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# NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Second Annual General Meeting of the Company will be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 27 June 2003 at 4.00 p.m. for the following purposes:-

1. To receive the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 31 December 2002.
2. 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 conclusion of 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 conclusion of the next Annual General Meeting of the Company."
3. To re-elect the following Directors:-
  - i) Mr Ang Guan Seng
  - ii) Dato' Paduka Nik Hashim Nik Yusoff
4. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration.
5. 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".
6. 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  
5 June 2003



*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 is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member, other than an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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 5, 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 of the Companies Act, 1965
- (b) Yong Ming Sang – Retiring pursuant to Section 129 of the Companies Act, 1965
- (c) Ang Guan Seng – Retiring pursuant to Article 109 of the Company's Articles of Association
- (d) Dato' Paduka Nik Hashim Nik Yusoff – Retiring pursuant to Article 109 of the Company's Articles of Association

2. Details of Attendance of Directors at Board Meetings.

There were four (4) Board Meetings held during the financial year ended 31 December 2002. Details of attendance of the Directors are set out in the Profile of Directors appearing on pages 6 to 8 of the Annual Report.

3. The Thirty-Second Annual General Meeting of the Company will be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 27 June 2003 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](http://www.mui-global.com)

## PROFILE OF DIRECTORS

### **Tan Sri Dato' Dr Khoo Kay Peng**

Age 64. Chairman and 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. 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 during the financial year.

### **Tan Sri Dato' Md Khir Johari**

Age 80. 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 4D Berhad (formerly known as Leisure Management Berhad), and AXA Affin Assurance Berhad. Attended two (2) Board Meetings held during the financial year.

### **Yong Ming Sang**

Age 72. 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 during the financial year.

### **Dr Ngui Chon Hee**

Age 69. Non-Independent Non-Executive Director. Appointed as Director on 21 November 1988. Member of the Remuneration Committee. 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, he is also the Deputy Chairman and Director of Pan Malaysia Corporation Berhad. He also sits on the Boards of 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 Chief Executive of Malayan United Industries Berhad. Attended all the four (4) Board Meetings held during the financial year.

### **Ang Guan Seng**

Age 64. 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 during the financial year.

### **Dato' Paduka Nik Hashim Nik Yusoff**

Age 65. 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 during the financial year.

## PROFILE OF DIRECTORS (Cont'd)

### **Khet Kok Yin**

Age 56. Non-Independent Non-Executive Director. Appointed as Director on 25 July 1991. Holds a Bachelor of Economics (Honours) from University of Malaya. Member of the Audit Committee. Currently, he is the Managing Director of Pan Malaysian Industries Berhad, Pan Malaysia Holdings Berhad and Pan Malaysia Capital Berhad. He also sits on the Boards of MUI Properties Berhad, MUI Continental Insurance Berhad, Pan Malaysia Corporation 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 Morning Star Securities Ltd, Hong Kong. Attended all the four (4) Board Meetings held during the financial year.

### **Loy Yet King**

Age 57. 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 a public company in Singapore. Attended all the four (4) Board Meetings held during the financial year.

### **Mohamad Faiz bin Abdul Hamid**

*(Alternate Director to Yong Ming Sang)*

Age 63. 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 2002. Details of the attendance of the Directors are disclosed on pages 6 to 8 of the Annual Report.

### 1.2 Board Balance

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

- One (1) Chairman and 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 Chief Executive. The Board is mindful of the combined roles but is comfortable that there is no concern 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 6 to 8 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 2002 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 11 and 12 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

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. The Articles of Association of the Company also provide that, subject to the provisions of any contract between a Managing Director and the Company, all Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election. Under the existing terms of his appointment as Chief Executive of the Company, Tan Sri Dato' Dr Khoo Kay Peng does not retire from office.

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.

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 2002, the aggregate of remuneration received by Directors of the Company from the Company and the subsidiary companies categorised into appropriate components were as follows:-

	<b><i>Salaries</i></b> <b><i>RM'000</i></b>	<b><i>Fees</i></b> <b><i>RM'000</i></b>	<b><i>Benefits- in-kind</i></b> <b><i>RM'000</i></b>	<b><i>Others</i></b> <b><i>RM'000</i></b>	<b><i>Total</i></b> <b><i>RM'000</i></b>
Executive Director	1,140	270	29	2,055	3,494
Non-Executive Directors	1,621	420	61	536	2,638
	2,761	690	90	2,591	6,132

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

<b>Range of Remuneration</b>	<b><i>Number of Directors</i></b>	
	<b><i>Executive</i></b>	<b><i>Non-Executive</i></b>
Below RM50,000	-	2
RM50,001 to RM100,000	-	2
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	-	1
RM200,001 to RM250,000	-	1
RM250,001 to RM300,000	-	1
RM300,001 to RM3,500,000	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 110 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 14 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 of the 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 approved accounting standards in Malaysia 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.



## STATEMENT ON INTERNAL CONTROL

The Board of Directors ("Board") is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The system includes financial, operational and compliance controls and risk management. The system is designed to identify and manage risks in the pursuit of the Group's business objectives as well as to safeguard shareholders' investments and the Group's assets. The system serves to provide reasonable but not absolute assurance against the risk of material loss. The concept of reasonable assurance recognises that the cost of control procedures is not to exceed the expected benefits.

During the year under review, the Group embarked on implementing an enterprise-wide risk management (ERM) framework and process. With the assistance of the Group's Internal Audit department, risk management training and facilitation sessions were conducted for staff of operating companies. Through the ERM process, significant risks and relevant management actions were documented and presented to the Audit Committee.

Within the ERM framework, operating companies have Risk Committees whose members represent key areas in operations. These committees are guided by documented terms of reference and meetings are held regularly to deliberate on risk and control issues. Risks and control measures are documented and compiled to represent the risk profile of the operating company. Key risks of operating companies are consolidated to form the risk profile of the Group. Risks and control measures are periodically communicated to the relevant personnel within the Group and to the Audit Committee. Risk profiles are reviewed and updated on a periodic basis.

Hence, in accordance with the *Statement on Internal Control: Guidance for Directors of PLCs*, the Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and this process has operated during the year under review and up to the date of approval of the annual report.

The salient features of the Group's internal control system include:

- a management structure with clearly defined lines of responsibility and authority limits
- written company values, code of conduct, policies and procedures
- monthly reporting of actual results which are reviewed against budget, with major variances being followed up and management action taken, where necessary
- an internal audit function that provides independent assurance on the effectiveness of the Group's system of internal control and advice on areas which require further improvement

The Board, with the assistance of the internal audit team and external professional consultants (whenever deemed necessary), continuously reviews the adequacy and integrity of the Group's system of internal control and management information systems, and compliance with laws, regulations, rules, directives and guidelines. Internal audit reports are tabled at Audit Committee meetings which are held every quarter. Control deficiencies and issues highlighted are addressed or rectified by management. There were no control deficiencies noted during the year under review which has a material impact on the Group's financial performance or operations.

The Group's system of internal control mainly applies to its operating companies and does not cover associated companies and dormant companies.

The Board is of the view that the monitoring arrangements in place provide reasonable assurance that the structure of controls and operations is adequate and appropriate to the Company's and Group's situation.

This statement was made in accordance with a resolution of the Board.

## OTHER INFORMATION

### 1. MATERIAL CONTRACTS

There were 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 2002 or entered into since the end of the previous financial year except as disclosed in the financial statements.

### 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 2002, non-audit fees paid or payable to the external auditors by the Company and its subsidiary companies amounted to RM883,000 (2001 : RM376,000).

### 4. REVALUATION POLICY

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

### 5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The aggregate value of recurrent related party transactions of a revenue or trading nature conducted during the financial year ended 31 December 2002 by Malayan United Industries Berhad ("MUIB") and its unlisted subsidiaries in accordance with the shareholders' mandate were as follows:-

Name of company within the MUIB Group involved	Related Party	Nature of transaction	Aggregate value of transactions RM'000
1. Malayan United Securities Services Sdn Bhd	(i) MUI Plaza Sdn Bhd, a wholly-owned subsidiary of MUI Properties Berhad ("MUIP") <sup>(a)</sup> (ii) Pan Malaysia Management Sdn Bhd, a wholly-owned subsidiary of Pan Malaysia Corporation Berhad ("PMC") <sup>(a)</sup>	Provision of security services	78
2. Malayan United Management Sdn Bhd	(i) MUIP <sup>(a)</sup> and its subsidiaries (ii) PMC <sup>(a)</sup> and its subsidiaries (iii) Pan Malaysian Industries Berhad <sup>(a)</sup> ("PMI") and its unlisted subsidiaries	Renting out computer equipment	194
3. Ming Court Hotel (KL) Sdn Bhd	(i) MUIP <sup>(a)</sup> and its subsidiaries (ii) PMC <sup>(a)</sup> and its subsidiaries (iii) PMI <sup>(a)</sup> and its unlisted subsidiaries (iv) Metrojaya Berhad <sup>(a)</sup> ("MJ"), its subsidiary and associated companies	Provision of hotel facilities at Corus hotel Kuala Lumpur	37





Name of company within the MUIB Group involved	Related Party	Nature of transaction	Aggregate value of transactions RM'000
4. MUI dotCom Sdn Bhd	(i) MUIP <sup>(1)</sup> and its subsidiaries (ii) PMC <sup>(2)</sup> and its subsidiaries (iii) MJ <sup>(4)</sup> and its subsidiaries	Provision of computer related services	67
5. MUI Continental Insurance Berhad	(i) MUIP <sup>(1)</sup> and its subsidiaries (ii) PMC <sup>(2)</sup> and its subsidiaries (iii) PMI <sup>(3)</sup> and its unlisted subsidiaries (iv) MJ <sup>(4)</sup> , its subsidiary and associated companies (v) Certain Directors of MUIB and its subsidiaries, namely: Tan Sri Dato' Dr Khoo Kay Peng, Dr Ngui Chon Hee, Khet Kok Yin, Christopher Martin Boyd, Woon See Soon, Tan Lian Tee	Provision of general insurance	1,213
6. MUIB and its unlisted subsidiaries	MUI Plaza Sdn Bhd	Rental of office and car parking spaces at MUI Plaza, Jalan P. Ramlee, Kuala Lumpur and procurement of ancillary services such as refuse and office maintenance charges	1,415
7. MUIB	Pan Malaysia Management Sdn Bhd	Receipt of share registration and related services	13
8. Ming Court Hotel (KL) Sdn Bhd	Network Foods (Malaysia) Sdn Bhd, a subsidiary of PMC <sup>(2)</sup>	Purchase of chocolate and confectionery products, and other consumer items	29
9. Ming Court Hotel (KL) Sdn Bhd	Two Holdings Sdn Bhd, a wholly-owned subsidiary of MUIP <sup>(1)</sup>	Rental of tennis court	9

Notes:-

(1) MUIP is a 70.75% owned subsidiary of MUIB.

(2) PMC is a 56.85% owned subsidiary of MUIB.

(3) PMI is a major shareholder of MUIB.

(4) MJ is a 61.84% owned subsidiary of PMI.

# REPORT OF THE AUDIT COMMITTEE

## MEMBERS

<b>Name</b>	<b>Designation</b>
Tan Sri Dato' Md Khir Johari - <i>Chairman</i>	<i>Independent Non-Executive Director</i>
Yong Ming Sang	<i>Independent Non-Executive Director</i>
Khet Kok Yin ( <i>Appointed on 30.4.2003</i> )	<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 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 2002, six (6) Audit Committee Meetings were held. Dr Ngui Chon Hee, who resigned as an Audit Committee member on 30 April 2003, attended all the six (6) meetings. Tan Sri Dato' Md Khir Johari and Mr Yong Ming Sang attended five (5) meetings of the Audit Committee. Mr Khet Kok Yin was appointed to the Committee on 30 April 2003.

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 2002**

The Audit Committee reviewed and deliberated eight (8) 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.

The Audit Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed audit issues and concerns affecting the financial statements of the Company and its subsidiaries and discussed applicable accounting and auditing standards that may have significant implication on the Group's financial statements.

The Audit Committee reviewed and approved the Internal Audit Plan for the calendar year 2003. In its review of the Internal Audit Plan, the Audit Committee reviewed the scope and coverage over the activities of the respective business units of the Group. The Audit Committee also reviewed related party transactions carried out by 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:-

- implementing a risk management process to identify risk exposures in key business processes and appropriate controls;
- 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.

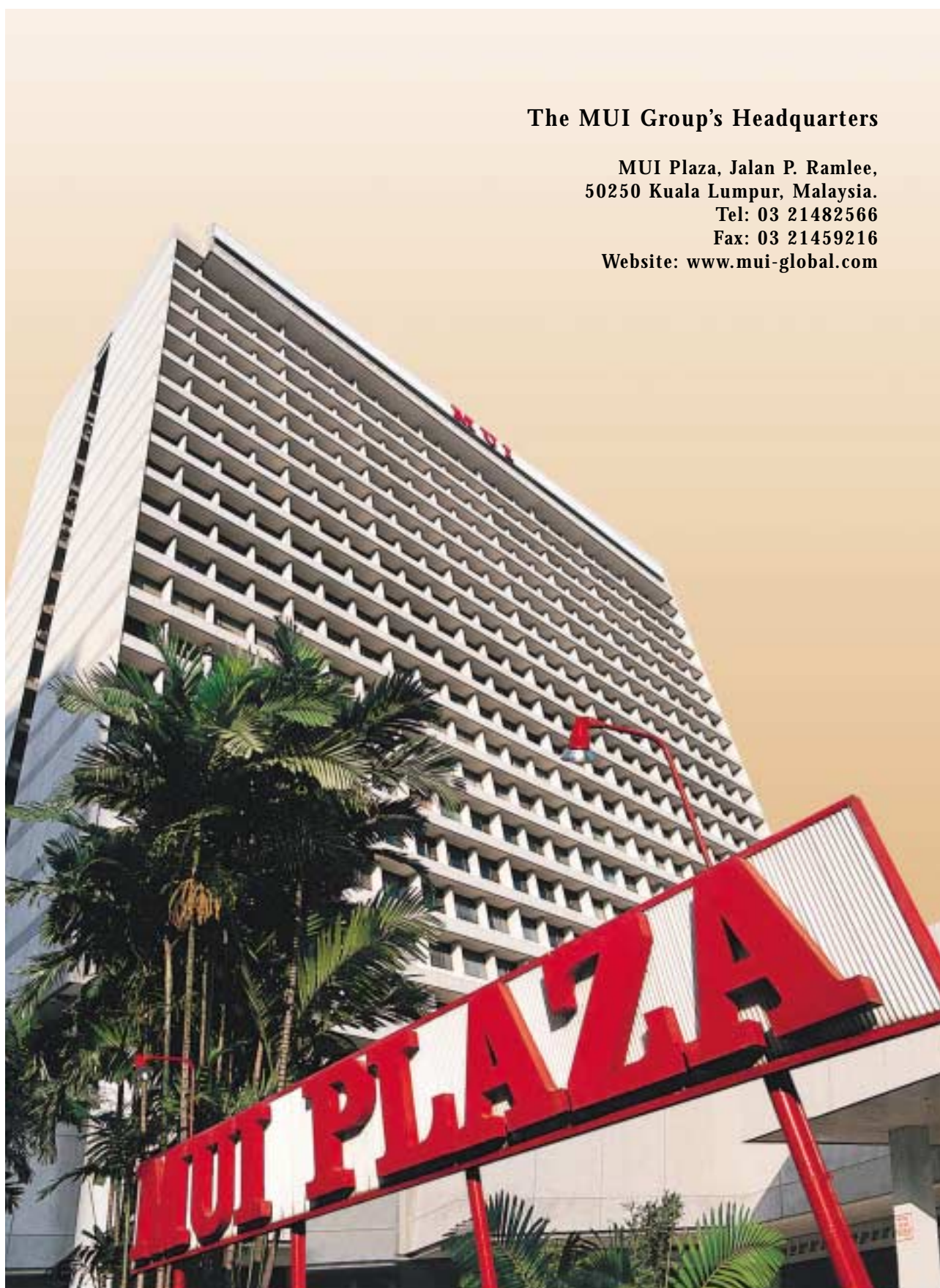
## **The MUI Group's Headquarters**

**MUI Plaza, Jalan P. Ramlee,  
50250 Kuala Lumpur, Malaysia.**

**Tel: 03 21482566**

**Fax: 03 21459216**

**Website: [www.mui-global.com](http://www.mui-global.com)**







## The MUI Group

### Senior Management

Tan Sri Dato' Dr Khoo Kay Peng  
*Group Chief Executive*

Dato' Rastam bin Abdul Hadi  
*Group Adviser*

Khet Kok Yin  
*Managing Director*  
Pan Malaysia Holdings Berhad  
PM Securities Sdn Bhd  
Malayan United Management Sdn Bhd

Loy Yet King  
*Chief Executive Officer*  
Corus & Regal Hotels plc, United Kingdom

Ng Kwan Cheong  
*Chief Executive Officer*  
Laura Ashley Holdings plc, United Kingdom

Wong Aun Phui  
*Chief Executive Officer*  
Pan Malaysia Corporation Berhad

Lillian Tan Lian Tee  
*Managing Director*  
Metrojaya Berhad  
Malayan United Management Sdn Bhd

Dato' Ainum bt Mohd Saaid  
*Chief Legal Adviser*  
Laura Ashley Holdings plc, United Kingdom  
Corus & Regal Hotels plc, United Kingdom

Anthony Yap  
*Executive Director*  
MUI Properties Berhad

Sally Cheong Siew Mooi  
*Executive Director*  
Pan Malaysia Corporation Berhad  
Group Corporate Communications

Woon See Soon  
*Executive Director*  
Network Foods International Ltd, Singapore

Chan Chong Lum  
*Executive Director*  
Network Foods Industries Sdn Bhd

Robert Tan Cheng Leong  
*Executive Director*  
Network Foods (Malaysia) Sdn Bhd

G. Peter Kirschner  
*Executive Director*  
Corus & Regal Hotels plc, United Kingdom

Dato' Choong Kok Min  
*Executive Director*  
Pan Malaysia Holdings Berhad

Hj Ramli bin Hj Mahmudin  
*Executive Director – Dealing*  
PM Securities Sdn Bhd

Robert Ti  
*Executive Director – Corporate Finance*  
PM Securities Sdn Bhd

Robert Heng Fook Hee  
*Executive Director*  
Metrojaya Berhad

Lai Chee Leong  
*Group Chief Financial Officer*

Rebecca A. Navarednam  
*Chief Financial Officer*  
Corus & Regal Hotels plc, United Kingdom

Iain W. Nairn  
*Joint Chief Operating Officer*  
Laura Ashley Holdings plc, United Kingdom

Michael N. Kingsbury  
*Joint Chief Operating Officer*  
Laura Ashley Holdings plc, United Kingdom

Cheang Yoon Hoong  
*Managing Director*  
MUI Hong Kong Ltd, Hong Kong

Daniel Leong Soon Peng  
*Executive Director – Operations*  
PM Securities Sdn Bhd

Tan Lai Huat  
*Chief Executive Officer*  
MUI Continental Insurance Berhad

Noorjehan Rahima bt Abdul Jumat  
*Executive Director – Dealing*  
PM Securities Sdn Bhd

Rahmat bin Awi  
*Senior Vice President – Institutional Sales*  
PM Securities Sdn Bhd

Ivy Tan Meow Ai  
*Senior Vice President*  
Laura Ashley, Inc., United States of America

Michael Oh Hong Choon  
*Technical Adviser*  
Malayan United Management Sdn Bhd

## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I present herewith the Annual Report and financial statements of the Company and the Group for the financial year ended 31 December 2002.

### ECONOMIC REVIEW

The global economy recovered earlier than expected in 2002 driven by the robust economic growth of the United States of America ('USA') in the first quarter of 2002 and the coordinated approach taken by major economies. However, the rising economic and geopolitical uncertainties, the declining consumer and investor confidence in the USA resulting from rising unemployment rate and volatile stock prices obstructed the momentum of the global economic recovery in the second half of

the year. Economic growth in Europe was lacklustre in the second half of 2002 as rising exports which helped to initiate recovery in the early part of the year failed to ignite growth in domestic demand.

While feeling the impact of the external environment, the Malaysian economy achieved a stronger growth in 2002 than the previous year by registering a 4.2% expansion in real Gross Domestic Product. This was despite a challenging global trading environment. The economic growth was a result of better export performance, effective fiscal stimulus measures by the Government, as well as strong domestic demand in certain sectors which was driven by sustained consumer spending, continued recovery in investment activity and expansion in public sector expenditure. On the supply side, all sectors reported positive growth led by the



*Top : Laura Ashley flagship store in Regent Street, London*

*Top right : French Country setting by Laura Ashley*

*Below right : Mediterranean inspired office furniture by Laura Ashley*

*Top left : Cream laced and mesh occasion scarf*  
*Below left : Light denim embroidered zip jacket and jeans*  
*Below : Ruffled silk georgette floral print blouse*



manufacturing sector which registered a growth of 4.1% against a contraction of 6.2% last year. The services, mining and construction sectors expanded by 4.5%, 4.5% and 2.3% respectively in 2002.

The international reserves of Bank Negara Malaysia increased in 2002 by RM14.2 billion from RM117.2 billion in 2001 to RM131.4 billion as at 31 December 2002. The international reserves as at end December 2002 was adequate to cover 5.4 months of retained imports and was 4.2 times the short term external debt.

## **FINANCIAL PERFORMANCE**

For the financial year ended 31 December 2002, the Group recorded a consolidated revenue of RM1,358.9 million compared to RM692.8 million in 2001. The increase was substantially due to the inclusion of revenue for the full financial year from the hotel operations in the United Kingdom under London Vista Hotel Limited.

The overall performance of the Group was significantly impacted by the global economic and geopolitical uncertainties and by the adoption of new accounting standards in Malaysia, in particular MASB 23 'Impairment of Assets' which became operative during the financial year ended 31 December 2002. In addition, the values of certain assets held by the Group were adversely affected. The Group suffered impairment of assets of RM822.9 million (which included the share of associated companies' impairment of assets of RM80.6 million) in compliance with MASB 23 and allowance for diminution in value of long term investments of RM133.1 million. Consequently, the Group reported a net loss after tax of RM996.5 million for the financial year ended 31 December 2002 (comprising net impairment and diminution in value of assets and investments totaling RM884.9 million and net operating loss of RM111.6 million) compared to a net loss of RM35.3 million in 2001.





*Top : Warm summer days with Laura Ashley*

*Top right : Romantic mixtures of fabric screen and shades by Laura Ashley*

*Below right : Dallington Chandelier by Laura Ashley*

As at 31 December 2002, the Group's total assets and shareholders' funds were RM6.88 billion and RM1.19 billion respectively.

### **CORPORATE DEVELOPMENTS**

In August 2002, MUI Properties Berhad ('MUI Properties'), a 70.75% subsidiary of the Group through its wholly owned subsidiaries, CSB Sdn Bhd and MUI Australia Pty Ltd, entered into an agreement to dispose of its entire interest in Excel Education Pty Ltd for a cash consideration of A\$13.2 million (RM27.3 million). The disposal was completed in December 2002.

### **REVIEW OF OPERATIONS**

The operations of The MUI Group are principally retailing, hotels, food and confectionery, financial services, property development, property investment, travel and tourism. The Group's operations are in Malaysia, the United Kingdom ('UK'), Continental Europe, USA, Australia, the People's Republic of China, India and Singapore.

### ***Retail Operations***

The MUI Group owns a 42.88% stake in Laura Ashley Holdings plc ('Laura Ashley'), a UK based international retailer, as at 31 December 2002, and has a substantial indirect interest in Metrojaya Berhad ('Metrojaya'), a leading department store and specialty store retailer in Malaysia.

Laura Ashley, which is listed on the London Stock Exchange, is principally involved in the design, manufacture, sourcing, distribution and sale of home furnishings, garments and accessories which are renowned for their traditional English country living designs. Laura Ashley operates 365 stores directly and through franchises in the UK, Continental Europe, USA, South America, the Middle East, Australia, Japan and other parts of Asia.

During the year under review, the performance of Laura Ashley was adversely affected by the deteriorating economic environment in Continental Europe. As a result, the decision was made to close 46 loss making stores in Continental Europe and to focus on licensing and franchising business there for the future. After the closure, there would be 19 stores remaining in operation in



Continental Europe. Despite operating under a difficult environment in the UK, the home furnishings business of Laura Ashley continued to report commendable like-for-like sales and continues to be profitable. However, the sales and margins of the fashion business were disappointing and action has been taken to pursue a restructuring of the fashion business and to streamline sourcing to reduce costs. For the financial year ended 25 January 2003, Laura Ashley registered total sales revenue of £292.0 million (RM1,666.4 million) and pre-tax loss before exceptional items of £4.9 million (RM28.0 million). To recapitalise the business and to provide for the closure of the stores in Continental Europe, Laura Ashley will raise approximately £9 million (RM53.8 million) by way of an underwritten rights issue.

Laura Ashley Inc, USA is a subsidiary of Regent Corporation which is an associate company of The MUI Group. Laura Ashley Inc has successfully expanded its licensing business in North America to 23 licensees. Some of its major licensees include Saks Incorporated, Hollander Home, Kravet Fabric, Russell-Newman and Kincaid Furniture.

Metrojaya currently operates four department stores and 53 specialty stores under the names of Somerset Bay, East India Company, Living Quarters, La Senza Girl, and Reject Shop. Metrojaya also has a 40% stake in Toys 'R' Us (Malaysia) Sdn Bhd. During

the nine months of trading ended 31 December 2002, Metrojaya achieved higher sales revenues attributable to better performance of its flagship department store at Mid-Valley Megamall and its refurbished store at Plaza Pelangi, Johor Bahru. However, the recognition of impairment of assets and investment in associated companies negatively impacted its bottom line.

### ***Hotels***

The MUI Group owns and operates 82 hotels in the UK, Malaysia and Australia.

The hotel operations in the UK are grouped under Corus & Regal Hotels plc ('Corus & Regal'). The Corus brand focuses on higher yield business travellers, meetings and events market, with short breaks of leisure business to ensure consistent occupancy throughout the week.

In line with its continued rationalisation exercise to divest hotels which do not fit into the Corus brand, Corus & Regal disposed of 7 hotels in the UK in 2002. It will continue to review its existing hotel portfolio and at the same time look out for potential new acquisition of hotels in prime locations. Corus & Regal will also expand into the services sector through hotel management contracts.

*Left : Elegant ladieswear from Metrojaya  
Right : A unique collection from Metrojaya Homes*



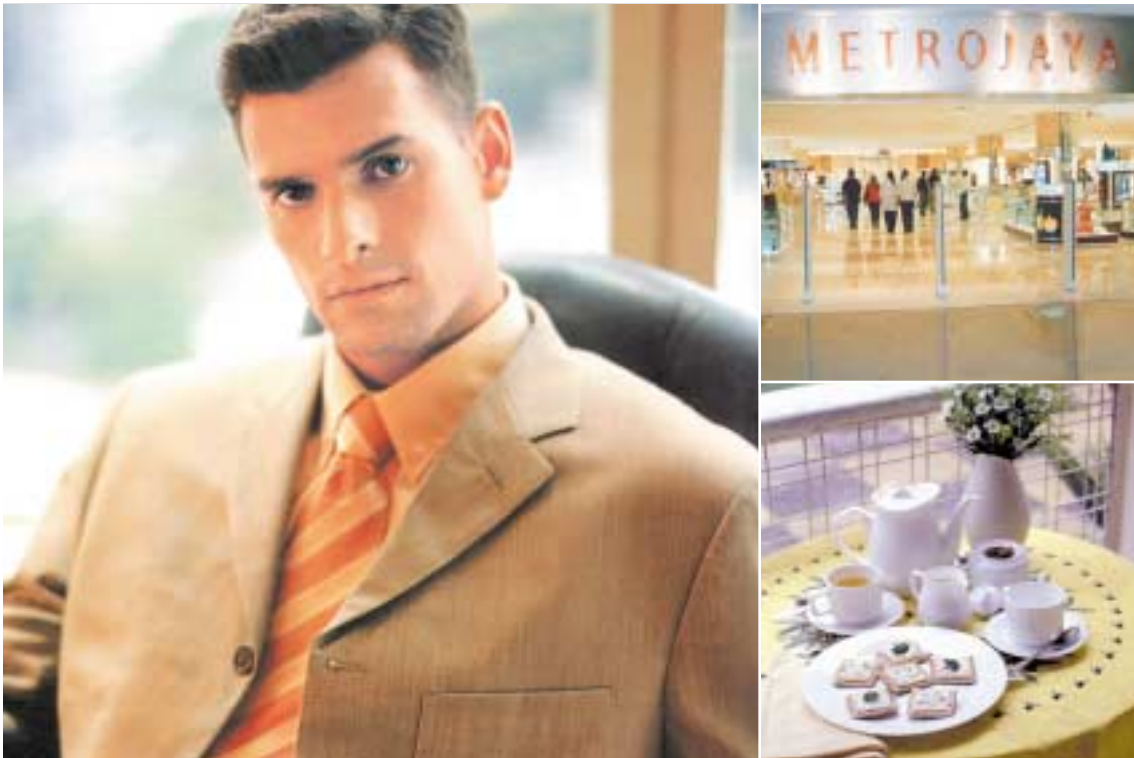
The hotel industry in the UK operated under a difficult tourism environment in 2002. However, Corus & Regal managed to maintain its occupancy rates, average room rates and room yield. For the financial year ended 31 December 2002, Corus & Regal reported a pre tax profit of £3.9 million (RM22.3 million) on a turnover of £130.2 million (RM743.1 million). The performance of Corus & Regal reflected the cumulative effects of measures implemented by its management to contain costs, create brand awareness and improve customer services.

