



AMSTEEL CORPORATION BERHAD

A Member of The Lion Group

(20667-M)

LAPORAN TAHUNAN

2000

ANNUAL REPORT

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of Amsteel Corporation Berhad will be held at the Meeting Hall, Level 23, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur on Monday, 18 December 2000 at 2.30 pm for the following purposes:

AGENDA

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 June 2000. **Resolution 1**
2. To approve the payment of a first and final dividend of 0.05 sen per share less Malaysian Income Tax. **Resolution 2**
3. To approve the payment of Directors' fees amounting to RM215,100.00. **Resolution 3**
4. To re-elect Directors:
In accordance with Article 93 of the Company's Articles of Association, the following Directors retire by rotation and being eligible, offer themselves for re-election:

Mr M. Chareon Sae Tang @ Tan Whye Aun **Resolution 4**
Mr Tan Siak Tee **Resolution 5**
5. To consider and if thought fit, pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965 as ordinary resolutions:

"That Y. Bhg. Jen (B) Tan Sri Dato' Zain Hashim who retires pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next annual general meeting." **Resolution 6**

"That Mr Cheng Theng Kee who retires pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next annual general meeting." **Resolution 7**
6. To re-appoint Auditors to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **Resolution 8**
7. Special Business

To consider and if thought fit, pass the following resolution as an ordinary resolution:

Ordinary Resolution – Authority to Directors to issue shares

"That pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of all relevant authorities being obtained, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company." **Resolution 9**
8. To transact any other business for which due notice shall have been given.

DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a depositor shall qualify for entitlement to the dividend only in respect of:

- (a) shares deposited into the depositor's securities account before 12.30 pm on 4 January 2001 in respect of shares exempted from mandatory deposit;
- (b) shares transferred into the depositor's securities account before 12.30 pm on 8 January 2001 in respect of ordinary transfers; and
- (c) shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

The dividend, if approved, will be paid on 7 February 2001 to shareholders on the Register of Members of the Company at the close of business on 8 January 2001.

By Order of the Board

MAK WAI CHIN
CHAN POH LAN
Secretaries

Kuala Lumpur
30 November 2000

Notes:

1. Proxy

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal.
- An instrument appointing a proxy executed in Malaysia need not be witnessed. The signature to an instrument appointing a proxy executed outside Malaysia shall be attested by a solicitor, notary public, consul or magistrate.
- The instrument of proxy shall be deposited at the Registered Office of the Company, Level 46, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur at least forty-eight (48) hours before the time appointed for holding the Meeting.

2. Resolution 9 – Authority to Directors to issue shares

- This authorisation will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company. This authority, unless revoked or varied at a general meeting, will expire on the conclusion of the next annual general meeting of the Company.

CORPORATE INFORMATION

Board of Directors	: Y. Bhg. Jen (B) Tan Sri Dato'Zain Hashim (<i>Chairman</i>) Y. Bhg. Tan Sri William H.J. Cheng (<i>Managing Director</i>) Mr Cheng Theng Kee Y. Bhg. Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim Y. Bhg. Datuk Cheng Yong Kim Mr M. Chareon Sae Tang @ Tan Whye Aun Mr Tan Siak Tee
Secretaries	: Ms Mak Wai Chin Ms Chan Poh Lan
Registered Office	: Level 46, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel. Nos. 03-21622155, 21613166 Homepage: http://www.lion.com.my
Share Registrar	: Secretarial Communications Sdn Bhd Suite 11.01, Level 11, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel. Nos. 03-21648411, 21648412
Auditors	: Ong Boon Bah & Co B-10-1 Megan Phileo Promenade 189 Jalan Tun Razak 50400 Kuala Lumpur
Principal Bankers	: Arab-Malaysian Merchant Bank Berhad Bank of America Malaysia Berhad Malayan Banking Berhad Perwira Affin Bank Berhad RHB Bank Berhad Standard Chartered Bank Malaysia Berhad The Chase Manhattan Bank (M) Berhad
Stock Exchange Listing	: Kuala Lumpur Stock Exchange
Stock Name	: AMSTEEL
KLSE Stock No.	: 2712
ISIN Code	: MYL271200007
Reuters Code	: AMST.KL

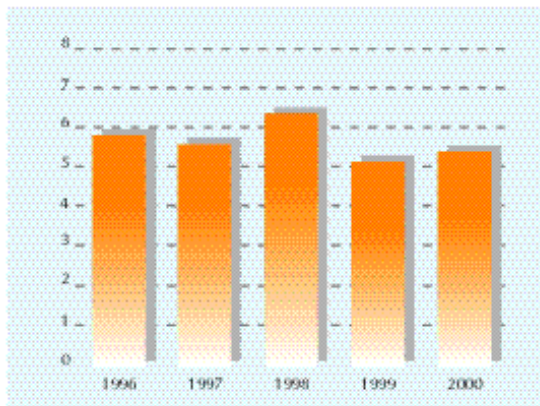
AUDIT COMMITTEE

Chairman of Audit Committee	:	Y. Bhg. Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim (Independent Non-Executive Director)
Members	:	Y. Bhg. Datuk Cheng Yong Kim (Non-Independent Executive Director) Mr M. Chareon Sae Tang @ Tan Whye Aun (Independent Non-Executive Director) Mr Tan Siak Tee (Independent Non-Executive Director)
Secretaries	:	Ms Mak Wai Chin Ms Chan Poh Lan
Terms of Reference	:	(a) To consider and recommend the appointment, resignation and/or dismissal of the External Auditors, the audit fee and any matters related thereto; (b) To appoint the Head of Internal Audit; (c) To review with the External and/or Internal Auditors: (i) the audit plan, its scope and nature and ensure coordination where more than one Audit Firm is concerned; (ii) the system of internal accounting controls and its effectiveness; (iii) the audit report as well as the quarterly unaudited financial statements of the Company and Group; (iv) any changes in accounting policies and principles (if any), compliance with Statutory and Stock Exchange Requirements and generally accepted accounting principles; (v) any matter arising including any report or management letter and management response; and (vi) the Internal Auditors' program and consider the major findings of internal audit investigations and management response and ensure coordination between Internal and External Auditors; (d) To review related party transactions that may arise within the Company or Group and any other major transactions outside of the normal course of business of the Company and Group; and (e) Such other matters as the Board may from time to time determine.

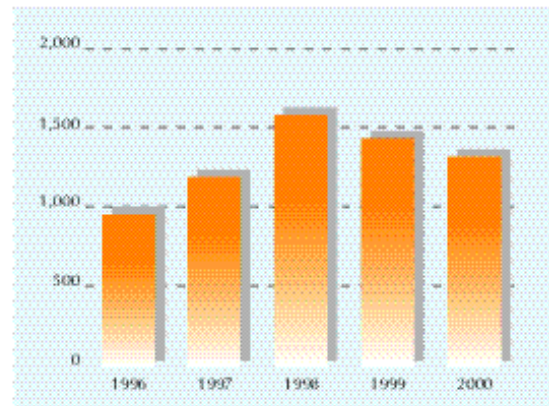
5 YEARS' GROUP FINANCIAL HIGHLIGHTS

	1996	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	5,775,680	5,562,879	6,352,629	5,134,671	5,379,720
Profit from operations	593,801	818,400	494,416	213,070	355,888
Profit/(Loss) before taxation	312,027	412,434	(1,143,192)	(934,697)	(662,357)
Profit/(Loss) after taxation	245,486	305,484	(1,146,586)	(873,118)	(724,465)
Dividends:					
Gross rate (%)	10	10	0.5	0.1	0.1
Amount (net of tax)	44,066	44,069	2,267	453	453
Total assets employed	9,518,507	11,860,492	15,669,618	14,312,104	13,120,099
Shareholders' funds	1,490,395	1,573,800	1,795,318	893,110	192,227
Net tangible assets	1,102,505	1,069,994	1,225,994	470,893	(147,656)
	Sen	Sen	Sen	Sen	Sen
Net tangible assets per share	88	85	97	37	(12)
Earnings/(Loss) per share	11	11	(82)	(66)	(50)
	'000	'000	'000	'000	'000
Number of ordinary shares issued and fully paid	1,259,032	1,259,114	1,259,114	1,259,114	1,259,593

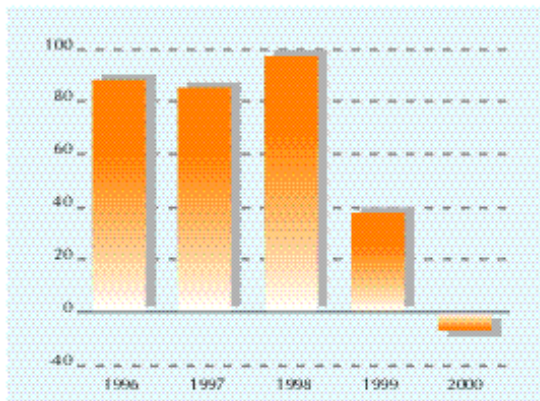
TURNOVER
RM Million



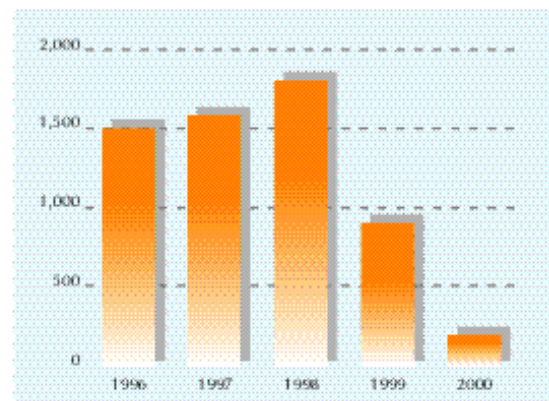
TOTAL ASSETS EMPLOYED
RM Million



NET TANGIBLE ASSETS PER SHARE
Sen



SHAREHOLDERS' FUNDS
RM Million



THE GROUP'S BUSINESSES



Thin slab continuous caster at Megasteel to produce ultra-thin slabs.
Acuan 'slab' nipis di Megasteel untuk mengeluarkan slab ultra-nipis.



