,254)	—	—
Net cash (used in)/generated from investing activities	(64,427,447)	(144,321,280)	(27,704,791)	3,079,244



For the financial year ended 31 December 2001

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Cash Flows From Financing Activities				
Proceeds from issue of shares to minority shareholders in subsidiary companies	200,006	21,020,268	—	—
Proceeds from drawdown of term loans and utilisation of revolving credits	202,890,940	225,109,292	—	—
Repayment of bank borrowings	(79,316,457)	(168,969,284)	—	—
Dividends paid to minority shareholders of subsidiary companies	(18,741,608)	(14,763,354)	—	—
Advance from a subsidiary company	—	—	30,000,000	—
Net cash generated from financing activities	105,032,881	62,396,922	30,000,000	—
Effects of exchange rate changes	(7,501,168)	2,399,764	—	—
Net decrease in cash and cash equivalents	(23,666,849)	(200,785,723)	(94,145)	(10,529)
Cash and cash equivalents as at 1 January:-				
As previously reported	799,151,997	1,002,592,382	422,558	433,087
Effects of exchange rate changes on cash and cash equivalents	(3,949,306)	(2,654,662)	—	—
As restated	795,202,691	999,937,720	422,558	433,087
Cash and cash equivalents as at 31 December (Note a)	771,535,842	799,151,997	328,413	422,558

Notes

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

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Deposits, bank balances and cash	928,183,431	925,732,901	328,413	422,558
Bank overdrafts	(149,362,447)	(122,862,215)	—	—
	778,820,984	802,870,686	328,413	422,558
Less: Dealers' and remisiers' deposits maintained as trust monies included in:-				
– bank balances and cash	(306,055)	(582,345)	—	—
– term and call deposits	(6,979,087)	(3,136,344)	—	—
	(7,285,142)	(3,718,689)	—	—
	771,535,842	799,151,997	328,413	422,558

CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2001

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

	Group	
	2001	2000
	RM	RM
(Loss)/Profit on disposal of subsidiary companies	(7,424,825)	11,429,990
Profit on disposal of investments	678,193	27,557,723
Provision for diminution in value of long term investments	(39,082,835)	(3,126,130)
Writeback of/(Provision for) corporate guarantees	2,332,240	(2,350,000)
Writeback of doubtful debts	13,543,700	7,747,765
Writeback of contingent loss	—	418,735
Loss on foreign exchange - unrealised	(12,158,272)	(6,092,082)
Gain on dilution of interest in a subsidiary company	124,470,793	—
Interest expenses waived under schemes of arrangement of subsidiary companies	—	210,272
Bad debts written off	(200,557)	(364,429)
(Deficit)/Surplus arising from subsidiary companies not consolidated (<i>Note f</i>)	(831,728)	3,148,939
	81,326,709	38,580,783

(c) During the financial year ended 31 December 2000, the Group acquired quoted shares totalling RM4,370,021 from certain debtors pursuant to debt settlement arrangements and no cash was paid for the acquisition.

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

	Group	
	2001	2000
	RM	RM
Assets and liabilities disposed		
Property, plant and equipment	35,370,550	3,428,824
Inventories	13,181,985	1,607,606
Trade and other receivables	33,783,287	2,815,603
Short term investments	1,430	—
Deposits, bank balances and cash	5,096,727	249,581
Goodwill	730,252	307,435
Trade and other payables	(32,687,642)	(3,043,440)
Bank overdrafts	(1,490,133)	(1,891,690)
Other bank borrowings	(1,616,818)	(3,439,836)
Taxation	(463,896)	—
Deferred and long term liabilities	(1,626,850)	—
Minority interests	(15,455,381)	—
Attributable net assets disposed	34,823,511	34,083
(Loss)/Profit on disposal of subsidiary companies	(7,424,825)	11,429,990
Net proceeds received	27,398,686	11,464,073



For the financial year ended 31 December 2001

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

	2001	Group	2000
	RM		RM
Assets and liabilities acquired			
Property, plant and equipment	2,303,831,849		1
Negative goodwill	(251,248,351)		-
Investments in joint ventures	18,399,589		-
Inventories	7,268,445		-
Deposits, bank and cash balances	226,900,964		37,281
Trade and other receivables	123,000,516		7,305
Loan to joint ventures	56,245,957		-
Tax recoverable	771,379		-
Trade and other payables	(275,250,512)		(604,321)
Amounts owing to related companies	(141,565,074)		-
Provision for taxation	(7,208,763)		-
Deferred tax liabilities	(2,003,075)		-
Minority interests	(57,115,297)		-
Bank overdrafts	(19,742,754)		-
Other bank borrowings	(1,988,573,980)		-
	(6,289,107)		(559,734)
Less : Group share of net liabilities already accounted for as an associated company	(3,864,596)		-
Value of net liabilities acquired	(2,424,511)		(559,734)
Goodwill on net assets acquired	4,022,335		559,736
Total purchase consideration	1,597,824		2
Amounts owing to related companies	141,565,074		-
Less : Bank balances and cash less bank overdrafts acquired	(207,158,210)		(37,281)
Cash flow on acquisition, net of bank balances and cash less bank overdrafts acquired	(63,995,312)		(37,279)

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

	2001	Group	2000
	RM		RM
Assets and liabilities not consolidated			
Property, plant and equipment	40,279		5,297,000
Development properties	-		20,000,000
Trade and other receivables	1,120,074		-
Trade and other payables	(1,775,445)		(5,986,852)
Bank borrowings	-		(22,468,341)
Minority interests	(4,961)		-
Goodwill on consolidation	622,347		-
(Deficit)/Surplus arising from subsidiary companies not consolidated	(831,728)		3,148,939
Bank balances and cash of subsidiary companies not consolidated	(829,434)		(9,254)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

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 (as modified by the revaluation of land and buildings, investment properties and investments in certain subsidiary companies) unless otherwise indicated in the significant accounting policies.

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(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 2001, with the exception of those referred to in Note 10. 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) Joint Ventures

Investment in joint ventures are accounted for in the consolidated financial statements by the equity method of accounting. The joint ventures are jointly controlled entities over which there is contractually agreed sharing of control by the Group with one or more parties.

Equity accounting involves recognising in the income statement the Group's share of the results of joint ventures for the period. The Group's investments in joint ventures are carried in the balance sheet at an amount that reflects its share of the net assets of the joint ventures and includes goodwill or reserve on acquisition.

(e) Intangible Assets

Intangible assets relate to cost incurred on acquisition of stockbroking licences to enable the stockbroking subsidiary company to fulfil the requisite criteria of a "Universal Broker". Intangible assets are stated at cost less provision for permanent diminution in value, if any.

(f) 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.

(g) 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.

(h) 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 11 to 150 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	0.7 to 2.5
Plant & machinery	4 to 10
Motor vehicles	15 to 30
Furniture, fittings & equipment	5 to 33.3
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.

(i) 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.



(j) 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.

(k) 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.

(l) 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.

(m) Deferred Taxation

Deferred taxation is provided for 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.

(n) 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	<i>31.12.2001</i>	<i>31.12.2000</i>
1 US Dollar	RM3.800	RM3.800
1 Singapore Dollar	RM2.054	RM2.193
1 Pound Sterling	RM5.510	RM5.664
1 Australian Dollar	RM1.942	RM2.106
1 Hong Kong Dollar	RM0.487	RM0.487

(o) 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 company, 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 of the Group when the shareholder's right to receive payment is established.

Underwriting commission are recognised upon implementation of the corporate proposals in which the underwriting relate.

(p) 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.

(q) 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.

(r) Short Term Investments

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

(s) 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 principal activity of the Company is investment holding whilst that of its subsidiary and associated companies are primarily engaged in retailing, hotels, food & confectionery, property, financial services, travel and tourism, and education services. During the financial year, certain subsidiary companies which were involved in the manufacturing and trading activities were disposed of or ceased operations.

The number of employees in the Group as at 31 December 2001 is approximately 12,700 (2000 : 12,400).

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 and principal place of business of the Company is at 14th Floor, MUI Plaza, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.

3. Revenue

Revenue of the Group and of the Company comprise the following:-

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Sales of goods	342,607,599	456,198,829	—	—
Revenue from hotels	132,410,901	50,605,863	—	—
Gross written insurance premium	71,384,319	50,416,225	—	—
Income recognised on property development	45,807,054	38,365,918	—	—
Income from sale of tickets and travel related services	31,529,525	28,584,679	—	—
Interest income	23,892,704	29,844,971	4,355,722	6,986,596
Dividend income	18,519,205	16,725,491	17,042,982	11,529,653
Education fees	11,029,252	11,526,126	—	—
Property rental and related services income	8,732,140	7,282,285	—	—
Brokerage fees	6,691,986	12,786,027	—	—
Others *	234,036	2,774,419	—	—
	692,838,721	705,110,833	21,398,704	18,516,249

* Comprise mainly revenue from underwriting commission, share registration and secretarial services, computer related services, equipment rental and sale of short term investments.



4. Exceptional Items

	<i>Group</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
(Loss)/Profit on disposal of subsidiary companies	(7,424,825)	11,429,990
Profit on disposal of other investments	678,193	27,557,723
Provision for diminution in value of long term investments	(39,082,835)	(3,126,130)
Writeback of/(Provision for) corporate guarantees	2,332,240	(2,350,000)
Writeback of doubtful debts	13,543,700	7,747,765
Writeback of contingent loss	–	418,735
Gain/(Loss) in foreign exchange		
– unrealised	(12,158,272)	(6,092,082)
– realised	12,945	(3,500,373)
Gain on dilution of interest in a subsidiary company	124,470,793	–
(Deficit)/Surplus arising from subsidiary companies not consolidated	(831,728)	3,148,939
Bad debts written off	(200,557)	(364,429)
Bad debts recovered	–	1,619,123
Retrenchment benefits	–	(788,387)
Interest expenses waived under schemes of arrangements of subsidiary companies	–	210,272
	81,339,654	35,911,146

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5. Profit/(Loss) Before Taxation

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

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Auditors' remuneration				
– current	1,363,609	1,334,500	50,000	50,000
– underprovision in prior years	6,888	14,249	–	–
Amortisation of premiums on government securities	216,649	56,964	–	–
Amortisation of intangible assets	–	1,322,834	–	–
Depreciation	37,824,420	32,210,812	–	–
Directors' remuneration				
– fees	1,385,556	1,009,530	324,000	324,000
– other emoluments	7,442,137	7,182,908	300,000	285,000
– benefits in kind	154,011	39,941	–	–
Investments written off	3,300	3,300	–	–
Interest expense				
– bank overdrafts	11,059,697	8,581,243	–	–
– term loans	26,694,968	16,706,184	–	–
– other borrowings	67,303,905	60,305,583	–	–
– subsidiary company	–	–	793,973	–

5. Profit/(Loss) Before Taxation (Cont'd)

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Loss on disposal of short term investments	246,836	–	–	–
Plant and equipment written off	676,281	144,534	–	–
Provision for employee benefits (<i>net</i>)	–	52,848	–	–
Provision for diminution in value of short term investments	5,021,906	6,739,905	–	–
Rental of buildings	4,545,220	4,634,910	–	–
Rental of equipment	868,312	1,346,985	–	–
Staff costs	116,263,110	74,151,346	–	–
and after crediting:-				
Gross dividends				
Subsidiary companies				
– quoted in Malaysia	–	–	17,002,982	11,469,653
– unquoted	–	–	40,000	60,000
Other investments				
– quoted in Malaysia	4,521,187	3,927,033	–	–
– quoted overseas	19,734,365	18,180,833	–	–
– unquoted	17,104,208	45,000	–	–
Interest income				
– subsidiary companies	–	–	4,348,487	6,931,786
– government securities	1,587,318	1,826,317	–	–
– others	57,338,137	70,188,170	7,235	54,810
Profit on disposal of plant and equipment	10,830	581,027	–	–
Profit on disposal of short term investments	–	4,356,038	–	–
Property rental income	6,756,085	8,745,948	–	–
Writeback of employee benefits (<i>net</i>)	12,837	–	–	–

6. Taxation

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Current taxation				
– Malaysia	31,960,154	32,695,670	5,117,094	5,414,264
– Foreign	5,619,941	1,725,272	–	–
Recoverable effect of tax credit in respect of dividends received from subsidiary companies	(11,039,892)	(6,158,388)	–	–
Deferred taxation (<i>refer Note 28</i>)	1,074,095	(194,578)	–	–
	27,614,298	28,067,976	5,117,094	5,414,264
Group's share of taxation of associated companies	6,310,999	7,120,617	–	–
Group's share of taxation of joint ventures	1,287,753	–	–	–
	35,213,050	35,188,593	5,117,094	5,414,264
Over provision in respect of prior years	(8,501,481)	(4,228,280)	(2,023,026)	–
	26,711,569	30,960,313	3,094,068	5,414,264



The effective tax rate of the Group for the financial year ended 31 December 2001 is higher than the statutory tax rate due to losses suffered by certain subsidiary companies for which no group relief is available and certain expenses which are not deductible for tax purposes.

The effective tax rate of the Company for the financial year ended 31 December 2001 is lower than the statutory tax rate prevailing in Malaysia due to overseas income which are not subject to Malaysian tax.

The Group has potential deferred tax benefits not taken up in the financial statements under the liability method in respect of the following items:-

	Group	
	2001	2000
	RM	RM
Tax effects of :		
Unutilised tax losses	260,997,000	210,722,000
Unutilised capital allowances	20,866,000	18,236,000
	281,863,000	228,958,000

7. Loss Per Share

Loss per share of the Group is calculated by dividing the net loss attributable to shareholders of RM18,652,586 (2000 : RM64,767,904) by the number of ordinary shares in issue during the financial year of 1,940,531,778 (2000 : 1,940,531,778).