In the year under review, the Corus hotel Kuala Lumpur and the Corus Paradise resort Port Dickson in Malaysia performed within expectations. In Australia, the tourism industry remained weak in 2002 and the hotel industry there has yet to fully recover from the collapse of Ansett Airlines. Sydney faced an oversupply of hotel rooms. Despite the challenging situation, Corus hotel Sydney and Corus hotel Hobart continued to improve its average room rate. The Pacific Vista hotel is presently closed pending an opportune time for a major redevelopment programme.

### ***Food and Confectionery***

The MUI Group's food and confectionery business is grouped under Pan Malaysia Corporation Berhad ('PMC'), an investment holding company which is listed on the Kuala Lumpur Stock Exchange. PMC is a 56.85% subsidiary of Malayan United Industries Berhad ('MUI'). PMC in turn controls two listed companies, Network Foods International Ltd ('NFL') on the Stock Exchange of Singapore, and Network Foods Limited ('NFL') on the Australia Stock Exchange which together manage the Network Foods Group operations in the Asia Pacific region. NFL is the holding company for the Network Foods Group in Malaysia, Singapore, Hong Kong and India. NFL is the largest national independent distributor of confectionery products in Australia.

The Malaysian operations of NFL are the principal profit contributors to the Network Foods Group. Network Foods Industries Sdn Bhd ('NFISB'), a subsidiary of NFL, owns a 10,800 sq. metres factory in Shah Alam, Selangor which manufactures its own labels of chocolate for the domestic and export market such as Crispy, Tudor Gold and Kiddies.



*Top : Guidice, exclusively for Metrojaya*

*Top right : Metrojaya's flagship store at Mid Valley Megamall, Kuala Lumpur - Malaysia*

*Below right : Bone China tea set by Living Quarters*

*Top left : A Somerset Bay outlet in Bandar Utama*

*Below left : La Senza Girl - the pre-teens choice*

*Below : Traditional wear by Somerset Bay*



NFISB is also a contract manufacturer for Van Houten chocolates. The company's venture into the export market has been very successful and its products can now be found in more than 30 countries with export volume growing at a double digit rate.

Network Foods (Malaysia) Sdn Bhd, the marketing and distribution subsidiary of NFIL in Malaysia has expanded its portfolio with wines and health food products and that has generated improvement in turnover in addition to its chocolate and confectionery distribution.

For the financial year ended 31 December 2002, NFIL achieved a pre-tax profit of S\$3.0 million (RM6.4 million) on a turnover of S\$50.0 million (RM106.1 million) compared to a pre-tax profit of S\$2.7 million (RM5.7 million) on a turnover of S\$49.5 million (RM105.0 million) in 2001. The improvement in profit was mainly attributable to increased efficiencies arising from various operational measures implemented by the group in 2002.

NFL has warehouses strategically located in major States of Australia where it distributes internationally renowned brands such as Cadbury, Nestle, Wrigley's, as well as its own Crispy brand of chocolates. The year 2002 proved to be a very challenging year with extremely competitive trading conditions in the confectionery industry resulting in softer trading margins and intense competition for market share. NFL recorded net sales revenue from operations of A\$97.3 million (RM200.6 million) in 2002 compared with net sales revenue of A\$100.6 million (RM196.8 million) in 2001. However, NFL registered a loss after taxation of A\$5.1 million (RM10.5 million) against a profit of A\$0.3 million (RM0.6 million) in the previous year. The after tax loss was due mainly to higher write offs, increased provisions for slow moving products, incentive discounts to clear discontinued agency line products, and stock adjustments arising from software problems. NFL is now streamlining its operations to maximise efficiency and productivity.





*Top : Casual wear by East India Company*  
*Top right : East India Company store at Bandar Utama*  
*Below right : Cheerful colours for kids from Reject Shop*

### ***Financial Services***

The financial services division of The MUI Group comprises principally its stockbroking, corporate advisory services, and general insurance operations. The stockbroking and corporate advisory services business is spearheaded by PM Securities Sdn Bhd ('PM Securities'), a licensed Universal Broker and a subsidiary of listed Pan Malaysia Capital Berhad ('PM Capital'). The general insurance operations of the Group is carried out by MUI Continental Insurance Berhad ('MCI').

As at 31 December 2002 there are six Universal Brokers in Malaysia. As a Universal Broker, PM Securities is able to provide a full range of capital market and corporate advisory services including asset management and trading in derivative products, in addition to its stockbroking services. PM Securities has branch offices in Penang, Johor Bahru, Melaka, Klang, Seremban, Puchong and Kuala Lumpur. During the year, PM Securities set up an Electronic Access Facility ('EAF') in Kuala Klawang, Jelevu, Negeri Sembilan and subsequently opened its second and third EAF in Batu Pahat, Johor and Segamat, Johor on 20 February 2003 and 18 April 2003 respectively. PM Securities launched

its website [www.pmlink2u.com](http://www.pmlink2u.com) in 2002 which provides research and market information services besides its online trading facility.

The Kuala Lumpur Composite Index ('KLCI') commenced the year on a promising note with encouraging developments in corporate mergers and restructuring as well as improving prospects for the economy. However, tragic events like the Bali bombing which signified increased terrorist activities, the Iraq crisis, and weakness in the economies of Europe and United States of America caused markets in Asia to retreat into the doldrums. The KLCI closed at 646.32 on 31 December 2002 which is 7.15% lower than the previous year. The PM Capital group reported a consolidated pre-tax loss of RM9.8 million for the financial year ended 31 December 2002 compared to the previous year's consolidated pre-tax loss of RM42.8 million. Consolidated revenue from the group increased to RM16.7 million in 2002 from RM7.5 million in 2001.

MCI continued to perform well in its general insurance business. It offers a variety of products including fire, marine, health, engineering, motor, liability and other classes of insurance. MCI has 14 branch offices throughout Malaysia. For the financial year ended 31 December 2002, MCI reported gross

written premiums of RM90.3 million with all classes of insurance recording positive growth rates. The company registered pre-tax profits of RM7.7 million compared to RM4.9 million in 2001.

### ***Properties***

The MUI Group is involved in property development, property investment and property management in Malaysia through its listed subsidiary, MUI Properties Berhad ('MUI Properties') and in Hong Kong SAR, through its associate company MUI Hong Kong Ltd.

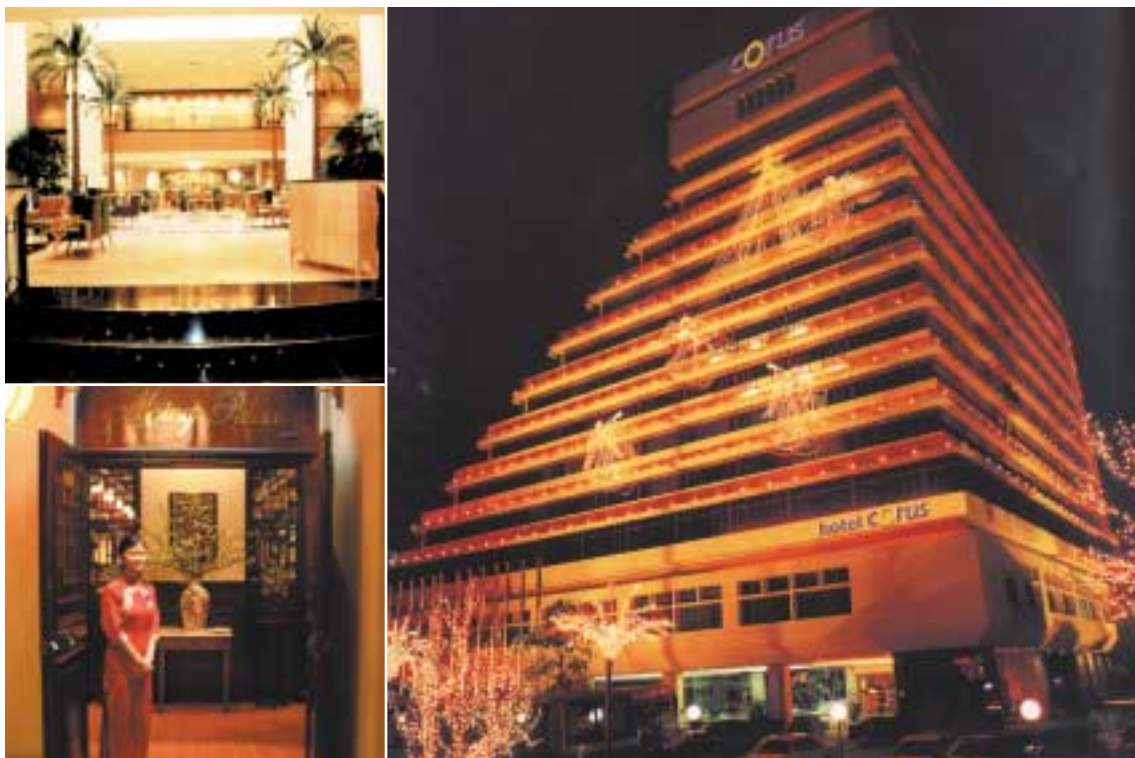
In Malaysia the Group's major property development project is Bandar Springhill, an integrated township spread over 1,990 acres and strategically located off the Seremban-Port Dickson Highway in Negeri Sembilan. Bandar Springhill was first launched in July 1997 and is developed by West Synergy Sdn Bhd, a subsidiary of the Group. The mixed residential, commercial and industrial development is expected to be completed in several phases over a period of fifteen years with a target total of 11,000 units. As at December 2002, 1,330 units of residential properties have been sold and

most of the units have been handed over to purchasers with certificates of fitness for occupation.

MUI Properties also owns the MUI Plaza, a 22 storey commercial building in the heart of Kuala Lumpur's central business district which houses The MUI Group's headquarters. MUI Plaza enjoys a current occupancy rate of over 82%. It opened a cafe at the ground floor lobby in 2002 as part of its efforts to improve facilities for tenants and visitors of MUI Plaza. For the financial year under review, MUI Properties achieved a pre-tax profit of RM13.0 million on a turnover of RM99.4 million compared to a pre-tax profit of RM22.6 million on a turnover of RM120.7 million last year. The lower profit was mainly attributable to lower billings from the Bandar Springhill project.

In 2002, MUI Hong Kong completed the construction of Part III (160 units) of Phase VII Canale DiVenezia of Morning Star Villa ('MSV') in Zhongshan, People's Republic of China. Delivery of the sold units took place in April 2002. MSV is an award winning property development project in Zhongshan. The project was first launched in 1992 and over 5,000 units have been built and over 93% sold.

*Top left : The grand lobby of Corus hotel Kuala Lumpur  
Below left : Ming Palace Restaurant in Corus hotel Kuala Lumpur  
Below : Corus hotel Kuala Lumpur, Malaysia*



The MUI Group owns about 1,400 acres of development land, inclusive of a golf course at Regent Park in North Carolina, USA through its 49% 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 golfers.

### ***Travel and Tourism***

In the travel and tourism sector, Morning Star Travel Service Ltd, Hong Kong ('MST') and Pan Malaysia Travel and Tours Sdn Bhd, Malaysia, offer a wide range of travel destinations for tourist and business travellers. MST performed well in 2002 despite the deflationary environment in Hong Kong. It won top agency and sales awards such as '2002 Top Agent Award' by Cathay Pacific, 'Outstanding Agent Award 2001/2002' by Singapore Airlines, 'Star Pisces Best Performing 2002' by Star Cruises, 'Golden Performance Award 2001/2002' by Malaysia Airlines, 'Citation of Excellence in Recognition of Valuable Support and Contribution 2002' by Korean Airlines, in addition to the prestigious Malaysia Tourism Award 2001/2002 for the 'Best Foreign Tour Operator - Far East' for the second consecutive year.

### ***Other Investments***

The MUI Group holds a strategic stake of 23.1% in listed Chemical Company of Malaysia Berhad (CCM). CCM is principally an investment holding company with subsidiaries and associated companies engaged in the manufacture and marketing of fertilizers, chlor-alkali products, pharmaceutical and healthcare products, the distribution of a wide range of chemicals and the development and operation of medical centers.

### **COMMUNITY RELATIONS**

The MUI Group believes in being a responsible and good corporate citizen. In pursuance of the same, companies in the Group have participated actively in community betterment projects, charity programmes and the support of the performing arts. In 2002 for instance, Metrojaya Mothers Club raised funds for Montfort Girls Centre and Pusat Kasih Sayang Klang through a charity bazaar. Corus hotel Kuala Lumpur hosted a 'Season of Giving' campaign to collect gifts for disadvantaged children and Laura Ashley Holdings plc made a donation to the wild plant conservation charity, Plantlife.



*Top : An aerial view of Corus Paradise resort, Port Dickson  
Top right : Corus hotel Sydney, Australia  
Below right : Corus Grosvenor hotel, Adelaide*



*Top left : Olio Restaurant at The Plaza on Hyde Park hotel, London*  
*Below left : Comfortable suite in The Plaza on Hyde Park hotel*  
*Below : The Plaza on Hyde Park hotel, London*



## PROSPECTS

Bank Negara Malaysia has revised the GDP growth rate to 4.5% for 2003 in view of the global economic uncertainties, post war tension in the Middle East and the recent outbreak of the Severe Acute Respiratory Syndrome ('SARS') in Asia which has affected other parts of the world. The Government has announced that strong fiscal stimulus measures are underway to strengthen the domestic economy in the face of an uncertain global trading and political environment. The Group will continue to make all efforts to restructure itself operationally and financially in 2003. Non-core businesses and low income generating assets will be divested to re-channel working capital and resources to the Group's core business operations and to reduce overall borrowings. The Group is expected to emerge leaner and more efficient after streamlining and rationalising its operations.

## ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to express my sincere appreciation to the Management and staff of the Group for their contribution, dedication and commitment. I also wish to thank our bankers, suppliers, business associates, government agencies and officials and my fellow members of the Board for the support given to the Group. To our loyal shareholders, thank you for your continuing confidence in the Board and Management of the Group.

### In GOD We Trust

**Tan Sri Dato' Dr Khoo Kay Peng**  
*Chairman*

Kuala Lumpur  
 6 May, 2003



*The picturesque Belsfield hotel, Lake Windermere - United Kingdom*

## PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya bantangkan Laporan Tahunan dan penyata kewangan Syarikat dan Kumpulan bagi tahun kewangan berakhir 31 Disember 2002.

### TINJAUAN EKONOMI

Ekonomi global telah pulih lebih awal daripada jangkaan pada tahun 2002, dipandu oleh pertumbuhan kukuh ekonomi Amerika Syarikat pada suku pertama tahun 2002 serta pendekatan bersepadu yang diambil oleh ekonomi-ekonomi utama. Namun, ketidakpastian ekonomi dan geopolitik, penurunan keyakinan pengguna dan pelabur di Amerika Syarikat akibat kadar pengangguran yang semakin naik dan harga saham yang sentiasa bergolak telah menyekat momentum pemulihan ekonomi global pada separuh akhir tahun itu. Pertumbuhan ekonomi di Eropah agak malap pada separuh kedua tahun 2002 kerana peningkatan eksport yang membantu mengerakkan

pemulihan pada awal tahun tidak berjaya merangsangkan pertumbuhan permintaan dalaman.

Walaupun bahang suasana luaran terasa oleh kita, ekonomi Malaysia telah mencapai pertumbuhan yang lebih kukuh pada tahun 2002 berbanding dengan tahun sebelumnya dengan melaporkan perkembangan Keluaran Dalam Negara Kasar sebanyak 4.2%. Ini dicapai meskipun suasana perdagangan global yang mencabar. Pertumbuhan ekonomi ini adalah hasil prestasi eksport yang lebih baik, langkah-langkah rangsangan fiskal yang berkesan oleh Kerajaan, serta juga permintaan dalaman yang kukuh bagi sektor-sektor tertentu yang didorong oleh perbelanjaan pengguna bertahan, pemulihan berterusan aktiviti pelaburan dan peluasan perbelanjaan sektor awam. Bagi penawaran pula, kesemua sektor melaporkan pertumbuhan positif yang dipandu oleh sektor pembuatan yang merakamkan pertumbuhan sebanyak 4.1% berbanding dengan pengecutan sebanyak 6.2% tahun lalu. Sektor-sektor



perkhidmatan, perlombongan dan pembinaan masing-masing berkembang pada 4.5%, 4.5% dan 2.3% pada tahun 2002.

Rizab antarabangsa Bank Negara Malaysia pada tahun 2002 meningkat sebanyak RM14.2 bilion daripada RM117.2 bilion pada tahun 2001 kepada RM131.4 bilion pada 31 Disember 2002. Rizab antarabangsa pada akhir Disember 2002 memadai untuk 5.4 bulan import tertahan dan ia adalah 4.2 kali ganda hutang luaran jangka pendek.

### **PENCAPAIAN KEWANGAN**

Bagi tahun kewangan dalam tinjauan yang berakhir 31 Disember 2002, Kumpulan merakamkan hasil disatukan sebanyak RM1,358.9 juta berbanding dengan RM692.8 juta pada tahun 2001. Peningkatan hasil ini kebanyakannya disebabkan oleh rangkuman hasil tahun kewangan sepenuhnya operasi-operasi hotel di United Kingdom di bawah London Vista Hotel Limited.

Prestasi keseluruhan Kumpulan terjejas dengan ketara oleh ketidakpastian ekonomi dan geopolitik global, dan oleh pengambilan piawai perakaunan baru di Malaysia khususnya MASB 23

'Perosakan Aset' yang berkuatkuasa pada tahun kewangan berakhir 31 Disember 2002. Tambah lagi, nilai aset-aset tertentu milik Kumpulan telah terjejas dengan buruknya. Kumpulan mengalami perosakan aset sebanyak RM822.9 juta (termasuklah bahagian perosakan aset syarikat-syarikat sekutu sebanyak RM80.6 juta) mengikut MASB 23 dan peruntukan bagi penghausan nilai pelaburan-pelaburan jangka panjang sebanyak RM133.1 juta. Oleh itu, Kumpulan merakamkan kerugian bersih selepas cukai sebanyak RM996.5 juta bagi tahun kewangan berakhir 31 Disember 2002 (termasuk perosakan aset bersih dan penghausan nilai aset dan pelaburan sebanyak RM884.9 juta dan kerugian operasi bersih sebanyak RM111.6 juta) berbanding dengan kerugian bersih RM35.3 juta pada tahun 2001.

Pada 31 Disember 2002, aset Kumpulan dan dana para pemegang saham masing-masing berjumlah RM6.88 bilion dan RM1.19 bilion.

### **PERKEMBANGAN KORPORAT**

Pada Ogos 2002, MUI Properties Berhad ('MUI Properties'), sebuah anak syarikat di mana Kumpulan mempunyai 70.75% kepentingan melalui

*Left : Burnham Beeches Hotel, Buckinghamshire, United Kingdom  
Right : Edgwarebury Hotel, Hertfordshire - United Kingdom*



anak-anak syarikat penuh miliknya, CSB Sdn Bhd dan MUI Australia Pty Ltd telah membuat satu perjanjian untuk melepaskan kesemua kepentingannya dalam Excel Education Pty Ltd dengan harga tunai A\$13.2 juta (RM27.3 juta). Pelepasan ini selesai pada Disember 2002.

### **TINJAUAN OPERASI**

Kebanyakan operasi Kumpulan MUI merangkumi peruncitan, hotel, makanan dan konfeksi, khidmat kewangan, pelaburan dan pembinaan hartanah, pelancongan dan pengembaraan. Operasi-operasi MUI meliputi Malaysia, United Kingdom ('UK'), Eropah, Amerika Syarikat ('AS'), Australia, Republik Rakyat China, India dan Singapura.

#### ***Operasi Peruncitan***

Kumpulan MUI memiliki 42.88% kepentingan dalam Laura Ashley Holdings plc ('Laura Ashley'), peruncit antarabangsa UK pada 31 Disember 2002, dan ia

mempunyai kepentingan besar tidak langsung dalam Metrojaya Berhad ('Metrojaya'), sebuah gedung dan peruncit kedai khusus yang ulung di Malaysia.

Laura Ashley, yang tersenarai di Bursa Saham London banyak terlibat dengan merekabentuk, membuat, mencari sumber, mengedar dan menjual kemasan rumah, pakaian dan perhiasan yang terkenal kerana rekaan gaya hidup tradisional desa Inggeris. Laura Ashley mengendalikan 365 kedai secara langsung dan francais di UK, Eropah, AS, Amerika Selatan, Timur Tengah, Australia, Jepun dan lain-lain negara Asia.

Pada tahun dalam tinjauan, prestasi Laura Ashley terjejas dengan buruknya oleh suasana kemerosotan ekonomi di Eropah. Oleh itu, keputusan telah diambil untuk menutup 46 buah kedai yang merugikan di Eropah dan menumpu perhatian kepada perniagaan pelesenan dan francais untuk masa hadapan. Setelah selesai penutupan, hanya tinggal 19 kedai beroperasi di Eropah. Walaupun ia beroperasi dalam suasana yang sukar



*Top : MUI Plaza, Kuala Lumpur*

*Top & below right : The refurbished lobby in MUI Plaza*

*Top left : A double-storey house in Bandar Springhill  
Below left : Vila Sri Ukay project near the city of Kuala Lumpur  
Below : Bandar Springhill project in Negeri Sembilan, Malaysia*



di UK, operasi kemasan rumah Laura Ashley terus merakamkan jualan barang-barang serupa dengan terpuji dan tetap menguntungkan. Namun, jualan dan margin perniagaan fesyen agak mengecewakan dan tindakan telah pun diambil untuk menyusun semula struktur perniagaan fesyen dan mengemaskini pencarian sumber untuk mengurangkan kos. Bagi tahun kewangan berakhir 25 Januari 2003, Laura Ashley melaporkan jumlah hasil jualan sebanyak £292.0 juta (RM1,666.4 juta) dan kerugian sebelum cukai serta sebelum perkara-perkara luarbiasa sebanyak £4.9 juta (RM28.0 juta). Untuk menghasilkan pemodalan semula dan pembiayaan penutupan kedai-kedai di Eropah, Laura Ashley akan menghasilkan £9 juta (RM53.8 juta) melalui terbitan hak taja jamin.

Laura Ashley Inc, USA ialah anak syarikat Regent Corporation yang juga syarikat sekutu

Kumpulan MUI. Laura Ashley Inc dengan jayanya telah meluaskan perniagaan pelesenannya kepada 23 pelesen di North America. Ini termasuklah Saks Inc, Hollander Home, Kravet Fabric, Russell Newman dan Kincaid Furniture.

Metrojaya kini mengendalikan empat gedung dan 53 kedai khusus di bawah jenama Somerset Bay, East India Company, Living Quarters, La Senza Girl dan Reject Shop. Metrojaya juga mempunyai 40% kepentingan dalam Toys 'R' Us (Malaysia) Sdn Bhd. Bagi sembilan bulan perniagaan berakhir pada 31 Disember 2002, Metrojaya telah mencapai hasil jualan yang lebih tinggi disebabkan oleh prestasi lebih baik gedung induk di Megamall Mid-Valley dan gedung yang dipindahkan di Plaza Pelangi, Johor Bahru. Namun, pengiktirafan perosakan aset dan pelaburan dalam syarikat-syarikat sekutu telah meninggalkan kesan negatif ke atas keuntungan.





*Top : Double-storey shophouses at Bandar Springhill*

*Top right : The Bandar Springhill sales office*

*Below right : An interior of 'Nuri' double-storey house at Bandar Springhill*

## ***Hotel***

Kumpulan MUI memiliki dan mengendalikan 82 hotel di UK, Malaysia dan Australia.

Operasi hotel di UK ialah di bawah jenama Corus & Regal Hotels Plc ('Corus & Regal'). Jenama Corus menumpukan perhatian kepada tetamu usahawan yang menghasilkan pulangan lebih tinggi, acara mesyuarat, dan tetamu bercuti singkat untuk memastikan tahap penghunian yang konsisten sepanjang minggu.

Selaras dengan latihan rasionalisasi yang berjalan kini untuk melepaskan hotel-hotel yang tidak sesuai dengan jenama Corus, Corus & Regal telah melepaskan 7 hotel di UK pada tahun 2002. Ia akan terus mengkaji semula portfolio hotelnya yang wujud dan sekali gus mencari hotel-hotel baru yang berpotensi di lokasi-lokasi baik untuk pemilikan. Corus & Regal akan juga meluaskan perniagaannya kepada sektor perkhidmatan melalui kontrak-kontrak pengurusan hotel.

Industri hotel UK telah beroperasi dalam suasana pelancongan yang sukar pada tahun 2002. Namun, Corus & Regal berupaya mempertahankan kadar penghunian, kadar purata sewa dan jumlah bilik. Bagi tahun kewangan berakhir 31 Disember 2002, Corus & Regal melaporkan keuntungan sebelum cukai sebanyak £3.9 juta (RM 22.3 juta) berasaskan perolehan £130.2 juta (RM743.1 juta). Prestasi Corus & Regal mencerminkan kesan kumulatif langkah-langkah yang dilaksanakan oleh pengurusan untuk membendung kos, mengenalkan jenama dan meningkatkan khidmat pelanggan.

Bagi tahun dalam tinjauan, Corus hotel Kuala Lumpur dan Corus Paradise resort Port Dickson di Malaysia telah mencapai prestasi dalam jangkaan. Di Australia, industri pelancongan masih lemah pada tahun 2002 dan industri hotelnya masih belum pulih sepenuhnya daripada keruntuhan Ansett Airlines. Sydney menghadapi situasi bilik berlebihan. Biarpun suasana mencabar, Corus hotel Sydney dan Corus hotel Hobart terus menunjukkan peningkatan kadar purata

bilik. Pacific Vista hotel kini ditutup menanti suatu masa paling baik untuk program pembangunan semula.

### ***Makanan Dan Konfeksi***

Perniagaan makanan dan konfeksi Kumpulan MUI terletak di bawah Pan Malaysia Corporation Berhad ('PMC'), satu anak syarikat pelaburan yang tersenarai di Bursa Saham Kuala Lumpur. PMC merupakan anak syarikat di mana Malayan United Industries Berhad ('MUI') mempunyai 56.85% kepentingan. PMC pula menguasai dua syarikat tersenarai, Network Foods International Ltd ('NFIL') yang tersenarai di Bursa Saham Singapura, dan Network Foods Limited ('NFL') yang tersenarai di Bursa Saham Australia yang sama-sama menguruskan operasi Network Foods Group di wilayah Asia Pasifik. NFIL adalah syarikat pegangan bagi Network Foods Group di Malaysia, Singapura, Hong Kong dan India. NFL merupakan pengedar produk konfeksi nasional bebas yang terbesar di Australia.

Operasi NFIL di Malaysia merupakan penyumbang keuntungan utama kepada Network Foods Group. Network Foods Industries Sdn Bhd ('NFISB'), anak syarikat NFIL, mempunyai kilang seluas 10,800 meter persegi di Shah Alam, Selangor yang membuat coklat label persendirian untuk pasaran dalaman dan eksport seperti Crispy, Tudor Gold dan Kiddies. NFISB juga berlesen untuk mengeluarkan coklat Van Houten. Pasaran eksport syarikat ini telah mencapai kejayaan baik dan produk-produknya boleh didapati di lebih daripada 30 negara dengan jumlah eksport berkembang pada tahap dua angka.

Network Foods (Malaysia) Sdn Bhd, anak syarikat pemasaran dan pengedar NFIL di Malaysia telah meluaskan portfolionya dengan wain serta produk makanan kesihatan dan ini telah menghasilkan peningkatan perolehan selain daripada pengedaran coklat dan konfeksi.

*Top left : Private pier at Canale DiVenezia, Phase VII*

*Below left : San Marco Square at Canale DiVenezia*

*Below right : Duplex apartments of Canale DiVenezia, Phase VII of Morning Star Villa, Zhongshan China*



Bagi tahun kewangan berakhir 31 Disember 2002, NFL telah mencapai keuntungan sebelum cukai S\$3.0 juta (RM6.4 juta) berasaskan perolehan S\$50.0 juta (RM106.1 juta) berbanding dengan keuntungan sebelum cukai S\$2.7 juta (RM5.7 juta) berasaskan perolehan S\$49.5 juta (RM105.0 juta) pada tahun 2001. Kenaikan keuntungan disebabkan oleh meningkatnya kecekapan hasil daripada langkah-langkah operasi yang dilaksanakan oleh kumpulan pada tahun 2002.