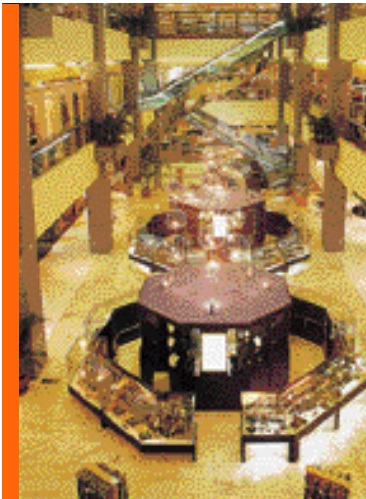
Steel bars from Amsteel Mills Sdn Bhd, all tagged and ready for delivery.
Batang besi dari Amsteel Mills Sdn Bhd, berlabel dan sedia untuk dihantar.



Silverstone tyres on display at the 'Love Malaysia Fair'.
Tayar-tayar Silverstone dipamerkan di 'Expo Cinta Malaysia'.



Bandar Akademia, a self-contained township being developed at Lenggeng, Negeri Sembilan.
Bandar Akademia, bandar baru bersepadu yang dimajukan di Lenggeng, Negeri Sembilan.



Interior view of Parkson Grand department store in Damansara Jaya.
Pemandangan dalam Parkson Grand di Damansara Jaya.



Sawn timber at Sabah Forest Industries' new Integrated Timber Complex.
Balak bergajaji Sabah Forest Industries di Kompleks Balak Bersepadu yang baru.



Beer fermentation tanks at one of the Group's breweries in China.
Tangki penapaian bir di salah satu kilang bir Kumpulan di China.



The Suzuki Vitara and Suzuki motorcycle being distributed by the Group under franchise.
Suzuki Vitara dan motorsikal Suzuki yang diedarkan secara francais.

PENYATA Pengerusi

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Akaun Diaudit Amsteel Corporation Berhad bagi tahun kewangan berakhir 30 Jun 2000.

PRESTASI KEWANGAN

Tahun tinjauan merupakan satu lagi tahun yang mencabar bagi Kumpulan. Setelah melalui kemelesetan ekonomi yang paling teruk setakat ini, keseluruhan sumber dan daya tahan Kumpulan diuji sepenuhnya dalam usaha melunaskan hutang-hutang Kumpulan. Dalam hal ini, saya dengan sukacita melaporkan bahawa kita telah berjaya mencapai kata putus setelah beberapa pusingan perbincangan dan rundingan dengan para pemiutang kita, dan seterusnya mengumumkan cadangan Skim Penyusunan Semula Seluruh Kumpulan (SPSSK) yang merangkumi kedua-dua penyusunan semula hutang dan penyusunan semula korporat yang akan membolehkan hutang-hutang ditangani sepenuhnya dan pada masa yang sama merasionalisasi dan menyelaras pelbagai perniagaan terasnya.

Dalam keadaan seperti ini, dengan dibantu oleh pemulihan ekonomi di negara-negara Asean dan sebahagian besar Asia, Kumpulan berupaya mencatat pertumbuhan perolehan yang menggalakkan sebanyak 5% kepada RM5.4 bilion. Bagaimanapun, kerugian sebelum cukai berjumlah RM662 juta dicatatkan berpunca daripada penurunan nilai tunggal berjumlah RM307 juta berhubung pelunasan hutang, rugi tukaran matawang asing dan aset-aset yang turun nilai berpunca daripada pemberhentian operasi farmaseutikal di Republik Rakyat China dan pelupusan operasi-operasi coklat.

PERKEMBANGAN KORPORAT

Pada 5 Julai 2000, Kumpulan telah mengumumkan cadangan SPSSK yang ditunggu-tunggu bagi mencari penyelesaian meningkatkan keupayaan Kumpulan dan Syarikat-syarikat Skim memenuhi tuntutan kewangan para pemiutang dan membolehkan Kumpulan maju ke hadapan mengikut dasar berterusan dan terutamanya untuk memperolehi semula kedudukannya dari sudut keuntungan. SPSSK juga merangkumi merasionalisasi struktur Kumpulan di mana perniagaan-perniagaan teras akan diselaras dan perniagaan bukan teras akan dilupuskan.

Seiringan dengan ini, Kumpulan secara aktif telah melupuskan aset-aset dan perniagaan-perniagaan bukan teras dalam tahun tinjauan. Ini termasuk :

1. Chocolate Products Manufacturing Sdn Bhd, di mana Kumpulan memiliki 51.3% kepentingan ekuiti, dan beberapa subsidiari milik penuhnya telah memeterai beberapa perjanjian untuk melupus perniagaan VICO, perniagaan produk-produk perantara koko, empunya (propriater)

perniagaan coklat, perniagaan pengedaran coklat, perniagaan konfeksi dan cap dagangan untuk balasan berjumlah RM53.5 juta; dan

2. LLB Suria Sdn Bhd, di mana Kumpulan memiliki 50.5% kepentingan ekuiti, telah memeterai perjanjian untuk melupus 25% kepentingan ekuiti dalam Tianjin Huali Motor Co Ltd, sebuah syarikat yang diperbadankan di Republik Rakyat China untuk balasan tunai bernilai Rmb65 juta (anggaran kira-kira RM29.8 juta).

Selepas akhir tahun, Kumpulan juga telah melaksanakan pelupusan berikut :

1. Exunig Sdn Bhd, subsidiari milik penuh Kumpulan, telah memeterai perjanjian jual beli bersyarat dengan Allianz Aktiengesellschaft, sebuah syarikat yang diperbadankan di Jerman, untuk melupus keseluruhan 31.6% kepentingan ekuiti dalam Malaysia British Assurance Berhad yang terdiri daripada 16,906,666 saham bernilai RM1.00 setiap satu untuk balasan berjumlah RM129.3 juta; dan
2. Subsidiari milik 50.5% Kumpulan, Lion Land Berhad, bercadang untuk melupuskan sebidang tanah industri bertaraf pajakan, siap dengan pembinaan bangunan kini dikenali sebagai Taman Teknologi Melaka kepada Likom Caseworks Sdn Bhd, sebuah syarikat di mana pengarah-pengarah tertentu syarikat mempunyai kepentingan, untuk balasan berjumlah RM93.15 juta yang akan dilunaskan dengan terbitan saham-saham biasa dalam modal Likom Electronic Pte Ltd, sebuah syarikat yang diperbadankan di Singapura.

DIVIDEN

Lembaga Pengarah dengan sukacitanya mengesyorkan dividen pertama dan akhir sebanyak 0.05 sen (1999: 0.05 sen) sesaham ditolak 28% cukai pendapatan untuk tahun kewangan berakhir 30 Jun 2000 untuk kelulusan di Mesyuarat Agung Tahunan akan datang.

Jumlah bersih dividen berbayar untuk tahun kewangan, jika diluluskan, akan berjumlah RM0.45 juta (1999: RM0.45 juta).

PROSPEK

Tertakluk kepada perkara-perkara yang tidak diduga, Lembaga Pengarah menjangkakan prestasi operasi Kumpulan akan pulih dalam tahun kewangan akan datang.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya mengambil peluang ini untuk merakamkan penghargaan ikhlas dan terima kasih kepada semua kakitangan kita atas usaha gigih dan iltizam mereka dan juga kepada para

PENYATA PENGERUSI

(sambungan)

pelanggan yang dihargai, pemegang saham, pembiaya dan rakan-rakan usahasama atas sokongan padu mereka. Saya juga ingin mengucapkan ribuan terima kasih kepada pihak berkuasa kerajaan atas panduan dan persefahaman mereka serta kepada para pemegang saham atas keyakinan mereka terhadap Lembaga Pengarah.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Amsteel Corporation Berhad for the financial year ended 30 June 2000.

FINANCIAL PERFORMANCE

The year under review continued to be another challenging period for the Group. Having weathered its worst recession thus far, the entire Group's resources and resilience were put to the fullest test in addressing the Group's financial obligations. In this respect, I am pleased to report that we have, after countless rounds of discussions and negotiations with our lenders, made significant progress and have announced the proposed Group Wide Restructuring Scheme (GWRS) that encompasses both a debt restructuring as well as a corporate restructuring which will enable the Group's debts to be addressed in full and at the same time rationalise and streamline its various core businesses.