The diluted earnings per share is not disclosed as the exercise price based on the assumed exercise of the option under the Executive Share Options Scheme ("ESOS") of the Company is higher than the average market price of the shares. The ESOS expired on 5 July 2001.



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

	Group	
	2001	2000
	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 MASB Standard No. 15 - 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 RM949,562,369 (2000 : RM139,068,225) 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 RM561,158 (2000 : RM1,225,104) have been acquired under hire purchase and lease arrangement.

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9. Investment Properties

	Group	
	2001	2000
	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. The fair value of the investment properties estimated by the Directors based on the indicative values provided by independent professional valuers in May 2000 is between RM150,000,000 to RM175,000,000 (2000 : RM150,000,000 to RM175,000,000).

10. Subsidiary Companies

	<i>Company</i>	
	<i>2001</i>	<i>2000</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 (2000 : RM20,613,666)	671,760,280	671,760,280
At Directors' valuation:-		
– 1983	38,717,769	38,717,769
– 1987	6,900,000	6,900,000
	717,378,049	717,378,049
	1,274,004,880	1,274,004,880
Market value of quoted shares	188,133,176	207,723,421

- (a) Certain investments in subsidiary companies are carried at revalued amounts based on valuations made by Directors in 1983 and 1987. The valuations of the quoted investments in subsidiary companies were based on the market values of the shares in the relevant subsidiary companies at that point in time, whereas the valuations of the unquoted investments in subsidiary companies were based on the adjusted net tangible assets of the relevant subsidiary companies. 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 from the date control in these subsidiary companies ceased:-

- (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) 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 Pengkalen (UK) Plc and are in the process of winding up. The costs of these investments have been fully written off.



(iii) 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.

(iv) 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.

(v) Pengkalen Heights Sdn Bhd ("PHSB").

A winding up order has been made by the Kuala Lumpur High Court against PHSB in 2000. The cost of the investment has been fully written down and the amount owing by PHSB has been fully provided for by the Group.

(vi) Pengkalen Engineering & Construction Sdn Bhd, Pengkalen Pasar Borong Sdn Bhd, Pengkalen Raya Sdn Bhd, Buana Mewah Sdn Bhd, Fiberoptik (Sabah) Sdn Bhd, GCIH (Malaysia) Sdn Bhd, Giatjaya Enterprise Sdn Bhd, Kejora Etika Sdn Bhd, Pengkalen Building Materials Sdn Bhd, Pengkalen Comtec Sdn Bhd, Pengkalen HB Property Services Sdn Bhd, Pengkalen Hill Resort Sdn Bhd, Serba Sinar Sdn Bhd, Tenamaju Sdn Bhd and Pengkalen (Hong Kong) Limited.

These companies were placed under voluntary winding up during the financial year. Accordingly, the consolidated income statement includes the financial result of these companies up to the date when these companies were placed under winding up.

(c) The effects of the non-consolidation of the subsidiary companies mentioned in (b)(vi) above during the financial year ended 31 December 2001 on the financial results of the Group are as follows:-

	2001	2000*
	<i>Up to the date of non-consolidation</i>	
	RM	RM
Revenue	5,090,536	9,205,598
Operating cost	(5,615,926)	(11,720,005)
Deficit arising from subsidiary companies not consolidated	(831,728)	—
Loss before taxation	(1,357,118)	(2,514,407)
Taxation	11,335	(190,237)
Loss after taxation	(1,345,783)	(2,704,644)
Minority interest	(4,961)	—
Increase in Group loss attributable to shareholders	(1,350,744)	(2,704,644)

10. Subsidiary Companies (Cont'd)

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

	2001	<i>2000*</i>
	<i>At the date of non-consolidation</i>	
	RM	RM
Assets and liabilities not consolidated		
Property, plant and equipment	40,279	281,015
Goodwill on consolidation	622,347	622,347
Trade and other receivables	1,120,074	3,792,298
Bank balances and cash	829,434	488,007
Trade and other payables	(1,775,445)	(1,050,220)
Minority interest	(4,961)	–
Net assets not consolidated	831,728	4,133,447

The effects of the non-consolidation of the above mentioned companies 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 2000 in respect of the abovementioned companies not consolidated.

- (d) The financial statements of PHSB were not consolidated with those of the Group for the financial year ended 31 December 2000. The effects of the non-consolidation of PHSB on the financial results of the Group for the financial year ended 31 December 2000 are as follows:-

	<i>2000</i>
	<i>Up to the date of non-consolidation</i>
	RM
Revenue	–
Operating cost	(102,017)
Surplus arising from subsidiary company not consolidated	3,148,939
Profit from operations	3,046,922
Finance cost	(938,135)
Profit before taxation	2,108,787
Taxation	–
Decrease in Group loss attributable to shareholders	2,108,787



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

	<i>2000</i> <i>At the date of</i> <i>non-consolidation</i> <i>RM</i>
Assets and liabilities not consolidated	
Development properties	20,000,000
Property, plant and equipment	5,297,000
Bank balances and cash	9,254
Trade and other payables	(5,986,852)
Bank borrowings	(22,468,341)
	<hr/>
Net liabilities not consolidated	(3,148,939)
	<hr/>

The effects of the non-consolidation of PHSB on the cash flows of the Group for the financial year ended 31 December 2000 are disclosed in Note (f) to the cash flow statements.

(e) Acquisition of a subsidiary company

- (i) On 1 November 2001, the Group acquired 17,000,000 ordinary shares of £1 each representing 100% of the issued and paid-up share capital of London Vista Hotel Limited ("LVHL") for a cash consideration of £288,000 (RM1.6 million). Prior to the acquisition, the Group had effectively 49% equity interest in LVHL. LVHL through its subsidiary, Corus & Regal Hotels plc (formerly known as Regal Hotel Group PLC), is involved in the hotel and leisure business in United Kingdom.

The effects of the acquisition of LVHL on the financial results of the Group for the financial year ended 31 December 2001 are as follows:-

	<i>2001</i> <i>From</i> <i>date of</i> <i>acquisition</i> <i>RM</i>
Revenue	86,133,392
Operating costs	(73,503,187)
	<hr/>
Profit from operations	12,630,205
Finance cost	(25,754,852)
Share of results of joint ventures	1,567,212
	<hr/>
Loss before taxation	(11,557,435)
Taxation	1,468,362
	<hr/>
Loss after taxation	(10,089,073)
Minority interests	487,412
	<hr/>
Net loss	(9,601,661)
Less : Group's share of loss had the Group not acquired the additional equity interest	<hr/>
	(4,704,814)
	<hr/>
Increase in Group loss attributable to shareholders	(4,896,847)
	<hr/>

10. Subsidiary Companies (Cont'd)

The effects of the acquisition of LVHL on the financial position of the Group as at 31 December 2001 are as follows:

	<i>As at</i> 31.12.2001 <i>RM</i>
Assets and liabilities acquired	
Property, plant and equipment	2,299,155,921
Joint ventures	18,645,515
Negative goodwill	(250,770,481)
Inventories	8,218,077
Trade and other receivables	162,263,715
Tax recoverable	769,912
Deposits, bank balances and cash	243,945,001
Trade and other payables	(438,433,697)
Bank overdrafts	(25,589,283)
Provision for taxation	(7,766,356)
Bank borrowings	(1,968,258,321)
Deferred taxation	(1,999,265)
Minority interests	(56,516,566)
Net liabilities acquired	<u>(16,335,828)</u>

The effects of the acquisition of LVHL on the cash flows of the Group are disclosed in Note (e) to the cash flow statements.

- (ii) On 30 November 2000, the Group acquired 2 ordinary shares of RM1 each representing the entire issued and paid-up capital of Meridian Nominees (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 ended 31 December 2000 are as follows:-

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



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</i> <i>31. 12. 2000</i> <i>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 for the financial year ended 31 December 2000 are disclosed in Note (e) to the cash flow statements.

(f) Disposal of subsidiary companies

- (i) The Group disposed of Focusprint Sendirian Berhad ("Focusprint") and Pengkalen Concrete Sdn Bhd ("PCSB") on 23 March 2001, and Labels Specialist Industries Sdn Bhd ("Labels") on 2 October 2001.

The effects of the disposal of Focusprint, PCSB and Labels on the financial results of the Group for the financial year ended 31 December 2001 are as follows:-

	2001 Up to the dates of disposal RM	2000* RM
Revenue	22,907,309	98,271,240
Operating costs	(23,551,547)	(98,392,564)
Loss on disposal of subsidiary companies	(7,424,825)	–
Loss from operations	(8,069,063)	(121,324)
Finance cost	(320,977)	(3,002,492)
Loss before taxation	(8,390,040)	(3,123,816)
Taxation	(288,433)	477,311
Loss after taxation	(8,678,473)	(2,646,505)
Minority interests	(848,004)	(150,235)
Increase in the Group loss attributable to shareholders	<u>(9,526,477)</u>	(2,796,740)

10. Subsidiary Companies (Cont'd)

The effects of the disposal of Focusprint, PCSB and Labels on the financial position of the Group are as follows:-

	2001	2000*
	<i>At the dates of disposal</i>	
	RM	RM
Assets and liabilities disposed		
Property, plant and equipment	35,370,550	37,085,223
Inventories	13,181,985	14,673,407
Short term investments	1,430	1,430
Trade and other receivables	33,783,287	32,357,187
Bank balances and cash	5,096,727	4,478,376
Goodwill	730,252	730,252
Trade and other payables	(32,687,642)	(33,624,404)
Bank overdrafts	(1,490,133)	(13,570,655)
Other bank borrowings	(1,616,818)	(24,309,043)
Taxation	(463,896)	(506,024)
Deferred taxation	(1,626,850)	(1,626,850)
Minority interest	(15,455,381)	(15,269,364)
Net assets disposed	34,823,511	419,535

* These are the comparative financial results/positions for the financial year ended/as at 31 December 2000 in respect of Focusprint, PCSB and Labels.

The effects of the disposal of Focusprint, PCSB and Labels on the cash flows of the Group at the dates of disposal are disclosed in Note (d) to the cash flow statements.



- (ii) The Group disposed of Kemakmoran Industri Sdn Bhd ("KISB") on 27 July 2000 and Fairbridge Corporation ("Fairbridge") on 14 November 2000.

The effects of the disposal of KISB and Fairbridge on the financial results of the Group for the financial year ended 31 December 2000 are as follows:-

	<i>2000</i> <i>Up to dates of</i> <i>disposal</i> <i>RM</i>
Revenue	9,993,584
Operating costs	(22,756,276)
Profit on disposal of subsidiary companies	11,429,990
Loss from operations	(1,332,702)
Finance cost	(794,849)
Loss before taxation	(2,127,551)
Taxation	—
Loss after taxation	(2,127,551)
Minority interest	5,770,687
Decrease in Group loss attributable to shareholders	<u>3,643,136</u>

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The effects of the disposal of KISB and Fairbridge on the financial position of the Group as at 31 December 2000 are as follows:-

	<i>2000</i> <i>At the dates of</i> <i>disposal</i> <i>RM</i>
Assets and liabilities disposed	
Property, plant and equipment	3,428,825
Inventories	1,607,606
Trade and other receivables	2,815,602
Bank balances and cash	249,581
Goodwill	307,435
Trade and other payables	(3,043,440)
Bank overdrafts	(1,891,690)
Borrowings	(3,439,836)
Net assets disposed	<u>34,083</u>

The effects of disposal of KISB and Fairbridge on the cash flows of the Group are disclosed in Note (d) to the cash flow statements.

- (g) The subsidiary companies consolidated are listed on pages 113 to 124.

11. Associated Companies

	Group	
	2001	2000
	RM	RM
Investments in associated companies:-		
Quoted shares, at cost		
Malaysian	742,556,631	525,211,512
Overseas	336,278,477	336,278,477
	1,078,835,108	861,489,989
Unquoted shares, at cost	123,771,216	119,680,938
	1,202,606,324	981,170,927
Group's share of post-acquisition reserves and retained profits less losses	(235,819,858)	(191,347,774)
	966,786,466	789,823,153
Market value of quoted shares		
Malaysian	254,990,042	131,702,399
Overseas	377,678,490	261,589,675
	632,668,532	393,292,074

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

	Group	
	2001	2000
	RM	RM
Group's share of net assets	499,375,946	434,643,877
Premium on acquisition	467,410,520	355,179,276
	966,786,466	789,823,153

(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\$870.0 million (RM424.0 million) granted to another overseas subsidiary company.

(c) The associated companies are listed on pages 113 to 124.

12. Joint Ventures

	Group	
	2001	2000
	RM	RM
Investments in joint ventures		
Unquoted shares, at cost	18,399,589	—
Group's share of post-acquisition reserves and retained profits less losses	245,926	—
	18,645,515	—



- (a) The Group's share of the assets, liabilities and capital commitments of the joint ventures are as follows:

	Group	
	2001	2000
	RM	RM
Property, plant and equipment	110,851,299	—
Current assets	13,149,802	—
Current liabilities	(14,676,900)	—
Non current liabilities	(90,678,686)	—
Net assets	18,645,515	—
Capital commitments for property, plant and equipment	1,388,156	—

- (b) The Group's share of the revenue and expenses of the joint ventures are as follows:

	Group	
	2001	2000
	RM	RM
Revenue	8,072,529	—
Expenses	(6,505,317)	—
Profit before taxation	1,567,212	—
Taxation	(1,287,753)	—
Profit after taxation	279,459	—

- (c) The joint ventures are listed on page 124.