NFL mempunyai gudang-gudang yang terletak dengan strategiknya di semua negeri utama di Australia di mana ia mengedarkan jenama terkenal antarabangsa seperti Cadbury, Nestle, Wrigley's dan juga coklat jenama persendirian Crispy. Tahun 2002 merupakan tahun yang mencabar di mana suasana perniagaan industri konfeksi bersaing hebat dan ini melahirkan margin perdagangan lebih rendah dan saingan sengit untuk menguasai pasaran. NFL merakamkan hasil jualan bersih operasi sebanyak A\$97.3 juta (RM200.6 juta) pada tahun 2002 berbanding dengan hasil jualan bersih A\$100.6 juta (RM196.8 juta) pada tahun 2001. Namun, NFL merakamkan kerugian setelah cukai

sebanyak A\$5.1 (RM10.5 juta) berbanding dengan keuntungan A\$0.3 juta (RM0.6 juta) pada tahun sebelumnya. Kerugian setelah cukai ini disebabkan oleh hapus kira yang lebih tinggi dan peningkatan peruntukan bagi produk-produk kurang laris, diskaun galakan untuk menghabiskan produk-produk agensi yang dihentikan, dan pelarasan stok berbangkit daripada masalah perisian komputer. NFL kini mengemaskinikan operasinya untuk memaksimumkan kecekapan dan daya pengeluaran.

### ***Perkhidmatan Kewangan***

Bahagian perkhidmatan kewangan Kumpulan MUI kebanyakannya terdiri daripada pembrokeran saham, khidmat nasihat korporat, dan operasi insurans am. Perniagaan pembrokeran dan khidmat nasihat korporat diterajui oleh PM Securities Sdn Bhd ('PM Securities'), Universal Broker yang berlesen dan juga anak syarikat Pan Malaysia Capital Berhad ('PM Capital') yang tersenarai. Operasi insurans am Kumpulan dijalankan oleh MUI Continental Insurance Berhad ('MCI').



*Left : Regent Park Golf Resort*



*Right : Property development at Regent Park*



*Top left : New range of brochures from MUI Continental Insurance  
Below left : A MUI Continental Insurance branch in Kota Kinabalu.  
Below : Customer service counts at MUI Continental Insurance*



Pada 31 Disember 2002 terdapat enam Universal Broker di Malaysia. Sebagai Universal Broker, PM Securities boleh menawarkan pelbagai khidmat nasihat korporat dan pasaran modal termasuklah pengurusan dan perdagangan aset produk derivatif, selain daripada khidmat pembrokeran. PM Securities mempunyai cawangan di Penang, Johor Bahru, Melaka, Klang, Seremban, Puchong dan Kuala Lumpur. Pada tahun berkenaan PM Securities telah menubuhkan satu Electronic Access Facility ('EAF') di Kuala Klawang, Jelebu, Negeri Sembilan dan setelah itu EAF kedua dan ketiga dibuka di Batu Pahat, Johor dan di Segamat, di Johor, masing-masing pada 20 Februari 2003 dan 18 April 2003. PM Securities telah melancarkan laman webnya [www.pmlink2u.com](http://www.pmlink2u.com) pada tahun 2002 yang menyediakan khidmat penerangan pasaran dan penyelidikan selain daripada perdagangan online.

Kuala Lumpur Composite Index ('KLCI') memulakan tahun dengan penuh harapan, iaitu dengan perkembangan merangsangkan dalam usaha pencantuman dan penyusunan semula korporat dan pelbagai prospek ekonomi kelihatan semakin cerah. Namun, peristiwa-peristiwa tragik seperti letupan bom di Bali yang menandakan peningkatan aktiviti teroris, krisis Iraq, dan kelemahan ekonomi Eropah dan Amerika Syarikat membuat pasaran Asia melarat. KLCI mengakhiri tahun pada tahap 646.32 pada 31 Disember 2002 iaitu 7.15% lebih rendah daripada tahun sebelumnya. Kumpulan PM Capital melaporkan kerugian sebelum cukai disatukan sebanyak RM9.82 juta bagi tahun kewangan berakhir 31 Disember 2002 berbanding dengan kerugian sebelum cukai disatukan sebanyak RM42.8 juta pada tahun sebelumnya. Hasil disatukan daripada Kumpulan meningkat kepada RM16.7 juta pada tahun 2002 daripada RM7.5 juta pada tahun 2001.



*Left : Morning Star Travel bus in Malaysia*



*Right : Pan Malaysia Travel's new office in MUI Plaza*

MCI terus beroperasi dengan baik bagi perniagaan insurans am. Ia menawarkan pelbagai produk termasuk insurans kebakaran, marin, kesihatan, kejuruteraan, motor, liabiliti, dan lain-lain kelas insurans. MCI mempunyai 14 cawangan di seluruh Malaysia. Bagi tahun kewangan berakhir 31 Disember 2002, MCI telah melapurkan premium tertulis kasar RM90.3 juta dan semua kelas insurans merakamkan kadar pertumbuhan positif. Syarikat ini telah merakamkan keuntungan sebelum cukai sebanyak RM7.7 juta berbanding dengan RM4.9 juta pada tahun 2001.

### ***Hartanah***

Kumpulan MUI terlibat dengan pembinaan, pelaburan dan pengurusan hartanah di Malaysia melalui anak syarikat tersenarai, MUI Properties Berhad ('MUI Properties') dan di Hong Kong SAR, melalui syarikat sekutunya MUI Hong Kong Ltd.

Di Malaysia projek utama pembinaan hartanah Kumpulan ialah Bandar Springhill, satu

pembinaan pekan bersepadu seluas 1,990 ekar yang terletak dengan strategik di lebuh raya Seremban-Port Dickson di Negeri Sembilan. Bandar Springhill mula dilancarkan pada Julai 1997 dan dibina oleh West Synergy Sdn Bhd, anak syarikat Kumpulan. Pembinaan campuran hartanah kediaman, komersil dan industri ini dijangka akan selesai melalui beberapa fasa yang memakan masa lima belas tahun dengan jumlah sasaran 11,000 unit. Pada Disember 2002, 1,330 unit hartanah kediaman telah dijual dan banyak unit-unit telah disampaikan dengan sijil pendudukan kepada pembeli.

MUI Properties juga memiliki MUI Plaza, bangunan komersil 22 tingkat terletak di tengah-tengah daerah perniagaan Kuala Lumpur yang menempatkan ibu pejabat Kumpulan MUI. MUI Plaza kini menikmati tahap penghunian lebih daripada 82%. Ia telah membuka satu cafe di paras lobby pada tahun 2002 sebagai sebahagian daripada usahanya untuk meningkatkan kemudahan para penghuni dan pengunjung MUI Plaza. Bagi tahun kewangan dalam tinjauan, MUI Properties telah



mencapai keuntungan sebelum cukai RM13.0 juta berasaskan perolehan RM99.4 juta berbanding dengan keuntungan sebelum cukai RM22.6 juta berasaskan perolehan RM120.7 juta tahun lalu. Kekurangan keuntungan disebabkan keutamaan yang lebih rendah daripada projek Bandar Springhill.

Bagi tahun 2002, MUI Hong Kong Ltd telah selesai membina Bahagian III (160 unit) Fasa VII Canale DiVenezia Morning Star Villa ('MSV') di Zhongshan, Republik Rakyat China. Penyampaian unit-unit terjual berlangsung pada April 2002. MSV merupakan sebuah projek pembinaan hartanah yang telah memenangi anugerah di Zhongshan. Projek ini mula dilancarkan pada tahun 1992 dan lebih daripada 5,000 unit telah dibina dan lebih daripada 93% terjual.

Kumpulan MUI memiliki lebih kurang 1,400 ekar tanah pembinaan, termasuklah sebuah padang golf di Regent Park, North Carolina, A.S. melalui syarikat sekutu Regent Corporation dalam mana Kumpulan mempunyai 49% kepentingan. Padang Golf Regent Park ini telah memenangi pelbagai anugerah pada tahun-tahun yang

lampau kerana khidmat bermutu dan program inovatif kepada para pemain golf.

### ***Pelancongan dan Pengembaraan***

Bagi sektor pelancongan dan pengembaraan, Morning Star Travel Service Ltd, Hong Kong ('MST') dan Pan Malaysia Travel and Tours Sdn Bhd, Malaysia menawarkan pelbagai destinasi bagi para pelancong dan usahawan. MST telah mencapai kejayaan yang baik pada tahun 2002 walaupun Hong Kong dilanda suasana deflasi. Ia telah memenangi pelbagai anugerah ulung jualan dan agensi seperti '2002 Top Agent Award' daripada Cathay Pacific, 'Outstanding Agent Award 2001/2002' daripada Singapore Airlines, 'Star Pisces Best Performing 2002' daripada Star Cruises, 'Golden Performance Award 2001/2002' daripada Malaysia Airlines, 'Citation of Excellence in Recognition of Valuable Support and Contribution 2002' daripada Korean Airlines dan juga anugerah penuh prestij Malaysia Tourism Award 2001/2002 bagi 'Best Foreign Tour Operator - Far East' bagi tahun kedua berturut-turut.

*Top left : Corporate Finance team of PM Securities  
Below left : Online trading services available at PM Securities  
Below : PM Securities in MUI Plaza*



### ***Pelaburan Lain***

Kumpulan MUI memegang kepentingan strategik sebanyak 23.1% dalam syarikat tersenarai Chemical Company of Malaysia Berhad ('CCM'). CCM ialah syarikat pegangan pelaburan yang mempunyai anak-anak syarikat dan syarikat-syarikat sekutu yang terlibat dengan pembuatan dan pemasaran baja, produk chlor-alkali, produk farmasi dan kesihatan, pengagihan pelbagai jenis kimia serta pembinaan dan operasi pusat-pusat perubatan.

### **HUBUNGAN MASYARAKAT**

Kumpulan MUI tetap percaya kepada peranannya sebagai warga korporat yang baik lagi bertanggungjawab. Untuk tujuan itu, syarikat-syarikat dalam Kumpulan telah bergiat cergas dalam pelbagai program yang meningkatkan kebajikan masyarakat, projek amal dan acara-acara yang menyokong persembahan seni. Umpamanya, pada tahun 2002, Metrojaya Mothers Club telah

menghasilkan derma untuk Montfort Girls Centre dan Pusat Kasih Sayang Klang melalui satu bazaar amal. Corus hotel Kuala Lumpur pula telah menjadi tuan rumah kepada kempen 'Season of Giving' untuk mengumpul hadiah bagi kanak-kanak kurang bernasib baik. Laura Ashley Holdings plc pula telah menderma kepada Plantlife, sebuah badan amal yang memelihara tanaman liar.

### **PROSPEK**

Bank Negara Malaysia telah mengkaji semula kadar pertumbuhan Keluaran Dalam Negara Kasar kepada 4.5% pada tahun 2003 memandangkan ketidakpastian ekonomi global, ketegangan di Timur Tengah setelah tamat perang dan peletusan Severe Acute Respiratory Syndrome ('SARS') di Asia yang telah menjejaskan lain-lain bahagian dunia. Kerajaan telah mengumumkan pelbagai langkah rangsangan fiskal mantap yang sedang dijalankan untuk mengukuhkan ekonomi dalaman supaya dapat menghadapi suasana politik dan perdagangan



*Left : Stock trading at PM Securities*

*Right : PM Securities branch in Seremban, Negeri Sembilan*

*Left : Porchlight Entertainment merchandise  
Right : Crispy chocolates by Network Foods Industries Sdn Bhd*



global tidak menentu. Kumpulan akan terus berusaha sedaya upaya untuk menyusun semula operasi dan kewangannya pada tahun 2003. Perniagaan-perniagaan bukan teras dan aset-aset yang menghasilkan pendapatan rendah akan dilepaskan supaya modal kerja dan sumber-sumber disalurkan kepada operasi-operasi perniagaan teras Kumpulan serta mengurangkan pinjaman. Kumpulan dijangka muncul lebih cekap dan kukuh sesudah usaha mengemaskini dan merasionalisasi operasi-operasinya.

### **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 para pegawai bank, pembekal, rakan niaga, pegawai dan agensi kerajaan serta rakan-rakan Pengarah atas sokongan mereka kepada Kumpulan. Kepada para pemegang saham yang setia saya ucapkan terima kasih di atas keyakinan berterusan anda kepada Lembaga Pengarah dan juga Pengurusan Kumpulan.

### **Kepada TUHAN Kita Bertawakal**

**Tan Sri Dato' Dr Khoo Kay Peng**  
*Pengerusi*

Kuala Lumpur  
6 Mei, 2003





*Top : Upgraded manufacturing facilities at Network Foods Industries Sdn Bhd*

*Top right : Van Houten chocolates manufactured under licence*

*Below right : Network Foods (Malaysia) Sdn Bhd has a fleet of fully air-conditioned trucks*

## 馬聯工業有限公司 2002 年度報告

### 主席獻詞

我代表董事會，向各位提呈本公司和集團截至2002年12月31日財政年年度報告和財務表。

### 經濟評論

美國經濟在2002年第一季取得強勁成長，以及主要經濟體採取的一致努力，使到全球經濟復蘇在2002年比預期中來得早。然而經濟和地緣政治的不明朗及失業率高漲和股市飄忽不定所造成的美國消費人和投資者信心日漸低落，阻礙了全球經濟在2002年下半年復蘇的勢頭。歐洲方面，帶動了2002年初期復蘇的出口增長無法激發國內的需求以致下半年的經濟成長低靡不振。

在一個極為挑戰性的全球貿易環境下，馬來西亞經濟在2002年取得強勁成長，實際國內總產值增長率達到4.2%。這是由于出口表現好轉、政府採取有效的財務刺激措施以及在持續的國內消費人開銷、投資活動復蘇和公共開銷擴張等因素下所導致的強勁國內需求。在供應方面，經濟各領域皆取得正面成長，特別是製造業在2002年增加了4.1%，而在2001年則是萎縮了6.2%。服務業、采礦業及建築業等，在2002年分別增長4.5%、4.5%及2.3%。

截至2002年12月31日，馬來西亞中央銀行的國際儲備金增加142億零吉，從2001年的1172億零吉增至

1314億零吉。截至2002年12月尾的國際儲備金足以維持5.4個月的持續進口，而且等於短期外債的4.2倍。

### 財務業績

在截至2002年12月31日的財務年內，集團的綜合營業額達13億5890萬零吉，而2001年則是6億9280萬零吉。營業額增加主要是由于包括了London Vista酒店有限公司屬下的英國酒店業務的全年營業額。

本集團整體的業績在全球經濟和地緣政治不明朗以及馬來西亞採納的新會計標準，特別是在截至2002年12月31日年度生效的馬來西亞會計標準局(MASB)第23條關於「資產減損」的標準下受到重大的影響。此外，集團所擁有的某些資產的價值也受到不利的影響。集團為了遵守MASB 23蒙受了資產減損達到8億2290萬零吉(包括分擔聯號公司資產減損8060萬零吉)。此外集團也提供總計1億3310萬零吉的長期投資降值準備金。因此，截至2002年12月31日財務年，集團的稅後淨虧損達9億9650萬零吉(包括8億8490萬零吉資產及投資的淨減損和降值與1億1160萬零吉淨營運虧損)，2001年淨虧損則是3530萬零吉。

截至2002年12月31日，集團總資產和股東資金分別是68億8000萬零吉和11億9000萬零吉。

### 企業發展

在2002年8月，集團持有70.75%股權的子公司-《馬聯產業有限公司》通過其獨資子公司-《CSB私人有限公司》與《馬聯澳洲私人有限公司》簽署合約，

以現金1320萬澳元(2730萬零吉)出售 Excel Education 私人有限公司的全部股權。此項出售在2002年12月完成。

### 業務檢討

馬聯集團的業務包括零售、酒店、食品糖果、財務服務、房地產及旅游等。馬聯集團的業務範圍涵蓋馬來西亞、英國、歐洲大陸、美國、澳洲、中華人民共和國、印度及新加坡。

### 零售業

截至2002年12月31日，集團持有總部設在英國的國際零售商《Laura Ashley 控股有限公司》(Laura Ashley)的42.88%股權，并且持有馬來西亞首要百貨公司及專賣零售商《美羅有限公司》(美羅)的重大間接股權。

在倫敦股票交易所挂牌的 Laura Ashley 主要從事以英國傳統田園生活設計而馳名的衣服、飾物及家居裝飾品的設計、制造、物色、經銷及銷售業務。Laura Ashley 直接或通過特許專營權，在英國、歐洲大陸、美國、南美洲、中東、澳洲、日本及亞洲其他地區經營逾365間商店。

在檢討年內，歐洲大陸的經濟形勢欠佳，波及 Laura Ashley 的業績。因此公司決定關閉歐洲46間虧損的分店，以集中將來在歐洲的許可權和特許專營權業

務。在關閉了以上分店后，Laura Ashley 在歐洲大陸的商店剩下19間。儘管英國的行情極為艱巨，Laura Ashley 的家居裝飾品業務繼續取得可觀的銷售額和保持營利。然而，時裝業務部的業績則令人失望，公司不得不著手重組業務和把採購來源整頓以降低成本。在截至2003年1月25日的財務年內，Laura Ashley 的銷售額達到2億9200萬英鎊(16億6640萬零吉)，特殊項目之前的稅前虧損達490萬英鎊(2800萬零吉)。為了重新集資和對關閉歐洲大陸的分店提供準備金，Laura Ashley 將通過一項已包銷的附加股計劃，籌集約900萬英鎊(5380萬零吉)的資金。

美國《Laura Ashley Inc》是馬聯集團聯號公司《Regent Corporation》的子公司。Laura Ashley Inc 成功把在北美的許可權業務擴展到23個特許權持有人。其中一些主要的特許權持有人包括 Saks Incorporated, Hollander Home, Kravet Fabric, Russell-Newman 及 Kincaid Furniture。

美羅目前經營4間百貨商店和53間以 East India Company, Somerset Bay, Living Quarters, Reject Shop 和 La Senza Girl 等名稱經營的專賣店。此外，美羅也持有《Toys 'R' Us (Malaysia) 私人有限公司》的40%股權。在截至2002年12月31日的9個營業月份里，由于設在谷中城的旗艦百貨商店和柔佛新山彩虹廣場重新裝修的百貨商店業績提升，使到美羅的營業額增加。然而，公司的業績因為資產和在聯號公司的投資減損確認，而受到負面的影響。

Top left : Network Foods (Malaysia) Sdn Bhd's wine booth at the FoodTech Fair 2002, PWTC  
Below left : A variety of products distributed by Network Foods group  
Below : Network Foods (Malaysia) Sdn Bhd, Shah Alam





## 酒店業

馬聯集團分別在英國、馬來西亞及澳洲擁有及經營82間酒店。

英國的酒店業歸納在《Corus & Regal 酒店公共掛牌有限公司》(Corus & Regal) 旗下。Corus 品牌偏重於高檔的商務旅客、會議、活動市場，配合短暫休閒業務，以確保酒店持續高度的住客率。

Corus & Regal 配合其合理化計劃以脫售不符合 Corus 品牌的酒店，而在2002年出售了英國的7間酒店。Corus & Regal 將繼續檢討屬下現有的酒店組合和物色位置上選的新酒店以便收購。Corus & Regal 也將通過酒店管理合約，進軍服務領域。

在2002年，英國酒店業在環境極為艱巨的旅遊業下運作。然而，Corus & Regal 在2002年得以保持住客率、平均房費及客房收益。截至2002年12月31日，Corus & Regal 的營業額達1億3020萬英鎊(7億4310萬零吉)，稅前盈餘計390萬英鎊(2230萬零吉)。Corus & Regal 的業績反映了集團管理層在節源開流、提高品牌意識、改進顧客服務等方面所採取的措施，已經奏效。

在檢討年內，吉隆坡 Corus 酒店和波德申 Corus Paradise 度假村取得預期的業績。在澳洲方面，旅遊業仍舊消沉。當地酒店業尚未完全從 Ansett 航空公司倒閉事件的衝擊中復蘇。悉尼的酒店客房供過於求。雖然行情極度挑戰性，悉尼 Corus 酒店和霍巴特 Corus 酒店的平均房費繼續改進。太平洋 Vista 酒店目前休業，等待適當時機進行全面的重建計劃。

## 食品及糖果業

馬聯集團的食品及糖果業由《泛馬企業有限公司》(PMC) 所經營。PMC 是在吉隆坡股票交易所掛牌的一家投資控股公司。該公司也是《馬聯工業有限公司》持有56.85%的子公司。PMC 擁有兩家掛牌公司，即在新加坡股票交易所掛牌的《Network Foods International Ltd》(NFIL) 和在澳洲股票交易所掛牌的《Network Foods Limited》(NFL)。這兩家公司共同經營亞太區的 Network Foods 集團業務。NFIL 是馬來西亞、新加坡、香港及印度 Network Foods 集團的控股公司。NFL 則是澳洲全國最大的獨立糖果產品經銷商。

NFIL 在馬來西亞的業務是 Network Foods 集團主要的盈餘來源。NFIL 的子公司《Network Foods Industries Sdn Bhd》(NFISB) 在雪蘭莪州沙亞南建有一座占地10,800平方米的工廠，生產本身品牌的各種巧克力供國內和出口市場，如：Crispy, Kiddies 及 Tudor Gold。NFISB 也以合約方式生產 Van Houten 巧克力。該公司進軍出口市場取得輝煌業績，其產品目前遠銷全球30多個國家，出口量以十位數增長。

NFIL 在馬來西亞的行銷和分銷子公司《Network Foods (Malaysia) Sdn Bhd》擴展了業務，除了從事巧克力和糖果的經銷以外，也進軍葡萄酒類及保健品，從而提高了營業額。

在截至2002年12月31日的財務年內，NFIL 的營業額達到新幣5000萬元(1億610萬零吉)；稅前盈餘新幣300萬元(640萬零吉)；而2001年的營業額為新幣4950萬



*Metrojaya donates RM100,000 to Universiti Tunku Abdul Rahman (UTAR)*

Top left : Staff of Corus hotel Kuala Lumpur participating in the "Malaysians for Peace" campaign

Below right : Metrojaya Mothers Club charity bazaar

Below : Malaysia Tourism Awards 2001/2002 won by Morning Star Travel Service Ltd for "Best Foreign Tour Operator - Far East" and Metrojaya Mid Valley Megamall for "Most Supportive Shopping Outlet"



元(1億500萬零吉)，稅前盈餘新幣270萬元(570萬零吉)。盈餘增加主要是由于集團在2002年實施各項營運措施，提高了效率。

NFL的倉庫位于澳洲各主要省份的戰略地點。該公司經銷各國國際名牌產品如：Cadbury，Nestle，Wrigley's以及本身的Crispy巧克力。2002年的糖果業行情極度挑戰性，導致利潤在非常競爭性的貿易環境下減少以及市場占有率的競爭激烈。在2002年內，NFL的淨營業收入共達9730萬澳元(2億零60萬零吉)，而2001年的淨營業收入共1億零60萬澳元(1億9680萬零吉)。然而NFL在檢討年內蒙受稅后虧損計510萬澳元(1050萬零吉)，在上一年則賺取盈餘30萬澳元(60萬零吉)。以上稅后虧損主要是由于注銷項目增加和滯銷產品準備金提高、已停止代理權產品提供清貨獎勵折扣、軟件故障造成存貨調整等緣故。NFL目前正把業務精簡化，以爭取最高的效率及生產力。

### 財務服務

馬聯集團的財務服務業務主要包括股票經紀、企業顧問服務和普通保險業。股票經紀和企業顧問服務

業務由《PM證券有限公司》(PM證券)經營。該公司是國內受許可的全方位經紀公司，也是挂牌的《泛馬資本有限公司》(泛馬資本)的子公司。而普通保險業則由《馬聯大洲保險有限公司》(馬聯大洲保險)經營。

在截至2002年12月31日，國內共有六家全方位經紀公司。作為一家全方位經紀公司，PM證券除了從事證券經紀業務以外，也可提供全面的資金市場及企業顧問的服務包括資產管理及衍生品交易。PM證券分別在檳城、芙蓉、蒲種、新山、馬六甲、巴生及吉隆坡設有分行。PM證券在檢討年內在森美蘭州日叻務設立了一所《電子存取設施》(EAF)。隨後，PM證券分別在2003年2月20日及2003年4月18日在柔佛州的巴株把轄及昔加末設立了第二及第三所EAF。該公司在2002年推出了網址 [www.pmlink2u.com](http://www.pmlink2u.com)，除了提供網上交易便利以外，也提供研究和市場信息服務。

在檢討年內，鑒于企業并購和重組的形勢令人鼓舞，加上經濟前景看好，吉隆坡股市綜合指數在年初的行情看俏。然而各種不幸事件如顯示恐怖活動增加的印尼巴厘島炸案，伊拉克危機、歐、美經濟疲弱不振，導致亞洲股市陷入低潮。吉隆坡股市綜合指數于2002年12月31日收市時，報646.32，比上一年的水平低





Top : MUI Chinese New Year Press Luncheon at Corus hotel Kuala Lumpur

Top right : YB S Sothinathan with Mr Wong Aun Phui and Mr Anthony Yap at the ingress/egress ground breaking ceremony in Seremban

Below right : Dr Ngui Chon Hee, Mr Tan Lai Huat and staff on stage at the MCI Sports Club Dinner 2003

了7.15%。截至2002年12月31日，泛馬資本集團的綜合稅前虧損共達980萬零吉，而上一年的綜合稅前虧損則是4280萬零吉。集團的綜合營業額從2001年的750萬零吉增加至1670萬零吉。

馬聯大洲保險經營的普通保險業業績持續改進。該公司在全馬設有共14間分行，提供各種產品，如火險、水險、保健險、工程險、汽車險、責任險等保險。在截至2002年12月31日的財務年，馬聯大洲保險的保費收入共計9030萬零吉，各類保險業務皆有增長。該公司在2002年的稅前盈餘達770萬零吉，而2001年是490萬零吉。

### 房地產業

馬聯集團通過掛牌子公司《馬聯產業有限公司》(馬聯產業)從事在馬來西亞的地產發展、投資及管理業務而在香港特別行政區則透過聯號公司《馬聯香港有限公司》(馬聯香港)。

集團在馬來西亞的主要房地產發展項目是位于森美蘭州芙蓉-波德申公路旁、占地1990畝的綜合新鎮-《春泉鎮》。此計劃在1997年推展，負責發展計劃的是集團子公司《West Synergy私人有限公司》。此項綜合的住宅、工商計劃共有11,000單位，發展期共15年，分作數期進行。截至2002年12月，共售出的單位計有1,330，其中大部分已有入伙紙并移交買主。

馬聯產業也擁有位于吉隆坡市中心商業區的22層商業大樓《馬聯大廈》。馬聯集團的總部也設在此處。

此座大廈目前的出租率達82%以上。在2002年，該大樓底層開設了一間咖啡廳，以改進對租戶和訪客的設施。在檢討年內，馬聯產業的營業額達9940萬零吉，稅前盈餘1300萬零吉，而2001年的營業額共1億2070萬零吉；稅前盈餘2260萬零吉。盈餘遜退，主要是春泉鎮項目進度付款減少之故。

在2002年，馬聯香港完成了在中華人民共和國廣東省中山市的發展項目-《星晨別墅》第7期Canale Di Venezia第3部分的建設工程(160單位)。售出的單位在2002年4月交付。此項計劃是中山市一項贏獎的項目；在1992年推出后，迄今共建造了逾5,000單位，其中超過93%售出。

集團通過持有49%股權的聯號公司《Regent Corporation》，而擁有美國北卡羅來納州Regent公園面積1,400畝及包括一座高爾夫球場的發展土地。過去多年來，Regent公園高爾夫球場為球手提供優質服務和創新的活動而贏得無數獎項。

### 旅遊業

在旅遊業方面，香港的《星晨旅遊服務有限公司》和馬來西亞的《泛馬旅遊私人有限公司》，為游客和商務旅客提供廣泛的旅遊目的地。雖然香港出現通貨緊縮的現象，《星晨旅遊服務有限公司》在2002年取得可觀業績，并贏得最佳旅行社和銷售獎項，如國泰航空公司的‘2002年最佳旅行社獎’、新加坡航空公司‘2001/2002杰出旅行社獎’、麗星郵輪‘2002年麗



星雙魚座號最佳表現獎’、馬來西亞航空公司‘2001/2002 輝煌表現獎，大韓航空公司‘2002 年可貴支援和貢獻優越表揚獎’，以及連續第二年奪取2001/2002 馬來西亞旅遊業獎--顯赫的‘東亞最佳旅行社獎’。

### 其他投資

馬聯集團在《馬來西亞化工有限公司》(CCM)持有23.1%股權。CCM主要是投資控股公司，旗下的子公司和聯號公司製造與經營化肥、農藥、藥劑和保健品、行銷各種化學物品，以及發展與經營醫療中心。

### 公益關系

馬聯集團的宗旨是作為負責任的良好企業公民。在貫徹這個原則時，集團屬下公司積極參與提升社區的公益活動、慈善計劃和支持藝術演出。例如在2002年，《美羅母親俱樂部》舉行慈善義賣，為蒙特城少女中心和巴生愛心中心籌款。吉隆坡 Corus 酒店舉辦了《Season of Giving》運動，收集禮物饋贈不幸兒童。而 Laura Ashley 控股有限公司則捐款給保護野生植物慈善組織Plantlife。