Under the circumstances, and aided in no small way by the economic recovery taking place in the Asean countries and much of Asia, the Group was able to record an encouraging growth of 5% in its revenue to RM5.4 billion. However, a loss before taxation of RM662 million was recorded due to further one-off write downs totalling RM307 million in respect of debts provisioning, amortisation of forex losses and assets write down upon cessation of its pharmaceutical operation in the People's Republic of China (PRC) and the divestment of its chocolate operations.

CORPORATE DEVELOPMENTS

On 5 July 2000, the Group announced its much awaited proposed GWRS which seeks to provide the Group and the Scheme Companies with the ability to fulfil its financial commitments to its creditors and enable the Group to move forward on a going concern basis and ultimately to regain its position of profitability. The GWRS also involves the rationalisation of its Group structure whereby core businesses will be redefined and non-core businesses will be divested.

In line with the above, the Group has been actively divesting its non-core and peripheral assets and businesses during the financial year under review. These include :

1. Chocolate Products Manufacturing Sdn Bhd, in which the Group has a 51.3% equity interest, and several of its wholly-owned subsidiaries have entered into several agreements for the disposal of the VICO business, intermediate cocoa products business, proprietary chocolate business, chocolate trading business, confectionery business and trademarks for a total consideration of RM53.5 million; and

JEN (B) TAN SRI DATO' ZAIN HASHIM
Pengerusi

CHAIRMAN'S STATEMENT (continued)

2. LLB Suria Sdn Bhd, in which the Group has a 50.5% equity interest, has entered into an agreement for the disposal of 25% equity interest in Tianjin Huali Motor Co Ltd, a company incorporated in the PRC for a total cash consideration of Rmb65 million (equivalent to approximately RM29.8 million).

Subsequent to the year end, the Group has also undertaken the following divestments :

1. Exuniq Sdn Bhd, a wholly-owned subsidiary of the Group, has entered into a conditional sale and purchase agreement with Allianz Aktiengesellschaft, a company incorporated in Germany, to dispose of its 31.6% equity interest comprising 16,906,666 shares of RM1.00 each in Malaysia British Assurance Berhad for a total consideration of RM129.3 million; and
2. The Group's 50.5% owned subsidiary, Lion Land Bhd, has proposed to dispose a piece of leasehold industrial land with buildings erected thereon, currently known as Melaka Technology Park to Likom Caseworks Sdn Bhd, a company in which certain directors of the company are deemed to have interests, for a total consideration of RM93.15 million to be satisfied by the issuance of ordinary shares in the capital of Likom Electronic Pte Ltd, a company incorporated in Singapore.

DIVIDENDS

The Board of Directors is pleased to recommend a first and final dividend of 0.05 sen (1999: 0.05 sen) per share less 28% income tax in respect of the financial year ended 30 June 2000 for approval at the forthcoming Annual General Meeting.

The total net dividend payable for the financial year, if approved, will amount to RM0.45 million (1999: RM0.45 million).

PROSPECTS

Barring unforeseen circumstances, the Board expects the operating performance of the Group for the next financial year to improve.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express our sincere gratitude and appreciation to all our employees for their dedication and commitment and also to our valued customers, shareholders, financiers and business associates for their invaluable support. I would also like to thank the relevant Government authorities for their guidance and understanding and to the shareholders for their confidence in the Board.

JEN (B) TAN SRI DATO' ZAIN HASHIM
Chairman

主席報告

我謹代表董事部，欣然提呈自鋼業有限公司截至2000年6月30日的會計年度的常年報告及經審核賬目。

財務表現

對本集團而言，受檢討的一年是另一個充滿挑戰的年度。經歷迄今為止最嚴重的衰退，為了應付集團的財務義務，整個集團的資源和復原力受到最嚴峻的考驗。在這方面，我欣然報告，我們和貸款機構經過無數回合的討論和協商之後，取得顯著的進展，並且公佈了建議中的“集團重組計劃”(重組計劃)。這項計劃包括債務重組和企業重組，使到集團的各項債務能夠完全償還，因此同時使各項核心業務合理化與精簡化。

在這些情況下，以及在東合國家以及亞洲大部份國家經濟復甦的協助下，本集團的營業額取得令人鼓舞的5%增長，總額達到54億零百。不過，稅前虧損達到6億6千200萬零百。這是由於多項一次性的虧損總額達到3億700萬零百。這些虧損包括源自終止中國業務及出售朱百力業務所帶來的賬款準備，外匯損失準備和資產減值。

企業發展

在2000年7月5日，集團宣佈所期待已久的建議中之重組計劃。這項計劃是尋求使本集團與參與計劃的公司有能力履行欠債權人的財務承擔，以及使本集團能夠繼續營業，並最終重新獲得盈利。重組計劃也涉及核心企業重新定位，非核心企業則出售使集團的結構合理化。

為配合上述，在受檢討的一年內，本集團積極從事出售非核心資產和外國資產因業務。這包括：

1. 本集團擁有51.3%股權的朱百力產品私人有限公司以及它完全擁有的幾家子公司，進行幾項協議，以5千350萬零百出售其VICO的業務、可可半製成產品業務、有專賣權的朱百力產品業務、朱百力貿易業務、甜食業務及附標。
2. 本集團擁有50.5%股權的LLB Suria Sdn Bhd，以人民幣6千500萬元(約2千980萬零百)出售其在中國註冊的公司天津豐利汽車有限公司的25%股權。

在會計年度結束後，本集團也進行以下的出售：

1. 本集團擁有100%股權的Exunig Sdn Bhd，與德國註冊公司Allianz Aktiengesellschaft簽署有條件買賣合約以1億2千930萬零百，出售它在Malaysia British Assurance Berhad 31.6%的股權，相等於每股面值1零百的1千6百90萬6千666股給予債權。
2. 本集團的子公司Lion Land Bhd建議以9千315萬零百出售目前稱為馬六甲工業園的一片租賃土地以及土地上的建築物給予Likom Caseworks Sdn Bhd(一間一些董事擁有股權的公司)。這項交易將由新加坡註冊公司Likom Electronic Pte Ltd發行普通股來完成。

股息

董事部欣然建議，在截至2000年6月30日為止的會計年度內，分發一次過半期股息，每股0.05仙，扣除28%所得稅。(1999年為每股0.05仙，扣除28%所得稅)。這項建議必須獲得將召開的常年大會批准才能生效。

如果獲得批准，本財政年度的股息淨額將是45萬零百(1999年度為45萬零百)。

展望

除非出現預料不到的情況，董事部預測，在下一個會計年度，本集團的營業情況將會改善。

鳴謝

我謹代表董事部，感謝我們的全體僱員具有奉獻的精神和作出不懈的努力，感謝顧客、股東、融資機構以及商業伙伴寶貴的協助。我也要感謝有關的政府當局的指導與諒解，以及感謝股東們對董事部的信心。

主席

JEN (B) TAN SRI DATO' ZAIN HASHIM

REVIEW OF OPERATIONS

OVERALL PERFORMANCE

Having weathered its worst recession in more than two decades, the Malaysian economy is emerging on a stronger footing with a more broad-based recovery. The country's economic recovery has gathered momentum with the Gross Domestic Product (GDP) growing by 5.4% in 1999 and is forecasted to improve to 7.5% in the year 2000. The Group has benefited from the turnaround in the economy and has shown an improvement in its performance for the financial year ended 30 June 2000. The steel, forestry, retail and finance services divisions have all notched up commendable increases in revenue.

The regional economies are also experiencing a strong rebound in their economic growth. China, a country left largely unscathed by the financial crisis, has recorded a GDP growth of 7.1% in 1999. This has augured well for the Group's businesses there with the brewery and retail divisions registering healthy levels of performance.

In tandem with the improving regional economy, the Group registered an overall turnover of RM5.4 billion, an increase of 5% as compared to a contraction of 19% experienced last year. This performance has lifted the Group's profit before interests, exceptional items and taxation considerably.

Note : "Profit or loss before interest and taxation" is hereinafter referred to as "profit/loss".

Rising consumer optimism, underpinned by an easing of credit flow and higher disposable income, set the stage for an increase in consumer spending which has benefited the Group's retail division. During the year, the local stock market sentiment has also been bolstered by the return of local and foreign funds and this has lifted the performance of our Group's stockbroking arm.

We present an analysis of the performance of our operations by segment as follows :

Steel		
	2000 RM Million	1999 RM Million
Turnover	980	805
Profit	125	38

Product	Annual Rated Capacity (Million Tonnes)
HBI	0.80
Crude Steel (Billets & Slabs)	2.80
Hot - Rolled Coils	2.00
Bars & Rods	0.85

The Group is one of two large producers of wire rods in the country. At present, the Group's local market share is approximately 45%. The wire rods currently produced are widely used in the construction and manufacturing industries. The Group's domestic market share for steel bars is estimated to be about 30%.

The Group has the advantage of being the only hot briquetted iron (HBI) producer in the region. In the past, all HBI produced was exported directly to about ten major integrated steel mills in Asia. The commissioning of the new flat steel plant under Megasteel Sdn Bhd (Megasteel) has provided the Group with a significant and stable local market. Megasteel is expected to be the dominant user, being able to absorb all the HBI produced by the Group when it operates at its full rated capacity of 2,000,000 metric tons (MT) per annum. Notwithstanding that, the Group still has the option to export its HBI.

With the sharp correction in the domestic steel industry over the last two years, the Malaysian government has encouraged the consolidation of the domestic steel industry, involving possible mergers of smaller steel mills with larger players. Being an established player and one of the "Big Five" millers, the Group's steel operation will be at the forefront of such a consolidation.