13. Investments

	Group	
	2001	2000
	RM	RM
Quoted shares		
Malaysian, at cost	93,616,797	263,387,244
Overseas, at cost less provision for diminution in value of RM46,879,268 (2000 : RM46,787,720)	473,419,712	475,565,475
	567,036,509	738,952,719
Unquoted shares, at cost less provision for diminution in value of RM211,741,906 (2000 : RM172,753,402)	267,645,755	372,490,812
	834,682,264	1,111,443,531
Market value of quoted shares		
Malaysian	37,993,625	141,973,763
Overseas	358,165,335	434,660,535
	396,158,960	576,634,298

Certain overseas quoted investments held by overseas subsidiary companies are pledged to overseas financial institutions for credit facilities of HK\$1,106.3 million (RM539.2 million) (which included the credit facilities as mentioned in Note 11 (b)) granted to overseas subsidiary companies.

14. Development Properties

	Group	
	2001	2000
	RM	RM
Freehold land, at cost	104,942,790	104,942,735
Development expenditure	163,158,469	128,766,551
	268,101,259	233,709,286
Non - current portion	(64,878,459)	(64,822,358)
	203,222,800	168,886,928
Portion of profit attributable to development work performed	18,802,617	9,522,310
	222,025,417	178,409,238
Progress billings received and receivable	(101,010,570)	(56,228,878)
Current portion	121,014,847	122,180,360

Interest expense included in development expenditure amounted to RM12,607,350 (2000 : RM10,027,472).

15. Intangible Assets

	Group	
	2001	2000
	RM	RM
At 1 January	—	1,482,529
Acquisition of stockbroking licences during the financial year	144,037,021	—
Exchange difference	—	(159,695)
Amortisation for the financial year	—	(1,322,834)
At 31 December	144,037,021	—

16. Inventories

	Group	
	2001	2000
	RM	RM
Food, beverages and hotel supplies	9,631,030	1,576,027
Sundry stores and consumables	1,325,293	1,278,223
Raw materials	3,351,312	16,463,394
Finished goods	43,426,850	37,741,014
Work-in-progress	1,201,298	3,844,550
	58,935,783	60,903,208

The above inventories are stated at cost.



17. Trade And Other Receivables

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Trade receivables	531,770,583	484,624,164	—	—
Less : Provision for doubtful debts net of bad debts written off of RM295,010 (2000 : RM21,935) for the Group	(9,973,915)	(22,780,023)	—	—
	521,796,668	461,844,141	—	—
Other receivables	180,541,113	100,032,203	82,296	69,063
Less : Provision for doubtful debts net of bad debts written off of RM32,855 (2000 : RM144,943) for the Group	(49,279,002)	(52,535,354)	—	—
	131,262,111	47,496,849	82,296	69,063
Amounts owing by associated companies	5,215,844	99,062,727	—	—
Less : Provision for doubtful debts	(1,152,014)	(2,010,083)	—	—
	4,063,830	97,052,644	—	—
Sundry deposits & prepayments	26,909,564	75,258,030	—	—
Amounts owing by joint ventures	56,138,977	—	—	—
Amounts owing by subsidiary companies	—	—	1,390,464,423	1,346,140,198
	740,171,150	681,651,664	1,390,546,719	1,346,209,261

- (a) Included in other receivables of the Group as at 31 December 2001 are amounts arising from Corus & Regal Hotels plc ("Corus") and Plaza on Hyde Park Limited ("Plaza") amounting to RM57,725,101. Corus and Plaza became subsidiary companies of the Group during the financial year ended 31 December 2001.
- (b) Included in sundry deposits and prepayments of the Group as at 31 December 2000 are deposits totalling RM58,500,000 paid in respect of the 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.
- (c) The amounts owing by associated companies, which represent balances arising from advances, are unsecured, bear interest at 6.8% (2000 : 6.8%) per annum and are repayable on demand.

17. Trade And Other Receivables (Cont'd)

- (d) 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 RM116,458,670 (2000 : RM85,214,182) which bear interests at 3% to 8% per annum (2000 : 4% to 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.

- (e) The amounts owing by joint ventures, which represent balances arising from advances by overseas subsidiary companies, are unsecured, repayable within the next twelve months and bear interest at 3.5% per annum above LIBOR except for amounts totalling RM11,127,787 which are interest free.

18. Amounts Owed By Brokers And Clients

The amounts owing by brokers and clients are stated net of provision for doubtful debts amounting to RM446,732,219 (2000 : RM578,283,176) after netting of bad debt written off amounting to RM118,506,096 (2000 : RM53,383,698).

19. Government Securities And Bonds

	<i>Group</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
At cost after amortisation and accretion	31,733,532	24,587,331
Market value	32,125,819	24,842,042

20. Short Term Investments

	<i>Group</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
Quoted shares, at cost less provision for diminution in value of RM17,917,225 (2000 : RM12,897,589)	22,957,998	26,717,268
Market value of quoted shares	22,980,649	28,056,641



21. Deposits, Bank Balances And Cash

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Term deposits with:-				
– Licensed banks	590,081,088	778,900,247	288,117	375,809
– Licensed finance companies	262,352,245	87,962,717	–	–
– Other corporations	250,000	19,215,894	–	–
Call deposits	1,352,827	2,268,312	–	–
Bank balances and cash	74,147,271	37,385,731	40,296	46,749
	928,183,431	925,732,901	328,413	422,558

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

- An amount of RM Nil (2000 : RM18,406) 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 RM4,393,165 (2000 : RM8,284,826) held under the Housing Development Accounts which are interest bearing pursuant to Section 7A of the Housing Developers Act, 1966; and
- Amounts totalling RM18,942,046 (2000 : RM8,686,029) maintained as trust monies in accordance with the requirements of the Kuala Lumpur Stock Exchange and the Securities Industry Act, 1983.

22. Trade And Other Payables

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Trade payables	111,653,917	102,821,226	–	–
Other payables	73,483,044	23,394,570	68,826	137,664
Accrued administrative & other expenses	109,171,251	27,909,609	–	–
Employee benefits (<i>refer Note 27</i>)	1,699,120	1,867,226	–	–
Provision for outstanding insurance claims	31,776,167	23,381,741	–	–
Provision for corporate guarantees	5,184,238	13,830,087	–	–
Dealers' and remisiers' commission & deposits	9,526,364	28,986,307	–	–
Tenant deposits	4,365,802	4,255,813	–	–
Amount owing to an associated company	46,552,067	–	–	–
	393,411,970	226,446,579	68,826	137,664

- Included in other payables and accrued administrative & other expenses of the Group as at 31 December 2001 are amounts arising from Corus amounting to RM52,024,279 and RM87,643,465 respectively.
- The amount owing to an associated company represents balances arising from advances to an overseas subsidiary company and is unsecured, bears interest at 6.0% per annum and has no fixed terms of repayment.

23. Borrowings

	Group	
	2001	2000
	RM	RM
Current		
Bank overdrafts		
secured	3,928,054	3,711,680
unsecured	145,434,393	119,150,535
Bills payable		
secured	15,509,122	19,818,666
unsecured	6,160,500	5,747,866
Bank revolving credits		
secured	28,041,933	126,027,463
unsecured	868,419,635	747,550,000
Current portion of term loans	113,792,584	5,346,453
Hire purchase and lease liabilities	210,001	547,209
	1,181,496,222	1,027,899,872
Non-Current		
Term loans		
secured	1,393,234,379	75,208,242
unsecured	309,020,901	177,461,754
Debenture	633,650,000	–
Hire purchase and lease liabilities	344,988	537,231
Current portion of term loans	(113,792,584)	(5,346,453)
	2,222,457,684	247,860,774

(a) The maturities of non-current term loans are as follows:-

– between 2 years to 5 years	1,009,097,139	234,795,827
– more than 5 years	579,365,557	12,527,716
	1,588,462,696	247,323,543

The term loans are repayable by fixed instalments which vary from monthly, quarterly, half yearly and yearly basis.

(b) Details of hire purchase and finance lease liabilities are as follows:-

Hire purchase and minimum lease payments:-		
– within 1 year	250,657	620,958
– between 1 year to 5 years	415,554	629,984
	666,211	1,250,942
Future finance charges	(111,222)	(166,502)
Present value of hire purchase and finance lease liabilities	554,989	1,084,440
Portion payable:-		
– within 1 year (current)	210,001	547,209
– between 1 year to 5 years (non-current)	344,988	537,231
	554,989	1,084,440



- (c) Bills payable, bank overdrafts and bank revolving credits bear interests at between 0.5% to 2.5% per annum (2000 : 0.5% to 2.5% per annum) above base lending rate/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;
 - (ii) floating charges over all the other assets of these subsidiary companies.
- (e) Term loans in respect of overseas subsidiary companies amounting to RM382,051,782 (2000 : RM63,139,085) bear interests at between 8% to 9% per annum (2000 : 8% to 16% per annum). The other term loans bear interests at between 1% to 1.75% per annum (2000 : 0.75% to 2.75% per annum) above the base lending rates/costs of funds of the lending institutions.
- (f) The unsecured term loans include revolving credit facilities of RM125,000,000 (2000 : RM135,000,000) which have been classified under long term liabilities as the obligations will be retired after 12 months.
- (g) The 9% debenture stock is secured by a fixed and floating charge over the assets of an overseas subsidiary company. The debenture stock is repayable at par on 30 June 2006 if not already previously redeemed.

24. Share Capital

	<i>Group/Company</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>
Authorised		
3,000,000,000 ordinary shares of RM1 each	3,000,000,000	3,000,000,000
Issued & fully paid		
1,940,531,778 ordinary shares of RM1 each	1,940,531,778	1,940,531,778

25. Reserves

	Group		Company	
	2001	2000	2001	2000
	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	37,116,025	61,859,351	—	—
Capital reserve	40,449,870	19,075,723	—	—
Distributable				
General reserve	25,257,587	25,257,587	—	—
(Accumulated losses)/ Unappropriated profits	(162,095,234)	(143,442,648)	399,901,904	383,758,335
	188,463,430	210,485,195	646,471,014	630,327,445

- (a) The capital reserve comprises mainly the Group's portion of the share premium arising from special issues to approved Bumiputera investors by subsidiary companies in previous years and reserve arising from investment in a subsidiary company's ICPS.

The general reserve comprises mainly gains from disposal of property, plant and equipment by subsidiary companies in previous years.

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

	Group	
	2001	2000
	RM	RM
The Company	399,901,904	383,758,335
Subsidiary companies	(369,928,233)	(321,050,262)
Associated companies	(192,068,905)	(206,150,721)
	(162,095,234)	(143,442,648)

- (c) 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 RM87.4 million of the unappropriated profits of the Company as at 31 December 2001 are available for distribution by way of dividends without incurring additional tax liability.

26. Redeemable Convertible Bond

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

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



27. Employee Benefits

	Group	
	2001	2000
	RM	RM
At 1 January	2,656,080	2,822,932
Exchange adjustments	(153,886)	(202,242)
Provision for the financial year	125,349	195,376
Unused amounts reversed	(138,186)	(142,528)
Paid during the financial year	(130,729)	(17,458)
At 31 December	2,358,628	2,656,080
Less : Current portion included in trade and other payables (refer Note 22)	(1,699,120)	(1,867,226)
	659,508	788,854

28. Deferred Taxation

	Group	
	2001	2000
	RM	RM
At 1 January	7,693,249	9,386,120
Exchange adjustments	(369,887)	(834,453)
Subsidiary companies acquired	2,003,075	—
Subsidiary companies disposed	(1,626,850)	—
Transfer to tax provision account	(138,057)	(663,840)
Transfer from/(to) income statement (refer Note 6)	1,074,095	(194,578)
At 31 December	8,635,625	7,693,249

Deferred taxation at end of the financial year is in respect of the timing differences arising from 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.

29. Amount Owning To A Subsidiary Company

The amount owing to a subsidiary company, which represents advances, is unsecured, not repayable within the next twelve months and bears interest at 6.0% (2000 : Nil) per annum.

30. Segment Information Of The Group

By Industry

	Revenue						Profit/(Loss)		Assets Employed	
	Derived from			Derived from						
	Total	other segments	external parties	Total	other segments	external parties	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Retailing	676,440	—	676,440	775,480	—	775,480	9,444	18,940	248,365	247,118
Hotels	486,751	873	485,878	172,489	—	172,489	19,266	(6,440)	2,604,778	237,845
Food & Confectionery	314,610	—	314,610	348,742	—	348,742	8,515	11,197	242,175	250,030
Property	63,440	2,773	60,667	59,297	2,006	57,291	20,520	16,235	643,009	594,864
Financial Services	107,130	1,367	105,763	98,101	202	97,899	(36,572)	22,856	932,760	784,589
Manufacturing & Trading	27,998	—	27,998	107,478	—	107,478	10,304	(5,566)	—	84,296
Travel & Tourism	59,258	655	58,603	62,265	811	61,454	(5,711)	385	76,555	71,431
Education Services	11,029	—	11,029	11,526	—	11,526	(3,565)	(1,989)	39,946	45,943
Investment Holding	196,307	982	195,325	125,513	1,195	124,318	13,350	(67,587)	2,961,758	3,262,371
	1,942,963	6,650	1,936,313	1,760,891	4,214	1,756,677	35,551	(11,969)	7,749,346	5,578,487
Less: Group's share of associated companies' revenue			(1,235,402)			(1,051,566)	—	—	—	—
Less: Group's share of joint ventures' revenue			(8,072)			—	—	—	—	—
			692,839			705,111	35,551	(11,969)	7,749,346	5,578,487

By Geographical Region

	Revenue						Profit/(Loss)		Assets Employed	
	Derived from other segments		Derived from external parties		Derived from other segments		Derived from external parties		Before Taxation	
	Total		Total		Total		Total		2001	2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2001	2000
Malaysia	385,312	2,581	382,731	376,579	3,228	373,351	48,627	(21,610)	3,576,678	3,624,157
Asia-Pacific	161,783	865	160,918	184,100	769	183,331	25,198	31,223	1,139,592	1,165,920
Australia	246,267	—	246,267	275,706	—	275,706	(2,117)	850	128,791	144,129
North America	99,297	—	99,297	116,868	—	116,868	(23,698)	(24,200)	192,970	336,049
United Kingdom	1,047,100	—	1,047,100	807,421	—	807,421	(12,459)	1,768	2,711,315	308,232
	1,939,759	3,446	1,936,313	1,760,674	3,997	1,756,677	35,551	(11,969)	7,749,346	5,578,487
Less: Group's share of associated companies' revenue			(1,235,402)			(1,051,566)	—	—	—	—
Less: Group's share of joint ventures' revenue			(8,072)			—	—	—	—	—
			692,839			705,111	35,551	(11,969)	7,749,346	5,578,487



31. Capital And Other Commitments

- (a) As at 31 December 2001, the Group has commitments in respect of capital expenditure contracted but not provided for amounting to RM31.9 million (2000 : RM1.8 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 <u>Granted By</u>	No. Of New Shares <u>Under The Put Options</u>	<u>Exercise Period</u>
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).