### 展望

鑒于全球經濟形勢的不明朗、中東在伊拉克戰爭后的緊張局勢及亞洲最近爆發的《嚴重急性呼吸系統并發症》(SARS)波及全球其他地區，馬來西亞中央銀

行已經把2003年國內總產值增長率調低到4.5%。由于全球貿易和政治環境不明朗，政府也已宣布即將推出強有力的財務刺激措施，強化國內經濟。馬聯集團將在2003年不遺余力地重組業務和財務。集團將脫售非核心和營利低的業務和資產，以將資源和營運資金調動致核心業務及減少債務。預料在完成了業務精簡化及合理化計劃后，集團將更精簡、有效。

### 致謝

我謹代表董事部同人，對集團管理層和全體職員的奉獻、任勞任怨和忠于職守，致于由衷的謝意。我也在此感謝融資機構、供應商、業務伙伴、政府機構及董事部同人各方面給予本集團的全力支持，以及感謝全體股東對本集團董事、管理層的信心。

### 我們信賴主

丹斯里拿督邱繼炳博士  
董事主席

吉隆坡  
2003年5月6日

*Below: The Corus hotels head office football team with the team from Chantrey Vellacott DFK*



# STATISTICS OF SHAREHOLDINGS

As at 25 April 2003

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	%
<b>Ordinary shares of RM1 each in Malayan United Industries Berhad</b>				
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
<b>Ordinary shares of 50 sen each in MUI Properties Berhad</b>				
Tan Sri Dato' Dr Khoo Kay Peng	–	–	540,612,661	70.75
Dr Ngui Chon Hee	30,000	negligible	84,000	0.01
<b>Ordinary shares of 50 sen each in Pan Malaysia Corporation Berhad</b>				
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
<b>Ordinary shares of RM1 each in Pan Malaysia Holdings Berhad</b>				
Tan Sri Dato' Dr Khoo Kay Peng	–	–	588,109,498	63.59
<b>Ordinary shares of RM1 each in MUI Continental Insurance Berhad</b>				
Tan Sri Dato' Dr Khoo Kay Peng	–	–	81,733,500	81.71

## Distribution Of Shareholders

Holdings	No. of Holders	%	No. of Shares	%
Less than 1,000 shares	367	0.57	166,231	0.01
1,000 to 10,000 shares	51,510	79.82	208,830,122	10.76
10,001 to 100,000 shares	11,864	18.38	335,351,848	17.28
100,001 to less than 5% of issued shares	791	1.23	782,741,177	40.34
5% and above of issued shares	3	0.00	613,442,400	31.61
Total	64,535	100.00	1,940,531,778	100.00



### Thirty (30) Largest Securities Accounts Holders

<i><b>Name</b></i>	<i><b>No. of Shares</b></i>	<i><b>%</b></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. PM Nominees (Tempatan) Sdn Bhd - Morning Star Securities Limited for Hope Foundation	11,550,000	0.60
16. UOBM Nominees (Asing) Sdn Bhd - Pledged Securities Account for Prime View International Limited	10,000,000	0.52
17. Lembaga Tabung Angkatan Tentera	10,000,000	0.52
18. PAB Nominee (Tempatan) Sdn Bhd - Pledged Securities Account for KOP Mantap Sdn Bhd	10,000,000	0.52
19. PM 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. Lee Sui Hee	5,745,000	0.30
23. Milikita Sdn Bhd	5,279,000	0.27
24. Ke-Zan Nominees (Asing) Sdn Bhd - Kim Eng Ong Asia Securities Pte Ltd for Glen Holdings (Pte) Ltd	4,674,000	0.24
25. Menteri Kewangan Malaysia	4,150,117	0.21
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. The Central Depository (Pte) Limited	3,004,885	0.15
29. Amanah Ikhtiar Malaysia	3,000,000	0.15
30. Eng Nominees (Asing) Sdn Bhd - Kim Eng Ong Asia Securities Pte Ltd for Ee Tai Ting	2,790,000	0.14
<b>Total</b>	<b>1,165,736,302</b>	<b>60.07</b>

## GROUP FINANCIAL HIGHLIGHTS FIVE-YEAR SUMMARY

As at 31 December	<b>2002</b>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
	<b>RM'000</b>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Property, Plant & Equipment	<b>2,962,033</b>	2,843,471	603,253	655,023	669,404
Investment Properties	<b>141,000</b>	141,000	141,000	141,000	141,000
Investments	<b>1,265,110</b>	1,812,669 <sup>*</sup>	1,895,337 <sup>*</sup>	1,846,690	1,971,436
Net Current Assets	<b>186,576</b>	300,108 <sup>*</sup>	567,360	639,734	162,714
Intangibles & Goodwill	<b>618,256</b>	1,114,646	1,023,080	1,024,311	1,051,452
	<b>5,172,975</b>	6,211,894	4,230,030	4,306,758	3,996,006

Financed By:-					
Share Capital	<b>1,940,532</b>	1,940,532	1,940,532	1,940,532	1,940,532
Reserves	<b>(730,878)</b>	182,397 <sup>*</sup>	217,814 <sup>*</sup>	304,865	285,152
Minority Interests	<b>1,552,700</b>	1,704,551 <sup>*</sup>	1,814,341	1,795,328	1,125,944
Deferred & Long Term Liabilities	<b>2,410,621</b>	2,384,414 <sup>*</sup>	257,343	266,033	644,378
	<b>5,172,975</b>	6,211,894	4,230,030	4,306,758	3,996,006

Financial year ended 31 December	<b>2002</b>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
	<b>RM'000</b>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Revenue	<b>1,358,885</b>	692,839	705,111	697,097	775,558 <sup>#</sup>
(Loss)/Profit Before Taxation	<b>(1,062,818)<sup>*</sup></b>	35,551	(11,969)	63,362	(338,055)
(Loss)/Profit After Taxation	<b>(1,094,405)<sup>*</sup></b>	(7,820) <sup>*</sup>	(48,860) <sup>*</sup>	58,720	(413,589)
Net (Loss)/Profit For The Financial Year	<b>(996,506)<sup>*</sup></b>	(35,312) <sup>*</sup>	(70,698) <sup>*</sup>	42,776	(562,612)

\* Includes impairment of assets of RM822,958,000 (which included the share of associated companies' impairment of assets) and allowance for diminution in value of long term investments of RM133,067,000 totalling RM956,025,000. The recognition of the impairment is in compliance with MASB 23 "Impairment of Assets" which became operative in the financial year ended 31 December 2002.

# The revenues for this financial year exclude the amounts relating to associated companies to conform with the current presentation.

\* The prior year figures have been restated due to the prior year adjustments as detailed in Note 34 of the Notes to the Financial Statements.





## 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 2002.

### 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, and travel and tourism.

There have been no significant changes in the Groups' activities during the financial year except that the investment in a subsidiary company which was involved in education services was disposed of.

### Financial Results

	<b>Group RM</b>	<b>Company RM</b>
Profit from operations before exceptional items	137,781,802	20,714,172
Exceptional items		
– Impairment of assets in compliance with MASB 23 *	(742,388,072)	(157,147,211)
– Allowance for diminution in value of long term investments	(133,067,333)	–
– Allowance for doubtful debts on amounts owing by subsidiary companies	–	(553,299,822)
– Others	39,688,543	–
	(835,766,862)	(710,447,033)
Loss from operations after exceptional items	(697,985,060)	(689,732,861)
Finance cost	(227,199,960)	(2,336,740)
Share of results of associated companies		
– Operating results	(60,394,552)	–
– Impairment of assets in compliance with MASB 23 *	(80,570,000)	–
	(140,964,552)	–
Share of results in joint ventures	3,331,935	–
Loss before taxation	(1,062,817,637)	(692,069,601)
Taxation	(31,587,259)	(4,961,498)
Loss after taxation	(1,094,404,896)	(697,031,099)
Minority interests	97,899,315	–
Net loss for the financial year	(996,505,581)	(697,031,099)

\* The recognition of impairment of assets is in compliance with MASB 23 "Impairment of Assets" which became operative in the financial year ended 31 December 2002.

### Movements In Reserves And Provisions

Material movements in reserves and provisions during the financial year are shown in 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 2002.

## DIRECTORS' REPORT (Cont'd)

### 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:-

<b>Ordinary shares of RM1 each in Malayan United Industries Berhad</b>	<b>Number of shares</b>			<b>Balance at 31.12.2002</b>
	<b>Balance at 1.1.2002</b>	<b>Bought</b>	<b>Sold</b>	
Tan Sri Dato' Dr Khoo Kay Peng				
Indirect	895,216,400	–	–	895,216,400
Yong Ming Sang				
Direct	1,981,800	–	–	1,981,800
Indirect	549,640	–	–	549,640
Ang Guan Seng				
Indirect	68,353,800	–	–	68,353,800
<b>Ordinary shares of 50 sen each in MUI Properties Berhad</b>	<b>Number of shares</b>			<b>Balance at 31.12.2002</b>
	<b>Balance at 1.1.2002</b>	<b>Bought</b>	<b>Sold</b>	
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



<b>Ordinary shares of 50 sen each in Pan Malaysia Corporation Berhad</b>	<b>Number of shares</b>		
	<b>Balance at 1.1.2002</b>	<b>Bought</b>	<b>Sold</b>
Tan Sri Dato' Dr Khoo Kay Peng			
Indirect	420,364,500	–	–
Dr Ngui Chon Hee			
Indirect	35,000	–	35,000
Tan Sri Dato' Md Khir Johari			
Direct	94,082	–	–
Indirect	219,000	–	–
Dato' Paduka Nik Hashim Nik Yusoff			
Direct	10,000	–	10,000
<b>Ordinary shares of RM1 each in Pan Malaysia Holdings Berhad</b>	<b>Number of shares</b>		
	<b>Balance at 1.1.2002</b>	<b>Bought</b>	<b>Sold</b>
Tan Sri Dato' Dr Khoo Kay Peng			
Indirect	576,968,075	–	–
<b>Ordinary shares of RM1 each in MUI Continental Insurance Berhad</b>	<b>Number of shares</b>		
	<b>Balance at 1.1.2002</b>	<b>Bought/ *Rights issue</b>	<b>Sold</b>
Tan Sri Dato' Dr Khoo Kay Peng			
Indirect	49,073,000	*32,660,500	–

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 Article 109 of the Company's Articles of Association, Mr Ang Guan Seng and Dato' Paduka Nik Hashim Nik Yusoff retire from the Board at the forthcoming Annual General Meeting, and they being eligible offer themselves for re-election.

## **DIRECTORS' REPORT** (Cont'd)

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.

### **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 6 to the financial statements;
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made; and
  - (iii) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company or of the Group to meet their obligations as and when they fall due.
- (b) Before the income statements and balance sheets of the Company and of the Group were made out, the Directors took reasonable steps:-
  - (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have 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 financial statements of the Company and of 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 of 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 or 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 39 to the financial statements.

### **Auditors**

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

Signed on behalf of the Board in accordance  
with a resolution by the Directors

**Yong Ming Sang**

**Dr Ngui Chon Hee**

Kuala Lumpur  
30 April 2003

# INCOME STATEMENTS

For the financial year ended 31 December 2002

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2002 RM</b>	<b>2001 RM</b>	<b>2002 RM</b>	<b>2001 RM</b>
Revenue	5	<b>1,358,884,641</b>	692,838,721	<b>22,495,920</b>	21,398,704
Cost of sales		<b>(1,005,459,380)</b>	(480,721,411)	-	-
Gross profit		<b>353,425,261</b>	212,117,310	<b>22,495,920</b>	21,398,704
Other operating income		<b>42,832,360</b>	64,236,823	-	-
Distribution costs		<b>(19,496,545)</b>	(15,407,183)	-	-
Administrative expenses		<b>(182,603,901)</b>	(130,148,757)	<b>(1,781,748)</b>	(1,367,094)
Other operating expenses		<b>(56,375,373)</b>	(33,998,053)	-	-
Profit from operations before exceptional items		<b>137,781,802</b>	96,800,140	<b>20,714,172</b>	20,031,610
Exceptional items	6				
- Impairment of assets in compliance with MASB 23 [Footnote (i)]		<b>(742,388,072)</b>	-	<b>(157,147,211)</b>	-
- Allowance for diminution in value of long term investments		<b>(133,067,333)</b>	(39,082,835)	-	-
- Allowance for doubtful debts on amounts owing by subsidiary companies		-	-	<b>(553,299,822)</b>	-
- Others		<b>39,688,543</b>	120,422,489	-	-
		<b>(835,766,862)</b>	81,339,654	<b>(710,447,033)</b>	-
(Loss)/Profit from operations after exceptional items		<b>(697,985,060)</b>	178,139,794	<b>(689,732,861)</b>	20,031,610
Finance cost		<b>(227,199,960)</b>	(105,058,570)	<b>(2,336,740)</b>	(793,973)
Share of results of associated companies					
- Operating results		<b>(60,394,552)</b>	(39,097,492)	-	-
- Impairment of assets in compliance with MASB 23 [Footnote (ii)]		<b>(80,570,000)</b>	-	-	-
		<b>(140,964,552)</b>	(39,097,492)	-	-
Share of results in joint ventures	14	<b>3,331,935</b>	1,567,212	-	-
(Loss)/Profit before taxation	7	<b>(1,062,817,637)</b>	35,550,944	<b>(692,069,601)</b>	19,237,637
Taxation	8	<b>(31,587,259)</b>	(43,370,978) *	<b>(4,961,498)</b>	(3,094,068)
(Loss)/Profit after taxation		<b>(1,094,404,896)</b>	(7,820,034) *	<b>(697,031,099)</b>	16,143,569
Minority interests		<b>97,899,315</b>	(27,491,961)	-	-
Net (Loss)/Profit For The Financial Year		<b>(996,505,581)</b>	(35,311,995) *	<b>(697,031,099)</b>	16,143,569
Loss Per Share	9	<b>Sen (51.35)</b>	Sen (1.82) *		

Footnote:-

(i) The impairment of assets includes impairment of goodwill, investments in associated companies and property, plant and equipment. The recognition of impairment of assets is in compliance with MASB 23 "Impairment of Assets" which became operative in the financial year ended 31 December 2002. The details of the impairment are included in Note 6 of the Notes to Financial Statements.

(ii) The share of impairment of assets of associated companies is in respect of their impairment of assets recognised during the financial year ended 31 December 2002 in compliance with MASB 23.

\* These comparative figures have been restated due to the prior year adjustments as detailed in Note 34 of the Notes to Financial Statements.

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



## BALANCE SHEETS

As at 31 December 2002

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2002 RM</b>	<b>2001 RM</b>	<b>2002 RM</b>	<b>2001 RM</b>
Property, Plant And Equipment	10	<b>2,897,154,048</b>	2,778,592,827	-	-
Investment Properties	11	<b>141,000,000</b>	141,000,000	-	-
Subsidiary Companies	12	-	-	<b>1,116,857,669</b>	1,274,004,880
Associated Companies	13	<b>625,920,869</b>	966,786,466	-	-
Joint Ventures	14	<b>9,402,047</b>	11,200,298 *	-	-
Investments	15	<b>629,786,678</b>	834,682,264	-	-
Development Properties and Expenditure	16	<b>64,878,959</b>	64,878,459	-	-
Intangible Assets	17	<b>144,037,021</b>	144,037,021	-	-
Goodwill On Consolidation	18	<b>474,219,025</b>	970,608,756 *	-	-
Current Assets					
Development properties and expenditure	16	<b>127,638,973</b>	121,014,847	-	-
Inventories	19	<b>54,610,955</b>	58,935,783	-	-
Trade and other receivables	20	<b>724,842,969</b>	723,820,009 *	<b>855,686,593</b>	1,390,546,719
Amounts owing by brokers and clients	21	<b>31,876,721</b>	35,334,025	-	-
Government securities and bonds	22	<b>29,583,615</b>	31,733,532	-	-
Short term investments	23	<b>23,157,360</b>	22,957,998	-	-
Tax recoverable		<b>34,665,749</b>	37,112,950 *	-	-
Deposits, bank balances and cash	24	<b>866,660,578</b>	928,183,431	<b>309,278</b>	328,413
		<b>1,893,036,920</b>	1,959,092,575	<b>855,995,871</b>	1,390,875,132
Less: Current Liabilities					
Trade and other payables	25	<b>304,384,316</b>	350,792,674 *	<b>124,533</b>	68,826
Provisions	26	<b>43,807,902</b>	38,659,525	-	-
Borrowings	27	<b>1,300,966,661</b>	1,181,496,222	<b>20,000,000</b>	-
Provision for taxation		<b>57,302,403</b>	88,036,253	<b>30,163,341</b>	47,014,421
		<b>1,706,461,282</b>	1,658,984,674	<b>50,287,874</b>	47,083,247
Net Current Assets		<b>186,575,638</b>	300,107,901	<b>805,707,997</b>	1,343,791,885
		<b>5,172,974,285</b>	6,211,893,992	<b>1,922,565,666</b>	2,617,796,765
Financed By:-					
Share Capital	28	<b>1,940,531,778</b>	1,940,531,778	<b>1,940,531,778</b>	1,940,531,778
Reserves	29	<b>(750,752,177)</b>	165,873,886 *	<b>(50,560,085)</b>	646,471,014
Shareholders' Funds		<b>1,189,779,601</b>	2,106,405,664	<b>1,889,971,693</b>	2,587,002,792
Minority Interests		<b>1,552,699,946</b>	1,704,551,112 *	-	-
Reserves For Unearned Premium		<b>19,873,989</b>	16,523,076	-	-
Redeemable Convertible Bond	30	<b>1,000,000</b>	1,000,000	-	-
Deferred And Long Term Liabilities					
Borrowings	27	<b>2,242,299,771</b>	2,222,457,684	-	-
Employee benefits	31	<b>757,337</b>	659,508	-	-
Deferred taxation	32	<b>166,563,641</b>	160,296,948 *	-	-
Amount owing to subsidiary company	33	-	-	<b>32,593,973</b>	30,793,973
		<b>2,409,620,749</b>	2,383,414,140	<b>32,593,973</b>	30,793,973
		<b>5,172,974,285</b>	6,211,893,992	<b>1,922,565,666</b>	2,617,796,765

\* These comparative figures have been restated due to the prior year adjustments as detailed in Note 34 of the Notes to Financial Statements.

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

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2002

Group	Note	Non-Distributable				Distributable		Total RM
		Share Capital RM	Share Premium RM	Revaluation Reserve RM	Exchange Fluctuation Reserve RM	Capital Reserve RM	General Reserve RM	Accumulated Losses RM
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)
- as previously stated	34	-	-	-	-	-	-	(5,930,135)
- prior year adjustments								
- as restated		1,940,531,778	220,305,408	27,429,774	61,859,351	19,075,723	25,257,587	(149,372,783)
Group's share of post-acquisition reserves of associated companies		-	-	-	(604,721)	773,445	-	-
Difference on translation of net assets of overseas subsidiary and associated companies		-	-	-	(24,138,605)	-	-	-
Net loss/(profit) not recognised in income statement		-	-	-	(24,743,326)	773,445	-	-
Reserve arising from investment in a subsidiary company's ICPS *		-	-	-	-	20,600,702	-	-
Net loss for the financial year		-	-	-	-	-	-	(35,311,995)
At 31 December 2001		1,940,531,778	220,305,408	27,429,774	37,116,025	40,449,870	25,257,587	(184,684,778)
At 1 January 2002		1,940,531,778	220,305,408	27,429,774	37,116,025	40,449,870	25,257,587	(162,095,234)
- as previously stated	34	-	-	-	-	-	-	(22,589,544)
- prior year adjustments								
- as restated		1,940,531,778	220,305,408	27,429,774	37,116,025	40,449,870	25,257,587	(184,684,778)
Group's share of post-acquisition reserves of associated companies		-	-	-	9,312,902	2,545,131	-	-
Difference on translation of net assets of overseas subsidiary and associated companies		-	-	-	40,652,936	-	-	-
Net profit not recognised in income statement		-	-	-	49,965,838	2,545,131	-	-
Capital reserve arising on redemption of NCPS^ by a subsidiary company		-	-	-	-	12,637,588	-	(12,637,588)
Reserve realised on the sale of investment in a subsidiary company		-	-	-	982,297	(9,033,536)	-	8,051,239
Reserve arising from investment in a subsidiary company's ICPS *		-	-	-	-	27,368,549	-	-
Net loss for the financial year		-	-	-	-	-	-	(996,505,581)
At 31 December 2002		1,940,531,778	220,305,408	27,429,774	88,064,160	73,967,602	25,257,587	(1,185,776,708)

\* ICPS refers to Irredeemable Convertible Preference Shares

^ NCPS refers to Non-Convertible Preference Shares

## Company

	Non-Distributable			Distributable	Total RM
	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Unappropriated Profits/(Accumulated Losses) RM	
At 1 January 2001	1,940,531,778	220,305,408	26,263,702	383,758,335	2,570,859,223
Net profit for the financial year	-	-	-	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
At 1 January 2002	1,940,531,778	220,305,408	26,263,702	399,901,904	2,587,002,792
Net loss for the financial year	-	-	-	(697,031,099)	(697,031,099)
At 31 December 2002	1,940,531,778	220,305,408	26,263,702	(297,129,195)	1,889,971,693

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





## CASH FLOW STATEMENTS

For the financial year ended 31 December 2002

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash Flows From Operating Activities				
(Loss)/Profit before taxation	<b>(1,062,817,637)</b>	35,550,944	<b>(692,069,601)</b>	19,237,637
Adjustments for:-				
Exceptional items [See (b) page 64]	<b>837,030,931</b>	(81,326,709)	<b>710,447,033</b>	-
Amortisation of premiums net of accretion of discounts on government securities and bonds	<b>428,518</b>	216,649	-	-
Allowance for doubtful debts	<b>2,828,911</b>	2,045,238	-	-
Depreciation	<b>76,390,174</b>	37,824,420	-	-
Plant and equipment written off	<b>437,692</b>	676,281	-	-
Interest expense	<b>227,199,960</b>	105,058,570	<b>2,336,740</b>	793,973
Dividend income	<b>(8,913,372)</b>	(41,359,760)	<b>(17,042,982)</b>	(17,042,982)
Interest income	<b>(62,388,485)</b>	(58,925,455)	<b>(5,452,938)</b>	(4,355,722)
Investments written off	<b>1,556,536</b>	3,300	-	-
Gain on disposal of plant and equipment	<b>(304,423)</b>	(10,830)	-	-
Loss on disposal of short term investments	<b>515,335</b>	246,836	-	-
Allowance for diminution in value of short term investments	<b>10,268</b>	5,021,906	-	-
Provision for/(Writeback of) employee benefits	<b>188,055</b>	(12,837)	-	-
Reserves for unearned premiums	<b>3,350,913</b>	3,264,186	-	-
Share of results of associated companies	<b>140,964,552</b>	39,097,492	-	-
Share of results of joint ventures	<b>(3,331,935)</b>	(1,567,212)	-	-
Operating profit/(loss) before working capital changes	<b>153,145,993</b>	45,803,019	<b>(1,781,748)</b>	(1,367,094)
Increase in short term investments	<b>(4,575,254)</b>	(6,992,390)	-	-
Decrease/(Increase) in inventories	<b>4,324,828</b>	(3,946,115)	-	-
(Increase)/Decrease in receivables and amounts owing by brokers and clients	<b>(24,316,885)</b>	32,239,133	<b>13,477</b>	(13,233)
(Decrease)/Increase in payables	<b>(21,383,468)</b>	(66,175,309)	<b>55,707</b>	(68,838)
Cash generated from/(used in) operations	<b>107,195,214</b>	928,338	<b>(1,712,564)</b>	(1,449,165)
Deposits received from dealers and remisers maintained as trust monies	<b>(1,263,690)</b>	(3,566,453)	-	-
Interest paid	<b>(227,548,037)</b>	(107,638,448)	<b>(536,740)</b>	-
Interest received	<b>62,388,485</b>	58,925,455	<b>8,675</b>	7,235
Employee benefits paid	<b>(108,954)</b>	(130,729)	-	-
Tax refund	<b>7,735,137</b>	13,184,882	-	-
Tax paid	<b>(60,421,860)</b>	(18,474,160)	<b>(17,040,543)</b>	(947,424)
Net cash used in operating activities	<b>(112,023,705)</b>	(56,771,115)	<b>(19,281,172)</b>	(2,389,354)

## CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2002

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Cash Flows From Investing Activities</b>				
Advances to subsidiary companies	-	-	<b>(60,627,669)</b>	(158,236,145)
Repayments from subsidiary companies	-	-	<b>47,618,759</b>	118,260,407
Dividends received	<b>8,913,372</b>	36,320,080	<b>12,270,947</b>	12,270,947
Purchase of investments in associated companies	<b>(53,340)</b>	(110,488,694)	-	-
Purchase of investments in subsidiary companies	<b>(19,351,083)</b>	-	-	-
Purchase of other investments	-	(11,424,897)	-	-
Purchase of government bonds and securities	<b>(3,258,600)</b>	(11,362,850)	-	-
Purchase of property, plant and equipment and development expenditure incurred	<b>(72,295,684)</b>	(26,492,842)	-	-
Purchase of intangible asset	-	(97,537,021)	-	-
Proceeds from disposal of joint venture	<b>7,939,517</b>	-	-	-
Proceeds from disposal of subsidiary companies [See (c) page 65]	<b>27,633,635</b>	27,398,686	-	-
Proceeds from disposal of other investments	<b>37,705,643</b>	63,198,555	-	-
Proceeds from disposal of government bonds and securities	<b>4,980,000</b>	4,000,000	-	-
Proceeds from disposal of property, plant and equipment	<b>77,678,828</b>	2,402,252	-	-
Bank overdrafts net of deposits, bank balances and cash disposed of on disposal of subsidiary companies [See (c) page 65]	<b>657,242</b>	(3,606,594)	-	-
Bank balances and cash of subsidiary companies not consolidated [See (d) page 65]	<b>(196,744)</b>	(829,434)	-	-
Acquisition of subsidiary company net of bank balances and cash acquired [See (e) page 66]	-	63,995,312	-	-
Net cash generated from/(used in) investing activities	<b>70,352,786</b>	(64,427,447)	<b>(737,963)</b>	(27,704,791)



For the financial year ended 31 December 2002

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Cash Flows From Financing Activities</b>				
Proceeds from issue of shares to minority shareholders in subsidiary companies	-	200,006	-	-
Proceeds from drawdown of term loans and utilisation of revolving credits	<b>106,831,969</b>	202,890,940	<b>20,000,000</b>	-
Dividends paid to minority shareholders of subsidiary companies	<b>(18,492,315)</b>	(18,741,608)	-	-
Advance from subsidiary company	-	-	-	30,000,000
Repayment of bank borrowings	<b>(183,951,678)</b>	(79,316,457)	-	-
Net cash (used in)/generated from financing activities	<b>(95,612,024)</b>	105,032,881	<b>20,000,000</b>	30,000,000
Effects of exchange rate changes	<b>1,137,584</b>	(7,501,168)	-	-
Net decrease in cash and cash equivalents	<b>(136,145,359)</b>	(23,666,849)	<b>(19,135)</b>	(94,145)
Cash and cash equivalents as at 1 January:-				
As previously reported	<b>771,535,842</b>	799,151,997	<b>328,413</b>	422,558
Effects of exchange rate changes on cash and cash equivalents	<b>26,988,202</b>	(3,949,306)	-	-
As restated	<b>798,524,044</b>	795,202,691	<b>328,413</b>	422,558
Cash and cash equivalents as at 31 December [See (a) page 63]	<b>662,378,685</b>	771,535,842	<b>309,278</b>	328,413

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

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Deposits, bank balances and cash	<b>866,660,578</b>	928,183,431	<b>309,278</b>	328,413
Bank overdrafts	<b>(195,733,061)</b>	(149,362,447)	-	-
	<b>670,927,517</b>	778,820,984	<b>309,278</b>	328,413
Less: Dealers' and remisiers' deposits maintained as trust monies included in:-				
- bank balances and cash	<b>(1,381,634)</b>	(306,055)	-	-
- term and call deposits	<b>(7,167,198)</b>	(6,979,087)	-	-
	<b>(8,548,832)</b>	(7,285,142)	-	-
	<b>662,378,685</b>	771,535,842	<b>309,278</b>	328,413

## CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2002

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

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		<i>2002</i> <i>RM</i>	<i>2001</i> <i>RM</i>	<i>2002</i> <i>RM</i>	<i>2001</i> <i>RM</i>
Impairment of assets in compliance with MASB 23:-					
– goodwill		<b>(500,557,000)</b>	–	–	–
– investments in associated companies		<b>(221,998,861)</b>	–	–	–
– property, plant and equipment		<b>(19,832,211)</b>	–	–	–
– investments in subsidiary companies		–	–	<b>(157,147,211)</b>	–
		<b>(742,388,072)</b>	–	<b>(157,147,211)</b>	–
Allowance for diminution in value of long term investments		<b>(133,067,333)</b>	(39,082,835)	–	–
Allowance for doubtful debts on amounts owing by subsidiary companies		–	–	<b>(553,299,822)</b>	–
Bad debts written off		<b>(1,293,649)</b>	(200,557)	–	–
Gain on settlement and assignment of debts by a subsidiary company		<b>1,916,802</b>	–	–	–
Gain/(Loss) in foreign exchange – unrealised		<b>38,635,061</b>	(12,158,272)	–	–
Gain on disposal of joint venture		<b>2,604,720</b>	–	–	–
Gain on dilution of interest in a subsidiary company		–	124,470,793	–	–
(Loss)/Gain on disposal of other investments		<b>(20,029,725)</b>	678,193	–	–
Gain on disposal of property		<b>12,899,066</b>	–	–	–
Interest waived on debts		<b>757,261</b>	–	–	–
Loss on disposal of subsidiary companies		<b>(330,133)</b>	(7,424,825)	–	–
Surplus/(Deficit) arising from subsidiary companies not consolidated		<b>1,220,006</b>	(831,728)	–	–
Writeback of doubtful debts		<b>2,045,065</b>	13,543,700	–	–
Writeback of corporate guarantees		–	2,332,240	–	–
		<b>(837,030,931)</b>	81,326,709	<b>(710,447,033)</b>	–



For the financial year ended 31 December 2002

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

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Assets and liabilities disposed		
Property, plant and equipment	<b>38,577,478</b>	35,370,550
Inventories	-	13,181,985
Trade and other receivables	<b>1,335,269</b>	33,783,287
Short term investments	<b>4</b>	1,430
Deposits, bank balances and cash	<b>941,028</b>	5,096,727
Goodwill on consolidation	<b>4,088,817</b>	730,252
Trade and other payables	<b>(14,781,784)</b>	(32,687,642)
Bank overdrafts	<b>(1,598,270)</b>	(1,490,133)
Other bank borrowings	-	(1,616,818)
Taxation	<b>(4)</b>	(463,896)
Deferred and long term liabilities	<b>(598,770)</b>	(1,626,850)
Minority interests	-	(15,455,381)
Net assets disposed	<b>27,963,768</b>	34,823,511
Loss on disposal of subsidiary companies	<b>(330,133)</b>	(7,424,825)
Net proceeds received	<b>27,633,635</b>	27,398,686

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

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Assets and liabilities not consolidated		
Property, plant and equipment	<b>3,974,825</b>	40,279
Trade and other receivables	<b>29,452</b>	1,120,074
Trade and other payables	<b>(5,203,995)</b>	(1,775,445)
Taxation	<b>(215,000)</b>	-
Minority interests	<b>(2,032)</b>	(4,961)
Goodwill on consolidation	-	622,347
Surplus/(Deficit) arising from subsidiary companies not consolidated	<b>1,220,006</b>	(831,728)
Bank balances and cash of subsidiary companies not consolidated	<b>(196,744)</b>	(829,434)



## CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2002

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

	<b>2002</b>	<b>Group</b>	
	<b>RM</b>	<b>2001</b>	<b>2001</b>
		<i>RM</i>	<i>RM</i>
		<i>As restated*</i>	<i>As previously reported</i>
Assets and liabilities acquired			
Property, plant and equipment	-	2,303,831,849	2,303,831,849
Negative goodwill on consolidation	-	(141,769,428)	(251,248,351)
Investments in joint ventures	-	10,954,372	18,399,589
Inventories	-	7,268,445	7,268,445
Deposits, bank balances and cash	<b>2</b>	226,900,964	226,900,964
Trade and other receivables	-	107,420,754	123,000,516
Loan to joint ventures	-	56,245,957	56,245,957
Tax recoverable	-	5,130,195	771,379
Trade and other payables	-	(271,290,741)	(275,250,512)
Amounts owing to related companies	-	(141,565,074)	(141,565,074)
Provision for taxation	-	-	(7,208,763)
Deferred tax liabilities	-	(153,664,398)	(2,003,075)
Minority interests	-	(53,536,379)	(57,115,297)
Bank overdrafts	-	(19,742,754)	(19,742,754)
Other bank borrowings	-	(1,988,573,980)	(1,988,573,980)
	<b>2</b>	(52,390,218)	(6,289,107)
Less : Group share of net liabilities acquired accounted for as an associated company	-	(26,454,141)	(3,864,596)
Net assets/(liabilities) acquired	<b>2</b>	(25,936,077)	(2,424,511)
Goodwill on consolidation	-	27,533,901	4,022,335
Total purchase consideration	<b>2</b>	1,597,824	1,597,824
Amounts owing to related companies	-	141,565,074	141,565,074
Less : Bank balances and cash less bank overdrafts acquired	<b>(2)</b>	(207,158,210)	(207,158,210)
Cash flow on acquisition, net of bank balances and cash less bank overdrafts acquired	-	(63,995,312)	(63,995,312)

\* The relevant comparative figures have been restated due to the prior year adjustments as detailed in Note 34 of Notes to Financial Statements.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

## 1. Principal Activities And 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 and confectionery, property, financial services, and travel and tourism. During the financial year, the investment in a subsidiary company which was involved in education services was disposed of.

The number of employees in the Group as at 31 December 2002 is approximately 13,000 (2001 : 12,700).

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

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

## 2. Financial Risk Management Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its financial risks. The Board reviews and adopts policies for managing the financial risks and the Group's policy is generally not to engage in speculative transactions.

The main areas of the financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows:-

### (a) Foreign Currency Risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, both external and intra-Group where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure of overseas operating subsidiary companies to transaction risk by matching local currency income against local currency costs.

### (b) Interest Rate Risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

### (c) Credit Risk

This is the risk that a counter party is unable to pay its debts or meet its obligations. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Term and call deposits and bank balances are held with financial institutions of good standing.

The management believes that concentration of credit risk is limited due to ongoing credit evaluations on all customers and maintaining an allowance for doubtful debts, which management believes will adequately provide for potential credit risks. Therefore the Group does not expect to incur material credit losses on its risk management and financial instruments.

### (d) Market Risk

The Group's principal exposure to market risk arises mainly from the changes in equity prices. Equity investments classified as current assets are available for sale and the Group manages disposal of its investments to optimise returns on realisation.

## **2. Financial Risk Management Policies (cont'd)**

### **(e) Liquidity and Cash Flow Risks**

The Group seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected borrowing needs are covered by committed facilities and also to ensure that the amount of debt maturing in any one year is within the Group's means to repay and refinance.

## **3. 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 accounting policies.

The preparation of financial statements in conformity with 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 the 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 2002, with the exception of those subsidiary companies referred to in Note 12. Subsidiary companies are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated using the acquisition method of accounting. Under this method, the results of the 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 Group financial statements. The excess of the cost of acquisition over the fair value of the Group's share of the subsidiary companies' identifiable net assets at the date of acquisition is reflected as goodwill on consolidation. Any negative goodwill arises from consolidation shall be set off against the goodwill on consolidation. Goodwill on consolidation is stated at cost less impairment losses, if any.

Minority interest is measured at the minorities' share of net results and of net assets of subsidiary companies attributable to interests which are not owned, directly or indirectly through subsidiary companies, by the Company.

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

### **(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 which reflects the Group's share of the net assets of the associated companies and goodwill on acquisition. The goodwill on acquisition of associated companies is the difference between the cost of acquisition over the fair values of the Group's share of the net assets of the associated companies at the date of acquisition.

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

**(d) Joint Ventures**

Investments 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 reserves 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 impairment losses, if any.

**(f) Investments**

Investments in subsidiary companies, associated companies and joint ventures held on a long term basis are stated at cost, except for certain investments in subsidiary companies which are stated at valuation, less impairment losses, if any.

Investments in other long term investments are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments.

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. Where an indication of impairment exists, the carrying value of an investment property is assessed and written down to its recoverable amount.

**(h) Property, Plant and Equipment**

The gross carrying amounts of property, plant and equipment are initially measured at cost. Land and buildings which have been subsequently revalued, are stated at valuation less accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is not depreciated. Leasehold land is amortised in equal instalments over the period of the lease ranging from 11 to 150 years.

### 3. Significant Accounting Policies (cont'd)

#### (h) Property, Plant and Equipment (cont'd)

All other property, plant and equipment are depreciated on a straight line basis to write off the costs of the assets 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 an indication of impairment exists, the carrying amount of an asset is assessed and 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) Trade and Other Receivables

Trade and other receivables are carried at anticipated realisable value. Bad debts are written off when known. Specific allowance is made for those debts considered doubtful. In respect of the stockbroking subsidiary companies, allowance 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, other than those arising from inward treaty business, are determined for each class of business after taking into account inter alia reinsurances, commissions, unearned premiums and claims incurred.

Premium is recognised in a financial period in respect of risks assumed during that particular financial period. Inward treaty reinsurance premiums are recognised on the basis of periodic advices received from ceding insurers while facultative reinsurance premiums are recognised on inception date.

Underwriting results relating to reinsurance inward treaty transactions, regardless of the underwriting years to which they pertain, are included in current operations to the extent that such transactions are reported by the brokers and reinsurers in their statements of accounts received by the Group as at the end of the financial year.





The reserves for unexpired risks ("RUR") represent the portion of premium income not yet earned at the balance sheet date. RUR is computed on the 25% method for marine business; 1/24th method for all other classes of general Malaysian business; and 1/8th method for all other classes of overseas inward treaty business.

The unearned premium reserves calculation is adjusted for additional unearned premium reserve as required under the guidelines issued by Bank Negara Malaysia in respect of premium ceded to overseas reinsurers.

A liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance. The amount of outstanding claims is the best estimate of the expenditure required together with the related expenses less recoveries to settle the present obligation at the balance sheet date.

Provision is also made for the cost of claims, together with related expenses incurred but not reported ("IBNR") at balance sheet date, using a mathematical method of estimation.

The cost of acquiring and renewing insurance policies net of income derived from ceding reinsurance premiums is recognised as incurred and properly allocated to the periods in which it is probable they give rise to income.

**(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.

### 3. Significant Accounting Policies (cont'd)

#### (n) Currency Translation (cont'd)

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

Foreign Currency	31.12.2002	31.12.2001
1 US Dollar	<b>RM3.800</b>	RM3.800
1 Singapore Dollar	<b>RM2.192</b>	RM2.054
1 Sterling Pound	<b>RM6.093</b>	RM5.510
1 Australian Dollar	<b>RM2.153</b>	RM1.942
1 Hong Kong Dollar	<b>RM0.487</b>	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 sales taxes and discounts, and after eliminating sales within the Group.

Revenue from hotels is recognised upon occupancy of rooms and delivery of food and beverages.

Brokerage fees are recognised on the contract date.

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

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

Education fees are recognised over the period of the course.

Property rental income is recognised on an accrual basis.

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

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

#### (p) Development Property and Expenditure

Development property and 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 development property and 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 with insignificant risk of changes in value.

**(t) Impairment of Assets**

The carrying amount of the Group's assets, other than inventories and financial assets (other than investments in subsidiaries, associated companies and joint ventures), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statement. All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued assets where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

The impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of the specific event. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

An impairment is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(u) Liabilities**

Trade and other payables are stated at costs which is the fair value of the consideration to be paid in the future for goods and services received. Borrowings are interests-bearing and are recorded at the amount of proceeds received, net of transaction costs.

### 3. Significant Accounting Policies (cont'd)

#### (v) Provisions

Provisions, other than provision for outstanding insurance claims, are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### (w) Financial Instruments

Financial instruments carried on the balance sheets include cash and bank balances, investments, receivables, payables and bank borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy associated with each item.

### 4. Authorisation Of Issue Of Financial Statements

The financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 30 April 2003.

### 5. Revenue

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

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue from hotels	<b>832,352,796</b>	132,410,901	-	-
Sales of goods	<b>319,961,632</b>	342,607,599	-	-
Gross written insurance premium	<b>89,404,874</b>	71,384,319	-	-
Income from sales of tickets and travel related services	<b>30,638,572</b>	31,529,525	-	-
Income recognised on property development	<b>24,574,617</b>	45,807,054	-	-
Interest income	<b>24,360,921</b>	23,892,704	<b>5,452,938</b>	4,355,722
Brokerage fees	<b>13,482,537</b>	6,691,986	-	-
Education fees	<b>8,780,893</b>	11,029,252	-	-
Property rental income	<b>8,466,363</b>	8,732,140	-	-
Dividend income	<b>4,722,872</b>	18,519,205	<b>17,042,982</b>	17,042,982
Corporate advisory fees, underwriting commission & other commissions	<b>1,822,761</b>	-	-	-
Others *	<b>315,803</b>	234,036	-	-
	<b>1,358,884,641</b>	692,838,721	<b>22,495,920</b>	21,398,704

\* Comprise mainly revenue from share registration and secretarial services, computer related services and equipment rental.





## 6. Exceptional Items

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Impairment of assets in compliance with MASB 23 *				
– goodwill	<b>(500,557,000)</b>	–	–	–
– investments in associated companies	<b>(221,998,861)</b>	–	–	–
– property, plant and equipment	<b>(19,832,211)</b>	–	–	–
– investments in subsidiary companies	–	–	<b>(157,147,211)</b>	–
	<b>(742,388,072)</b>	–	<b>(157,147,211)</b>	–
Allowance for diminution in value of long term investments	<b>(133,067,333)</b>	(39,082,835)	–	–
Allowance for doubtful debts on amounts owing by subsidiary companies	–	–	<b>(553,299,822)</b>	–
Bad debts written off	<b>(1,293,649)</b>	(200,557)	–	–
Bad debts recovered	<b>1,192,437</b>	–	–	–
Gain on settlement and assignment of debts	<b>1,916,802</b>	–	–	–
Gain/(Loss) in foreign exchange				
– unrealised	<b>38,635,061</b>	(12,158,272)	–	–
– realised	<b>71,632</b>	12,945	–	–
Gain on disposal of joint ventures	<b>2,604,720</b>	–	–	–
Gain on disposal of property	<b>12,899,066</b>	–	–	–
Gain on dilution of interest in a subsidiary company	–	124,470,793	–	–
(Loss)/Gain on disposal of other investments	<b>(20,029,725)</b>	678,193	–	–
Loss on disposal of subsidiary companies	<b>(330,133)</b>	(7,424,825)	–	–
Interest waived on debts	<b>757,261</b>	–	–	–
Surplus/(Deficit) arising from subsidiary companies not consolidated	<b>1,220,006</b>	(831,728)	–	–
Writeback of doubtful debts	<b>2,045,065</b>	13,543,700	–	–
Writeback of corporate guarantees	–	2,332,240	–	–
	<b>(835,766,862)</b>	81,339,654	<b>(710,447,033)</b>	–

\* The recognition of impairment of assets is in compliance with MASB 23 "Impairment of Assets" which became operative in the financial year ended 31 December 2002.

## 7. (Loss)/Profit Before Taxation

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

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Auditors' remuneration				
– current	<b>2,240,204</b>	1,363,609	<b>50,000</b>	50,000
– (overprovision)/underprovision in prior years	<b>(22,059)</b>	6,888	–	–
Allowance for diminution in value of short term investments	<b>10,268</b>	5,021,906	–	–
Allowance for doubtful debts	<b>2,828,911</b>	2,045,238	–	–
Amortisation of premiums net of accretion of discounts on government securities and bonds	<b>428,518</b>	216,649	–	–
Depreciation	<b>76,390,174</b>	37,824,420	–	–
Directors' remuneration:-				
Directors of the Company				
– fees	<b>690,140</b>	606,017	<b>324,000</b>	324,000
– other emoluments	<b>5,351,507</b>	4,369,242	<b>322,000</b>	300,000
– benefits-in-kind	<b>90,502</b>	40,909	<b>3,186</b>	–
Other Directors				
– fees	<b>1,337,069</b>	779,539	–	–
– other emoluments	<b>3,497,785</b>	3,072,895	–	–
– benefits-in-kind	<b>81,369</b>	113,102	–	–
Interest expense				
– bank overdrafts	<b>12,380,457</b>	11,059,697	–	–
– term loans	<b>105,375,447</b>	26,694,968	–	–
– other borrowings	<b>109,444,056</b>	67,303,905	<b>536,740</b>	–
– subsidiary company	–	–	<b>1,800,000</b>	793,973
Loss on disposal of short term investments	<b>515,335</b>	246,836	–	–
Plant and equipment written off	<b>437,692</b>	676,281	–	–
Provision for employee benefits ( <i>net</i> )	<b>188,055</b>	–	–	–
Rental of buildings	<b>4,916,009</b>	4,545,220	–	–
Rental of equipment	<b>2,830,846</b>	868,312	–	–
Staff costs	<b>354,581,970</b>	116,897,756	–	–
<hr/>				
and after crediting:-				
Gross dividends				
Subsidiary companies				
– quoted in Malaysia	–	–	<b>17,002,982</b>	17,002,982
– unquoted	–	–	<b>40,000</b>	40,000
Other investments				
– quoted in Malaysia	<b>715,158</b>	4,521,187	–	–
– quoted overseas	<b>8,153,214</b>	19,734,365	–	–
– unquoted	<b>45,000</b>	17,104,208	–	–
Interest income				
– subsidiary companies	–	–	<b>5,444,263</b>	4,348,487
– government securities	<b>1,547,942</b>	1,587,318	–	–
– others	<b>60,840,543</b>	57,338,137	<b>8,675</b>	7,235
Gain on disposal of plant and equipment	<b>304,423</b>	10,830	–	–
Property rental income	<b>6,051,376</b>	6,756,085	–	–
Writeback of employee benefits ( <i>net</i> )	–	12,837	–	–
<hr/>				



## 8. Taxation

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Current taxation				
– Malaysia	<b>28,160,020</b>	31,960,154	<b>4,972,460</b>	5,117,094
– Foreign	<b>7,379,598</b>	5,619,941	–	–
Recoverable effect of tax credit in respect of dividends received from subsidiary companies	<b>(11,544,634)</b>	(11,039,892)	–	–
Deferred taxation (Note 32)	<b>7,265,307</b>	1,074,095	–	–
	<b>31,260,291</b>	27,614,298	<b>4,972,460</b>	5,117,094
Group's share of taxation of associated companies	<b>172,200</b>	22,970,408	–	–
Group's share of taxation of joint ventures	<b>1,026,393</b>	1,287,753	–	–
	<b>32,458,884</b>	51,872,459	<b>4,972,460</b>	5,117,094
Over provision in respect of prior years	<b>(871,625)</b>	(8,501,481)	<b>(10,962)</b>	(2,023,026)
	<b>31,587,259</b>	43,370,978	<b>4,961,498</b>	3,094,068

The taxation charge of the Group for the financial year ended 31 December 2002 is due to the tax provision by certain subsidiary and associated companies which have taxable income. Losses suffered by certain subsidiary companies were not utilised to set off against the taxable profit of other subsidiary companies as no group relief is available in Malaysia. The effective tax rate of the Group for the financial year ended 31 December 2001 is higher than the statutory rate due to similar reasons as mentioned.

The taxation charge of the Company for the financial year ended 31 December 2002 is in respect of dividend and interest income. 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 followings:-

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Tax effects of:		
Unutilised tax losses	<b>240,288,573</b>	260,997,000
Unutilised capital allowances	<b>7,816,332</b>	20,866,000
	<b>248,104,905</b>	281,863,000

## 9. Loss Per Share

Loss per share of the Group is calculated by dividing the net loss for the financial year of RM996,505,581 (2001 : net loss for the financial year of RM35,311,995 (as restated - refer Note 34)) by the number of ordinary shares in issue during the financial year of 1,940,531,778 (2001 : 1,940,531,778).

## 10. Property, Plant And Equipment

### Group

	Freehold Land	Long Term Leasehold Land	Short Term Leasehold Land	Buildings	Plant & Machinery	Motor Vehicles	Furniture Fittings & Equipment	Construction Work-In Progress	Renovation	2002 RM	Total 2001 RM
<b>Cost or Valuation</b>											
At 1 January	770,571,917	26,746,427	1,203,780	1,692,539,798	642,736,191	18,120,889	88,201,000	7,997,781	19,516,219	3,267,634,002	787,735,703
Exchange difference	72,134,936	297,152	(4,023)	154,807,573	61,802,526	311,245	2,622,478	61,291	-	292,033,178	(20,309,796)
Reclassifications	-	(5,717,623)	-	5,768,610	(629,890,166)	-	629,890,166	(50,987)	-	-	-
	<b>842,706,853</b>	<b>21,325,956</b>	<b>1,199,757</b>	<b>1,853,115,981</b>	<b>74,648,551</b>	<b>18,432,134</b>	<b>790,713,644</b>	<b>8,008,085</b>	<b>19,516,219</b>	<b>3,559,667,180</b>	<b>767,425,907</b>
Additions	-	1,580,000	-	5,254,013	4,853,038	879,420	52,278,165	326,216	2,313,168	67,484,020	30,182,349
Disposals	(15,229,252)	-	-	(35,597,110)	(6,859,633)	(1,248,506)	(25,278,321)	-	-	(84,212,822)	(6,802,767)
Written off	-	-	-	-	(2,122)	-	(606,412)	-	-	(608,534)	(8,752,259)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	2,583,835,484
Disposal of subsidiaries	(22,170,750)	-	-	(19,685,250)	-	(185,135)	(6,411,088)	(112,881)	-	(48,565,104)	(97,630,294)
Subsidiaries under winding-up	-	-	-	(4,361,680)	-	-	(481,934)	-	-	(5,989,674)	(624,418)
not consolidated	-	(1,146,060)	-	-	-	-	-	-	-	-	-
At 31 December	<b>805,306,851</b>	<b>21,759,896</b>	<b>1,199,757</b>	<b>1,798,725,954</b>	<b>72,639,834</b>	<b>17,877,913</b>	<b>740,214,054</b>	<b>8,221,420</b>	<b>21,829,387</b>	<b>3,487,775,066</b>	<b>3,267,634,002</b>
<b>Accumulated Depreciation</b>											
At 1 January	-	2,640,547	121,157	148,711,107	254,103,766	15,603,726	57,403,111	-	10,457,761	489,041,175	249,305,739
Exchange difference	-	81,188	-	11,317,822	23,488,429	800,727	1,580,092	-	-	37,268,258	(2,761,413)
Reclassifications	-	(1,564,731)	-	1,564,731	(222,906,123)	-	222,906,123	-	-	-	-
	-	<b>1,157,004</b>	<b>121,157</b>	<b>161,593,660</b>	<b>54,686,072</b>	<b>16,404,453</b>	<b>281,889,326</b>	<b>-</b>	<b>10,457,761</b>	<b>526,309,433</b>	<b>246,544,326</b>
Charge for the financial year	-	136,774	14,853	10,213,980	3,623,755	886,189	58,181,589	-	3,333,034	76,390,174	37,824,420
Disposals	-	-	-	(2,787,648)	(6,825,684)	(1,123,382)	(9,000,769)	-	-	(19,737,483)	(4,411,345)
Written off	-	-	-	-	-	-	(170,842)	-	-	(170,842)	(8,075,978)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	280,003,635
Disposal of subsidiaries	-	-	-	(4,174,840)	-	(185,135)	(5,627,651)	-	-	(9,987,626)	(62,259,744)
Subsidiaries under winding-up	-	(148,441)	-	(1,384,474)	-	-	(481,934)	-	-	(2,014,849)	(584,139)
not consolidated	-	-	-	-	-	-	-	-	-	-	-
At 31 December	-	<b>1,145,337</b>	<b>136,010</b>	<b>163,460,678</b>	<b>51,484,143</b>	<b>15,982,125</b>	<b>324,789,719</b>	<b>-</b>	<b>13,790,795</b>	<b>570,788,807</b>	<b>489,041,175</b>
<b>Accumulated Impairment</b>											
At 1 January	-	-	-	-	-	-	-	-	-	-	-
Impairment for the financial year	7,242,211	-	-	12,590,000	-	-	-	-	-	19,832,211	-
At 31 December	<b>7,242,211</b>	<b>-</b>	<b>-</b>	<b>12,590,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,832,211</b>	<b>-</b>
<b>Net Book Value</b>											
At 31 December 2002	<b>798,064,640</b>	<b>20,614,559</b>	<b>1,063,747</b>	<b>1,622,675,276</b>	<b>21,155,691</b>	<b>1,895,788</b>	<b>415,424,335</b>	<b>8,221,420</b>	<b>8,038,592</b>	<b>2,897,154,048</b>	<b>-</b>
At 31 December 2001	770,571,917	24,105,880	1,082,623	1,543,828,691	388,632,425	2,517,163	30,797,889	7,997,781	9,058,458	-	2,778,592,827





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

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
<i>Freehold land and buildings</i>		
Valuation in 1982	<b>150,000</b>	150,000
Valuation in 1983	<b>91,412,937</b>	91,412,937
Valuation in 1986	<b>16,960,356</b>	16,960,356
	<b>108,523,293</b>	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. 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) The impairment of certain freehold land and building of the Group is recognised during the financial year to reflect its recoverable amount which is based on the estimated market value.
- (c) Certain land and buildings, furniture, fittings and equipment, and plant and machinery of the subsidiary companies with net book value totalling RM2,460,827,039 (2001 : RM2,245,759,531) are pledged to financial institutions for banking facilities granted to these subsidiary companies.
- (d) Plant and equipment of the Group with net book value totalling RM375,403 (2001 : RM54,989) have been acquired under hire purchase and lease arrangement.

## 11. Investment Properties

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
At Directors' valuation (1983)		
Freehold land	<b>56,004,200</b>	56,004,200
Building	<b>84,995,800</b>	84,995,800
	<b>141,000,000</b>	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 the Group's investment properties based upon the advice of professional valuers. The investment properties are stated at valuation less impairment losses, if any. The fair value of the investment property 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.

## 12. Subsidiary Companies

	<i>Company</i>	
	<i>2002</i>	<i>2001</i>
	<i>RM</i>	<i>RM</i>
Investments in subsidiary companies		
Quoted shares		
At cost	<b>500,097,532</b>	500,097,532
At Directors' valuation (1983)	<b>56,529,299</b>	56,529,299
	<b>556,626,831</b>	556,626,831
Unquoted shares		
At cost	<b>692,373,946</b>	692,373,946
At Directors' valuation:-		
– 1983	<b>38,717,769</b>	38,717,769
– 1987	<b>6,900,000</b>	6,900,000
	<b>737,991,715</b>	737,991,715
	<b>1,294,618,546</b>	1,294,618,546
Less: Impairment	<b>(177,760,877)</b>	(20,613,666)
	<b>1,116,857,669</b>	1,274,004,880
Market value of quoted shares	<b>170,791,617</b>	188,133,176

- (a) Certain investments in subsidiary companies are carried at revalued amounts based on valuations made by Directors in 1983 and 1987. The valuation 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 period beginning on or after 1 January 1993, the investments in subsidiary companies are stated at its previous valuations less impairment losses, if any.
- (b) The impairment of certain investments in subsidiary companies is recognised during the financial year to reflect their recoverable amounts which are based on the net assets of each subsidiary company.
- (c) The consolidated financial statements do not deal with the following subsidiary companies:-

Asia Entertainment Network Sdn Bhd  
GCIH (Singapore) Pte Ltd  
Grand Union General and Motor Insurance Company Limited ("GUGM")  
Grand Union Insurance Company Limited  
Heng's Food & Beverage Industries Pte Ltd  
Office Business Systems (Malacca) Sdn Bhd  
Office Business Systems (Penang) Sdn Bhd  
Office Business Systems Sdn Bhd  
Pengkalan Electronics Industries Sdn Bhd

Pengkalen Heights Sdn Bhd  
Sensor Equipment Sdn Bhd  
Technitone (M) Sdn Bhd  
Welland Investment Pte Ltd

These companies are subsidiary companies of Pan Malaysia Holdings Berhad (“PM Holdings”) and were placed under winding-up or receivership prior to 2001. The companies which were placed under receivership were also subsequently placed under winding-up.

Subsequent to the balance sheet date, GUGM was dissolved on 23 January 2003 pursuant to Section 266A(2) of the Companies Ordinance (Chapter 32) of the Laws of Hong Kong.

(d) The consolidated financial statements do not deal with the following subsidiary companies from the date control in these subsidiary companies ceased:-

- (i) 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 (“PHK”).

These companies are subsidiary companies of PM Holdings and were placed under voluntary winding-up in 2001. Accordingly, the consolidated income statement includes the financial results of these companies up to the date when these companies were placed under winding-up. PHK was dissolved on 26 December 2002 pursuant to Section 239(4) of the Companies Ordinance (Chapter 32) of the Laws of Hong Kong.