In anticipation of the opportunities in the steel market, taking into consideration the general recovery in demand and expected growth, the Group is taking steps towards product diversification by targeting to recommence construction of the Amsteel II plant as soon as possible. This new 500,000 MT per annum rolling mill is expected to be operational by mid-2001 in order to tap on the anticipated growth. With a new range of products, the Group is confident that the risks of a tightening long product market in construction-related materials would be reduced, and the Group will focus its expanded capacity towards increasingly high-end niche and specialist markets.

Motor		
	2000 RM Million	1999 RM Million
Turnover	358	379
Profit/(Loss)	(37)	10

Product	Annual Rated Capacity (Million Units)
Malaysia	
2-Wheelers	0.072
4-Wheelers	0.010
China	
2-Wheelers	1.500
4-Wheelers	0.100
Motorcycle Components	2.100
Motorcycle Engines	0.820
Automotive Components	1.000

The performance of our local motor division has been adversely impacted by the appreciation of the Japanese Yen against the Ringgit and the stiff competition amongst the various manufacturers in the reduced market size.

The local motorcycle market is currently dominated by four major brands, namely Suzuki, Honda, Yamaha and Modenas which account for approximately 99.8% of the total domestic market share. Modenas continues to be the current market leader and commands 42% of the total market share whilst Suzuki's market share has been further eroded. With the impending market liberalisation through AFTA, Suzuki Assemblers (Malaysia) Sdn Bhd and Lion Suzuki Marketing Sdn Bhd will work closely together with their principal, namely Suzuki Motor Corporation Japan (SMCJ), to seek new export opportunities through strategic alliances with their counterparts in Thailand, Indonesia and Vietnam.

Although sales of motor vehicles in the country has moved up significantly, the Group's Suzuki 4WD has not been able to improve upon its current market share. This was because of intense competition from new lower end 4WD models being launched in the market. In particular, the Kembara model launched in the market in 1999 by Perodua received overwhelming response and currently has some 66% share of the domestic 4WD market.

Tyres		
	2000 RM Million	1999 RM Million
Turnover	490	644
Profit	7	45

Product	Annual Rated Capacity (Million Units)
Malaysia	
Tyre	2.25
China	
Tyre	3.00

The Malaysian tyre market has traditionally been competitive and is dominated by the four well established tyre manufacturers viz Silverstone, Dunlop, Goodyear and Sime Tyres. The market size is estimated at about RM950 million with the four manufacturers accounting for 90% of the domestic market and the balance 10% coming from imported tyres catering for the replacement tyre segment. With the onset of the economic downturn in late 1997, the major tyre manufacturers were forced to increase exports in light of the sharp decline in the domestic market. Silverstone, which had in the past invested heavily in automating its plant production, was no exception. Some 30% of its production are currently for the export market.

It is also interesting to note that prior to the financial crisis, imported tyres had been rising steeply from RM80 million in 1993 to RM130 million in 1997. However, as a result of the sharp depreciation of the Ringgit, imports plunged to RM70 million in 1998. This has created an opportunity for the local tyre manufacturers to capture an even larger share of the domestic market.

Silverstone's other competitive advantages lie in its commitment towards creating a global identity for its range of tyre products. Besides investing heavily in R&D to develop quality tyres that meet with the stringent overseas market standards, it is also aggressively setting up motorsports outlets both locally and overseas to market its low profile, rally competition and 4WD tyres. These overseas outlets which were initially set up in the United Kingdom have now spread to countries like Australia and New Zealand. Together with the strong dealership network already in place,

these centres will enable Silverstone to enhance its international brand image. Our Malaysian tyre operation has recorded an improvement in performance for the current year.

Meanwhile, Dong Feng Lion Tyre Co Ltd, the Group's tyre subsidiary operating in China, posted disappointing results with turnover dropping by RM150 million and recording a loss of RM14 million as against a profit of RM13 million last year. A concerted effort has been made to revamp its operations with the assistance of the Silverstone management team.

Food and Agricultural Products		
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	2000 RM Million	1999 RM Million
Turnover	1,125	1,069
Profit	47	40

Plantation	Hectarage (ha)
Forest	289,000
Oil Palm	
– Planted	6,700
– Unplanted	37,200
Rubber	800

Forestry Product	Annual Rated Capacity
Pulp	120,000 tonnes
Paper	150,000 tonnes
Commercial Log	500,000 m ³
Sawn Timber	100,000 m ³
Plywood	120,000 m ³

Food and Beverage Product	Annual Rated Capacity ('000 Tonnes)
Beer	1,300

The country's production of wood and wood products continue to decline for the third consecutive year since 1997. Although the production of plywood and particle boards improved in response to increased external demand, this was more than offset by the significant contraction in the output of sawn timber as logging activities in Peninsular Malaysia were disrupted by heavy rain experienced during 1999.

However, exports of sawn logs and sawn timber registered sharp increases in response to an improvement in external demand, particularly from the Asia Pacific markets. In particular, the People's Republic of China which accounted for 25% of Malaysia's total log exports, has more than doubled its offtake in 1999 following increased economic activities. Korea, Thailand and Japan accounted for the bulk of the increase in sawn timber exports in 1999.

Sabah Forest Industries Sdn Bhd (SFI), which holds the second largest forest concession in Sabah, has benefited from the rally in timber prices, after the severe decline in prices from reduced demand and dumping by major Indonesian producers in the previous year. Commercial logs are sold in both the local and export markets and are also used by SFI in the manufacture of sawn timber, veneer and plywood. The traditional markets for commercial logs are Japan, Taiwan and South Korea.

SFI operates the first and largest fully integrated pulp and paper mill in Malaysia with a production capacity of 120,000 MT for pulp and 150,000 MT for paper. Sale of pulp and paper contributed approximately 60% of the total revenue of SFI with approximately 30% of its paper products exported to Singapore as well as countries in the Middle East and Far East.

The recently constructed Integrated Timber Complex (ITC) houses the sawn timber and plywood mills with a production capacity of 100,000 cubic metres and 120,000 cubic metres respectively. The major markets for SFI's downstream products, comprising veneer and plywood are China, Korea and Japan. With the completion of the ITC, SFI is poised to reap the benefits and further confirm its position as one of Malaysia's largest operators in the logging industry.

China's beer industry has developed rapidly since the 1970s, making China the world's second largest beer producer after the United States of America. The rapid growth in China's beer industry has attracted sizeable foreign investment. With local brands accounting for approximately 95 percent of all China beer sales, competition among the foreign brewers is stiff as the market size for foreign beers brewed locally under license or imported is small. Furthermore, brand loyalties for foreign beers are fragile. The China beer market is extremely fragmented as consumers in different cities or provinces have their own preferred taste with regard to bitterness, lightness and colour of the beer.

The recent trend in consumption patterns shows a shift from hard liquor consumption to beer consumption. This, coupled with a rise in consumers' disposable income, has augured well for the Group's China

breweries located in 5 provinces, namely Hubei, Hunan, Shandong, Jiangsu and Zhejiang. In terms of production volume, the Group's China breweries is ranked fourth in China in 1999. With the upgrading of the production facilities and technical tie-ups with a reputable German brewer in place, the performance of our China Breweries is expected to show further improvement.

Retail and Distribution		
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	2000 RM Million	1999 RM Million
Turnover	1,908	1,730
Profit	51	32

Type of Business	No. of Outlets	Floor Space (m ³)
Malaysia		
Department Store	26	151,200
Hypermarket	4	34,600
China		
Department Store & Supermarket	13	170,000

The performance of the retail industry is closely correlated to the spending power of consumers which in turn is directly linked to the economic environment. With the gradual recovery in the country's economy, consumer spending is on the rise and our retail division has posted a corresponding set of encouraging results.

With its large network of stores in Malaysia, Parkson, the Group's retail arm, enjoys economy of scale in bulk purchasing of goods and in advertising and promotional activities. Participation in multiparty programmes like the Bonus Link card programme has allowed Parkson Malaysia to expand its customer base and the 2 million Bonus Link membership base has provided it with adequate data for targeted marketing. This is a key differentiating factor which has strengthened Parkson's competitive edge in the local retailing industry.

Subsequent to the divestment of its supermarket operations, Parkson Malaysia has focused on capitalising on the growing middle to upper-middle class market segment. This entails refinement of product development and improving overall merchandising mix through house labels, improvement

in assortment and direct imports, and the close monitoring of mark-downs, discounts and stocks shrinkages. The continuing cost down exercise implemented during the recession has also improved Parkson's performance.

After 7 years of operations in China, Parkson China has established its presence in 18 cities spread over 3 federal territories and 10 provinces. These large city stores are positioned as fashionable family stores and cater to the middle and upper income discerning urbanites, offering a wide selection of merchandise focusing on style, quality and variety in a contemporary ambience.

As China was relatively unscathed by the economic turmoil afflicting the Asean countries, Parkson China was able to continue to record impressive growth in its revenue. Turnover rose by 20% to RM1.1 billion whilst profit was higher by 56% at RM42 million.