31. Capital And Other Commitments (Cont'd)

(c) Operating Lease Commitments

	Group	
	2001	2000
	RM	RM
Non cancellable operating lease commitments not provided for in the financial statements:		
– within 1 year	1,984,930	2,154,309
– between 1 year to 5 years	3,734,781	4,304,524
– more than 5 years	12,548,939	17,451,381
	18,268,650	23,910,214

32. 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 trial date previously fixed on 23 April 2002 was vacated and 29 July 2002 has been fixed for mention pending the parties' compliance with case management directions given. 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) As at 31 December 2001, PM Holdings has given corporate guarantees in respect of banking, hire purchase and leasing facilities granted to non-consolidated and former subsidiary companies totalling RM0.6 million (2000 : RM32.8 million). The guarantees are unsecured.

Company

At 31 December 2001, the Company has guaranteed the bank credit facilities of subsidiary companies for a total of RM1,628.5 million (2000 : RM919.3 million). The guarantees are unsecured.



33. Significant Corporate Developments

The significant corporate developments of the Group during and subsequent to the financial year ended 31 December 2001 are as follows:-

- (a) The disposal by PM Holdings of its entire shareholding of 10,000,000 ordinary shares of RM1 each representing the total issued and paid-up share capital of Pengkalen Concrete Sdn Bhd ("PCSB") for an adjusted cash consideration of RM6.9 million was completed on 23 March 2001. PCSB has two subsidiary companies, namely Pengkalen Concrete (E.M.) Sdn Bhd, a wholly-owned subsidiary company, and Pengkalen-SMJ J.V. Sdn Bhd, a 70.0% owned subsidiary company.
- (b) The disposal by Labels Specialist Industries Sdn Bhd ("Labels"), then 51.25% owned subsidiary company of PM Holdings, 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 was completed on 23 March 2001.
- (c) On 25 April 2001, the SC approved an extension of 12 months to 8 May 2002 for Pan Malaysia Capital Berhad ("PM Capital") to implement the private placement by PM Capital to Bumiputera investors of up to 25,308,713 new ordinary shares of RM1 each representing approximately 10% of the issued and paid-up ordinary share capital of PM Capital, at an issue price of up to 15% discount based on the 5-day weighted average market price of the ordinary shares on a date to be determined later, subject to a minimum of the par value of RM1 per share.
- (d) On 26 April 2001 and 20 June 2001, the Securities Commission ("SC") and Foreign Investment Committee approved respectively an extension of 12 months to 30 June 2002 for PM Holdings to implement its special issue of 75,270,000 new ordinary shares of RM1 each at an issue price of RM1 per share to Bumiputera investors to be approved by the Ministry of International Trade and Industry ("MITI").
- (e) MUI Continental Insurance Berhad ("MCI") completed on 11 May 2001 a rights issue of 16,523,000 new ordinary shares of RM1 each at an issue price of RM1 per new ordinary share on the basis of thirteen (13) new ordinary shares for every forty (40) existing ordinary shares held ("Rights Issue"). Novimax (M) Sdn Bhd, a wholly-owned subsidiary company, subscribed for its entire entitlement of 10,578,750 new ordinary shares and additional 5,944,250 new ordinary shares renounced by the minority shareholders pursuant to the Rights Issue of MCI. The said subscription increased the Group's equity interest in MCI from 64.02% to 72.85%.
- (f) The acquisition by Lembaran Megah Sdn Bhd ("LMSB"), a wholly-owned subsidiary company of Pan Malaysia Corporation Berhad, of 46,000,000 ordinary shares of RM1 each representing 12.9% of the existing issued and paid-up share capital of Chemical Company of Malaysia Berhad ("CCM") at RM2.30 per share for a total cash consideration of RM105.8 million was completed on 21 May 2001. With the acquisition, the Group's equity interest in CCM increased from 10.1% to 23.0%, resulting in CCM becoming an associated company of the Group. Subsequently, LMSB acquired further 349,000 shares in CCM from the open market, increasing the Group's equity interest in CCM to 23.1%.
- (g) On 31 May 2001, PM Holdings entered into an agreement for the disposal of its entire shareholding of 3,434,000 ordinary shares of RM1 each, representing 51.25% of the total issued and paid-up share capital of Labels for a total cash consideration of RM16.0 million. The MITI has vide its letter dated 19 July 2001 approved the disposal. The disposal was completed on 2 October 2001.
- (h) The SC had by its letter dated 29 August 2001 approved PM Securities Sdn Bhd ("PM Securities")'s application to be a Universal Broker ("Universal Broker Approval"). The operation of PM Securities as a Universal Broker shall be subject to a readiness audit by the Kuala Lumpur Stock Exchange ("KLSE"). In relation to the Universal Broker Approval, the SC had also approved PM Securities' application to establish additional branch offices in Klang, Penang and Johor Bahru. Further, the SC had also approved the application by PM Securities to relocate the stockbroking business of Pan Malaysia Equities Sdn Bhd ("PM Equities") (which acquisition by PM Securities had been approved earlier by the SC) to Melaka. The SC had by its letter dated 25 March 2002 approved PM Securities as an Adviser pursuant to the SC's Policies and Guidelines on Issue/Offer of Securities.

33. Significant Corporate Developments (Cont'd)

To enable PM Securities to comply with the criteria of a Universal Broker which stipulates amongst others, that a Universal Broker must be an existing stockbroker who acquires or merges with a minimum of three other stockbrokers and also to allow for a more flexible group structure to enable PM Securities to diversify into complementary areas of business, the Group has embarked and completed the Business Merger Agreements with MBf Northern Securities Sdn Bhd (Special Administrators Appointed) ("MBf Northern") and Malpac Securities Sdn Bhd ("Malpac Securities"), and an internal capital rationalisation exercise as follows:-

- (i) On 22 January 2001, PM Securities completed the Business Merger Agreement with MBf Northern whereby the existing business of PM Securities was merged with the stockbroking and associated activities of MBf Northern and further acquired certain property, plant and equipment of MBf Northern for a total cash consideration of RM65.0 million. 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.
- (ii) On 26 July 2001, PM Securities completed the Business Merger Agreement with Malpac Securities whereby the existing business of PM Securities was merged with the stockbroking and associated activities of Malpac Securities and further acquired certain property, plant and equipment of Malpac Securities for a total cash consideration of RM85.75 million. Following the merger, the licence of Malpac Securities was surrendered and subsequently varied to allow the operations of Malpac Securities as a branch of PM Securities.
- (iii) On 8 December 2001, PM Capital completed the sale and transfer of its interest in the entire issued and paid-up share capital of PM Equities comprising 237,123,722 ordinary shares of RM1 each, 91,934,379 irredeemable non-convertible preference shares of RM1 each and 36,000,000 redeemable exchangeable preference shares of RM1 each for a sale consideration of RM117.58 million which was satisfied by the issuance of 100,000,000 new ordinary shares of RM1 each in PM Securities at an issue price of RM1 each per share and cash payment of RM17.58 million.
- (iv) On 8 December 2001, PM Capital also completed the sale and transfer of its entire equity interest in PM Securities comprising 391,448,138 ordinary shares of RM1 each and 174,048,190 redeemable non-convertible preference shares ("RNPS") of RM1 each representing 99.99% of the issue and paid-up share capital and the entire issued and paid-up RNPS capital respectively of PM Securities to Kimara Asset Management Sdn Bhd ("Kimara Asset") for a consideration of RM391.0 million which was satisfied by the issuance of 391,000,005 new ordinary shares of RM1 each in Kimara Asset at an issue price of RM1 per share. Kimara Asset, a wholly-owned subsidiary of PM Capital, now holds 99.99% interest in PM Securities and PM Equities is a wholly-owned subsidiary company of PM Securities.
- (i) MUI Media Ltd, a wholly-owned subsidiary company, had on 1 November 2001 completed the acquisition of 17,000,000 ordinary shares of £1 each representing 100% of the issued and paid-up share capital of London Vista Hotel Limited ("LVHL") for a cash consideration of £288,000 (RM1.6 million) from Sphere Resources Limited. Prior to the acquisition, the Group had effectively 49% equity interest in LVHL. LVHL through its subsidiary company, Corus & Regal Hotels plc (formerly known as Regal Hotel Group PLC), is involved in the hotel and leisure business in United Kingdom.
- (j) On 19 December 2001, PM Holdings entered into an agreement with Lai Sun Development Company Limited ("Lai Sun") for the acquisition of 800,000 ordinary shares of RM1 each representing 10% of the total issued and paid-up share capital of Pengkalen Holiday Resort Sdn Bhd ("PHR") from Lai Sun for a cash consideration of RM1 and the acceptance by PM Holdings of the assignment of Debt owing to Lai Sun by PHR for a cash consideration of RM0.55 million. PHR was then a 90% owned subsidiary of PM Holdings, with the remaining 10% beneficially owned by Lai Sun. PHR is principally engaged in operating a hotel known as "Corus Paradise resort Port Dickson" in Negeri Sembilan. The acquisition was completed subsequent to the financial year on 2 April 2002.



- (k) As part of the PM Holdings' continuing rationalisation exercise to divest and wind-up non-core businesses and focus on financial services activities, the following associated and subsidiary companies were placed under voluntary winding-up:-

	<u>Date placed under winding-up</u>
(i) Associated Companies	
(a) Schwartau (Far East) Sdn Bhd	1 October 2001
(b) Pufrut Preserving Works (Malaysia) Sdn Bhd	1 October 2001
(ii) Subsidiary Companies	
(a) Pengkalen Engineering & Construction Sdn Bhd	12 December 2001
(b) Pengkalen Pasar Borong Sdn Bhd	12 December 2001
(c) Pengkalen Raya Sdn Bhd	12 December 2001
(d) Buana Mewah Sdn Bhd	19 December 2001
(e) Fiberoptik (Sabah) Sdn Bhd	19 December 2001
(f) GCIH (Malaysia) Sdn Bhd	19 December 2001
(g) Giatjaya Enterprise Sdn Bhd	19 December 2001
(h) Kejora Etika Sdn Bhd	19 December 2001
(i) Pengkalen Building Materials Sdn Bhd ("PBM")	19 December 2001
(j) Pengkalen Comtec Sdn Bhd	19 December 2001
(k) Pengkalen HB Property Services Sdn Bhd	19 December 2001
(l) Pengkalen Hill Resort Sdn Bhd	19 December 2001
(m) Serba Sinar Sdn Bhd	19 December 2001
(n) Tenamaju Sdn Bhd	19 December 2001
(o) Pengkalen (Hong Kong) Limited	28 December 2001
(p) Fibercorp (Sarawak) Sdn Bhd	9 January 2002

The above associated and subsidiary companies were inactive or dormant except PBM which was engaged in trading in building materials and ceased its operations on 28 November 2001.

- (l) In accordance with the terms of the Irredeemable Convertible Preference Shares ("ICPS") issued by PM Holdings to scheme creditors pursuant to the PM Holdings' scheme of arrangement implemented in December 1999, 124,470,793 ICPS had been converted into 124,470,793 new ordinary shares of RM1 each in the capital of PM Holdings on 29 December 2001. Consequent to the said conversion, the Group's equity interest in PM Holdings was diluted from 72.01% to 62.32%.
- (m) The schemes of arrangement of PM Holdings and certain of its subsidiary companies ("Scheme") which were implemented on 29 December 1999 have been completed except for settlement with certain scheme creditors.

As at 29 December 2001, a total of up to 5,184,238 ICPS could not be issued by PM Holdings to two scheme creditors to settle the indebtedness due to them pursuant to the Scheme as they had either not provided to PM Holdings within the relevant timeframe the relevant Central Depository System details required for the allotment and issue of the ICPS or had not finalised and submitted their claim on the amount of indebtedness. It remains the intention of PM Holdings to settle all indebtedness pursuant to the Scheme and as such, PM Holdings' Directors proposed the direct issuance of up to 5,184,238 new ordinary shares of RM1 each at an issue price of RM1 per share to these scheme creditors in substitution of the issuance of up to 5,184,238 ICPS of PM Holdings as proposed earlier in the Scheme ("Proposed Share Issue"). PM Holdings has on 20 February 2002 applied to the SC to seek approval, which is pending, for the Proposed Share Issue.