The financial statements of the subsidiary companies mentioned above were not consolidated with those of the Group for the financial year ended 31 December 2001. The effects of the non-consolidation of these subsidiary companies on the financial results of the Group for the financial year ended 31 December 2001 were as follows: -

	<i>2001</i> <i>At the date of</i> <i>non-consolidation</i> <i>RM</i>
Revenue	5,090,536
Operating cost	(5,615,926)
Deficit arising from subsidiary companies not consolidated	(831,728)
Loss before taxation	(1,357,118)
Taxation	11,335
Loss after taxation	(1,345,783)
Minority interests	(4,961)
Increase in Group net loss for the financial year	(1,350,744)

## 12. Subsidiary Companies (cont'd)

The effects of the non-consolidation of the above mentioned companies on the financial position of the Group were as follows:-

	<i>2001</i> <i>At the date of</i> <i>non-consolidation</i> <i>RM</i>
Assets and liabilities not consolidated	
Property, plant and equipment	40,279
Goodwill on consolidation	622,347
Trade and other receivables	1,120,074
Bank balances and cash	829,434
Trade and other payables	(1,775,445)
Minority interests	(4,961)
	<hr/>
Net assets not consolidated	831,728
	<hr/>

The effects of the non-consolidation of the above mentioned companies on the cash flows of the Group are disclosed in Note (d) to the cash flow statements.

- (ii) Fibercorp (Sarawak) Sdn Bhd ("FSB") and Cocoa Specialities (Malaysia) Sdn Bhd ("CSM"),

FSB and CSM are subsidiary companies of PM Holdings and were placed under voluntary winding-up during the financial year. Accordingly, the consolidated income statement includes the financial results of these companies up to the date when these companies were placed under winding-up.

The effects of the non-consolidation of FSB and CSM during the financial year ended 31 December 2002 on the financial results of the Group are as follows: -

	<i>2002</i> <i>Up to the date of</i> <i>non-consolidation</i> <i>RM</i>	<i>2001*</i> <i>RM</i>
Revenue	-	-
Operating cost	(48,264)	(1,031,583)
Surplus arising from subsidiary companies not consolidated	1,220,006	-
	<hr/>	<hr/>
Profit/(Loss) before taxation	1,171,742	(1,031,583)
Taxation	-	(914)
	<hr/>	<hr/>
Decrease/(Increase) in Group net loss for the financial year	1,171,742	(1,032,497)
	<hr/>	<hr/>



The effects of the non-consolidation of FSB and CSM on the financial position of the Group are as follows:

	<b>2002</b> <b>At the date of</b> <b>non-consolidation</b> <b>RM</b>	<b>2001*</b>  <b>RM</b>
Assets and liabilities not consolidated		
Property, plant and equipment	<b>3,974,825</b>	4,025,082
Trade and other receivables	<b>29,452</b>	34,032
Bank balances and cash	<b>196,744</b>	308,087
Taxation	<b>(215,000)</b>	(212,746)
Trade and other payables	<b>(5,203,995)</b>	(136,329)
Minority interests	<b>(2,032)</b>	(2,032)
Net (liabilities)/assets not consolidated	<b>(1,220,006)</b>	4,016,094

The effects of the non-consolidation of the above mentioned companies on the cash flows of the Group are disclosed in Note (d) to the cash flow statements.

\* These are the comparative financial results/position for the financial year ended/as at 31 December 2001 in respect of the above subsidiary companies not consolidated.

(iii) Sparkton Investment Limited ("SIL")

SIL was a subsidiary company of Network Foods International Ltd and was de-registered on 13 December 2002 from the Companies Registry of Hong Kong following the application by the company for de-registration as the company was dormant. There are no financial effects arising on the de-registration.

(e) Acquisition of subsidiary companies

- (i) On 26 September 2002, the Group had acquired two (2) ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of Destiny Aims Sdn Bhd ("DASB") for a cash consideration of RM2. DASB is currently dormant and its intended principal activity is inbound tours business.

As DASB is currently dormant, there is no effect of the acquisition on the financial results for the financial year ended 31 December 2002. The effects of the acquisition on the financial position of the Group are as follow:-

	<b>As at</b> <b>31.12.2002</b> <b>RM</b>
Assets acquired	
Deposits, bank balances and cash	<b>2</b>
Net assets acquired	<b>2</b>

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



## 12. Subsidiary Companies (cont'd)

- (ii) 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) from Sphere Resources Limited. Prior to the acquisition, MUI had effectively 49% equity interest in LVHL. LVHL through its subsidiary, Corus & Regal Hotels 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 were as follow:-

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

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

	<i>As at 31.12.2001 As restated RM</i>	<i>As previously reported RM</i>
Property, plant and equipment	2,299,155,921	2,299,155,921
Joint ventures	11,200,298	18,645,515
Negative goodwill	(117,779,991)	(250,770,481)
Inventories	8,218,077	8,218,077
Trade and other receivables	145,497,985	162,263,715
Tax recoverable	5,342,514	769,912
Deposits, bank balances and cash	243,945,001	243,945,001
Trade and other payables	(434,059,337)	(438,433,697)
Bank overdraft	(25,589,283)	(25,589,283)
Provision for taxation	-	(7,766,356)
Bank borrowings	(1,968,258,321)	(1,968,258,321)
Deferred tax liabilities	(153,660,588)	(1,999,265)
Minority interests	(52,937,648)	(56,516,566)
Net liabilities acquired	(38,925,372)	(16,335,828)



The above effects on the financial position of the Group have been restated due to the change of accounting policy on deferred taxation by LVHL. The change has been accounted for as prior year adjustments and the previously reported figures have been restated accordingly. The details of the prior year adjustments are disclosed in Note 34.

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

(f) Disposals of subsidiary companies

- (i) The Group completed the disposal of Excel Education Pty Ltd ("Excel") on 11 December 2002.

The effects of the disposal of Excel on the financial results of the Group for the financial year ended 31 December 2002 are as follows:-

	<b>2002</b> <b>Up to the date of</b> <b>disposal</b> <b>RM</b>	<b>2001*</b>  <b>RM</b>
Revenue	<b>8,793,522</b>	10,979,086
Operating costs	<b>(12,685,684)</b>	(13,223,191)
Loss on disposal of subsidiary company	<b>(330,133)</b>	–
Loss from operations	<b>(4,222,295)</b>	(2,244,105)
Finance cost	<b>(51,146)</b>	(106,029)
Loss before taxation	<b>(4,273,441)</b>	(2,350,134)
Taxation	–	431,267
Increase in Group net loss for the financial year	<b>(4,273,441)</b>	(1,918,867)

The effects of the disposal of Excel on the financial position of the Group as at 31 December 2002 are as follows:-

	<b>2002</b> <b>At the date of</b> <b>disposal</b> <b>RM</b>	<b>2001*</b>  <b>RM</b>
Assets and liabilities disposed		
Property, plant and equipment	<b>38,577,478</b>	35,253,483
Short term investment	<b>4</b>	4
Trade and other receivables	<b>1,335,269</b>	3,196,206
Bank balances and cash	<b>941,028</b>	1,919,827
Tax recoverable	–	467,827
Goodwill on consolidation	<b>4,088,817</b>	–
Trade and other payables	<b>(14,781,784)</b>	(4,024,380)
Bank borrowings	<b>(1,598,270)</b>	(832,711)
Taxation	<b>(4)</b>	–
Deferred taxation	<b>(598,770)</b>	(540,077)
Net assets disposed	<b>27,963,768</b>	35,440,179

\* These are the comparative financial results/positions for the financial year ended/as at 31 December 2001 in respect of the above subsidiary company disposed of.

## 12. Subsidiary Companies (cont'd)

The effects of the disposal of Excel on the cash flow of the Group at the date of disposal are disclosed in Note (c) to the cash flow statements.

- (ii) In 2001, the Group disposed of Focusprint Sendirian Berhad ("Focusprint"), Label Specialist Industries Sdn Bhd ("Labels") and Pengkalen Concrete Sdn Bhd ("PCSB").

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

	<i>2001 Up to the dates of disposals RM</i>
Revenue	22,907,309
Operating costs	(23,551,547)
Loss on disposal of subsidiary companies	(7,424,825)
Loss from operations	(8,069,063)
Finance cost	(320,977)
Loss before taxation	(8,390,040)
Taxation	(288,433)
Loss after taxation	(8,678,473)
Minority interests	(848,004)
Increase in Group net loss for the financial year	(9,526,477)

The effects of the disposals of Focusprint, Labels and PCSB on the financial position of the Group as at 31 December 2001 were as follows:-

	<i>2001 At the dates of disposals RM</i>
Assets and liabilities disposed	
Property, plant and equipment	35,370,550
Inventories	13,181,985
Short term investment	1,430
Trade and other receivables	33,783,287
Bank balances and cash	5,096,727
Goodwill on consolidation	730,252
Trade and other payables	(32,687,642)
Bank overdrafts	(1,490,133)
Other bank borrowings	(1,616,818)
Taxation	(463,896)
Deferred taxation	(1,626,850)
Minority interests	(15,455,381)
Net assets disposed	34,823,511

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

- (g) The subsidiary companies consolidated are listed on pages 112 to 122.



### 13. Associated Companies

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Investments in associated companies:-		
Quoted shares, at cost		
Malaysian	<b>742,609,971</b>	742,556,631
Overseas	<b>336,278,477</b>	336,278,477
	<b>1,078,888,448</b>	1,078,835,108
Unquoted shares, at cost	<b>123,771,215</b>	123,771,216
	<b>1,202,659,663</b>	1,202,606,324
Group's share of post-acquisition reserves and retained profits less losses	<b>(354,739,933)</b>	(235,819,858)
	<b>847,919,730</b>	966,786,466
Less : Impairment of investments	<b>(221,998,861)</b>	–
	<b>625,920,869</b>	966,786,466
Market value of quoted shares		
Malaysian	<b>187,078,160</b>	254,990,042
Overseas	<b>152,677,842</b>	377,678,490
	<b>339,756,002</b>	632,668,532
(a) The Group's interests in associated companies comprises:-		
Group share of net assets	<b>372,483,113</b>	493,445,811
Goodwill on acquisition	<b>253,437,756</b>	467,410,520
	<b>625,920,869</b>	960,856,331
(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\$818.9 million (RM397.4 million) granted to another overseas subsidiary company.		
(c) The impairment of certain investments in associated companies is recognised during the financial year to reflect their recoverable amounts based on the market prices of the shares or net assets of the associated companies.		
(d) The associated companies are listed on pages 112 to 122.		

## 14. Joint Ventures

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Investments in joint ventures		
Unquoted shares, at cost	<b>1,981,669</b>	4,945,568
Group's share of post-acquisition reserves and retained profits less losses	<b>7,420,378</b>	6,254,730
	<b>9,402,047</b>	11,200,298

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

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Property, plant and equipment	<b>109,443,770</b>	110,851,299
Current assets	<b>7,583,549</b>	13,149,802
Current liabilities	<b>(9,964,669)</b>	(14,676,900)
Non-current liabilities	<b>(97,660,603)</b>	(98,123,903)
Net assets	<b>9,402,047</b>	11,200,298
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:-

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Revenue	<b>42,578,860</b>	8,072,529
Expenses	<b>(39,246,925)</b>	(6,505,317)
Profit before taxation	<b>3,331,935</b>	1,567,212
Taxation	<b>(1,026,393)</b>	(1,287,753)
Profit after taxation	<b>2,305,542</b>	279,459

- (c) The joint ventures are listed on page 122.





## 15. Investments

	<i><b>Group</b></i>	
	<i><b>2002</b></i>	<i><b>2001</b></i>
	<i><b>RM</b></i>	<i><b>RM</b></i>
Quoted shares		
Malaysian, at cost	<b>93,612,191</b>	93,616,797
Overseas, at cost	<b>468,365,194</b>	520,298,980
	<b>561,977,385</b>	613,915,777
Less : Allowance for diminution in value	<b>(175,330,585)</b>	(46,879,268)
	<b>386,646,800</b>	567,036,509
Unquoted shares, at cost	<b>459,499,438</b>	479,387,661
Less : Allowance for diminution in value	<b>(216,359,560)</b>	(211,741,906)
	<b>243,139,878</b>	267,645,755
	<b>629,786,678</b>	834,682,264
Market value of quoted shares		
Malaysian	<b>23,377,469</b>	37,993,625
Overseas	<b>225,758,119</b>	358,165,335
	<b>249,135,588</b>	396,158,960

Certain overseas quoted investments held by overseas subsidiary companies are pledged to overseas financial institutions for credit facilities of HK\$1,053.5 million (RM513.4 million) (which included credit facilities as mentioned in Note 27) granted to another overseas subsidiary company.

## 16. Development Properties And Expenditure

	<i><b>Group</b></i>	
	<i><b>2002</b></i>	<i><b>2001</b></i>
	<i><b>RM</b></i>	<i><b>RM</b></i>
Land at Cost	<b>104,943,358</b>	104,942,790
Development expenditure	<b>188,993,755</b>	163,158,469
	<b>293,937,113</b>	268,101,259
Non-current portion	<b>(64,878,959)</b>	(64,878,459)
	<b>229,058,154</b>	203,222,800
Portion of profit attributable to development work performed	<b>24,166,006</b>	18,802,617
	<b>253,224,160</b>	222,025,417
Progress billings received and receivable	<b>(125,585,187)</b>	(101,010,570)
Current portion	<b>127,638,973</b>	121,014,847

Interest expense included in development expenditure amounted to RM15,065,147 (2001 : RM12,607,350).

## 17. Intangible Assets

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Balance at 1 January	<b>144,037,021</b>	–
Acquisition of stockbroking licences during the financial year	–	144,037,021
Balance at 31 December	<b>144,037,021</b>	144,037,021

## 18. Goodwill On Consolidation

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
At cost	<b>974,776,025</b>	970,608,756 *
Less: Impairment	<b>(500,557,000)</b>	–
	<b>474,219,025</b>	970,608,756

The impairment of goodwill in certain subsidiary companies is recognised during the financial year to reflect their recoverable amounts based on their value in use, which is measured by reference to the individual subsidiary company based on the net realisable value.

\* The comparative figure has been restated due to the prior year adjustments as detailed in Note 34.

## 19. Inventories

Inventories are stated at cost and comprise the following:-

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Food, beverages and hotel supplies	<b>9,012,894</b>	9,631,030
Sundry stores and consumables	<b>1,380,945</b>	1,325,293
Raw materials	<b>3,574,337</b>	3,351,312
Finished goods	<b>39,568,944</b>	43,426,850
Work-in-progress	<b>1,073,835</b>	1,201,298
	<b>54,610,955</b>	58,935,783



## 20. Trade And Other Receivables

	<i>Group</i>		<i>Company</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Trade receivables	<b>539,413,835</b>	531,770,583	–	–
Less : Allowance for doubtful debts net of bad debts written off of RM1,508,688 (2001 : RM295,010) for the Group	<b>(8,763,359)</b>	(9,973,915)	–	–
	<b>530,650,476</b>	521,796,668	–	–
Other receivables	<b>153,684,798</b>	164,189,972	<b>68,819</b>	82,296
Less : Allowance for doubtful debts net of bad debts written off of RM Nil (2001 : RM32,855) for the Group	<b>(50,755,846)</b>	(49,279,002)	–	–
	<b>102,928,952</b>	114,910,970	<b>68,819</b>	82,296
Amounts owing by associated companies	<b>13,261,511</b>	5,215,844	–	–
Less : Allowance for doubtful debts	<b>(1,140,696)</b>	(1,152,014)	–	–
	<b>12,120,815</b>	4,063,830	–	–
Amounts owing by subsidiary companies	–	–	<b>1,408,917,596</b>	1,390,464,423
Less : Allowance for doubtful debts	–	–	<b>(553,299,822)</b>	–
	–	–	<b>855,617,774</b>	1,390,464,423
Sundry deposits & prepayments	<b>26,660,421</b>	26,909,564	–	–
Amounts owing by joint ventures	<b>52,482,305</b>	56,138,977	–	–
	<b>724,842,969</b>	723,820,009	<b>855,686,593</b>	1,390,546,719

(a) The foreign currency exposure profile of trade receivables is as follows:-

	<i>Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>RM</i>	<i>RM</i>
Sterling Pound	<b>34,532,004</b>	35,830,792
Australian Dollar	<b>20,019,587</b>	22,236,184
Hong Kong Dollar	<b>2,502,693</b>	3,283,547
Indian Rupees	<b>1,527,476</b>	2,349,204
Singapore Dollar	<b>1,481,454</b>	1,400,487
US Dollar	<b>322,151</b>	1,314,240
	<b>60,385,365</b>	66,414,454

(b) Included in other receivables of the Group are amounts arising from Corus & Regal Hotels plc ("Corus") and Plaza on Hyde Park Limited ("Plaza") amounting to RM19,621,196 (2001 : RM57,725,101).

## 20. Trade And Other Receivables (cont'd)

- (c) The amounts owing by associated companies represent balances arising from advances, which are unsecured, bear interest at 6.8% (2001 : 6.8%) per annum and are repayable on demand.
- (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 RM139,998,130 (2001 : RM116,458,670) which bear interest at 3% to 8% per annum (2001 : 3% to 8% per annum).
- (e) The amounts owing by joint ventures, which represents balances arising from advances by overseas subsidiary companies, are secured, repayable within the next twelve months after end of the financial year and bear interest at 3.5% per annum above LIBOR (2001 : 3.5% per annum above LIBOR) except for amounts totalling RM2,708,588 which are interest free.
- (f) Normal trade credit terms ranges from 16 days to 140 days. Other credit terms are assessed and approved on a case-by-case basis.

Concentration of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are internationally dispersed. The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

## 21. Amounts Owning By Brokers And Clients

The amounts owing by brokers and clients are stated net of allowance for doubtful debts amounting to RM445,036,382 (2001 : RM446,732,219) after netting of bad debts written off amounting to RM Nil (2001 : RM118,506,096).

## 22. Government Securities And Bonds

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
At Cost		
Malaysian Government Securities - quoted	<b>14,487,610</b>	14,835,380
Cagamas Bonds - quoted	<b>8,761,190</b>	10,238,134
Corporate Bonds - unquoted	<b>7,022,400</b>	7,022,400
	<b>30,271,200</b>	32,095,914
(Amortisation of premiums)/Accretion of discounts		
Malaysian Government Securities	<b>(755,513)</b>	(429,297)
Cagamas Bonds	<b>(43,272)</b>	(24,285)
Corporate Bonds	<b>111,200</b>	91,200
	<b>(687,585)</b>	(362,382)
	<b>29,583,615</b>	31,733,532
Market value of quoted securities and bonds		
Malaysian Government Securities	<b>14,068,240</b>	14,898,370
Cagamas Bonds	<b>8,862,170</b>	10,529,716
	<b>22,930,410</b>	25,428,086



2002	Effective Interest Rate %	Amount RM	Maturity		
			1 year RM	1 to 5 years RM	After 5 years RM
Debt securities held to maturity:-					
Malaysian Government Securities	8.03	13,732,097	4,344,413	9,387,684	-
Cagamas Bonds	5.13	8,717,918	5,701,021	3,016,897	-
Corporate Bonds	6.54	7,133,600	-	2,033,600	5,100,000
<hr/>					
2001					
Debt securities held to maturity:-					
Malaysian Government Securities	7.91	14,406,083	3,503,481	10,902,602	-
Cagamas Bonds	5.69	10,213,849	1,478,222	8,735,627	-
Corporate Bonds	6.11	7,113,600	971,600	1,042,000	5,100,000

### 23. Short Term Investments

	Group	
	2002 RM	2001 RM
Quoted shares, at cost less allowance for diminution in value of RM17,531,703 (2001 : RM17,917,225)	23,157,360	22,957,998
Market value of quoted shares	23,157,360	22,980,649

The market value at the balance sheet date of these investments approximated the fair value.

### 24. Deposits, Bank Balances And Cash

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Term deposits with:-				
- Licensed banks	508,517,226	590,081,088	274,999	288,117
- Licensed finance companies	335,637,242	262,352,245	-	-
- Other corporations	250,000	250,000	-	-
Call deposits	803,863	1,352,827	-	-
Bank balances and cash	21,452,247	74,147,271	34,279	40,296
	866,660,578	928,183,431	309,278	328,413

(a) The foreign currency exposure profile of bank balances and cash is as follows:-

Sterling Pound	210,316,487	244,016,001	-	-
Singapore Dollar	22,850,812	20,121,647	-	-
Australian Dollar	16,473,208	4,791,420	-	-
US Dollar	14,799,552	21,314,215	18,711	15,127
Hong Kong Dollar	1,257,539	1,842,406	256,288	272,990
Canadian Dollar	57,363	50,000	-	-
Others	17,860	62,519	-	-
	265,772,821	292,198,208	274,999	288,117



## 24. Deposits, Bank Balances And Cash (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
(b) The weighted average interest rates of deposits, bank balances and cash that were effective during the financial year are as follow:-				
Term and call deposits with licensed banks	<b>2.7</b>	2.8	<b>0.25</b>	0.28
Term and call deposits with other corporations	<b>3.7</b>	2.4	–	–
Bank balances and cash	<b>1.2</b>	0.2	–	–

The deposits have an average maturity of 30 days.

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

- (i) Amounts totalling RM36,980 (2001 : Nil) belonging to a subsidiary company representing customers' segregated funds which have been segregated and separately accounted for under Section 52A of the Futures Industry Act, 1993.
- (ii) Amounts totalling RM4,330,261 (2001 : RM4,393,165) held under the Housing Development Accounts which are interest bearing pursuant to Section 7A of the Housing Developers Act, 1966.
- (iii) Amounts totalling RM15,376,305 (2001 : RM18,907,900) maintained as trust monies in accordance with the requirements of the Kuala Lumpur Stock Exchange and the Security Industry Act, 1983.

## 25. Trade And Other Payables

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade payables	<b>117,157,681</b>	111,653,917	–	–
Other payables	<b>54,809,108</b>	69,523,273	<b>124,533</b>	68,826
Accrued administrative & other expenses	<b>62,171,648</b>	109,171,251	–	–
Dealers' and remisiers' commission & deposits	<b>8,614,119</b>	9,526,364	–	–
Tenant deposits	<b>4,163,807</b>	4,365,802	–	–
Amounts owing to associated companies	<b>57,467,953</b>	46,552,067	–	–
	<b>304,384,316</b>	350,792,674	<b>124,533</b>	68,826

- (a) Included in other payables and accrued administrative & other expenses of the Group are amounts arising from Corus amounting to RM29,695,576 (2001 : RM52,024,279) and RM39,969,568 (2001 : RM87,643,465) respectively and these payables relate to their operational activities.
- (b) The amounts owing to associated companies represent balances arising from advances received by overseas subsidiary companies and are unsecured, has no fixed terms of repayment and bear interest at 6.0% per annum except for an amount equivalent to RM4,857,741 (2001 : Nil) which is interest-free.



(c) The foreign currency exposure profile of trade payables is as follows:-

	<b>2002</b>	<b>Group</b>	<b>2001</b>
	<b>RM</b>		<b>RM</b>
Sterling Pound	<b>42,071,513</b>		41,596,390
Australian Dollar	<b>21,315,802</b>		16,670,839
US Dollar	<b>1,543,699</b>		7,429,555
Singapore Dollar	<b>1,238,913</b>		1,911,809
Indian Rupees	<b>1,187,793</b>		1,710,565
Hong Kong Dollar	<b>278,320</b>		297,757
New Zealand Dollar	<b>188,236</b>		453,322
Others	<b>69,991</b>		–
	<b>67,894,267</b>		70,070,237

(d) The normal trade credit term ranges from 3 to 64 days.

## 26. Provisions

	<b>2002</b>	<b>Group</b>	<b>2001</b>
	<b>RM</b>		<b>RM</b>
Provision for outstanding insurance claims			
Provision for outstanding claims	<b>63,607,226</b>		64,102,319
Less : Recoverable from reinsurers	<b>(26,382,957)</b>		(32,326,152)
Net outstanding claims	<b>37,224,269</b>		31,776,167
Provision for corporate guarantees	<b>5,184,238</b>		5,184,238
Employee benefits ( <i>refer Note 31</i> )	<b>1,399,395</b>		1,699,120
	<b>43,807,902</b>		38,659,525

The provision for corporate guarantees is in respect of corporate guarantees given by PM Holdings for banking facilities granted to a subsidiary company and unconsolidated subsidiary companies.

## 27. Borrowings

	<b>2002</b>	<b>Group</b>	<b>2001</b>	<b>2002</b>	<b>Company</b>	<b>2001</b>
	<b>RM</b>		<b>RM</b>	<b>RM</b>		<b>RM</b>
<b>Current</b>						
Bank overdrafts						
– secured	<b>1,174,644</b>		3,928,054	–		–
– unsecured	<b>194,558,417</b>		145,434,393	–		–
Bills payable						
– secured	<b>8,765,353</b>		15,509,122	–		–
– unsecured	<b>5,752,688</b>		6,160,500	–		–
Bank revolving credits						
– secured	<b>68,675,415</b>		28,041,933	–		–
– unsecured	<b>940,365,152</b>		868,419,635	<b>20,000,000</b>		–
Current portion of term loans	<b>81,486,272</b>		113,792,584	–		–
Hire purchase and lease liabilities	<b>188,720</b>		210,001	–		–
	<b>1,300,966,661</b>	1,181,496,222		<b>20,000,000</b>		–

## 27. Borrowings (cont'd)

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
<b>Non-Current</b>		
Term loans		
– secured	<b>1,423,797,532</b>	1,393,234,379
– unsecured	<b>200,482,420</b>	309,020,901
Debenture	<b>699,317,287</b>	633,650,000
Hire purchase and lease liabilities	<b>188,804</b>	344,988
Current portion of term loans	<b>(81,486,272)</b>	(113,792,584)
	<b>2,242,299,771</b>	2,222,457,684
<hr/>		
(a) The maturities of non-current term loans are as follows:-		
Between 1 year to 5 years	<b>1,726,765,973</b>	1,642,747,139
More than 5 years	<b>515,344,994</b>	579,365,557
	<b>2,242,110,967</b>	2,222,112,696
<hr/>		
(b) Details of hire purchase and finance lease liabilities are as follows:-		
Hire purchase and minimum lease payments		
Within 1 year	<b>239,327</b>	250,657
Between 1 year to 5 years	<b>227,752</b>	415,554
	<b>467,079</b>	666,211
Future finance charges	<b>(89,555)</b>	(111,222)
	<b>377,524</b>	554,989
<hr/>		
Present value of hire purchase and finance lease liabilities		
Portion payable:-		
Within 1 year (current)	<b>188,720</b>	210,001
Between 1 year to 5 years (non-current)	<b>188,804</b>	344,988
	<b>377,524</b>	554,989
<hr/>		
(c) The foreign currency exposure profile of borrowings is as follows:-		
Sterling Pound	<b>1,715,576,252</b>	1,602,075,612
Hong Kong Dollar	<b>514,450,834</b>	543,108,902
Australian Dollar	<b>29,537,109</b>	27,683,431
Indian Rupees	<b>3,953,467</b>	4,109,055
Singapore Dollar	<b>1,709,370</b>	1,008,268
	<b>2,265,227,032</b>	2,177,985,268
<hr/>		



	<i>Group</i>		<i>Company</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
(d) The weighted average interest rates of borrowings that were effective during the financial year are as follows:-				
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Bank overdrafts	<b>7.6</b>	7.8	–	–
Bills payable	<b>5.6</b>	7.0	–	–
Bank revolving credits	<b>4.9</b>	6.0	<b>4.6</b>	–
Term loans	<b>7.0</b>	7.5	–	–
Debenture	<b>9.0</b>	9.0	–	–
Hire purchase and lease liabilities	<b>7.2</b>	7.1	–	–
(e) The interest risk exposure is as follows:-				
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Fixed rate borrowings	<b>1,144,227,597</b>	1,032,869,000	–	–
Floating rate borrowings	<b>2,399,038,835</b>	2,371,084,906	<b>20,000,000</b>	–
	<b>3,543,266,432</b>	3,403,953,906	<b>20,000,000</b>	–
(f) Bills payable, bank overdrafts and bank revolving credits bear interests at between 0.5% to 2.5% per annum (2001 : 0.5% to 2.5% per annum) above base lending rate/cost of funds of the lending institutions.				
(g) 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.				
(h) Term loans in respect of overseas subsidiary companies amounting to RM435,566,199 (2001 : RM382,051,782) bear interests at between 6.3% to 9.0% per annum (2001 : 8.0% to 9.0% per annum). The other term loans bear interests at between 1.25% to 2.5% per annum (2001 : 1.0% to 2.75% per annum) above the base lending rates/costs of funds of the lending institutions.				
(i) 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.				
(j) The fair values of the non-current borrowings of the Group have been reviewed and their fair values are not anticipated to be significantly different from the carrying amounts recorded at the balance sheet date.				