Financial Services		
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	2000 RM Million	1999 RM Million
Turnover	145	98
Loss	(10)	(145)

The return of investors' confidence, as measured by the inflow of foreign investment funds, has enabled the local stock market to rebound with the KL Composite Index reaching a high of 1,000 points in February 2000. Amsteel Securities (M) Sdn Bhd, the Group's local stockbroking arm has benefited from the upswing in volume and prices traded on the KLSE resulting in a turnaround in its performance.

In line with the Government's directive for stockbroking companies to merge and consolidate, and also the Group's intention to rationalise its various businesses, the Group is currently engaged in negotiations with several parties on the merger or disposal of its stockbroking business.

Property		
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	2000 RM Million	1999 RM Million
Turnover	256	292
Profit	48	43

Project	Size
Shopping Complexes	2,570,000 sq ft
Hotels	420 rooms
Approved Mixed Development (Housing schemes incl. shophouses & apartments)	4,350 acres
Industrial Parks	833 acres
Unconverted Landbank for:	
- Mixed Development	7,720 acres
- Commercial Development	20 acres

The turnaround in the country's economy and the easing of credit gave impetus to new development initiatives and paved the way for the resumption of affordable property projects previously placed on hold. This recovery saw commencement of works on new residential townships and the revival of several infrastructure projects.

The property market registered an increase in overall volume and value of transactions with a strong showing in the residential sector, especially for lower end units. The new launches of low and medium cost units undertaken by the Group has also met with favourable response from purchasers.

In line with the Group's intention to rationalise its property portfolio, it has completed the disposal of 5,000,002 ordinary shares of RM1.00 each in Inverfin Sdn Bhd (Inverfin), representing slightly more than 50% of its paid-up capital, to Menara Citi Holdings Sdn Bhd. Inverfin is the owner of the 50-storey office tower located in the Central Business District of Kuala Lumpur, formerly known as Menara Lion. The Group's rental income will mainly be contributed by the five shopping centres located at Subang Jaya, Melaka, Klang, Seremban and Ipoh. Revenue generated from these shopping centres is expected to increase at a steady rate.

Bandar Akademia

This mixed residential and commercial project is located in Lenggeng, Negeri Sembilan, approximately 53km from Kuala Lumpur via the Kuala Lumpur-Seremban Highway. Situated on 1,827 acres of freehold land, this project when completed will feature

a mix of low density homestead with fruit orchards, parklands and recreational lakes dotting the surrounding neighbourhood. A campus for tertiary education has also been planned in the project. Since its launch in mid-1999, the project has received overwhelming response and to date more than 4,000 units have been sold. Earthworks and site clearing on the project has commenced.

Bandar Baru Brooklands

Bandar Baru Brooklands is another fully integrated township located in Banting, Selangor, about 60km from Kuala Lumpur city and about 15km from the Kuala Lumpur International Airport (KLIA) via the Banting-Dengkil Road. Developed on 2,780 acres of freehold land, the project is expected to benefit from its close proximity to highways, ports, KLIA, Megasteel plant, Amsteel II plant, Putrajaya, Cyberjaya and the Multimedia Super Corridor. To date, more than 520 units of terraced houses and 350 bungalow lots have been sold. Currently, earthworks are in progress.

Bukit Mahkota

Located in Bangi, Selangor, this 1,300 acres of integrated township development project offers a self-contained suburban quality country living with modern amenities. These include a commercial centre, hotel, hypermarket, a family oriented clubhouse with 12 acres green, landscaped gardens and lakes covering 61 acres. Bukit Mahkota is centrally located between KLIA and Putrajaya, with only a 12-minute drive from the Sungai Besi toll gates. Access to the project will also be available via the Kuala Lumpur-Seremban Highway with the completion of construction of the dedicated interchange.

Sales recorded to date include more than 900 bungalow lots, 1,350 low or medium cost residential units and 65 units of shophouses. Building works on the terraced houses and shophouses are at 65% completion stage. Infrastructure works for the bungalow lots are at an advanced stage of completion.

Lion Industrial Park

The Lion Industrial Park in Beranang, Selangor covers 277 acres of former freehold plantation land. The development includes industrial lots, low cost terraced factories and double storey shop offices with lot sizes ranging from 0.79 acres to 6.15 acres each catering for the needs of small and medium size industries. This project which is located next to Semenyih, offers easy access to the North-South Expressway via Kajang, Bangi or Nilai. Infrastructure works for the project have been completed and the industrial lots have been handed over to 60 purchasers.

FINANCIAL STATEMENTS

2000

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2000.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are shown in note 12 to the financial statements.

Details of subsidiary companies acquired and disposed of during the financial year are shown in note 12 to the financial statements.

There have been no significant changes during the financial year in the activities of the Company and of its subsidiary companies except for those subsidiary companies acquired and disposed of during the financial year as disclosed in note 12 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss after taxation	(724,465)	(90,596)
Loss attributable to minority shareholders	95,418	-
	<u>(629,047)</u>	<u>(90,596)</u>

DIVIDENDS

The directors recommend a first and final dividend of 0.05 sen per share (less 28% income tax) in respect of the financial year ended 30 June 2000 amounting to RM0.453 million.

The Company has also paid a first and final dividend of 0.05 sen per share (less 28% income tax) in respect of the financial year ended 30 June 1999 and included in the previous Directors' Report amounting to RM0.453 million.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

During the financial year, the issued and paid up capital of the Company was increased from RM629.557 million comprising 1,259,114,001 ordinary shares of RM0.50 each to RM629.797 million comprising 1,259,593,001 ordinary shares of RM0.50 each by the issue of 479,000 new ordinary shares at issue prices ranging from RM0.80 to RM1.10 per share for cash pursuant to the Executive Share Option Scheme of the Company.

DIRECTORS

The Directors who served since the date of the last report are:

Jen (B) Tan Sri Dato' Zain Hashim
 Tan Sri William H.J. Cheng
 Cheng Theng Kee
 Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim
 Datuk Cheng Yong Kim
 M. Chareon Sae Tang @ Tan Whye Aun
 Tan Siak Tee

The Directors due to retire by rotation in accordance with Article 93 of the Articles of Association of the Company are Mr M. Chareon Sae Tang @ Tan Whye Aun and Mr Tan Siak Tee and being eligible, offer themselves for re-election.

In accordance with Section 129 of the Companies Act, 1965, Y. Bhg. Jen (B) Tan Sri Dato' Zain Hashim and Mr Cheng Theng Kee who had attained the age of 70 years shall retire and seek re-appointment as directors under the provisions of the said Act to hold office until the next annual general meeting.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than those disclosed as Directors' fees and emoluments in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member or with a company in which a Director has a substantial financial interest save and except for fees for professional services paid to a firm which Mr M. Chareon Sae Tang is a member in his capacity as an advocate and solicitor.

Except for the share options granted pursuant to the Executive Share Option Scheme, neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS

The Directors' interest in shares in the Company are as follows:

	As at 1.7.99	Number of ordinary shares		As at 30.6.00
		Additions	Disposals	
Direct interest in shares				
Jen (B) Tan Sri Dato' Zain Hashim	265,808	-	-	265,808
Cheng Theng Kee	654,000	-	-	654,000
Datuk Cheng Yong Kim	435,000	-	-	435,000
Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim	-	10,000	10,000	-
Tan Siak Tee	50,000	-	-	50,000
		Number of ordinary shares		
	As at 1.7.99	Additions	Disposals	As at 30.6.00
Indirect interest in shares				
Tan Sri William H.J. Cheng	508,483,745	-	16,780,859	491,702,886
Datuk Cheng Yong Kim	485,489,685	-	13,602,859	471,886,826

In addition to the above, the following Directors are also deemed to have an interest in shares of the Company by virtue of:

- a) Options granted to them pursuant to the Executive Share Option Scheme ("ESOS") of the Company. The ESOS expired on 28 November 1999.

	As at 1.7.99	Options over ordinary shares		As at 30.6.00
		Granted	Lapsed	
Jen (B) Tan Sri Dato' Zain Hashim	400,000	-	400,000	-
Tan Sri William H.J. Cheng	1,000,000	-	1,000,000	-
Datuk Cheng Yong Kim	400,000	-	400,000	-

- b) Warrants with a right to subscribe for ordinary shares in the Company on the basis of one new ordinary share for every one warrant held. The warrants matured on 19 May 2000.