34. Significant Related Party Transactions

The significant related party transactions undertaken by the Group and the Company during the financial year and the respective balances outstanding as at the financial year end are as follows:-

Group

	<i>Transactions</i>		<i>Balance Outstanding</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Insurance premium income from:-				
- Pan Malaysian Industries Berhad ("PMI")	67,971	94,513	—	—
- Metrojaya Berhad ("MJ") and its subsidiary companies	33,837	20,137	—	—
- Hikari Builders Sdn Bhd ("HBSB") and its subsidiary companies	89,431	149,910	—	—
Travel related revenue from:-				
- Laura Ashley Holdings plc	237,097	279,908	—	—
- Laura Ashley (North America), Inc	16,416	33,409	—	—
- Vista Hotel Management Sdn Bhd	22,991	—	—	—
- MUI Hong Kong Ltd	11,518	14,586	—	—
- Morning Star Travel Service Ltd	8,170,380	5,231,126	—	—
- MJ and its subsidiary companies	288,832	—	—	—
Office rental income from:-				
- PMI	104,556	128,346	—	11,359
- MJ	1,290,140	1,541,092	117,398	147,238
- HBSB	15,840	11,260	1,000	3,550
Share registration fee income from MJ	11,933	11,857	—	—
Interest income from Regent Corporation	1,803,940	—	—	—
Interest expense charged by Regent Corporation	1,188,749	—	—	—
Provision of construction works by HBSB	12,086,949	32,165,806	924,035	5,525,142
Hotel management fees charged by Vista Hotel Management Sdn Bhd	107,429	154,906	—	—
Advances to:-				
- Regent Corporation	—	18,149,272	—	18,149,272
- London Vista Hotel Limited	—	77,625,698	—	77,625,698



Company

Significant transactions with subsidiary companies

	<i>Transactions</i>		<i>Balance Outstanding</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Dividend income from:-				
- MUI Properties Berhad	5,299,622	3,179,773	—	—
- Pan Malaysia Corporation Berhad	11,703,360	8,289,880	—	—
- Farrago Sdn Bhd	20,000	40,000	—	—
- MUI Enterprises Sdn Bhd	20,000	20,000	—	—
Interest income from:-				
- Davson Limited	1,699,037	1,572,944	1,699,037	1,572,944
- Merchant Network Sdn Bhd	176,583	224,910	—	224,910
- MUI Capital Sdn Bhd	2,019,652	2,110,279	2,019,652	2,110,279
- MUI China Limited	344,921	319,323	344,921	319,323
- MUI Resources Limited	108,294	100,254	108,294	100,254
- Oriental Omega Sdn Bhd	—	2,604,076	—	2,604,076
Interest expense charged by				
Megawise Sdn Bhd	793,973	—	793,973	—
Insurance premium charged by				
MUI Continental Insurance Berhad	49,953	188,739	—	—
Advances from Megawise Sdn Bhd	30,000,000	—	30,000,000	—
Advances to:-				
- Alameda Enterprises Limited	132,254	10,914	132,254	10,914
- Fuchsia Enterprises Limited	2,701,855	5,420	1,569,835	5,420
- Libertyray (M) Sdn Bhd	39,268	148,887	1,100	1,267
- Loyal Design Sdn Bhd	3,415	560,000	3,415	560,000
- Malayan United Management Sdn Bhd	822,062	270,000	352,492	—
- Ming Court Beach Hotel (P.D.) Sdn Bhd	244,269	304,801	244,269	304,801
- Ming Court Hotel (KL) Sdn Bhd	—	270,000	—	—
- MUI Asia Limited	—	107,455	—	107,455

34. Significant Related Party Transactions (Cont'd)

	<i>Transactions</i>		<i>Balance Outstanding</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
- MUI Capital Sdn Bhd	30,072,000	4,357,133	29,596,000	–
- Novimax (M) Sdn Bhd	16,648,980	840	5,840,780	–
- Tarrega Holdings Sdn Bhd	103,383,317	19,167,740	83,763,498	15,953,830

The relationship between the Group and the related parties are as follows:-

Related parties

Pan Malaysian Industries Berhad (“PMI”)
Metrojaya Berhad (“MJ”)
Hikari Builders Sdn Bhd (“HBSB”)

Relationship with the Group

PMI is a major shareholder of the Company.
MJ and HBSB are subsidiary companies of PMI.

Laura Ashley Holdings plc
Laura Ashley (North America), Inc
Regent Corporation
Morning Star Travel Services Ltd
Vista Hotel Management Sdn Bhd
MUI Hong Kong Ltd
London Vista Hotel Limited (“LVHL”)

These companies are associated companies of the Group. LVHL became a subsidiary company of the Group during the financial year ended 31 December 2001.

The related party transactions are in the normal course of business and at terms mutually agreed between the parties.

35. Comparatives

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

	<i>As Previously Reported RM</i>	<i>As Restated RM</i>
Cash flow statements		
Increase in receivables and amount owing by brokers and clients	118,990,668	72,490,668
Amount paid for business merger arrangements	–	46,500,000



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 64 to 110 are drawn up in accordance with the applicable approved accounting standards in Malaysia 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 2001; and
- (ii) the results and cash flows of the Company and of the Group for the financial year ended 31 December 2001.

On behalf of the Board

Yong Ming Sang

Dr Ngui Chon Hee

Kuala Lumpur
30 April 2002

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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 64 to 110 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 30 April 2002.

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 64 to 110. These 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 in Malaysia 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 2001 and of the 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.

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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 113 to 124, 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

Chartered Accountants

Tan Kim Leong, JP

235/06/03 (J/PH)

Partner

Kuala Lumpur

30 April 2002



SUBSIDIARY AND ASSOCIATED COMPANIES OF MALAYAN UNITED INDUSTRIES BERHAD

As at 31 December 2001

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
1. Aquiline 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. London Vista Hotel Limited	100	–	Investment holding	United Kingdom
16. Loyal Design Sdn Bhd	100	100	Investment holding	Malaysia
17. Malayan United Management Sdn Bhd	100	100	Management services	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 operations	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	72.85	64.02	General insurance	Malaysia
35. MUI dotCom Sdn Bhd	100	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
* 42. MUI Properties Berhad	70.75	70.75	Investment holding	Malaysia

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
43. MUI Property Management Sdn Bhd	100	100	Dormant	Malaysia
44. MUI Security Services Sdn Bhd	100	100	Dormant	Malaysia
45. MUI Sdn Bhd	100	100	Investment holding	Malaysia
+ 46. MUI Singapore Pte Ltd	100	100	Dormant	Singapore
+ 47. MUI (UK) Limited	100	100	Investment holding	United Kingdom
48. Natloyal (M) Sdn Bhd	100	100	Property investment	Malaysia
49. Novimax (M) Sdn Bhd	100	100	Investment holding	Malaysia
50. Oriental Omega Sdn Bhd	100	100	Investment holding	Malaysia
* 51. Pan Malaysia Corporation Berhad	56.85	56.85	Investment holding	Malaysia
52. Pan Malaysia Holdings Berhad	62.32	72.01	Investment, property holding & management company	Malaysia
53. Prizewood Sdn Bhd	100	100	Investment holding	Malaysia
54. Pure Capital Sdn Bhd	100	100	Investment holding	Malaysia
55. Regal Classic Sdn Bhd	100	100	Investment holding	Malaysia
56. Sergap Makmur Sdn Bhd	100	100	Investment holding	Malaysia
57. Southern Challenger (M) Sdn Bhd	100	100	Investment holding & trading	Malaysia
58. Tarrega Holdings Sdn Bhd	100	100	Investment holding	Malaysia
59. United Continental Properties Sdn Berhad	72.85	64.02	Property investment	Malaysia
60. United Review (M) Sdn Bhd	100	100	Investment holding	Malaysia
61. Universal Growth Limited	100	100	Investment holding	British Virgin Islands
62. 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>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
1. Asia Pacific Media Corporation	50	50	Inactive	U.S.A.
2. Asian Capital Equities, Inc	20	20	Inactive	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>2001</i>	<i>2000</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 Limited (formerly known as Zhaodaola China Internet, Ltd)	26.27	26.27	Internet portal & related business	Bermuda

Associated Companies of Firstway International Investment Limited

As at 31 December 2001

<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
1. MUI Hong Kong Ltd	40.57	40.57	Hotel, travel services & property development	Cayman Islands
2. Morning Star Financial Services Limited	38.17	38.17	Stockbroking	Hong Kong

Subsidiary Companies of Regent Corporation *

As at 31 December 2001

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
1. Laura Ashley (North America), Inc.	68.32	67.04	Retailing of garments, home furnishings & accessories & licensing	U.S.A.
2. London Vista Hotel Limited	—	100	Investment holding	United Kingdom
3. Plaza on Hyde Park Limited	—	100	Hotel operations	United Kingdom
4. Corus & Regal Hotels plc (formerly known as Regal Hotel Group PLC)	—	100	Investment holding & hotel operations	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 2001

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
1. AIGM Sdn Bhd	100	100	Training services	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 operations	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. Lambaian Maju Sdn Bhd	100	100	Investment holding	Malaysia
20. Lembaran Makmur Sdn Bhd	100	100	Investment holding	Malaysia
			& trading	
21. Lunula Pty Limited	100	100	Hotel operations	Australia
22. Malayan United Properties Sdn Bhd	100	100	Property investment	Malaysia
23. Malayan United Realty Sdn Bhd	100	100	Property investment & investment holding	Malaysia
24. Mecomas Pty Limited	100	100	Hotel operations	Australia
25. Ming Court Hotel (Vancouver) Ltd	100	100	Investment holding	Canada
26. Ming Fung Sendirian Berhad	100	100	Property investment	Malaysia
27. Miranex Sdn Bhd	100	100	Moneylending	Malaysia
28. MUI Australia Pty Ltd	100	100	Investment holding	Australia
29. MUI Investments (Canada) Ltd	100	100	Investment holding	Canada
30. MUI Plaza Sdn Bhd	100	100	Property investment	Malaysia
31. MUI Property Services Sdn Bhd	100	100	Property services	Malaysia
32. MUI Resorts Sdn Bhd	100	100	Investment holding	Malaysia
33. MUP Sdn Bhd	100	100	Property investment	Malaysia
34. MUR Sdn Bhd	100	100	Inactive	Malaysia
35. Peristal Enterprise Sdn Bhd	100	100	Investment holding	Malaysia
36. Peters Ice Cream (M) Sdn Bhd	100	100	Dormant	Malaysia
37. Pistole Holdings Sdn Bhd	100	100	Inactive	Malaysia
38. Polacre Sdn Bhd	100	100	Property development	Malaysia
39. Portico Sdn Bhd	100	100	Property development	Malaysia
40. Prescada Sdn Bhd	100	100	Investment holding	Malaysia
41. Resort & Leisure Homes Sdn Bhd	100	100	Property development	Malaysia



<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
42. Shun Fung Sendirian Berhad	100	100	Property investment	Malaysia
43. Superex Sdn Bhd	100	100	Property investment	Malaysia
44. Two Holdings Sdn Bhd	100	100	Property investment	Malaysia
45. Unique Octagon Sdn Bhd	100	100	Investment holding	Malaysia
46. 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 2001

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</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	Investment holding	Malaysia
+ 18. Network Foods International Ltd	79.09	79.09	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

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
* 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	Investment holding	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>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
@ 1. Pan Malaysian Industries Berhad	26.39	26.39	Investment holding	Malaysia
2. Chemical Company of Malaysia Berhad	23.10	10.10	Manufacturing & marketing of fertilizers, chlor-alkali products, pharmaceutical and healthcare products	Malaysia

@ Pan Malaysian Industries Berhad held 46.13% equity interest in Malayan United Industries Berhad as at 31 December 2001.