## 28. Share Capital

	<i>Group/Company</i>	
	<i>2002</i>	<i>2001</i>
	<i>RM</i>	<i>RM</i>
Authorised		
3,000,000,000 ordinary shares of RM1 each	<b>3,000,000,000</b>	3,000,000,000
Issued & fully paid		
1,940,531,778 ordinary shares of RM1 each	<b>1,940,531,778</b>	1,940,531,778

## 29. Reserves

	<i>Group</i>		<i>Company</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Non-Distributable				
Share premium	<b>220,305,408</b>	220,305,408	<b>220,305,408</b>	220,305,408
Revaluation reserve	<b>27,429,774</b>	27,429,774	<b>26,263,702</b>	26,263,702
Exchange fluctuation reserve	<b>88,064,160</b>	37,116,025	-	-
Capital reserve	<b>73,967,602</b>	40,449,870	-	-
Distributable				
General reserve	<b>25,257,587</b>	25,257,587	-	-
(Accumulated losses)/Unappropriated profits	<b>(1,185,776,708)</b>	(184,684,778)	<b>(297,129,195)</b>	399,901,904
	<b>(750,752,177)</b>	165,873,886	<b>(50,560,085)</b>	646,471,014

- (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 investments 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 of the Group are absorbed by:-

	<i>Group</i>	
	<i>2002</i>	<i>2001</i>
	<i>RM</i>	<i>RM</i>
The Company	<b>(297,129,195)</b>	399,901,904
Subsidiary companies	<b>(553,063,209)</b>	(361,750,111)
Associated companies	<b>(335,584,304)</b>	(222,836,571)
	<b>(1,185,776,708)</b>	(184,684,778)





- (c) As at 31 December 2002, the Company has tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt accounts of approximately RM20.3 million and RM46.7 million respectively, subject to agreement by the Inland Revenue Board.

### 30. Redeemable Convertible Bond

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

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

### 31. Employee Benefits

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
At 1 January	<b>2,358,628</b>	2,656,080
Exchange adjustments	<b>127,995</b>	(153,886)
Provision for the financial year	<b>188,055</b>	125,349
Unused amounts reversed	–	(138,186)
Disposal of subsidiary companies	<b>(408,992)</b>	–
Paid during the financial year	<b>(108,954)</b>	(130,729)
At 31 December	<b>2,156,732</b>	2,358,628
Less : Current portion included in provision ( <i>refer Note 26</i> )	<b>(1,399,395)</b>	(1,699,120)
	<b>757,337</b>	659,508

### 32. Deferred Taxation

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
At 1 January		
– as previously reported	<b>8,635,625</b>	7,693,249
– prior year adjustments ( <i>refer Note 34</i> )	<b>151,661,323</b>	–
– as restated	<b>160,296,948</b>	7,693,249
Exchange adjustments	<b>15,844,652</b>	(369,887)
Subsidiary companies acquired	–	153,664,398
Disposal of subsidiary companies	<b>(598,770)</b>	(1,626,850)
Transfer to tax recoverable account	<b>(16,706,552)</b>	–
Transfer from/(to) tax provision account	<b>462,056</b>	(138,057)
Transfer to income statement ( <i>refer Note 8</i> )	<b>7,265,307</b>	1,074,095
At 31 December	<b>166,563,641</b>	160,296,948

### 32. Deferred Taxation (cont'd)

Deferred taxation 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.

### 33. Amount Owing To Subsidiary Company

The amount owing to subsidiary company represents advance from a subsidiary company which is unsecured, not repayable within the next twelve months after the end of the financial year and bears interest at 6.0% (2001 : 6.0%) per annum.

### 34. Prior Year Adjustments

During the financial year, London Vista Hotel Limited, a subsidiary company of the Group acquired in 2001, has adopted accounting standard FRS 19 "Deferred Taxation" which became operative during the financial year in United Kingdom. FRS 19 requires full provision for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and for tax purposes. Previously, SSAP 15 "Accounting for Deferred Tax" required recognition of deferred tax assets and liabilities to the extent it was probable timing differences would reverse in the foreseeable future. This change in accounting policy together with adjustments in respect of certain irrecoverable balances have been accounted for in the subsidiary company as prior year adjustments and therefore previously reported figures of the subsidiary company have been restated accordingly.

As a result of the adjustments by the subsidiary company, the fair values of assets and liabilities in the subsidiary company acquired are adjusted accordingly when the subsidiary company is consolidated with the Group. Consequently, the financial statements of the Group for the financial year ended 31 December 2001 have been restated and the effects of changes on the financial statements are as follows:-

	<i>As Previously Reported RM</i>	<i>Group 2001 As Restated RM</i>	<i>Effect of Changes RM</i>
<b>Income statement</b>			
Group's share of taxation of associated companies	6,310,999	22,970,408	16,659,409
<b>Balance sheet</b>			
Accumulated losses as at 1 January 2001	(143,442,648)	(149,372,783)	(5,930,135)
Accumulated losses as at 31 December 2001	(162,095,234)	(184,684,778)	(22,589,544)
Joint ventures	18,645,515	11,200,298	(7,445,217)
Goodwill on consolidation	837,618,266	970,608,756	132,990,490
Trade and other receivables	740,171,150	723,820,009	(16,351,141)
Tax recoverable	24,773,992	37,112,950	12,338,958
Trade and other payables	354,752,445	350,792,674	(3,959,771)
Minority interests	1,708,130,030	1,704,551,112	(3,578,918)
Deferred taxation	8,635,625	160,296,948	151,661,323



### 35. Segment Information Of The Group

Segment information is presented in respect of the Group's business and geographical segments. The primary reporting segment information is in respect of business segments while the secondary information is reported geographically.

#### (i) Business Segments

The Group's operations comprise the following segments:

- |                        |  |
|------------------------|--|
| • Retailing            | – Design, manufacture, sourcing, distribution & sale of garments, accessories & home furnishings |
| • Hotels               | – Holding of hotel properties and hotel operations   |
| • Food & confectionery | – Manufacturing, marketing & distribution of confectionery & other food products                 |
| • Property             | – Property investment & development  |
| • Financial services   | – Stockbroking and general insurance   |
| • Travel & tourism     | – Travel agent & provision of travel-related services  |
| • Education services   | – Provision of pre-university and tertiary education   |
| • Investment holding   | – Investment activities  |

During the financial year, the education services operation ceased upon the disposal of the subsidiary company concerned.

The inter-segment transactions were entered in the normal course of business and at terms mutually agreed between the parties.

### 35. Segment Information Of The Group (cont'd)

#### (i) Business segment (cont'd)

2002	Retailing RM'000	Hotels RM'000	Foods & Confectionery RM'000	Financial Services RM'000	Property RM'000	Travel & Tourism RM'000	Education Services RM'000	Investment Holding RM'000	Total RM'000	Elimination RM'000	Group RM'000
<b>REVENUE</b>	753,520	876,556	317,542	131,794	39,694	54,623	8,830	223,717	2,406,276	2,406,276	
- External revenue	-	568	-	742	2,817	897	-	604	5,628	(5,628)	-
- Inter-segment revenue											
Total revenue	753,520	877,124	317,542	132,536	42,511	55,520	8,830	224,321	2,411,904	2,406,276	
Less : Group's share of associated companies' revenue										(1,004,812)	
Less : Group's share of joint ventures' revenue										(42,579)	
										1,358,885	
<b>RESULTS</b>											
Segment results (external)	-	110,371	(6,990)	15,581	3,690	(823)	(3,652)	(18,247)	99,930	99,930	
Interest income	-	16,613	184	4,554	9	-	59	16,433	37,852	37,852	
Profit/(Loss) from operations	-	126,984	(6,806)	20,135	3,699	(823)	(3,593)	(1,814)	137,782	137,782	
before exceptional items											
Exceptional items											
- Impairment of assets in compliance with MASB 23	-	-	-	-	-	-	-	(742,388)	(742,388)	(742,388)	
- Allowance for diminution in value of long term investments	-	-	-	-	-	-	-	(133,067)	(133,067)	(133,067)	
- Others	-	14,223	3,246	3,477	-	-	(558)	19,300	39,688	39,688	
	-	14,223	3,246	3,477	-	-	(558)	(856,155)	(835,767)	(835,767)	
Profit/(Loss) from operations after exceptional items	-	141,207	(3,560)	23,612	3,699	(823)	(4,151)	(857,969)	(697,985)	(697,985)	
Finance cost	-	(121,876)	(1,730)	(25,820)	(1,097)	-	(51)	(76,626)	(227,200)	(227,200)	
Share of results of associated companies	(43,385)	-	-	(56)	651	176	-	(98,351)	(140,965)	(140,965)	
Share of results of joint ventures	-	3,332	-	-	-	-	-	-	3,332	3,332	
Profit/(Loss) before taxation	(43,385)	22,663	(5,290)	(2,264)	3,253	(647)	(4,202)	(1,032,946)	(1,062,818)	(1,062,818)	
Income tax											
Loss after taxation before minority interests										(31,587)	
Minority interests										(1,094,405)	
										97,899	
Net loss for the financial year										(996,506)	
<b>OTHER INFORMATION</b>											
Segment assets	-	2,942,969	173,266	868,537	680,452	4,525	-	1,539,698	6,209,447	6,209,447	
Investments in associated companies	222,225	-	-	1,140	1,086	77,243	-	324,227	625,921	625,921	
Joint ventures	-	9,402	-	-	-	-	-	-	9,402	9,402	
Unallocated corporate assets									34,666	34,666	
Consolidated total assets									6,879,436	6,879,436	
Segment liabilities	-	1,394,119	80,210	147,902	174,556	3,548	-	2,091,881	3,892,216	3,892,216	
Unallocated corporate liabilities									223,866	223,866	
Consolidated corporate liabilities									4,116,082	4,116,082	
Capital expenditure	-	51,919	5,188	8,694	772	2	146	763	67,484	67,484	
Depreciation	-	64,419	4,182	4,077	1,074	26	632	1,980	76,390	76,390	
Non-cash expenses other than depreciation	-	726	1,531	5,644	247	-	312	897,965	906,425	906,425	



### 35. Segment Information Of The Group (cont'd)

(i) Business segment (cont'd)

2001

	Retailing RM'000	Hotels RM'000	Foods & Confectionery RM'000	Financial Services RM'000	Property RM'000	Manufacturing & Trading RM'000	Travel & Tourism RM'000	Education Services RM'000	Investment Holding RM'000	Total RM'000	Elimination RM'000	Group RM'000
<b>REVENUE</b>												
- External revenue	676,440	485,878	314,610	105,763	60,667	27,998	58,603	11,029	195,325	1,936,313	-	1,936,313
- Inter-segment revenue	-	873	-	1,367	2,773	-	655	-	982	6,650	(6,650)	-
Total revenue	676,440	486,751	314,610	107,130	63,440	27,998	59,258	11,029	196,307	1,942,963		1,936,313
Less : Group's share of associated companies' revenue												(1,235,402)
Less : Group's share of joint ventures' revenue												(8,072)
<b>RESULTS</b>												692,839
Segment results (external)	-	29,652	9,861	12,182	9,786	(1,197)	297	(3,676)	3,422	60,327		60,327
Interest income	-	2,330	685	2,405	328	-	-	218	30,507	36,473		36,473
Profit/(Loss) from operations	-											
before exceptional items	-	31,982	10,546	14,587	10,114	(1,197)	297	(3,458)	33,929	96,800		96,800
Exceptional items												
- Allowance for diminution in value of long term investments	-	47	473	(39,083)	-	(7,425)	-	-	-	(39,083)		(39,083)
- Others	-			21,965	-				105,363	120,423		120,423
Profit/(Loss) from operations after exceptional items	-	47	473	(17,118)	-	(7,425)	-	-	105,363	81,340		81,340
Finance cost	-	32,029	11,019	(2,531)	10,114	(8,622)	297	(3,458)	139,292	178,140		178,140
Share of results of associated companies	-	(24,748)	(3,027)	(25,358)	-	-	-	(106)	(51,820)	(105,059)		(105,059)
Share of results of joint ventures	9,444	9,454	-	2	1,170	-	92	-	(59,259)	(39,097)		(39,097)
	-	1,567	-	-	-	-	-	-	-	1,567		1,567
Profit/(Loss) before taxation	9,444	18,302	7,992	(27,887)	11,284	(8,622)	389	(3,564)	28,213	35,551		35,551
Taxation												(43,371)*
Loss after taxation before minority interests												(7,820)*
Minority interests												(27,492)
Net loss for the financial year												(35,312)*
<b>OTHER INFORMATION</b>												
Segment assets	-	2,702,002	241,532	931,445	641,923	-	6,003	39,946	2,292,929			6,855,780
Investments in associated companies	248,364	-	-	1,315	1,086	-	70,551	-	645,470			966,786
Joint ventures	-	11,200	-	-	-	-	-	-	-			11,200
Unallocated corporate assets												37,113
Consolidated total assets												7,870,879
Segment liabilities	-	1,626,286	68,593	32,815	148,681	-	1,437	4,469	1,911,785			3,794,066
Unallocated corporate liabilities												248,333
Consolidated corporate liabilities												4,042,399
Capital expenditure	-	12,610	2,998	155,384	693	-	6	510	2,018			174,219
Depreciation	-	18,544	1,886	8,158	1,221	1,764	25	933	5,293			37,824
Non-cash expenses other than depreciation	-	122	535	41,354	434	-	-	-	28,728			71,173

\* These comparative figures have been restated due to the prior year adjustments as detailed in Note 34.



### 35. Segment Information Of The Group (cont'd)

#### (ii) Geographical segments

	<b>Revenue</b>		<b>Assets Employed</b>		<b>Capital Expenditure</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<b>409,554</b>	382,731	<b>2,665,179</b>	3,576,678	<b>10,825</b>	159,624
Asia-Pacific	<b>141,263</b>	160,918	<b>875,936</b>	1,139,592	<b>5,325</b>	4,405
Australia	<b>245,321</b>	246,267	<b>182,764</b>	128,791	<b>675</b>	1,695
North America	<b>67,553</b>	99,297	<b>227,988</b>	192,970	<b>3</b>	–
United Kingdom	<b>1,542,585</b>	1,047,100	<b>2,927,569</b>	2,832,848	<b>50,656</b>	8,495
	<b>2,406,276</b>	1,936,313	<b>6,879,436</b>	7,870,879	<b>67,484</b>	174,219
Less : Group's share of associated companies' revenue	<b>(1,004,812)</b>	(1,235,402)	–	–	–	–
Less : Group's share of joint ventures' revenue	<b>(42,579)</b>	(8,072)	–	–	–	–
	<b>1,358,885</b>	692,839	<b>6,879,436</b>	7,870,879	<b>67,484</b>	174,219

### 36. Financial Instruments

#### (a) Recognised financial instruments

##### Fair values

The carrying amounts of financial assets and financial liabilities of the Group and the Company as at balance sheet date approximate their fair values except as set out below:-

	<b>Group</b>	
	<b>Carrying Amount</b>	<b>Fair Value</b>
	<b>RM</b>	<b>RM</b>
Unquoted investments	243,139,878	*
Redeemable convertible bond	1,000,000	859,000

\* A reasonable estimate of fair value could not be made without incurring excessive costs. However, the Group believes that the carrying amount represents the recoverable value. Such investments are stated at cost less impairments, if any.



(b) Off balance sheet financial instruments

In accordance with the scheme of arrangement by 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:-

<u>Put Options Granted By</u>	<u>No. Of New Shares 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).

The Company and LDSB are in the process of finalising new arrangements on the put option matters with the said creditors. In the event that the put options are exercised, a potential impairment of the carrying value of the additional investment in PM Holdings of approximately RM73.0 million would arise based on its net realisable value as at 31 December 2002.

### **37. Capital And Other Commitments**

- (a) At 31 December 2002, the Group has commitments in respect of capital expenditure contracted but not provided for amounting to RM2.4 million (2001 : RM31.9 million) and capital expenditure authorised but not contracted for amounting to RM70.2 million.

### 37. Capital And Other Commitments (cont'd)

#### (b) Operating Lease Commitments

	<b>Group</b>	
	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>
Non cancellable operating lease commitments not provided for in the financial statements:		
Within 1 year	<b>1,119,932</b>	1,984,930
Between 1 year to 5 years	<b>2,398,871</b>	3,734,781
More than 5 years	<b>21,007,341</b>	12,548,939
	<b>24,526,144</b>	18,268,650

### 38. Contingencies

#### Group

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 case has now been fixed for further case management on 2 July 2003. The Group's solicitors are of the opinion, based on the documents available, that LDSB's chance 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.

#### Company

At 31 December 2002, the Company has guaranteed the bank credit facilities of subsidiary companies for a total of RM1,564.4 million (2001 : RM1,628.5 million). The guarantees are unsecured.

### 39. Significant Corporate Developments

The significant corporate developments of the Group during and subsequent to the financial year ended 31 December 2002 are as follows:-

- (a) As part of PM Holdings continuing rationalisation exercise to divest and wind-up non-core businesses and focus on financial services activities, two of its subsidiary companies, namely, Fibercorp (Sarawak) Sdn Bhd and Cocoa Speciality (Malaysia) Sdn Bhd, were placed under members' voluntary winding-up on 9 January 2002 and creditors' voluntary winding-up on 28 June 2002 respectively.

- (b) The agreement with Lai Sun Development Company Limited ("Lai Sun") for the acquisition by PM Holdings 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 was completed on 2 April 2002. The equity interest in PHR by PM Holdings increased from 90% to 100%.
- (c) MUI Continental Insurance Berhad ("MCI") completed on 28 June 2002 a rights issue of 32,660,500 new ordinary shares of RM1 each at an issue price of RM1 each per new ordinary share on the basis of approximately thirteen (13) new ordinary shares for every twenty seven (27) existing ordinary shares held ("Rights Issue"). Pursuant to the Rights Issue, Novimax (M) Sdn Bhd, a wholly-owned subsidiary, subscribed for its entire entitlement of 23,792,716 new ordinary shares and additional 8,867,784 new ordinary shares being excess shares applied for and shares renounced by a minority shareholder. The said subscription increased the Group's equity interest in MCI from 72.85% to 81.71%.
- (d) GCIH (S) Pte Ltd (in liquidation) ("GCIH") was a 64.82%-owned subsidiary of GCIH Property Limited ("GCIH Property"), which in turn, was a 84.12%-owned indirect subsidiary of PM Holdings. GCIH held the entire issued and paid-up share capital of Anglo Pacific Corporation (Malaysia) Sdn Bhd ("APC") and Upali Group Sdn Bhd ("Upali"). Following the distribution of assets of GCIH, the entire share capital of APC and Upali have been transferred to GCIH Property on 23 July 2002. APC is an investment holding company whilst Upali is a dormant company.
- (e) The schemes of arrangement of PM Holdings and certain of its subsidiaries ("Scheme"), including PM Capital, PM Securities and PM Equities which were implemented on 29 December 1999 have been completed except for settlement with certain scheme creditors.

At 29 December 2001, a total of up to 5,184,238 Irredeemable Convertible Preference Shares ("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 time frame the relevant Central Depository System details required for the allotment and issue of the ICPS or had 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"). The Proposed Share Issue was approved by Securities Commission on 23 October 2002.

- (f) Corus & Regal Hotels Plc, a 99.99%-owned subsidiary of London Vista Hotel Limited, had acquired 33% equity interest of Etrop Grange Limited ("EGL") for a cash consideration of £1.9 million (RM11.1 million). The equity interest in EGL on 30 October 2002 increased from 67% to 100%.
- (g) On 2 August 2002, CSB Sdn Bhd and MUI Australia Pty Ltd, both wholly-owned subsidiaries of MUI Properties Berhad, entered into a sale and purchase agreement with Star Publications (Malaysia) Bhd ("Star Publications") for the disposal of 5,000,000 ordinary shares representing the entire issued capital of Excel Education Pty Ltd to Star Publications for a total cash consideration of RM27.3 million (the "Disposal"). The Disposal was completed on 11 December 2002.

#### 40. Significant Related Party Transactions

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

##### **Group**

	<b>Transactions</b>		<b>Balance Outstanding</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Insurance premium income from:-				
- Pan Malaysian Industries Berhad ("PMI")	<b>129,793</b>	67,971	-	-
- Metrojaya Berhad ("MJ") and its subsidiary companies	<b>489,349</b>	33,837	-	-
- Hikari Builders Sdn Bhd ("HBSB") and its subsidiary companies	-	89,431	-	-
Travel related revenue from:-				
- Laura Ashley Holdings plc	<b>248,971</b>	237,097	-	-
- MUI Hong Kong Ltd	<b>7,967</b>	11,518	-	-
- Morning Star Travel Services Ltd	<b>5,186,129</b>	8,170,380	-	-
- MJ and its subsidiary companies	<b>323,580</b>	288,832	-	-
- Laura Ashley (North America), Inc	-	16,416	-	-
- Vista Hotel Management Sdn Bhd	-	22,991	-	-
Office rental income from:-				
- PMI	<b>104,556</b>	104,556	<b>9,149</b>	-
- MJ	<b>1,290,500</b>	1,290,140	<b>116,377</b>	117,398
- HBSB	<b>29,684</b>	15,840	<b>29,684</b>	1,000
Share registration fee income from MJ	<b>13,592</b>	11,933	-	-
Interest income from Regent Corporation	<b>803,429</b>	1,803,940	<b>803,429</b>	-
Interest expenses charged by Regent Corporation	<b>1,067,048</b>	1,188,749	<b>1,067,048</b>	-
Provision of construction works by HBSB	<b>2,013,556</b>	12,086,949	-	924,035
Hotel management fees charged by Vista Hotel Management Sdn Bhd	<b>399,321</b>	107,429	-	-
Advance to Regent Corporation	<b>7,653,200</b>	-	<b>7,653,200</b>	-
Advance from Firstway International Investment Limited	<b>7,622,238</b>	-	<b>4,857,740</b>	-



## Company

Significant transactions with subsidiary companies

	<b>Transactions</b>		<b>Balance Outstanding</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Dividend income from:-				
- MUI Properties Berhad	<b>5,299,622</b>	5,299,622	-	-
- Pan Malaysia Corporation Berhad	<b>11,703,360</b>	11,703,360	-	-
- Farrago Sdn Bhd	<b>20,000</b>	20,000	-	-
- MUI Enterprises Sdn Bhd	<b>20,000</b>	20,000	-	-
Interest income from:-				
- Davson Limited	<b>1,840,056</b>	1,699,037	<b>1,840,056</b>	1,699,037
- Merchant Network Sdn Bhd	<b>105,279</b>	176,583	<b>105,279</b>	-
- MUI Capital Sdn Bhd	<b>2,588,638</b>	2,019,652	<b>2,574,283</b>	2,019,652
- MUI China Limited	<b>373,550</b>	344,921	<b>373,550</b>	344,921
- MUI Resources Limited	-	108,294	-	108,294
- MUI Enterprises Sdn Bhd	<b>536,740</b>	-	<b>56,055</b>	-
Interest expense charged by				
Megawise Sdn Bhd	<b>1,800,000</b>	793,973	<b>1,800,000</b>	793,973
Insurance premium charged by				
MUI Continental Insurance Berhad	<b>63,894</b>	49,953	-	-
Advance from Megawise Sdn Bhd	-	30,000,000	-	30,000,000
Advances to:-				
- Alameda Enterprises Limited	<b>833,886</b>	132,254	<b>833,886</b>	132,254
- Fuchsia Enterprises Limited	-	2,701,855	-	1,569,835
- Libertyray (M) Sdn Bhd	<b>1,262</b>	39,268	<b>1,262</b>	1,100
- Loyal Design Sdn Bhd	<b>2,664</b>	3,415	<b>2,664</b>	3,415
- Malayan United Management Sdn Bhd	-	822,062	-	352,492
- Ming Court Beach Hotel (P.D.) Sdn Bhd	<b>258,368</b>	244,269	<b>258,368</b>	244,269
- Tarrega Holdings Sdn Bhd	<b>17,230,594</b>	-	-	-
- MUI Enterprises Sdn Bhd	<b>20,003,287</b>	-	<b>20,003,287</b>	-

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")

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  
Firstway International Investment Limited

### **Relationship with the Group**

PMI is a major shareholder of the Company.  
MJ and HBSB are subsidiary companies of PMI.  
(HBSB is currently under creditors' voluntary liquidation.)

These companies are associated companies of the Group.

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



## 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 58 to 109 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 2002; and
- (ii) the results and cash flows of the Company and of the Group for the financial year ended 31 December 2002.

Signed on behalf of the Board in accordance  
with a resolution by Directors

**Yong Ming Sang**

**Dr Ngui Chon Hee**

Kuala Lumpur  
30 April 2003

## 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 58 to 109 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 2003.

**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 58 to 109. These financial statements are the responsibility of the Company's 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall 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:-
  - (i) the matters required by section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
  - (ii) the state of affairs of the Group and of the Company as at 31 December 2002 and of their results and the cash flows for the financial year then ended.
- (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 said Act.

We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors as indicated on pages 112 to 122 being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that are 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 2003

# SUBSIDIARY AND ASSOCIATED COMPANIES OF MALAYAN UNITED INDUSTRIES BERHAD

As at 31 December 2002

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2002</i>	<i>2001</i>		
	<i>%</i>	<i>%</i>		
1. Acquiline Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
2. Alameda Enterprises Limited	<b>100</b>	100	Investment holding	British Virgin Islands
3. Ample Line Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
4. Ascada Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
5. Carulli Holdings Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
6. Continental Capitals Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
7. Creative Vest (M) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
+ 8. CSB-Canada Trading Ltd	<b>100</b>	100	Investment holding	Canada
+ 9. Davson Limited	<b>100</b>	100	Investment holding	Hong Kong
10. Farrago Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
11. Fuchsia Enterprises Limited	<b>100</b>	100	Investment holding	British Virgin Islands
12. Grand Oak Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
13. Honoraire Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
14. Libertyray (M) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 15. London Vista Hotel Limited	<b>100</b>	100	Investment holding	United Kingdom
16. Loyal Design Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
17. Malaysian United Management Sdn Bhd	<b>100</b>	100	Management services	Malaysia
18. Malaysian United Nominees (Asing) Sdn Bhd	<b>100</b>	100	Dormant	Malaysia
19. Malaysian United Nominees (Tempatan) Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
20. Malaysian United Security Services Sdn Bhd	<b>100</b>	100	Security services	Malaysia
21. Malaysian United Trading Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
22. Marco Polo Trading Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
23. Mayang Unggul Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
24. Megah Nominees (Tempatan) Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
25. Merchant Network Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
26. Ming Court Beach Hotel (P.D.) Sdn Bhd	<b>100</b>	100	Hotel ownership	Malaysia
27. Ming Court Hotel (KL) Sdn Bhd	<b>100</b>	100	Hotel operations	Malaysia
28. Ming Court Inn (Penang) Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
+ 29. Ming Court Hotels International Limited	<b>100</b>	100	Dormant	Hong Kong
30. Ming Court Hotels International Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
+ 31. MUI Asia Limited	<b>100</b>	100	Investment holding	Hong Kong
32. MUI Capital Sdn Bhd	<b>100</b>	100	Moneylending	Malaysia
+ 33. MUI China Limited	<b>100</b>	100	Investment holding	Hong Kong
* 34. MUI Continental Insurance Berhad	<b>81.71</b>	72.85	General insurance	Malaysia
35. MUI dotCom Sdn Bhd	<b>100</b>	100	Information technology	Malaysia
+ 36. MUI Enterprises Limited	<b>100</b>	100	Investment holding	Hong Kong
37. MUI Enterprises Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
+ 38. MUI Resources Limited	<b>100</b>	100	Investment holding	Hong Kong
+ 39. MUI Media Limited	<b>100</b>	100	Dormant	United Kingdom
40. MUI Media Ltd	<b>100</b>	100	Investment holding	British Virgin Islands
+ 41. MUI Philippines, Inc.	<b>100</b>	100	Investment holding	Philippines
* 42. MUI Properties Berhad	<b>70.75</b>	70.75	Investment holding	Malaysia



<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
43. MUI Property Management Sdn Bhd	<b>100</b>	100	Dormant	Malaysia
44. MUI Security Services Sdn Bhd	<b>100</b>	100	Dormant	Malaysia
45. MUI Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
+ 46. MUI Singapore Pte Ltd	<b>100</b>	100	Dormant	Singapore
+ 47. MUI (UK) Limited	<b>100</b>	100	Investment holding	United Kingdom
48. Natloyal (M) Sdn Bhd	<b>100</b>	100	Property investment	Malaysia
49. Novimax (M) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
50. Oriental Omega Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 51. Pan Malaysia Corporation Berhad	<b>56.85</b>	56.85	Investment holding	Malaysia
52. Pan Malaysia Holdings Berhad	<b>62.32</b>	62.32	Investment, property holding & management company	Malaysia
53. Prizewood Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
54. Pure Capital Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
55. Regal Classic Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
56. Sergap Makmur Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
57. Southern Challenger (M) Sdn Bhd	<b>100</b>	100	Investment holding & trading	Malaysia
58. Tarrega Holdings Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
59. United Continental Properties Sdn Berhad	<b>81.71</b>	72.85	Property investment	Malaysia
60. United Review (M) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
61. Universal Growth Limited	<b>100</b>	100	Investment holding	British Virgin Islands
62. Vista Hotels Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
<i><b>Associated Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
1. Asia Pacific Media Corporation	<b>50</b>	50	Inactive	U.S.A.
2. Asian Capital Equities, Inc	<b>20</b>	20	Inactive	Philippines
3. Farrago Holdings, Inc	<b>40</b>	40	Investment holding	Philippines
4. Firstway International Investment Limited	<b>25</b>	25	Investment holding	Hong Kong
5. Hernando Holdings Limited	<b>33.33</b>	33.33	Inactive (Under voluntary liquidation)	British Virgin Islands
6. Laura Ashley Holdings plc	<b>42.88</b>	42.88	Design, manufacture, sourcing, distribution & sale of garments, accessories & home furnishings	United Kingdom
7. Mansara International Limited	<b>35</b>	35	Investment holding	British Virgin Islands

<i><b>Associated Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
8. Porchlight Entertainment, Inc	<b>50</b>	50	Development & production of animation entertainment	U.S.A.
9. Regent Corporation	<b>49</b>	49	Investment holding	U.S.A.
10. Zhaodaola Limited	<b>26.27</b>	26.27	Inactive	Bermuda

#### **Associated Companies of Firstway International Investment Limited**

*At 31 December 2002*

<i><b>Associated Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
1. MUI Hong Kong Ltd	<b>40.57</b>	40.57	Hotel, travel services & property development	Cayman Islands
2. Morning Star Financial Services Limited	<b>19.09</b>	38.17	Stockbroking	Hong Kong

#### **Subsidiary Companies of Regent Corporation**

*(The list comprises major subsidiary companies only.)*

*At 31 December 2002*

<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
1. Laura Ashley (North America), Inc.	<b>69.01</b>	68.32	Retailing of garments, home furnishings & accessories & licensing	U.S.A.
2. Regent Carolina Corporation	<b>100</b>	100	Resort operation & property investment	U.S.A.
3. Regent Park Corporation	<b>100</b>	100	Golf course operation & property development	U.S.A.