	As at 1.7.99	Number of warrants		As at 30.6.00
		Granted	Disposals/ Matured	
Direct interest in warrants				
Tan Siak Tee	7,000	-	7,000	-
Indirect interest in warrants				
Tan Sri William H.J. Cheng	86,660,314	-	86,660,314	-
Datuk Cheng Yong Kim	84,818,991	-	84,818,991	-

The Directors' interest in shares in related companies are as follows:

	Nominal value per ordinary share	As at 1.7.99	Number of shares		As at 30.6.00
			Additions	Disposals	
Direct interest in shares					
Jen (B) Tan Sri Dato' Zain Hashim					
Angkasa Marketing Berhad	RM1.00	220,625	-	-	220,625
Chocolate Products (Malaysia) Berhad	RM0.50	35,600	-	-	35,600
Lion Land Berhad	RM1.00	29,969	-	-	29,969
Posim Berhad	RM1.00	2,000	-	-	2,000
Silverstone Berhad	RM1.00	9,320	-	-	9,320
Tan Sri William H.J. Cheng					
Angkasa Marketing Berhad	RM1.00	20,000	-	-	20,000
Lion Land Berhad	RM1.00	1,680	-	-	1,680
Cheng Theng Kee					
Lion Land Berhad	RM1.00	693,400	-	-	693,400
Angkasa Marketing Berhad	RM1.00	100,000	-	-	100,000
Silverstone Berhad	RM1.00	358,890	-	-	358,890

Direct interest in shares

	Nominal value per ordinary share	As at 1.7.99	Number of shares		As at 30.6.00
			Additions	Disposals	
Datuk Cheng Yong Kim					
Angkasa Marketing Berhad	RM1.00	205,650	-	-	205,650
Lion Land Berhad	RM1.00	591,586	-	-	591,586
Silverstone Berhad	RM1.00	1,579,260	-	-	1,579,260
M. Chareon Sae Tang @ Tan Whye Aun					
Silverstone Berhad	RM1.00	133,333	-	-	133,333
Tan Siak Tee					
Chocolate Products (Malaysia) Berhad	RM0.50	2,000	-	-	2,000
Lion Land Berhad	RM1.00	20,420	-	-	20,420
Angkasa Marketing Berhad	RM1.00	14,000	-	-	14,000
Silverstone Berhad	RM1.00	1,400	-	-	1,400

Indirect interest in shares

	Nominal value per ordinary share	As at 1.7.99	Number of shares		As at 30.6.00
			Additions	Disposals	
Jen (B) Tan Sri Dato' Zain Hashim					
Silverstone Berhad	RM1.00	180,000	-	-	180,000
Tan Sri William H.J. Cheng Datuk Cheng Yong Kim					
Akurjaya Sdn Bhd	RM1.00	63,500,000	-	-	63,500,000
Ambang Maju Sdn Bhd	RM1.00	70,000	-	-	70,000
Amsteel Securities (M) Sdn Bhd	RM1.00	115,000,000	-	-	115,000,000
Avenel Sdn Bhd	RM1.00	100,000,000	-	-	100,000,000
Ayer Keroh Resort Sdn Bhd	RM1.00	20,000,000	-	-	20,000,000
Bungawang Sdn Bhd	RM1.00	25,000	-	-	25,000
Chocolate Products (Malaysia) Berhad	RM0.50	244,508,501	-	10,963,000	233,545,501
Crystavel Sdn Bhd	RM1.00	998	-	-	998
Davids Warehousing Sdn Bhd (under voluntary liquidation)	RM1.00	4,080,000	-	-	4,080,000
Dwiwater Sdn Bhd	RM1.00	5,252	-	-	5,252
Excellent Strategy Sdn Bhd	RM1.00	24,000,000	-	6,000,000	18,000,000
Hiap Joo Chong Realty Sdn Bhd	RM1.00	1,000,000	-	-	1,000,000
Kobayashi Optical Sdn Bhd	RM1.00	700,000	-	-	700,000
Lion Gateway Parade Sdn Bhd	RM1.00	255,000	-	-	255,000
Lion Mahkota Parade Sdn Bhd	RM1.00	1,000,000	-	-	1,000,000
Lion Mutiara Parade Sdn Bhd	RM1.00	6,000,000	-	-	6,000,000
Lion Plantations Sdn Bhd	RM1.00	8,000,000	-	-	8,000,000
Lion Seremban Parade Sdn Bhd	RM1.00	7,000	-	-	7,000

Indirect interest in shares

	Nominal value per ordinary share	As at 1.7.99	Number of shares		As at 30.6.00
			Additions	Disposals	
Tan Sri William H.J. Cheng					
Datuk Cheng Yong Kim					
LLB Enterprise Sdn Bhd	RM1.00	690,000	-	-	690,000
LLB Hazama Incorporated Sdn Bhd	RM1.00	3,300,000	-	-	3,300,000
LLB Strategic Holdings Berhad	RM1.00	4,050,000	-	-	4,050,000
Marvenel Sdn Bhd	RM1.00	100	-	-	100
Ototek Sdn Bhd	RM1.00	1,050,000	-	-	1,050,000
Posim Berhad	RM1.00	182,664,471	-	3,000,000	179,664,471
Sabah Forest Industries Sdn Bhd					
- ordinary shares Class 'A'	RM1.00	752,532,412	-	-	752,532,412
- ordinary shares Class 'B'	RM0.10	7,525,324,120	-	-	7,525,324,120
Salient Care Sdn Bhd	RM1.00	1,400,000	-	-	1,400,000
Secom (Malaysia) Sdn Bhd	RM1.00	5,100,000	-	-	5,100,000
Secomex Manufacturing (M) Sdn Bhd	RM1.00	255,000	-	-	255,000
Soga Sdn Bhd	RM1.00	4,332,078	-	-	4,332,078
Steelcorp Sdn Bhd	RM1.00	99,750	-	-	99,750
Visionwell Sdn Bhd	RM1.00	16,000,000	-	-	16,000,000
Cornelian Star (S) Pte Ltd	S\$1.00	100	-	-	100
Holdsworth Investment Pte Ltd	S\$1.00	4,500,000	-	-	4,500,000
Limerick Investment Pte Ltd	S\$1.00	100	-	-	100
Lion Asia Investment Pte Ltd	S\$1.00	27,225,000	-	-	27,225,000
Lion Biotech Pte Ltd	S\$1.00	1,000,000	-	-	1,000,000
Lion Rubber Industries Pte Ltd	S\$1.00	10,000,000	-	-	10,000,000
Masoni Investment Pte Ltd	S\$1.00	9,500,000	-	-	9,500,000
Parkson Glomart Pte Ltd	S\$1.00	1,000,000	-	-	1,000,000
Parkson Investment Pte Ltd	S\$1.00	10,000,000	-	-	10,000,000
Parkson Management Pte Ltd	S\$1.00	4,500,000	-	-	4,500,000
Parkson Supplies Pte Ltd	S\$1.00	100	-	-	100
Parkson Venture Pte Ltd	S\$1.00	14,800,000	-	-	14,800,000
Vochelle Investment Pte Ltd	S\$1.00	4,500,000	-	-	4,500,000
Willet Investment Pte Ltd	S\$1.00	45,954,450	-	-	45,954,450
P T Amsteel Securities Indonesia	Rp1,000	9,350,000	-	-	9,350,000
Hamba Research & Development Co Ltd	NT\$10.00	980,000	-	-	980,000

	Nominal value per ordinary share	As at 8.7.99	Number of shares		As at 30.6.00
			Additions	Disposals	
P T Kebunaria*	Rp1 million	14,000	-	-	14,000

* became a related company on 8.7.1999

	Nominal value per preference share	As at 1.7.99	Number of shares		As at 30.6.00
			Additions	Disposals	
Lion Mahkota Parade Sdn Bhd	RM0.01	400,000	-	-	400,000
Lion Mutiara Parade Sdn Bhd	RM0.01	8,400,000	-	-	8,400,000

Indirect interest in shares

	Nominal value		Number of shares		As at 30.6.00
	per deferred share	As at 1.7.99	Additions	Disposals	
Tan Sri William H.J. Cheng Datuk Cheng Yong Kim					
Sabah Forest Industries Sdn Bhd	RM1.00	146,000,000	-	-	146,000,000

	Currency	As at 1.7.99	Additions	Disposals	As at 30.6.00
Investments in China					
Beijing Parkson Light Industry Development Co Ltd	USD	12,700,000	-	-	12,700,000
Beijing Trostel Property Development Co Ltd	USD	6,650,000	-	-	6,650,000
Beijing Vochelle Foodstuff Co Ltd	USD	3,080,000	-	-	3,080,000
Chongqing Wang Yu Parkson Plaza Co Ltd	Rmb	14,000,000	-	-	14,000,000
Dalian Tianhe Parkson Shopping Center Co Ltd	Rmb	43,154,525	16,845,475	-	60,000,000
Dong Feng Lion Tyre Co Ltd	Rmb	247,638,417	-	-	247,638,417
Hebei Weiyuan Heilen Bio-Chemical Co Ltd	USD	2,313,982	-	-	2,313,982
Huangshi Heilen Pharmaceutical Co Ltd	Rmb	45,416,040	-	-	45,416,040
Hubei Jinlongquan Brewery Co Ltd	USD	17,988,000	-	-	17,988,000
Hubei Jinlong Shensui Brewery Co Ltd	Rmb	10,000,000	-	-	10,000,000
Hunan DEbier Brewery Co Ltd	Rmb	132,000,000	-	-	132,000,000
Hubei Lion Brewery Co Ltd	USD	17,993,990	-	-	17,993,990
Jiangsu DEbier Brewery Co Ltd	USD	6,587,927	-	-	6,587,927
Mianyang Fulin Parkson Plaza Co Ltd	Rmb	15,000,000	-	-	15,000,000
Nanjing Jingyi Casting Co Ltd	USD	6,750,000	-	-	6,750,000
Ningbo Lion Brewery Co Ltd	Rmb	55,179,657	41,494,566	-	96,674,223
Pingyang Lion Beer Co Ltd	USD	2,585,000	-	-	2,585,000
Shandong DEbier Brewery Co Ltd	Rmb	36,000,000	-	-	36,000,000
Shanghai Hengda Parkson Department Store Co Ltd	USD	2,410,118	-	-	2,410,118
Shanghai Lion Food Industry Co Ltd	USD	14,068,200	-	-	14,068,200
Shanghai Lion Plastic Industrial Co Ltd	USD	3,690,000	-	-	3,690,000
Sichuan Hezheng Parkson Plaza Co Ltd	USD	4,168,645	-	-	4,168,645
Tianjin Baden Real Estate Development Co Ltd	USD	5,000,000	-	-	5,000,000
Tianjin Hua Shi Auto Meter Co Ltd	USD	10,878,944	-	-	10,878,944
Tianjin Zhaoxia Motorcycle Technical Development Co Ltd	USD	860,000	-	-	860,000