Subsidiary Companies of Network Foods Limited

As at 31 December 2001

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</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 2001

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
1. Danau Gelombang Sdn Bhd	100	100	Inactive	Malaysia
* 2. Lotus Chocolate Company Limited	52.20	52.20	Manufacturing of chocolate & confectionery	India
+ 3. Marcel's Patisserie (S) Pte Ltd	100	100	Dormant	Singapore
+ 4. MUI Internet (Singapore) Pte Ltd	100	100	Dormant	Singapore
+ 5. Network Foods Distribution Pte Ltd	100	100	Distribution of confectionery & other food products	Singapore
+ 6. Network Foods (Hong Kong) Limited	100	100	Distribution of confectionery & cocoa-based and other food products	Hong Kong



<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
7. Network Foods Industries Sdn Bhd	81.54	81.54	Manufacturing of consumer chocolate products	Malaysia
8. Network Foods (Malaysia) Sdn Bhd	100	100	Marketing and distribution of confectionery & cocoa-based and other food products	Malaysia
+ 9. Quintrinox Pte Ltd	100	100	Investment holding	Singapore
+ 10. Sparkton Investment Limited	100	100	Inactive	Hong Kong
+ 11. Specialist Food Retailers Pte Ltd	100	100	Inactive	Singapore
12. Tiffany Enterprise Sdn Bhd	100	100	Dormant	Malaysia
+ 13. 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 2001

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<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
1. Fibercorp (Sarawak) Sdn Bhd (a 55% subsidiary company of Pengkalen Comtec Sdn Bhd)	30.25	30.25	Dormant	Malaysia
■ 2. Focusprint Sendirian Berhad	—	26.14	Manufacturing of carton boxes, general packaging products & printing press	Malaysia
+ 3. Golden Carps Pte Ltd	100	100	Inactive	Singapore
+ 4. Grandvestment Company Limited	100	100	Investment holding	Hong Kong
5. Kayangan Makmur Sdn Bhd	100	100	Investment holding	Malaysia
■ 6. Labels Specialist Industries Sdn Bhd	—	51.25	Manufacturing & sale of self-adhesive sticker labels	Malaysia
7. Pan Malaysia Capital Berhad	73.86	73.83	Investment holding	Malaysia
+ 8. Pengkalen Company Limited	100	100	Dormant	United Kingdom
■ 9. Pengkalen Concrete Sdn Bhd	—	100	Manufacturing & dealing in cement, pre-mixed concrete & builders' requisites	Malaysia
■ 10. Pengkalen Concrete (E.M.) Sdn Bhd	—	100	Manufacturing & dealing in cement, pre-mixed concrete & builders' requisites	Malaysia
11. Pengkalen Equities Sdn Bhd	100	100	Investment holding & dealing	Malaysia
12. Pengkalen Foodservices Sdn Bhd	100	100	Inactive	Malaysia
13. Pengkalen Holiday Resort Sdn Bhd	90	90	Operating a hotel	Malaysia
14. Pengkalen Properties Sdn Bhd	100	100	Inactive	Malaysia
■ 15. Pengkalen-SMJ J.V. Sdn Bhd (a 70% subsidiary company of Pengkalen Concrete Sdn Bhd)	—	70	Supply & trading of ready-mixed concrete, construction & civil engineering works	Malaysia

Subsidiary Company	Equity Interest		Principal Activities	Country of Incorporation
	2001	2000		
	%	%		
16. Pan Malaysia Travel & Tours Sdn Bhd	80	80	Travel agent & provision of travel-related services	Malaysia
+ 17. Pengkalen (UK) Plc	84.12	84.12	Investment holding	United Kingdom
18. Twin Phoenix Sdn Bhd	100	100	Dormant	Malaysia

Associated Company	Equity Interest		Principal Activities	Country of Incorporation
	2001	2000		
	%	%		
* 1. Excelpac Industries Sdn Bhd (a 25% associated company of Pan Malaysia Travel & Tours Sdn Bhd)	20	20	Inactive	Malaysia

Subsidiary Companies of Pan Malaysia Capital Berhad

As at 31 December 2001

Subsidiary Company	Equity Interest		Principal Activities	Country of Incorporation
	2001	2000		
	%	%		
1. Bayan Niaga Sdn Bhd	100	100	Moneylending	Malaysia
2. KESB Nominees (Asing) Sdn Bhd	99.99	100	Dormant	Malaysia
3. KESB Nominees (Tempatan) Sdn Bhd	99.99	100	Nominee & custodian services	Malaysia
4. Kimara Asset Management Sdn Bhd	100	100	Investment holding	Malaysia
5. Meridian Nominees (Tempatan) Sdn Bhd	99.99	100	Share registration, nominee & share custodian services	Malaysia
6. Pan Malaysia Equities Sdn Bhd	99.99	100	Property & investment holding	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 2001

Subsidiary Company	Equity Interest		Principal Activities	Country of Incorporation
	2001	2000		
	%	%		
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



<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
* 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 Property Limited	100	100	Investment holding	Hong Kong
>+ 7. GCIH Trademarks Limited	100	100	Licensing of trademarks	Hong Kong
* 8. Grand Central (Ceylon) Rubber Estates, Limited	100	100	Dormant	United Kingdom
* 9. Grand Central Limited	100	100	Dormant	Sri Lanka
* 10. Highland Tea Company of Ceylon, Limited	100	100	Dormant	United Kingdom
11. Kuril Plantations Sdn Berhad	64.82	64.82	Inactive	Malaysia
+ 12. Meltis Holdings Limited	84	84	Investment holding	United Kingdom
* 13. Nagolle Holdings Limited	100	100	Dormant	United Kingdom
* 14. Nagolle (Ceylon) Rubber and Tea Plantations, Limited	100	100	Dormant	United Kingdom
* 15. Network Foods International Limited	100	100	Dormant	United Kingdom
* 16. The Panawatte Tea and Rubber Estates, Limited	100	100	Dormant	United Kingdom
* 17. The Yatiyantota Ceylon Rubber Company Limited	100	100	Dormant	United Kingdom
18. Upali Group Sdn Bhd	64.82	64.82	Dormant	Malaysia
+ 19. 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>2001</i>	<i>2000</i>		
	<i>%</i>	<i>%</i>		
1. Desa Kuril Sdn Berhad	32.41	32.41	Dormant	Malaysia

Subsidiary and Associated Companies of Pan Malaysia Holdings Berhad which are under liquidation

As at 31 December 2001

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>	
	<i>%</i>	<i>%</i>	
1. Asia Entertainment Network Sdn Bhd	60	60	Malaysia
2. Buana Mewah Sdn Bhd	100	100	Malaysia
3. Fiberoptik (Sabah) Sdn Bhd	55	55	Malaysia
4. GCIH (Malaysia) Sdn Bhd	84.12	84.12	Malaysia
5. GCIH (Singapore) Pte Ltd	54.53	54.53	Singapore
6. Giatjaya Enterprise Sdn Bhd	54.53	54.53	Malaysia
7. Grand Union General and Motor Insurance Company Limited	55	55	Hong Kong
8. Grand Union Insurance Company Limited	55	55	Hong Kong
9. Heng's Food & Beverage Industries Pte Ltd	84.12	84.12	Singapore

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>	
	<i>%</i>	<i>%</i>	
10. Kejora Etika Sdn Bhd	100	100	Malaysia
11. Office Business Systems (Malacca) Sdn Bhd	41.67	41.67	Malaysia
12. Office Business Systems (Penang) Sdn Bhd	64.10	64.10	Malaysia
13. Office Business Systems Sdn Bhd	64.10	64.10	Malaysia
14. Pengkalen (Hong Kong) Limited	100	100	Hong Kong
15. Pengkalen Building Materials Sdn Bhd	100	100	Malaysia
16. Pengkalen Comtec Sdn Bhd	55	55	Malaysia
17. Pengkalen Electronics Industries Sdn Bhd	67	67	Malaysia
18. Pengkalen Engineering & Construction Sdn Bhd	100	100	Malaysia
19. Pengkalen HB Property Services Sdn Bhd	100	100	Malaysia
20. Pengkalen Heights Sdn Bhd	70	70	Malaysia
21. Pengkalen Hill Resort Sdn Bhd	100	100	Malaysia
22. Pengkalen Pasar Borong Sdn Bhd	80	80	Malaysia
23. Pengkalen Raya Sdn Bhd	100	100	Malaysia
24. Sensor Equipment Sdn Bhd	64.10	64.10	Malaysia
25. Serba Sinar Sdn Bhd	100	100	Malaysia
26. Technitone (M) Sdn Bhd	64.10	64.10	Malaysia
27. Tenamaju Sdn Bhd	54.53	54.53	Malaysia
28. Welland Investment Pte Ltd	84.12	84.12	Singapore

<i>Associated Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2001</i>	<i>2000</i>	
	<i>%</i>	<i>%</i>	
1. Pufrut Preserving Works (Malaysia) Sdn Bhd	42.06	42.06	Malaysia
2. Schwartau (Far East) Sdn Bhd	42.06	42.06	Malaysia

+ Subsidiary companies audited by overseas member firms associated with BDO Binder, Malaysia.

* Subsidiary and associated companies not audited by member firms of BDO Binder.

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

■ Subsidiary companies disposed of during the financial year ended 31 December 2001.



SUBSIDIARY COMPANIES AND JOINT VENTURES OF LONDON VISTA HOTEL LIMITED

As at 31 December 2001

<i>Subsidiary Company</i>	<i>Equity Interest* 2001 %</i>	<i>Principal Activities</i>	<i>Country of Incorporation</i>
1. Corus & Regal Hotels plc (formerly known as Regal Hotel Group PLC)	99.99	Investment holding and hotel operations	United Kingdom
2. Belsfield Hotels Limited	99.99	Dormant	United Kingdom
3. Bistro Bistrot Limited	62.49	Dormant	United Kingdom
4. Catermax Limited	99.99	Dormant	United Kingdom
5. Corus Corporation UK Limited (formerly known as De Facto 625 Limited)	99.99	Dormant	United Kingdom
6. Corus Hotels Limited	99.99	Dormant	United Kingdom
7. County Hotels Group Plc	99.99	Investment holding and hotel operations	United Kingdom
8. County Hotels Limited	99.99	Hotel operations	United Kingdom
9. Delaquest Limited	99.99	Investment holding and hotel operations	United Kingdom
10. Dionball Limited	99.99	Investment holding and hotel operations	United Kingdom
11. Dudley Hotels Limited	99.99	Hotel operations	United Kingdom
12. Earl Grey Tea Rooms Limited	62.49	Dormant	United Kingdom
13. Echostand Limited	99.99	Hotel operations	United Kingdom
14. Etrop Grange Limited	66.66	Hotel operations	United Kingdom
15. Experience Inns Limited	62.49	Dormant	United Kingdom
16. Flamepro Limited	99.99	Hotel operations	United Kingdom
17. Historic Country Inns Limited	62.49	Dormant	United Kingdom
18. No. 1 Cigar Club Limited	36.75[^]	Restaurant operations	United Kingdom
19. Patrolmake Limited	99.99	Investment holding and hotel operations	United Kingdom
20. Plaza on Hyde Park Limited	60.00	Hotel operations	United Kingdom
21. Pub (Nico) Limited	62.49	Dormant	United Kingdom
22. Rose & Crown VCT Limited	99.99	Hotel operations	United Kingdom
23. Shandwick Leisure Limited	99.99	Hotel operations	United Kingdom
24. Simply Nico Limited	62.49	Dormant	United Kingdom
25. Styletune Limited	99.99	Hotel operations	United Kingdom
26. The Bowler Hat Limited	99.99	Hotel operations	United Kingdom
27. The Imperial Crown Hotel Limited	99.99	Hotel operations	United Kingdom
28. The Reservation Company Limited	99.99	Reservation bookings	United Kingdom
29. The Restaurant Partnership plc	62.49	Restaurant operations	United Kingdom
30. TRP (Langan's) Limited	62.49	Dormant	United Kingdom
31. TRP (Nico) Limited	62.49	Dormant	United Kingdom
32. Woodmount Limited	99.99	Dormant	United Kingdom

<i>Subsidiary Company</i>	<i>Equity Interest* 2001 %</i>	<i>Principal Activities</i>	<i>Country of Incorporation</i>
33. Wright Hotels (North Queensferry) Limited	99.99	Hotel operations	United Kingdom
34. Wright Hotels Limited	99.99	Investment holding and hotel operations	United Kingdom

<i>Joint Venture</i>	<i>Equity Interest* 2001 %</i>	<i>Principal Activities</i>	<i>Country of Incorporation</i>
1. Elmville Limited	50.00	Hotel and leisure club operations	United Kingdom
2. Hawkwell VCT Limited	50.00	Hotel operations	United Kingdom

* No comparative equity interest is presented as London Vista Hotel Limited was acquired in 2001.

^ The Restaurant Partnership plc holds 58.81% equity interest in No. 1 Cigar Club Limited.



PROPERTIES OWNED BY THE MUI GROUP

As at 31 December 2001

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
MALAYSIA			
Federal Territory of Kuala Lumpur			
2 lots of freehold land with a 22-storey office complex known as MUI Plaza at nos. 1 & 3, Jalan P. Ramlee, Kuala Lumpur (Year of last revaluation : 1983)	7,436	29	141,000,000
1 lot of freehold land with a 6 1/2-storey office block at nos. 54-56, Jalan Hang Lekiu, Kuala Lumpur (Date of acquisition : April 1978)	204	23	1,056,885
1 lot of freehold land with a 13-storey hotel, known as Corus hotel Kuala Lumpur (formerly known as MingCourt Vista Hotel Kuala Lumpur), Jalan Ampang, Kuala Lumpur (Date of last revaluation : December 1982)	7,289	17	78,097,884
2 lots of freehold land at nos. 13 & 15, Jalan Sultan Ismail, Kuala Lumpur, held for commercial development (Year of last revaluation : 1986)	2,897	—	14,023,338
1 lot of freehold land at Section 43, Jalan Mayang, Kuala Lumpur, held for proposed condominium development (Date of acquisition : May 1981)	1,478	—	458,755
3 lots of leasehold land with a 4-storey shophouse each at nos. 14, 16 & 18, Taman Indrahana, Jalan Kuchai Lama, Kuala Lumpur (Lease expires in 2077) (Date of acquisition : June/November 1990)	468	18	1,558,991
1 unit of freehold residential apartment at UBN Tower, 10, Jalan P. Ramlee, Kuala Lumpur (Date of acquisition : July 1990)	59	14	243,087
1 lot of freehold land with two units of double-storey buildings at no. 189, Jalan Ampang, Kuala Lumpur (Date of acquisition : August 1991)	3,540	9	9,631,195
1 lot of freehold land with a 15-storey office building known as Menara Pengkalen at no. 2, Jalan Changkat Ceylon, Kuala Lumpur (Date of acquisition : September 1996)	2,459	16	54,832,211
1 lot of freehold residential apartment at KL Court Penthouse, Rooftop, KL Plaza, Jalan Bukit Bintang, Kuala Lumpur (Date of acquisition : January 1999)	1,051	15	1,360,000