## SUBSIDIARY COMPANIES OF MUI PROPERTIES BERHAD

At 31 December 2002

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2002</i>	<i>2001</i>		
	<i>%</i>	<i>%</i>		
* 1. AIGM Sdn Bhd	<b>100</b>	100	Training services	Malaysia
* 2. Appreplex (M) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 3. Bahtera Muhibbah Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 4. Bashan Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
* 5. Cesuco Trading Limited	<b>100</b>	100	Investment holding	Hong Kong
* 6. C.S. Investments Private Limited	<b>100</b>	100	Inactive	Singapore
* 7. CSB Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 8. CSB Holdings Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 9. Delray Sdn Bhd	<b>100</b>	100	Property investment	Malaysia
* 10. Dirnavy Pty Limited	<b>100</b>	100	Hotel operations	Australia
* 11. Dondang Sayang Holdings Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 12. Elegantplex (M) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 13. Excel Education Pty Ltd	–	100	Education services	Australia
* 14. Green Nominees (Tempatan) Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
* 15. Heritage Challenger (M) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 16. Indanas Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 17. Integrated Mark (M) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 18. Intercontinental Properties Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 19. Lambaian Maju Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 20. Lembaran Makmur Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
			& trading	
* 21. Lunula Pty Limited	<b>100</b>	100	Hotel operations	Australia
* 22. Malayan United Properties Sdn Bhd	<b>100</b>	100	Property investment	Malaysia
* 23. Malayan United Realty Sdn Bhd	<b>100</b>	100	Property investment & investment holding	Malaysia
* 24. Mecomas Pty Limited	<b>100</b>	100	Hotel operations	Australia
* 25. Ming Court Hotel (Vancouver) Ltd	<b>100</b>	100	Investment holding	Canada
* 26. Ming Fung Sendirian Berhad	<b>100</b>	100	Property investment	Malaysia
* 27. Miranex Sdn Bhd	<b>100</b>	100	Moneylending	Malaysia
* 28. MUI Australia Pty Ltd	<b>100</b>	100	Investment holding	Australia
* 29. MUI Investments (Canada) Ltd	<b>100</b>	100	Investment holding	Canada
* 30. MUI Plaza Sdn Bhd	<b>100</b>	100	Property investment	Malaysia
* 31. MUI Property Services Sdn Bhd	<b>100</b>	100	Property services	Malaysia
* 32. MUI Resorts Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 33. MUP Sdn Bhd	<b>100</b>	100	Property investment	Malaysia
* 34. MUR Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
* 35. Peristal Enterprise Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 36. Peters Ice Cream (M) Sdn Bhd	<b>100</b>	100	Dormant	Malaysia
* 37. Pistole Holdings Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
* 38. Polacre Sdn Bhd	<b>100</b>	100	Property development	Malaysia
* 39. Portico Sdn Bhd	<b>100</b>	100	Property development	Malaysia
* 40. Prescada Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 41. Resort & Leisure Homes Sdn Bhd	<b>100</b>	100	Property development	Malaysia



<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
* 42. Shun Fung Sendirian Berhad	<b>100</b>	100	Property investment	Malaysia
* 43. Superex Sdn Bhd	<b>100</b>	100	Property investment	Malaysia
* 44. Two Holdings Sdn Bhd	<b>100</b>	100	Property investment	Malaysia
* 45. Unique Octagon Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 46. West Synergy Sdn Bhd	<b>60</b>	60	Property investment & development	Malaysia

## **SUBSIDIARY AND ASSOCIATED COMPANIES OF PAN MALAYSIA CORPORATION BERHAD**

*At 31 December 2002*

<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
* 1. Acmes Investment Limited	<b>100</b>	100	Investment holding	Hong Kong
* 2. Baiduri Pertama Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 3. Bidou Holdings Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 4. Chalpillar (M) Sdn Bhd	<b>100</b>	100	Property management	Malaysia
* 5. Cherubim Nominees (Tempatan) Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
* 6. Clacton Holdings Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 7. Delight Consolidated Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 8. Faith Nominees (Tempatan) Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
* 9. Gelombang Sinar Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 10. Jaguh Padu Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 11. Jerico Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 12. Jomuda Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 13. Lembaran Megah Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 14. Megafine Nominees (Asing) Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
* 15. Megafort Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 16. Megawise Sdn Bhd	<b>100</b>	100	Moneylending	Malaysia
* 17. Mikonwadi Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
+ 18. Network Foods International Ltd	<b>79.09</b>	79.09	Investment holding	Singapore
+ 19. Network Foods Limited	<b>67.27</b>	67.27	Marketing & distribution of confectionery & other food products	Australia
* 20. Pan Malaysia Management Sdn Bhd	<b>100</b>	100	Management services	Malaysia
+ 21. Pan Malaysia-Singapore Holdings (Pte) Ltd	<b>100</b>	100	Investment holding	Singapore
* 22. Panorama Scope Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia



<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
* 23. Plumblin Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 24. PMCW Enterprises Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 25. PMCW Holdings Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
+ 26. PMRI Investments (Singapore) Pte Ltd	<b>100</b>	100	Investment holding	Singapore
* 27. Syahdu Pinta Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 28. Taraf Sanjung (M) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 29. Tunas Juara Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 30. Ultipac Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 31. United Pace Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
* 32. Uniwell Nominees (Tempatan) Sdn Bhd	<b>100</b>	100	Inactive	Malaysia

<i><b>Associated Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
@ 1. Pan Malaysian Industries Berhad	<b>26.39</b>	26.39	Investment holding	Malaysia
2. Chemical Company of Malaysia Berhad	<b>23.10</b>	23.10	Manufacturing & marketing of fertilizers, chlor-alkali products, pharmaceutical and healthcare products	Malaysia

### **Subsidiary Companies of Network Foods Limited**

*At 31 December 2002*

<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
+ 1. Balfour Grange Pty Ltd	<b>100</b>	100	Property investment	Australia
+ 2. Dinnie Rundle Pty Ltd	<b>100</b>	100	Dormant	Australia
+ 3. Universal Confectionery Pty Ltd	<b>100</b>	100	Dormant	Australia

### **Subsidiary Companies of Network Foods International Ltd**

*At 31 December 2002*

<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
1. Danau Gelombang Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
* 2. Lotus Chocolate Company Limited	<b>52.20</b>	52.20	Manufacturing of chocolate & confectionery	India
+ 3. Marcel's Patisserie (S) Pte Ltd	<b>100</b>	100	Dormant	Singapore
+ 4. MUI Internet (Singapore) Pte Ltd	<b>100</b>	100	Dormant	Singapore
+ 5. Network Foods Distribution Pte Ltd	<b>100</b>	100	Distribution of confectionery & other food products	Singapore
+ 6. Network Foods (Hong Kong) Limited	<b>100</b>	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>2002</i>	<i>2001</i>		
	<i>%</i>	<i>%</i>		
7. Network Foods Industries Sdn Bhd	<b>81.54</b>	81.54	Manufacturing of consumer chocolate products	Malaysia
8. Network Foods (Malaysia) Sdn Bhd	<b>100</b>	100	Marketing and distribution of confectionery & cocoa-based and other food products	Malaysia
+ 9. Quintrinox Pte Ltd	<b>100</b>	100	Investment holding	Singapore
+ 10. Sparkton Investment Limited	–	100	Inactive	Hong Kong
+ 11. Specialist Food Retailers Pte Ltd	<b>100</b>	100	Inactive	Singapore
12. Tiffany Enterprise Sdn Bhd	<b>100</b>	100	Dormant	Malaysia
+ 13. Tiffany Hampers & Gifts Pte Ltd	<b>100</b>	100	Inactive	Singapore

## SUBSIDIARY AND ASSOCIATED COMPANIES OF PAN MALAYSIA HOLDINGS BERHAD

At 31 December 2002

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2002</i>	<i>2001</i>		
	<i>%</i>	<i>%</i>		
1. Destiny Aims Sdn Bhd	<b>80</b>	–	Dormant	Malaysia
+ 2. Golden Carps Pte Ltd	<b>100</b>	100	Inactive	Singapore
+ 3. Grandvestment Company Limited	<b>100</b>	100	Investment holding	Hong Kong
4. Kayangan Makmur Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
5. Pan Malaysia Capital Berhad	<b>73.89</b>	73.86	Investment holding	Malaysia
+ 6. Pengkalen Company Limited	<b>100</b>	100	Dormant	United Kingdom
7. Pengkalen Equities Sdn Bhd	<b>100</b>	100	Investment holding & dealing	Malaysia
8. Pengkalen Foodservices Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
9. Pengkalen Holiday Resort Sdn Bhd	<b>100</b>	90	Hotel operations	Malaysia
10. Pengkalen Properties Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
11. Pan Malaysia Travel & Tours Sdn Bhd	<b>80</b>	80	Travel agent & provision of travel-related services	Malaysia
+ 12. Pengkalen (UK) Plc	<b>84.12</b>	84.12	Investment holding	United Kingdom
13. Twin Phoenix Sdn Bhd	<b>100</b>	100	Dormant	Malaysia
<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2002</i>	<i>2001</i>		
	<i>%</i>	<i>%</i>		
* 1. Excelpac Industries Sdn Bhd (a 25% associated company of Pan Malaysia Travel & Tours Sdn Bhd)	<b>20</b>	20	Inactive	Malaysia



## Subsidiary Companies of Pan Malaysia Capital Berhad

At 31 December 2002

<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
1. Bayan Niaga Sdn Bhd	<b>100</b>	100	Inactive	Malaysia
2. KESB Nominees (Asing) Sdn Bhd	<b>99.99</b>	99.99	Dormant	Malaysia
3. KESB Nominees (Tempatan) Sdn Bhd	<b>99.99</b>	99.99	Nominee & custodian services	Malaysia
4. Meridian Nominees (Tempatan) Sdn Bhd	<b>99.99</b>	99.99	Share registration, nominee & share custodian services	Malaysia
5. Pan Malaysia Equities Sdn Bhd	<b>99.99</b>	99.99	Property & investment holding	Malaysia
6. PCB Asset Management Sdn Bhd	<b>100</b>	100	Research & fund management services	Malaysia
7. PM Asset Management Sdn Bhd (formerly known as Kimara Asset Management Sdn Bhd)	<b>100</b>	100	Investment holding	Malaysia
8. PM Nominees (Asing) Sdn Bhd (formerly known as Pengkalen Nominees (Asing) Sdn Bhd)	<b>99.99</b>	99.99	Nominee & custodian services	Malaysia
9. PM Nominees (Tempatan) Sdn Bhd (formerly known as Pengkalen Nominees (Tempatan) Sdn Bhd)	<b>99.99</b>	99.99	Nominee & custodian services	Malaysia
10. PM Options & Futures Sdn Bhd (formerly known as Pengkalen Options & Futures Sdn Bhd)	<b>100</b>	100	Options & financial futures broker	Malaysia
11. PM Securities Sdn Bhd	<b>99.99</b>	99.99	Stock and sharebroking and corporate advisory services	Malaysia

## Subsidiary and Associated Companies of Pengkalen (UK) Plc

At 31 December 2002

	<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
		<i><b>2002</b></i>	<i><b>2001</b></i>		
		<i><b>%</b></i>	<i><b>%</b></i>		
✓	1. Anglo Pacific Corporation (Malaysia) Sdn Bhd	<b>100</b>	64.82	Investment holding	Malaysia
	2. Anglo Pacific Holdings (Malaysia) Sdn Bhd	<b>100</b>	100	Investment holding	Malaysia
*	3. Aqua Lanka (Private) Limited	<b>100</b>	100	Dormant	Sri Lanka
+	4. Central Cocoa Pte Ltd	<b>100</b>	100	Dormant	Singapore
+	5. GCIH Property Limited	<b>100</b>	100	Investment holding	Hong Kong
•+	6. GCIH Trademarks Limited	<b>100</b>	100	Licensing of trademarks	Hong Kong
*	7. Grand Central (Ceylon) Rubber Estates, Limited	<b>100</b>	100	Dormant	United Kingdom
*	8. Grand Central Limited	<b>100</b>	100	Dormant	Sri Lanka
*	9. Highland Tea Company of Ceylon, Limited	<b>100</b>	100	Dormant	United Kingdom
^	10. Kuril Plantations Sdn Berhad	<b>100</b>	64.82	Inactive	Malaysia

<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
+ 11. Meltis Holdings Limited	<b>84</b>	84	Investment holding	United Kingdom
* 12. Nagolle Holdings Limited	<b>100</b>	100	Dormant	United Kingdom
* 13. Nagolle (Ceylon) Rubber and Tea Plantations, Limited	<b>100</b>	100	Dormant	United Kingdom
* 14. Network Foods International Limited	<b>100</b>	100	Dormant	United Kingdom
* 15. The Panawatte Tea and Rubber Estate, Limited	<b>100</b>	100	Dormant	United Kingdom
* 16. The Yatiyantota Ceylon Rubber Company Limited	<b>100</b>	100	Dormant	United Kingdom
✓ 17. Upali Group Sdn Bhd	<b>100</b>	64.82	Dormant	Malaysia
+ 18. Wellon Distribution Pte Ltd	<b>100</b>	100	Dormant	Singapore

<i><b>Associated Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Principal Activities</b></i>	<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>		
	<i><b>%</b></i>	<i><b>%</b></i>		
1. Desa Kuril Sdn Berhad	<b>50</b>	32.41	Dormant	Malaysia

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

*At 31 December 2002*

<i><b>Subsidiary Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>	
	<i><b>%</b></i>	<i><b>%</b></i>	
1. Asia Entertainment Network Sdn Bhd	<b>60</b>	60	Malaysia
^ 2. Cocoa Specialities (Malaysia) Sdn Bhd	<b>84.12</b>	54.53	Malaysia
3. GCIH (Singapore) Pte Ltd	<b>54.53</b>	54.53	Singapore
4. Grand Union General and Motor Insurance Company Limited	<b>55</b>	55	Hong Kong
5. Grand Union Insurance Company Limited	<b>55</b>	55	Hong Kong
6. Heng's Food & Beverage Industries Pte Ltd	<b>84.12</b>	84.12	Singapore
7. Office Business Systems (Malacca) Sdn Bhd	<b>41.67</b>	41.67	Malaysia
8. Office Business Systems (Penang) Sdn Bhd	<b>64.10</b>	64.10	Malaysia
9. Office Business Systems Sdn Bhd	<b>64.10</b>	64.10	Malaysia
10. Pengkalen Building Materials Sdn Bhd	<b>100</b>	100	Malaysia
11. Pengkalen Electronics Industries Sdn Bhd	<b>67</b>	67	Malaysia
10. Pengkalen Engineering & Construction Sdn Bhd	<b>100</b>	100	Malaysia
11. Pengkalen Heights Sdn Bhd	<b>70</b>	70	Malaysia
12. Pengkalen Pasar Borong Sdn Bhd	<b>80</b>	80	Malaysia
13. Pengkalen Raya Sdn Bhd	<b>100</b>	100	Malaysia
14. Sensor Equipment Sdn Bhd	<b>64.10</b>	64.10	Malaysia
15. Technitone (M) Sdn Bhd	<b>64.10</b>	64.10	Malaysia
16. Welland Investment Pte Ltd	<b>84.12</b>	84.12	Singapore

<i><b>Associated Company</b></i>	<i><b>Equity Interest</b></i>		<i><b>Country of Incorporation</b></i>
	<i><b>2002</b></i>	<i><b>2001</b></i>	
	<i><b>%</b></i>	<i><b>%</b></i>	
1. Pufrut Preserving Works (Malaysia) Sdn Bhd	<b>42.06</b>	42.06	Malaysia
2. Schwartz (Far East) Sdn Bhd	<b>42.06</b>	42.06	Malaysia



# SUBSIDIARY COMPANIES AND JOINT VENTURES OF LONDON VISTA HOTEL LIMITED

At 31 December 2002

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2002</i>	<i>2001</i>		
	<i>%</i>	<i>%</i>		
1. Belsfield Hotels Limited	<b>99.99</b>	99.99	Dormant	United Kingdom
2. Bistro Bistrot Limited	<b>62.49</b>	62.49	Dormant	United Kingdom
3. Catermax Limited	<b>99.99</b>	99.99	Dormant	United Kingdom
4. Corus & Regal Hotels plc	<b>99.99</b>	99.99	Investment holding and hotel operations	United Kingdom
5. Corus Corporation UK Limited	<b>99.99</b>	99.99	Dormant	United Kingdom
6. Corus Hotels Limited	<b>99.99</b>	99.99	Dormant	United Kingdom
7. County Hotels Group Plc	<b>99.99</b>	99.99	Investment holding and hotel operations	United Kingdom
8. County Hotels Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
9. Delaquest Limited	<b>99.99</b>	99.99	Investment holding and hotel operations	United Kingdom
10. Dionball Limited	<b>99.99</b>	99.99	Investment holding and hotel operations	United Kingdom
11. Dudley Hotels Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
12. Earl Grey Tea Rooms Limited	<b>62.49</b>	62.49	Dormant	United Kingdom
13. Echostand Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
14. Etrop Grange Limited	<b>99.99</b>	66.66	Hotel operations	United Kingdom
15. Experience Inns Limited	<b>62.49</b>	62.49	Dormant	United Kingdom
16. Flamepro Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
17. Historic Country Inns Limited	<b>62.49</b>	62.49	Dormant	United Kingdom
△ 18. No. 1 Cigar Club Limited	<b>36.75</b>	36.75	Restaurant operations	United Kingdom
19. Patrolmake Limited	<b>99.99</b>	99.99	Investment holding and hotel operations	United Kingdom
20. Plaza on Hyde Park Limited#	<b>60.00</b>	60.00	Hotel operations	United Kingdom
21. Pub (Nico) Limited	<b>62.49</b>	62.49	Dormant	United Kingdom
22. Rose & Crown VCT Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
23. Shandwick Leisure Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
24. Simply Nico Limited	<b>62.49</b>	62.49	Dormant	United Kingdom
25. Styletune Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
26. The Bowler Hat Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
27. The Imperial Crown Hotel Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
28. The Reservation Company Limited	<b>99.99</b>	99.99	Reservation bookings	United Kingdom
29. The Restaurant Partnership plc	<b>62.49</b>	62.49	Restaurant operations	United Kingdom
30. TRP (Langan's) Limited	<b>62.49</b>	62.49	Dormant	United Kingdom
31. TRP (Nico) Limited	<b>62.49</b>	62.49	Dormant	United Kingdom
32. Woodmount Limited	<b>99.99</b>	99.99	Dormant	United Kingdom
33. Wright Hotels (North Queensferry) Limited	<b>99.99</b>	99.99	Hotel operations	United Kingdom
34. Wright Hotels Limited	<b>99.99</b>	99.99	Investment holding and hotel operations	United Kingdom



<b>Joint Ventures</b>	<b>Equity Interest</b>		<b>Principal Activities</b>	<b>Country of Incorporation</b>
	<b>2002</b>	<b>2001</b>		
	<b>%</b>	<b>%</b>		
1. Elmville Limited	<b>50.00</b>	50.00	Hotel and leisure club operations	United Kingdom
2. Hawkwell VCT Limited	–	50.00	Hotel operations	United Kingdom

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

\* Subsidiary and companies not audited by member firms associated with BDO Binder, Malaysia.

# London Vista Hotel Limited ("LVHL") has a direct equity interest of 11% whilst Corus & Regal Hotels plc has a direct equity interest of 49%.

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

@ Pan Malaysian Industries Berhad held 46.13% equity interest in Malayan United Industries Berhad as at 31 December 2002.

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

✓ These companies became wholly-owned subsidiary companies of GCIH Property Limited ("GCIH Property") on 23 July 2002.

^ These companies are subsidiary companies of Anglo Pacific Corporation (Malaysia) Sdn Bhd ("APC"). Upon APC becoming a wholly-owned subsidiary of GCIH Property on 23 July 2002, the equity interest in Kuril Plantations Sdn Berhad and Cocoa Specialities (Malaysia) Sdn Bhd have increased accordingly.



## PROPERTIES OWNED BY THE MUI GROUP

As at 31 December 2002

<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>
<b>MALAYSIA</b>			
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 valuation : 1983)	7,436	30	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	24	1,038,628
1 lot of freehold land with a 13-storey hotel, known as Corus hotel Kuala Lumpur, Jalan Ampang, Kuala Lumpur (Date of last valuation : December 1982)	7,289	18	74,722,545
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	–	459,255
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	19	1,532,596
1 unit of freehold residential apartment at UBN Tower, 10, Jalan P. Ramlee, Kuala Lumpur (Date of acquisition : July 1990)	59	15	236,760
1 lot of freehold land with two units of double-storey buildings at 189, Jalan Ampang, Kuala Lumpur (Date of acquisition : August 1991)	3,540	10	9,618,514
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	17	34,474,031
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	16	1,324,640

<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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	35	228,388
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	*	165,000
Balance of freehold land held for residential development known as Vila Sri Ukay at Mukim Ulu Kelang, Selangor Darul Ehsan (Date of acquisition : April 1995)	13,092	–	11,249,694
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	11	365,857
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 last valuation : September 1996)	10,800	32	10,479,415
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 last valuation : September 1996)	5,815	–	250,000
2 lot of leasehold land with 2 continuous units of 4-storey shop/office building at no. 18 and 20, Jalan Tiara 2, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. (Lease expires in 2093) (Date of acquisition : May 2002)	306	8	2,714,141
State of Pulau Pinang			
1 lot of freehold land at Lot 773, TS 12 NED, Jalan Macalister, Pulau Pinang (Date of acquisition : 6 November 1974)	380	*	265,771



<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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 2040) (Date of last valuation : September 1996)	976	21	1,264,747
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	–	1,972,303
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 last valuation : September 1996)	446	9	572,065
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	28	15,034,307
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
Balance of freehold land held for township development known as Bandar Springhill at Mukim of Jimah, District of Port Dickson, Negeri Sembilan Darul Khusus (Date of acquisition : January 1995)	6,390,188	–	121,907,085
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 last valuation : September 1996)	117	18	235,200
4 lots of leasehold land with a hotel known as Corus Paradise resort Port Dickson at Lots 286,288 & 289, PT 5855, Batu 2 1/2, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (Lease expires in 2059/2087) (Date of last valuation : September 1996)	55,745	7	65,280,486

<i><b>Location, Description and Usage</b></i>	<i><b>Approximate Land Area Sq. Metres</b></i>	<i><b>Approximate Age of Building Years</b></i>	<i><b>Net Book Value RM</b></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 Lot No. 926, No. 18, Jalan Kong Sang, Seremban, Negeri Sembilan Darul Khusus (Date of acquisition : July 2001)	177	3	924,587
1 lot of freehold land with 4-storey office building at nos. 19, 20 & 21, Jalan Kong Sang, Seremban, Negeri Sembilan Darul Khusus (Date of acquisition : July 2001)	474	13	2,775,935
1 lot of freehold land with 2-storey shophouse at no. 22, Jalan Kong Sang, Seremban, Negeri Sembilan Darul Khusus (Date of acquisition : July 2001)	177	pre-war	596,250
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 last valuation : September 1996)	10,825	–	9,064,044
1 lot of freehold bungalow land at HS 10468 PT 11291, Bentong, Pahang Darul Makmur (Date of last valuation : September 1996)	1,115	–	180,015
AUSTRALIA			
1 lot of freehold land with a 27-storey 268-room deluxe hotel known as Corus hotel Sydney at nos. 7-9, York Street, Sydney, New South Wales (Date of acquisition : July 1995)	1,011	33	70,398,105
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	20	1,992,442



<i><b>Location, Description and Usage</b></i>	<i><b>Approximate Land Area Sq. Metres</b></i>	<i><b>Approximate Age of Building Years</b></i>	<i><b>Net Book Value RM</b></i>
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	23	1,924,626
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	25	4,605,209
1 lot of freehold land with a 140-room hotel known as Corus hotel Hobart at no. 156, Bathurst Street, Hobart, Tasmania (Date of acquisition : September 1996)	3,569	26	18,635,340
<b>UNITED STATES OF AMERICA</b>			
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	7	12,043,938
<b>INDIA</b>			
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	10	1,073,835
<b>HONG KONG</b>			
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	24	1,368,206
<b>SINGAPORE</b>			
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	5	17,363,255



<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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1 unit of leasehold residential apartment at no. 152, Prince Charles Crescent, Singapore (Lease expires in 2096) (Date of acquisition : July 1999)	194	–	3,943,878
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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 2252) (Date of acquisition : September 1996)	111	9	1,064,108
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1 lot of leasehold residential apartment at Flats 9 and 10, 24 Lowndes Square, United Kingdom (Lease expires in 2149) (Date of acquisition : November 2001)	182	51	6,581,585
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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	301	12,612,522
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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	901	26,799,537
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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	201	23,038,254
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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	76	26,160,564
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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	151	22,584,021
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<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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	61	123,683,781
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	81	15,522,886
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	76	25,866,643
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	401	18,573,164
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	201	23,576,717
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	151	43,952,136
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	151	21,035,236
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	351	32,789,620
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	151	36,107,861
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	401	34,825,151

<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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	76	19,550,749
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	76	7,656,001
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	201	6,884,200
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	81	19,618,077
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	81	23,449,276
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	51	47,664,174
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	51	1,250,064
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	251	17,927,269
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	601	20,021,598
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	151	37,863,437



<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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	61	25,959,744
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	201	25,988,625
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	101	22,477,790
1 lot of freehold land with a 48-room hotel known as Time Out at Enderby Road, Blady, Leicester LE8 4GD (Date of acquisition : November 2001)	6,824	51	21,851,521
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	151	37,063,280
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	51	27,869,486
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	101	20,131,735
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	201	21,644,383
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	51	24,844,275

<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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	251	27,650,747
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	151	19,605,653
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	51	27,939,171
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	51	34,199,241
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	51	17,256,649
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	301	24,944,212
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	51	85,747,782
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	601	21,852,837
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	51	25,938,538



<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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	51	30,156,828
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	51	38,047,556
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	51	61,039,345
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	501	5,417,725
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	51	25,177,708
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	51	25,554,670
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	151	30,993,348
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	51	21,962,091
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	401	1,947,189



<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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	51	26,268,239
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	51	77,050,104
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	51	36,456,015
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	51	24,107,357
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	51	32,658,108
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	151	21,923,053
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	101	19,499,964
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	251	46,527,361
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	51	31,299,388



<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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	51	11,886,663
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	601	43,299,344
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	51	8,857,010
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	601	17,395,606
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	301	46,542,343
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	301	32,316,437
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	501	44,958,888
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	101	26,364,259
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	51	43,754,229
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	51	33,978,730

<b><i>Location, Description and Usage</i></b>	<b><i>Approximate Land Area Sq. Metres</i></b>	<b><i>Approximate Age of Building Years</i></b>	<b><i>Net Book Value RM</i></b>
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	81	10,679,701
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	61	21,005,112
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 : February 2001)	2,010	101	274,800,365
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	201	48,789,295
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	101	3,147,303
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	101	1,126,626
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	81	1,590,632
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	81	3,102,939
1 lot of leasehold land with a 2-storey restaurant at 35 Great Portland Street, London W1N 5NN (Lease expires in 2008) (Date of acquisition : November 2001)	149	30	1,431,496
1 lot of leasehold land with a single storey restaurant at Midland Hotel Conference Centre Mount Street, Manchester M60 20S (Lease expires in 2008) (Date of acquisition : November 2001)	377	100	645,785
1 lot of leasehold land with a single storey restaurant at Crown Plaza, Heathrow Stockley Road, West Drayton Middlesex UB7 9NA (Lease expires in 2008) (Date of acquisition : November 2001)	213	26	523,590



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-Second Annual General Meeting of the Company to be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 27 June 2003 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 2002 and the Reports of the Directors and the Auditors thereon.		
2. 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.		
3. To re-appoint Mr Yong Ming Sang as a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
4. To re-elect Mr Ang Guan Seng as a Director of the Company.		
5. To re-elect Dato' Paduka Nik Hashim Nik Yusoff as a Director of the Company.		
6. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration.		
7. 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

Date:

Seal

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 is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member, other than an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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.

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Stamp

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

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