Indirect interest in shares

Investments in China	Currency	As at 1.7.99	Additions	Disposals	As at 30.6.00
Tan Sri William H.J. Cheng					
Datuk Cheng Yong Kim					
Wenzhou Double Deer Brewing Group Co Ltd	USD	12,677,000	-	-	12,677,000
Wuhan Fortune Motor Co Ltd	USD	6,000,000	-	-	6,000,000
Wuxi Sanyang Parkson Plaza Co Ltd	USD	10,839,396	-	-	10,839,396
Wuxi Top Absorber Co Ltd	USD	6,600,000	-	-	6,600,000
Wuxi Puhua Electroplating Co Ltd	USD	1,015,000	210,000	-	1,225,000
Xian Lucky King Parkson Plaza Co Ltd	Rmb	16,579,917	-	-	16,579,917
Yangzhou Parkson Plaza Co Ltd	USD	4,281,843	-	-	4,281,843
Zhuhai Lion International Bio-Tech Co Ltd (under liquidation)	USD	1,201,506	-	-	1,201,506
Zhuzhou DEBier Brewery Co Ltd	Rmb	65,158,427	-	-	65,158,427
Investments in China	Currency	As at 30.9.99	Additions	Disposals	As at 30.6.00
Jilin Motor City Park Hotel Co Ltd **	Rmb	60,000,000	-	-	60,000,000

** became a related company on 30.9.99

	Nominal value per ordinary share	As at 1.7.99	Number of shares		As at 30.6.00
			Additions	Disposals	
Tan Sri William H.J. Cheng					
Angkasa Marketing Berhad	RM1.00	94,703,150	-	6,811,000	87,892,150
Lion Land Berhad	RM1.00	359,559,401	-	13,112,116	346,447,285
Silverstone Berhad	RM1.00	149,903,535	-	-	149,903,535
Brewood Investment Pte Ltd	S\$1.00	100	-	-	100
Croydon Investment Pte Ltd	S\$1.00	100	-	-	100
Dawson Investment Pte Ltd	S\$1.00	100	-	-	100
Farringdon Investment Pte Ltd	S\$1.00	100	-	-	100
Lion Jianmin Pte Ltd	S\$1.00	1,000	-	-	1,000
Limerick Investment Pte Ltd	S\$1.00	100	-	-	100
Silverstone Tyre (S) Pte Ltd	S\$1.00	31,750,100	-	-	31,750,100
	Nominal value per preference share	As at 1.7.99	Additions	Disposals/ Converted	As at 30.6.00
Hy-Line Berhad	RM1,000	2,468	2	-	2,470
	Nominal value per ordinary share	As at 1.7.99	Additions	Disposals	As at 30.6.00
Datuk Cheng Yong Kim					
Angkasa Marketing Berhad	RM1.00	94,610,350	-	6,811,000	87,799,350
Lion Land Berhad	RM1.00	346,635,523	-	13,112,116	333,523,407

Indirect interest in shares

	Nominal value per ordinary share	As at 1.7.99	Number of shares		As at 30.6.00
			Additions	Disposals	
Datuk Cheng Yong Kim					
Silverstone Berhad	RM1.00	149,228,512	-	-	149,228,512
Brewood Investment Pte Ltd	S\$1.00	70	-	-	70
Croydon Investment Pte Ltd	S\$1.00	70	-	-	70
Dawson Investment Pte Ltd	S\$1.00	70	-	-	70
Farringdon Investment Pte Ltd	S\$1.00	70	-	-	70
Limerick Investment Pte Ltd	S\$1.00	70	-	-	70
Lion Jianmin Pte Ltd	S\$1.00	600	-	-	600
Silverstone Tyre (S) Pte Ltd	S\$1.00	25,400,080	-	-	25,400,080

	Nominal value per preference share	As at 1.7.99	Number of shares		As at 30.6.00
			Additions	Disposals	
Hy-Line Berhad	RM1,000	2,453	2	-	2,455

In addition to the above, Datuk Cheng Yong Kim is also deemed to be interested in the shares of Lion Land Berhad by virtue of the options granted to him pursuant to the Executive Share Option Scheme of Lion Land Berhad ("LLB ESOS"). The LLB ESOS was implemented on 15 May 2000.

	Number of shares of RM1.00 each			As at 30.6.00
	As at 15.5.00	Granted	Exercised	
Datuk Cheng Yong Kim	-	175,000	-	175,000

Other than as disclosed above, the Directors of the Company do not have any other interest in the shares of the Company or its related companies.

EXECUTIVE SHARE OPTION SCHEME (ESOS)

The ESOS came into effect on 29 November 1989 and expired on 28 November 1999. The main features of the ESOS were:

- Eligible employees are those who have been confirmed as executive employees of the Group with not less than twelve months service immediately before the offer.
- The Options granted may be exercised at any time during the period commencing on the date of offer of the Option and expiring on the date of expiry of the ESOS or such shorter period as may be specifically stated in the Offer.
- The Options granted may be exercised in full or in any lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.
- The exercise price for each ordinary share under the ESOS shall be the average of the mean market quotation of the shares as shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the five market days preceding the respective dates of offer of the Options.

The persons to whom the Options have been granted have no right to participate by virtue of the Options in any share issue of any other company.

The movement of number of options granted and exercised pursuant to the ESOS during the financial year are as follows:

Granted on	Subscription price per share	Balance as at 1.7.99	Granted	Exercised	Unissued shares as at 28.11.99
30.04.1990	RM1.79	512,000	-	-	512,000
22.08.1991	RM1.76	582,000	-	-	582,000
20.04.1992	RM1.53	440,000	-	-	440,000
11.11.1993	RM2.04	1,862,000	-	-	1,862,000
20.03.1995	RM1.99	7,660,000	-	-	7,660,000
22.07.1997	RM1.74	4,670,000	-	-	4,670,000
05.11.1997	RM1.10	3,869,000	-	54,000	3,815,000
25.05.1999	RM0.80	1,484,000	-	425,000	1,059,000
		<u>21,079,000</u>	<u>-</u>	<u>479,000</u>	<u>20,600,000</u>

In September 1999, the Directors of the Company proposed a new Executive Share Option Scheme ("New ESOS") to succeed the ESOS which expired on 28 November 1999 for the benefit of eligible employees and executive directors of the Group wherein the number of new shares of the Company which may be issued and allotted pursuant to the options granted under the New ESOS shall not exceed ten percentum of the issued and paid-up share capital of the Company at any point in time, during the existence of the New ESOS.

The New ESOS is subject to the approval of the following:

- the Securities Commission which has been obtained on 12 April 2000;
- the Kuala Lumpur Stock Exchange which has been obtained on 24 June 2000;
- the shareholders of the Company; and
- any other relevant authorities.

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- to ascertain the action taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- which would render the amounts written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

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

Except as disclosed in the financial statements, no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

- (a) except as disclosed in the financial statements, the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) except as disclosed in the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ong Boon Bah & Co, have indicated their willingness to continue in office.

On behalf of the Board

JEN (B) TAN SRI DATO' ZAIN HASHIM
Chairman

DATUK CHENG YONG KIM
Director

Kuala Lumpur
30 October 2000

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Note	2000 RM'000	1999 RM'000	2000 USD'000
Revenue	2	5,379,720	5,134,671	1,415,716
Other operating income		147,034	330,588	38,693
Changes in inventories of finished goods and work-in-progress		40,051	(204,642)	10,540
Raw materials and consumables used		(1,536,626)	(1,566,382)	(404,375)
Contract costs incurred		(11,122)	(125,509)	(2,927)
Property development expenditure		(69,929)	(61,802)	(18,402)
Purchases of finished goods		(1,368,395)	(977,737)	(360,104)
Staff costs		(358,629)	(359,662)	(94,376)
Depreciation and amortisation expenses		(328,427)	(349,493)	(86,428)
Other operating expenses		(1,537,789)	(1,606,962)	(404,682)
Profit from operations		355,888	213,070	93,655
Finance costs		(619,051)	(686,623)	(162,908)
Share in results of associated companies		(92,547)	(4,298)	(24,355)
Loss before exceptional items	3	(355,710)	(477,851)	(93,608)
Exceptional items	4	(306,647)	(456,846)	(80,697)
Loss before taxation		(662,357)	(934,697)	(174,305)
Taxation	5	(62,108)	61,579	(16,344)
Loss after taxation		(724,465)	(873,118)	(190,649)
Loss attributable to minority interests		95,418	41,431	25,110
Loss attributable to shareholders of the Company		(629,047)	(831,687)	(165,539)
Loss per share	8	Sen 49.9	Sen 66.1	Cents 13.1