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
State of Selangor Darul Ehsan			
4 lots of leasehold land with a double-storey bungalow at no. 326, Lorong Tiga D, Subang New Village, Selangor Darul Ehsan, held for future development (Lease expires in 2065) (Date of acquisition : May 1982)	31,424	34	841,224
6 lots of freehold land with a 2-storey pre-war shophouse at Seksyen 3, Pekan Satu Tiga, Mukim Damansara, Selangor Darul Ehsan, held for future development (Date of acquisition : December 1982)	771	pre-war	165,000
78 lots of freehold land at Lot nos. 4440 to 4517, Mukim Ulu Kelang, Selangor Darul Ehsan, held for residential development known as Vila Sri Ukay (Date of acquisition : April 1995)	15,339	–	12,776,048
1 unit of freehold condominium at Phase 1A, Gasing Heights, Section 19, Mukim and District of Petaling Jaya, Selangor Darul Ehsan (Date of acquisition : September 1996)	144	10	370,723
1 lot of leasehold industrial land with a factory and office building at Persiaran Raja Muda, Shah Alam, Selangor Darul Ehsan (Lease expires in 2071) (Date of acquisition : September 1996)	10,800	31	10,632,529
1 lot of freehold industrial land at Lot no. 1811, Mukim Cheras, Daerah Ulu Langat, Selangor Darul Ehsan, held for development into a factory building (Date of acquisition : April 1996)	7,333	–	2,094,777
1 lot of freehold agricultural land at Lot no. 4666, Mukim Kapar, District of Klang, Selangor Darul Ehsan, held for future development (Date of acquisition : September 1996)	5,815	–	250,000
1 lot of leasehold land with an office and warehouse at no. 15, Jalan Ragum 15/17, Section 15, Shah Alam Industrial Estate, Selangor Darul Ehsan (Lease expires in 2086) (Date of acquisition : September 1996)	8,145	12	4,025,083
State of Pulau Pinang			
1 lot of freehold land at Lot 773, TS 12 NED, Jalan Macalister, Pulau Pinang (Date of acquisition : November 1974)	380	pre-war	265,771



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of leasehold land with an office and warehouse at no. 101-G, Lintang Kampong Jawa, Lot 4, Kawasan MIEL, Bayan Baru, Pulau Pinang (Lease expires in 2041) (Date of acquisition : September 1996)	976	20	1,283,623
State of Johor Darul Takzim			
4 lots of freehold land at nos. 1-7, Jalan Trus, no. 17, Jalan Ibrahim and no. 13, Jalan Tan Hiok Nee, Johor Bahru, Johor Darul Takzim, held for future development (Date of acquisition : February 1982/January 1983)	433	–	1,976,586
1 lot of freehold land with a warehouse at no. 35, Jalan Mashyur 3, Taman Perindustrian Cemerlang, Ulu Tiram, Johor Bahru, Johor Darul Takzim (Date of acquisition : September 1996)	446	8	581,202
State of Negeri Sembilan Darul Khusus			
3 lots of freehold land with a 4-storey hotel building, at 7 1/2 Mile, Jalan Pantai, Teluk Kemang, Port Dickson, Negeri Sembilan Darul Khusus (Year of last valuation : 1983)	11,892	27	15,361,785
1 lot of freehold land at 5 1/2 Mile, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus held for development into 366 units of resort condominiums known as Pasirindu (Date of acquisition : June 1980)	20,259	–	12,974,308
5 lots of freehold land at Mukim of Jimah, District of Port Dickson, Negeri Sembilan Darul Khusus held for township development known as Bandar Springhill (Date of acquisition : January 1995)	6,574,037	–	112,263,274
1 unit of leasehold condominium at Unit A8-10, 8th Floor, Tanjung Tuan Apartment, 5th Mile, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (Lease expires in 2081) (Date of acquisition : September 1996)	117	17	240,000
3 lots of leasehold land with a hotel known as Corus Paradise resort Port Dickson (formerly known as Paradise Lagoon Hotel) at Lots 286, 288 & 289, Batu 2 1/2, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (Lease expires in 2087) (Date of acquisition : September 1996)	15,278	6	66,052,375

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
9 lots of freehold land at Mukim Si Rusa, Port Dickson, Negeri Sembilan Darul Khusus, held for residential development (Date of acquisition : June 1996/July 2000)	49,148	–	29,157,014
1 lot of freehold land with a 4-storey shop-office at no. 18, Jalan Kong Sang, Seremban, Negeri Sembilan Darul Khusus (Date of acquisition : July 2001)	177	2	933,501
1 lot of freehold land with a 4-storey office building at nos. 19, 20 & 21, Jalan Kong Sang, Seremban, Negeri Sembilan Darul Khusus (Date of acquisition : July 2001)	474	12	2,802,723
1 lot of freehold land with a 2-storey shophouse at no. 22, Jalan Kong Sang, Seremban, Negeri Sembilan Darul Khusus (Date of acquisition : July 2001)	177	pre-war	599,250
State of Pahang Darul Makmur			
1 lot of freehold land at Lot 301, Di Simpang Jalan Beserah & Jalan Telok Sisek, Kuantan, Pahang Darul Makmur, held for future development (Date of acquisition : September 1996)	10,825	–	9,064,044
1 lot of freehold bungalow land at HS 10468 PT 11291, Bentong, Pahang Darul Makmur held for future development (Date of acquisition : September 1996)	1,115	–	180,015
AUSTRALIA			
1 lot of freehold land with a college campus at Shenton Avenue, Joondalup, Western Australia (Date of acquisition : October 1991)	138,709	12	34,389,716
1 lot of freehold land with a 27-storey 268-room deluxe hotel known as Corus hotel Sydney (formerly known as Sydney Vista Hotel) at nos. 7-9, York Street, Sydney, New South Wales (Date of acquisition : July 1995)	1,011	32	64,981,465
1 lot of freehold land with a factory and office building at no. 31, Fargo Way, Welshpool, Perth, Western Australia (Date of acquisition : September 1996)	4,000	19	1,928,028



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of freehold land with a factory and office building at no. 146, O'Riordan Street, Mascot, New South Wales (Date of acquisition : September 1996)	2,789	24	3,129,740
1 lot of freehold land with a factory and office building at nos. 57-61, Meadow Avenue, Coopers Plains, Queensland (Date of acquisition : September 1996)	4,113	22	1,798,778
1 lot of freehold land with a 60-room hotel known as Pacific Vista Hotel at no. 20, Kirby Court, West Hobart, Tasmania, currently undergoing redevelopment into a luxurious boutique hotel (Date of acquisition : October 1996)	24,970	24	4,144,035
1 lot of freehold land with a 140-room hotel known as Corus hotel Hobart (formerly known as Hobart Vista Hotel) at no. 156, Bathurst Street, Hobart, Tasmania (Date of acquisition : September 1996)	3,569	25	16,982,336
UNITED STATES OF AMERICA			
A condominium complex with 110 units in a freehold 7-storey residential building located within the Regent Park Complex in Fort Mill, South Carolina (Date of acquisition : December 1990)	33,913	6	13,537,269
INDIA			
1 lot of freehold land with a factory building at Survey N.31 & 39, Nasthipur Village, Andhra Pradesh (Date of acquisition : September 1996)	31,464	9	1,115,051
HONG KONG			
1 unit of leasehold warehouse at Block 1, Unit C, 23rd Floor, Kingsford Industrial Building, nos. 26-32 Kwai Hei Street, Kwai Chung, New Territories (Lease expires in 2038) (Date of acquisition : September 1996)	771	23	1,318,680
SINGAPORE			
1 lot of leasehold land with a warehouse and office at no. 12, Woodlands Link, Singapore (Lease expires in 2055) (Date of acquisition : September 1996)	7,442	4	16,579,959

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
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1 unit of leasehold residential apartment at no. 152, Prince Charles Crescent, Singapore completed in October 2001 (Lease expires in 2096) (Date of acquisition : July 1999)	194	–	3,698,756
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UNITED KINGDOM

1 lot of leasehold apartment at Flat 53, 5th Floor, Park Mansion, 141-149, Knightsbridge, London (Lease expires in 2052) (Date of acquisition : September 1996)	111	8	1,020,198
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1 lot of leasehold residential apartment at Flats 9 and 10, 24 Lowdes Square, London (Lease expires in 2149) (Date of acquisition : November 2001)	17	50	5,993,299
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1 lot of freehold land with a 57-room hotel known as The Crown Hotel, at High Street, Bawtry, Doncaster DN10 6JW (Date of acquisition : November 2001)	4,279	300	9,977,464
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1 lot of freehold land with a 48-room hotel known as The Barns Hotel, Bedford at Cardington Road, Bedford MK44 3SA (Date of acquisition : November 2001)	12,800	800	21,539,158
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1 lot of freehold land with a 56-room hotel known as The Beverley Arms Hotel, Beverley at North Bar Within, Beverley HU17 8DD (Date of acquisition : November 2001)	3,227	200	17,747,974
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1 lot of freehold land with a 51-room hotel known as The Royal Norfolk Hotel at The Esplanade, Bognor Regis, West Sussex PO21 2 LH (Date of acquisition : November 2001)	1,280	100	6,373,808
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1 lot of freehold land with a 58-room hotel known as Westmead Hotel at Redditch Road, Hopwood, Birmingham B48 7AL (Date of acquisition : November 2001)	17,700	75	19,729,128
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1 lot of leasehold land with a 44-room hotel known as The Plough & Harrow Hotel at 135, Hagley Road, Edgbaston, Birmingham B16 8LS (Lease expires in 2141) (Date of acquisition : November 2001)	6,769	150	17,338,730
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<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of freehold land with a 112-room hotel known as Redwood Lodge Hotel & Country Club at Beggar Bush Lane, Failand, Bristol BS8 3TG (Date of acquisition : November 2001)	62,840	60	99,123,324
1 lot of freehold land with a 28-room hotel known as The Roebuck Hotel at North End, Buckhurst Hill, Epping Forest, Essex IG9 5QY (Date of acquisition : November 2001)	2,392	80	9,859,892
1 lot of freehold land with a 56-room hotel known as The Roman Way Hotel at Watling Street, Hatherton, Cannock, Staffordshire WS11 1SH (Date of acquisition : November 2001)	11,570	75	19,563,448
1 lot of freehold land with 48-room hotel known as The Falstaff Hotel at 8-10 St Dunstan Street, Canterbury, Kent CT2 8AF (Date of acquisition : November 2001)	10,000	400	13,534,075
1 lot of freehold land with a 57-room hotel known as Hotel de la Bere at Southam, Cheltenham, Gloucestershire GL52 3NH (Date of acquisition : November 2001)	54,250	200	15,784,723
1 lot of freehold land with a 97-room hotel known as Hoole Hall Hotel at Warrington Road, Hoole, Chester, Cheshire CH2 3PD (Date of acquisition : November 2001)	26,660	150	35,644,807
1 lot of freehold land with a 66-room hotel known as The Chace Hotel at London Road, Toll Bar End, Coventry CV3 4EQ (Date of acquisition : November 2001)	13,240	150	15,005,411
1 lot of freehold land with a 84-room hotel known as The George Hotel at High Street, Crawley, West Sussex RH10 1BS (Date of acquisition : November 2001)	5,562	350	32,069,148
1 lot of freehold land with a 58-room hotel known as The Waterloo Hotel at Duke's Ride, Crowthorne, Berkshire RG45 6DW (Date of acquisition : November 2001)	5,530	150	21,807,748
1 lot of freehold land with a 41-room hotel known as Hall Garth Golf & Country Club Hotel at Coatham Mundeville, Darlington, Co. Durham DL1 3LU (Date of acquisition : November 2001)	265,310	400	21,357,333

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of freehold land with a 72-room hotel known as The Ward Arms Hotel at Birmingham Road, Dudley DY1 4RN (Date of acquisition : November 2001)	5,600	75	12,660,718
1 lot of leasehold land with a 73-room hotel known as The Himley Country Hotel at School Road, Himley, Dudley, West Midlands DY3 4LG (Lease expires in 2018) (Date of acquisition : November 2001)	15,000	75	4,241,108
1 lot of freehold land with a 24-room hotel known as The Saracen's Head Hotel at High Street, Great Dunmow, Essex CM6 1AG (Date of acquisition : November 2001)	3,576	200	5,145,833
1 lot of freehold land with a 62-room hotel known as The West Retford Hotel at 24 North Road, East Retford, Nottinghamshire DN22 7XG (Date of acquisition : November 2001)	14,540	80	15,749,101
1 lot of freehold land with a 65-room hotel known as The Maitland Townhouse at 25-33 Shandwick Place, Edinburgh EH2 4RG (Date of acquisition : November 2001)	750	80	18,811,972
1 lot of freehold land with a 121-room hotel known as The Carrick Hotel at 377 Argyle Street, Glasgow G2 8LL (Date of acquisition : November 2001)	928	50	23,225,014
1 lot of leasehold land with a 124-room hotel known as The St James' Hotel at St James Square, Grimsby DN31 1EP (Lease expires in 2071) (Date of acquisition : November 2001)	3,709	50	15,602
1 lot of freehold land with a 56-room hotel known as Imperial Crown Hotel at 42-46 Horton Street, Halifax, West Yorkshire HX1 1QE (Date of acquisition : November 2001)	1,001	250	13,702,422
1 lot of freehold land with a 55-room hotel known as The Green Man Hotel at Mulberry Green, Old Harlow, Essex CM17 0ET (Date of acquisition : November 2001)	5,227	600	13,934,101
1 lot of freehold land with a 121-room hotel known as The Crown Hotel at Crown Place, Harrogate HG1 2RZ (Date of acquisition : November 2001)	6,631	150	30,055,259



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of freehold land with a 52-room hotel known as The Old Golf House Hotel at New Hey Road, Outlane, Near Huddersfield, West Yorkshire HD3 3YP (Date of acquisition : November 2001)	15,040	60	21,082,059
1 lot of freehold land with a 71-room hotel known as The Duke's Head Hotel at Tuesday Market Place, King's Lynn, Norfolk PE30 1JS (Date of acquisition : November 2001)	2,964	200	19,998,325
1 lot of freehold land with a 53-room hotel known as The Manor House Hotel at Avenue Road, Royal Leamington Spa, Warwickshire CV31 3NJ (Date of acquisition : November 2001)	6,153	100	10,741,304
1 lot of freehold land with a 48-room hotel known as Time Out Hotel at Enderby Road, Blady, Leicester LE8 4GD (Date of acquisition : November 2001)	6,824	50	15,384,851
1 lot of freehold land with a 47-room hotel known as Edgwarebury Hotel at Barnet Lane, Elstree, Hertfordshire WD6 3RE (Date of acquisition : November 2001)	40,000	150	24,687,335
1 lot of freehold land with a 40-room hotel known as The Feathers at Ludlow at Bull Ring, Ludlow, Shropshire SY8 1AA (Date of acquisition : November 2001)	2,187	500	7,331,931
1 lot of freehold land with a 91-room hotel known as The Chiltern Hotel at Waller Avenue, Luton, Bedfordshire LU4 9RU (Date of acquisition : November 2001)	6,958	50	24,181,390
1 lot of freehold land with a 52-room hotel known as Larkfield Priory Hotel at London Road, Larkfield, near Maidstone, Kent ME20 6HJ (Date of acquisition : November 2001)	7,086	100	15,229,227
1 lot of freehold land with a 57-room hotel known as The Chequers Hotel at Oxford Street, Newbury, Berkshire RG14 1JB (Date of acquisition : November 2001)	3,772	200	15,442,987
1 lot of freehold land with a 77-room hotel known as Queensferry Lodge Hotel at St Margaret's Head, North Queensferry, Fife KY11 1HP (Date of acquisition : November 2001)	27,880	50	27,980,215

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of freehold land with a 54-room hotel known as The Potters Heron Hotel at Ampfield, Nr. Romsey, Hampshire SO51 9ZF (Date of acquisition : November 2001)	13,200	250	20,633,099
1 lot of freehold land with a 47-room hotel known as Brownsover Hall Hotel at Brownsover Lane, Old Brownsover, Rugby CV21 1HU (Date of acquisition : November 2001)	20,000	150	14,164,888
1 lot of freehold land with a 48-room hotel known as The Chimney House Hotel at Congleton Road, Sandbach, Cheshire CW11 4ST (Date of acquisition : November 2001)	28,360	50	22,150,850
1 lot of freehold land with a 50-room hotel known as The Beauchief Hotel at 161 Abbeydale Road South, Sheffield, South Yorkshire S7 2QW (Date of acquisition : November 2001)	16,940	50	27,382,176
1 lot of leasehold land with a 103-room hotel known as Grosvenor House Hotel at Charter Square, Sheffield, South Yorkshire S1 3EH (Lease expires in 2065) (Date of acquisition : November 2001)	1,500	50	13,218,788
1 lot of freehold land with a 59-room hotel known as The Lion Hotel at Wyle Cop, Shrewsbury, Shropshire SY1 1UY (Date of acquisition : November 2001)	1,000	300	20,489,073
1 lot of freehold land with a 112-room hotel known as The Regency Hotel at Stratford Road, Shirley, Solihull B90 4EB (Date of acquisition : November 2001)	16,400	50	69,389,044
1 lot of freehold land with a 73-room hotel known as The Dolphin Hotel at 34-35 High Street, Southampton, Hampshire SO14 2HN (Date of acquisition : November 2001)	4,173	600	17,355,668
1 lot of freehold land with a 60-room hotel known as The Garth Hotel at Wolverhampton Road, Stafford ST17 9JR (Date of acquisition : November 2001)	15,560	50	19,477,282
1 lot of freehold land with a 50-room hotel known as Stone House Hotel at Stafford Road, Stone, Staffordshire ST15 0BQ (Date of acquisition : November 2001)	40,990	50	23,037,134



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of freehold land with a 94-room hotel known as The Madison Inn at Oxford Road, Stratton St Margaret, Swindon, Wiltshire SN3 4TL (Date of acquisition : November 2001)	19,330	50	24,007,555
1 lot of freehold land with a 78-room hotel known as Tewkesbury Park Hotel, Golf & Country Club at Lincoln Green Lane, Tewkesbury, Gloucestershire GL20 7DN (Date of acquisition : November 2001)	689,610	50	48,841,725
1 lot of freehold land with a 29-room hotel known as The Royal Hop Pole Hotel at Church Street, Tewkesbury, Gloucestershire GL20 5RT (Date of acquisition : November 2001)	2,991	500	6,348,170
1 lot of freehold land with a 62-room hotel known as Honiley Court Hotel & Conference Centre at Meer End Road, Honiley, Nr. Warwick, Warwickshire CV8 1NP (Date of acquisition : November 2001)	15,040	50	15,889,980
1 lot of freehold land with a 58-room hotel known as Homestead Court Hotel at Homestead Lane, Welwyn Garden City, Hertfordshire AL7 4LX (Date of acquisition : November 2001)	5,681	50	8,474,507
1 lot of freehold land with a 50-room hotel known as The Hillcrest Hotel at Cronton Lane, Widnes, Cheshire WA8 9AR (Date of acquisition : November 2001)	2,000	50	21,385,148
1 lot of freehold land with a 64-room hotel known as The Belsfield Hotel at Kendal Road, Bowness-on-Windermere, Cumbria LA23 3EL (Date of acquisition : November 2001)	28,050	150	24,890,576
1 lot of freehold land with a 45-room hotel known as The Star Hotel at Foregate Street, Worcester WR1 1EA (Date of acquisition : November 2001)	3,228	300	5,163,129
1 lot of freehold land with a 48-room hotel known as Clumber Park Hotel at Clumber Park, near Worksop, Nottinghamshire S80 3PA (Date of acquisition : November 2001)	28,210	50	17,584,625
1 lot of leasehold land with a 5-room hotel known as The Royal Oak at The Square, Yattendon, Berkshire RG18 0UG (Lease expires in 2011) (Date of acquisition : November 2001)	500	400	1,525,780

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of freehold land with a 64-room hotel known as The County Hotel at Bramhall Lane South, Bramhall, Stockport, Cheshire SK7 2EB (Date of acquisition : November 2001)	6,441	50	21,424,516
1 lot of freehold land with a 82-room hotel known as Burnham Beeches Hotel at Grove Road, Burnham, Buckinghamshire SL1 8DP (Date of acquisition : November 2001)	31,830	50	63,347,930
1 lot of freehold land with a 110-room hotel known as The Blackwell Grange Hotel at Blackwell Grange, Darlington, Co. Durham DL3 8QH (Date of acquisition : November 2001)	26,830	50	28,703,287
1 lot of leasehold land with a 79-room hotel known as The County Hotel at Townwall Street, Dover, Kent CT16 1SZ (Lease expires in 2097) (Date of acquisition : November 2001)	1,754	50	3,620,527
1 lot of freehold land with a 108-room hotel known as The Forth Bridges Hotel at 1 Ferrymuir Gait, South Queensferry, Edinburgh, West Lothian EH30 9SF (Date of acquisition : November 2001)	40,940	50	18,642,292
1 lot of freehold land with a 99-room hotel known as The County Hotel at Epping Forest, Oak Hill, Woodford Green, Essex IG8 9NY (Date of acquisition : November 2001)	7,214	50	25,828,483
1 lot of freehold land with a 56-room hotel known as The Royal Clarence Hotel at Cathedral Yard, Exeter, Devon EX1 1HD (Date of acquisition : November 2001)	916	150	14,442,289
1 lot of freehold land with a 100-room hotel known as The Kelvin Park Lorne Hotel at 923 Sauchiehall Street, Glasgow, G3 7TE (Date of acquisition : November 2001)	1,036	100	13,980,143
1 lot of freehold land with a 76-room hotel known as Harpenden House at 18 Southdown Road, Harpenden, Hertfordshire AL5 1PE (Date of acquisition : November 2001)	11,700	250	36,474,382
1 lot of freehold land with a 76-room hotel known as The County Hotel at Copdock, Ipswich, Suffolk IP8 3JD (Date of acquisition : November 2001)	21,640	50	24,279,798



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of freehold land with a 56-room hotel known as The Hermitage Hotel at Wigston Road, Oadby, Leicestershire LE2 5QE (Date of acquisition : November 2001)	9,058	50	9,191,788
1 lot of freehold land with a 84-room hotel known as The Maids Head Hotel at Tombland, Norwich, Norfolk NR3 1LB (Date of acquisition : November 2001)	12,000	600	35,526,728
1 lot of freehold land with a 76-room hotel known as The Carlton Park Hotel at 102-104 Moorgate Road, Rotherham, South Yorkshire S60 2BG (Date of acquisition : November 2001)	6,724	50	9,619,953
1 lot of freehold land with a 28-room hotel known as The Rose & Crown Hotel at Harnham Road, Salisbury, Wiltshire SP2 8JQ (Date of acquisition : November 2001)	4,911	600	13,819,152
1 lot of freehold land with a 54-room hotel known as Briggens House Hotel at Briggens Park, Stanstead Road (A414), Stanstead Abbots, Nr. Harlow, Herts SG12 8LD (Date of acquisition : November 2001)	294,510	300	36,032,882
1 lot of freehold land with a 76-room hotel known as The Cromwell Hotel at High Street, Old Town, Stevenage, Hertfordshire SG1 3AZ (Date of acquisition : November 2001)	5,626	300	22,385,780
1 lot of freehold land with a 84-room hotel known as The Falcon Hotel at Chapel Street, Stratford-upon-Avon, Warwickshire CV37 6HA (Date of acquisition : November 2001)	4,407	500	36,270,958
1 lot of freehold land with a 70-room hotel known as The Charlecote Pheasant Hotel at Charlecote, Nr. Stratford-upon-Avon, Warwickshire CV35 9EW (Date of acquisition : November 2001)	37,070	100	19,985,123
1 lot of freehold land with a 96-room hotel known as Telford Golf & Country Club at Great Hay Drive, Sutton Heights, Telford, Shropshire TF7 4DT (Date of acquisition : November 2001)	579,420	50	30,483,249
1 lot of freehold land with a 103-room hotel known as George Washington Golf & Country Club at Stone Cellar Road, High Usworth, District 12, Washington, NE37 1PH (Date of acquisition : November 2001)	747,280	50	23,232,711

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM</i>
1 lot of freehold land with a 32-room hotel known as The Bowler Hat Hotel at 2 Talbot Road, Prenton, Nr. Birkenhead CH43 2HH (Date of acquisition : November 2001)	4,410	80	7,360,781
1 lot of freehold land with a 45-room hotel known as Windlestrae Hotel, The Muirs, Kinross KY13 8AS (Date of acquisition : November 2001)	30,000	60	17,757,446
1 lot of freehold land with a 401-room hotel known as The Plaza on Hyde Park Hotel at Lancaster Gate, London W2 3LG (Date of acquisition : November 2001)	2,010	100	248,465,978
1 lot of freehold land with a 64-room hotel known as Etrop Grange at Thorley Lane, Manchester Airport M90 4EG (Date of acquisition : November 2001)	4,773	200	32,708,249
1 lot of leasehold land with a 4-storey restaurant at 30 Charlotte Street, London W1 1HP (Lease expires in 2019) (Date of acquisition : November 2001)	87	100	2,564,668
1 lot of leasehold land with a 3-storey restaurant at 2 Greek Street, London W1V 6NB (Lease expires in 2021) (Date of acquisition : November 2001)	36	100	889,286
1 lot of leasehold land with a 2-storey restaurant at 342 Kings Road, London SW3 5UR (Lease expires in 2012) (Date of acquisition : November 2001)	30	80	1,430,368
1 lot of leasehold land with a 2-storey restaurant at 35 Great Portland, London W1N 5NN (Lease expires in 2008) (Date of acquisition : November 2001)	58	30	2,801,752
1 lot of leasehold land with a single storey restaurant at 48a Rochester Row, London SW1P 1JU (Lease expires in 2011) (Date of acquisition : November 2001)	57	20	3,424,239
1 lot of leasehold land with a single storey restaurant at 7-21 Goswell Road, London EC1M 7AH (Lease expires in 2012) (Date of acquisition : November 2001)	146	20	1,470,977



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia

FORM OF PROXY

No. of Shares Held

I/We _____ NRIC No. _____
of _____ Tel. No. _____
being a member of MALAYAN UNITED INDUSTRIES BERHAD, hereby appoint *THE CHAIRMAN
OF THE MEETING or _____ NRIC No. _____
of _____ Occupation _____
or failing him, _____ NRIC No. _____
of _____ Occupation _____

as my/our proxy to vote for me/us and on my/our behalf at the Thirty-First Annual General Meeting of the Company to be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 June 2002 at 4.00 p.m. and at any adjournment thereof, and to vote as indicated below:-

Resolutions	For	Against
1. To receive the audited financial statements for the financial year ended 31 December 2001 and the Reports of the Directors and the Auditors thereon.		
2. To approve Directors' fees of RM324,000.00.		
3. To re-appoint Tan Sri Dato' Md Khir Johari as a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
4. To re-appoint Mr Yong Ming Sang as a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
5. To re-elect Mr Loy Yet King as a Director of the Company.		
6. To re-elect Mr Khet Kok Yin as a Director of the Company.		
7. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration.		
8. As special business:- Approval of Ordinary Resolution pursuant to Section 132D of the Companies Act, 1965.		

* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "the Chairman of the Meeting" and insert the name(s) of the person(s) desired.

(Please indicate with (X) how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signature

Seal

Date:

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.

Stamp

The Company Secretary
Malayan United Industries Berhad
14th Floor, MUI Plaza
Jalan P. Ramlee
50250 Kuala Lumpur
Malaysia