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2000

	Note	2000 RM'000	1999 RM'000	2000 USD'000
FIXED ASSETS	9	6,005,824	6,300,175	1,580,480
FOREST CONCESSIONS	10	354,912	365,708	93,398
ASSOCIATED COMPANIES	11	1,146,988	1,343,245	301,839
LAND AND DEVELOPMENT EXPENDITURE				
- NON CURRENT PORTION	19	259,821	223,341	68,374
INTEREST IN JOINT-VENTURES	13	8,867	60	2,333
HOTEL PROPERTY	14	159,821	157,617	42,058
INVESTMENT PROPERTIES	15	809,936	1,063,756	213,141
INVESTMENTS	16	193,905	128,219	51,028
DEFERRED EXPENDITURE	17	101,271	155,193	26,650
GOODWILL ON CONSOLIDATION		238,612	267,024	62,793
		9,279,957	10,004,338	2,442,094
CURRENT ASSETS				
Stocks	18	905,763	876,638	238,359
Land and development expenditure	19	364,230	356,447	95,850
Amount due from contract customers	20	3,758	3,376	989
Debtors	21	1,755,644	2,386,395	462,012
Deposits, cash and bank balances	22	810,747	538,097	213,354
		3,840,142	4,160,953	1,010,564
CURRENT LIABILITIES				
Creditors	23	2,413,339	2,202,460	635,089
Provision for retrenchment benefits	24	5,053	-	1,330
Amount due to contract customers	20	1,353	2,087	356
Short term borrowings	25	7,207,888	6,792,879	1,896,813
Taxation		265,429	303,074	69,850
Proposed dividend		453	453	119
		9,893,515	9,300,953	2,603,557
NET CURRENT LIABILITIES		(6,053,373)	(5,140,000)	(1,592,993)
		3,226,584	4,864,338	849,101
Financed by:				
SHARE CAPITAL	26	629,797	629,557	165,736
RESERVES	27	(437,570)	263,553	(115,150)
SHAREHOLDERS' FUNDS		192,227	893,110	50,586
MINORITY INTERESTS		2,309,312	2,456,327	607,714
LONG TERM BORROWINGS	28	549,276	1,321,323	144,546
DEFERRED CREDITORS	29	96,786	104,493	25,470
RETIREMENT BENEFITS	24	-	1,819	-
DEFERRED TAXATION	30	78,983	87,266	20,785
		3,226,584	4,864,338	849,101
Net tangible assets per ordinary share of 50 sen each		Sen (12)	Sen 37	Cents (3)

The accompanying notes form an integral part of the financial statements.

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Note	2000 RM'000	1999 RM'000	2000 USD'000
Revenue	2	137,862	175,460	36,279
Other operating income		70,120	-	18,453
Staff costs		(40)	6	(11)
Other operating expenses		(20,063)	(100,751)	(5,279)
Profit from operations		<u>187,879</u>	<u>74,715</u>	<u>49,442</u>
Finance costs		(218,508)	(253,854)	(57,502)
Loss before exceptional items	3	<u>(30,629)</u>	<u>(179,139)</u>	<u>(8,060)</u>
Exceptional items	4	(59,967)	(58,858)	(15,781)
Loss before taxation		<u>(90,596)</u>	<u>(237,997)</u>	<u>(23,841)</u>
Taxation	5	-	-	-
Loss for the financial year		<u><u>(90,596)</u></u>	<u><u>(237,997)</u></u>	<u><u>(23,841)</u></u>

The accompanying notes form an integral part of the financial statements.

BALANCE SHEET

AS AT 30 JUNE 2000

	Note	2000 RM'000	1999 RM'000	2000 USD'000
ASSOCIATED COMPANIES	11	39,460	37,533	10,384
SUBSIDIARY COMPANIES	12	2,446,971	2,428,618	643,940
INVESTMENTS	16	11,574	11,494	3,046
		<u>2,498,005</u>	<u>2,477,645</u>	<u>657,370</u>
CURRENT ASSETS				
Debtors	21	68,938	74,178	18,141
Deposits, cash and bank balances	22	74,406	7,116	19,581
		<u>143,344</u>	<u>81,294</u>	<u>37,722</u>
CURRENT LIABILITIES				
Creditors	23	211,521	98,640	55,663
Short term borrowings	25	1,469,702	1,469,490	386,764
Taxation		27,606	27,606	7,265
Proposed dividend		453	453	119
		<u>1,709,282</u>	<u>1,596,189</u>	<u>449,811</u>
NET CURRENT LIABILITIES		<u>(1,565,938)</u>	<u>(1,514,895)</u>	<u>(412,089)</u>
		<u>932,067</u>	<u>962,750</u>	<u>245,281</u>
Financed by:				
SHARE CAPITAL	26	629,797	629,557	165,736
RESERVES	27	302,270	333,193	79,545
SHAREHOLDERS' FUNDS		<u>932,067</u>	<u>962,750</u>	<u>245,281</u>

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Note	2000 RM'000	1999 RM'000	2000 USD'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss before taxation		(662,357)	(934,697)	(174,304)
Adjustment for non-cash items and interests	35(a)	1,397,868	1,434,657	367,860
Operating profit before working capital changes		735,511	499,960	193,556
(Increase)/Decrease in inventories		(32,518)	298,118	(8,557)
Decrease/(Increase) in land and development expenditure		74,769	(51,135)	19,676
Increase in amount due from contract customers		(298)	(850)	(79)
Decrease in trade debtors and other receivables		306,765	45,238	80,728
(Decrease)/Increase in trade creditors and other payables		(101,428)	61,081	(26,692)
(Decrease)/Increase in amount due to contract customers		(734)	193	(193)
Cash generated from operations		982,067	852,605	258,439
Tax paid		(15,306)	(7,392)	(4,028)
Interest paid		(330,147)	(460,707)	(86,881)
Interest received		30,731	31,816	8,087
Net cash inflow from operating activities		667,345	416,322	175,617
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(231,527)	(612,080)	(60,928)
Purchase of investments		(8,108)	(26,046)	(2,134)
Purchase of associated companies		-	(102,026)	-
Purchase of subsidiary companies	36	(8,630)	(5,323)	(2,271)
Purchase of hotel properties		(2,204)	-	(580)
Purchase of investment properties		-	(1,123)	-
Purchase of joint-venture		-	(10)	-
Increase in land and development expenditure - non current portion		(36,480)	(6,318)	(9,600)
(Increase)/Decrease in amount due from associated companies/joint-ventures		(13,170)	5,520	(3,466)
Deferred expenditure incurred		(14,665)	(30,025)	(3,859)
Proceeds from disposal of fixed assets		128,239	145,852	33,747
Proceeds from disposal of supermarket division		-	88,234	-
Proceeds from disposal of associated companies		64,225	286,822	16,901
Proceeds from disposal of shares in associated company		1,557	-	410
Proceeds from disposal of investment properties		27,140	6,385	7,142
Proceeds from disposal of investments		16,330	17,676	4,297
Proceeds from disposal of subsidiary companies	37	68,526	215,812	18,033
Proceeds from disposal of shares in subsidiary companies		42,407	22,354	11,160
Dividend received		11,836	21,750	3,115
Net cash inflow from investing activities		45,476	27,454	11,967

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Note	2000 RM'000	1999 RM'000	2000 USD'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of shares to minority shareholders in subsidiary companies		54	1,248	14
Issue of shares		399	-	105
Dividend paid		(453)	(2,267)	(119)
Dividend paid to minority interests		(30,353)	(9,435)	(7,988)
Decrease in long term borrowings		(773,912)	(295,253)	(203,661)
Increase/(Decrease) in short term borrowings		464,393	(385,525)	122,209
(Decrease)/Increase in amount due to associated companies		(7,210)	140,897	(1,897)
Interest paid for the acquisition of fixed assets		(41,009)	(76,250)	(10,792)
Decrease in fixed deposits pledged		1,549	270,000	407
Increase in fixed deposits earmarked for bond redemption		(154,600)	(27,130)	(40,684)
Net cash outflow from financing activities		(541,142)	(383,715)	(142,406)
Effects of exchange rate changes on cash and cash equivalents		(39)	(13,624)	(10)
NET INCREASE IN CASH AND CASH EQUIVALENTS		171,640	46,437	45,168
Cash and cash equivalents at beginning of the financial year		9,702	(36,735)	2,553
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35(b)	181,342	9,702	47,721

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Share Capital RM'000	Reserves (Note 27) RM'000	Total RM'000
GROUP			
Balance at 30 June 1998	629,557	1,165,761	1,795,318
Reserve on consolidation	-	(7,049)	(7,049)
Deficit on revaluation of investment properties	-	(149,734)	(149,734)
Deferred taxation provided for revaluation of plantation land	-	(36,462)	(36,462)
Increase in share of revaluation surplus due to increase in shareholding in a subsidiary company	-	43,243	43,243
Translation loss on net equity of foreign subsidiary companies	-	(89,087)	(89,087)
Equity accounting for share of net assets of local associated companies	-	59,167	59,167
Translation gain upon equity accounting for share of net assets of foreign associated companies	-	13,383	13,383
Realisation of reserve on disposal of associated companies	-	(67,454)	(67,454)
Realisation of reserve on disposal of subsidiary companies	-	(49,462)	(49,462)
Amortisation of foreign exchange losses	-	213,387	213,387
Net loss for the financial year	-	(831,687)	(831,687)
Proposed dividend (0.05 sen per share less 28% income tax)	-	(453)	(453)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 1999	629,557	263,553	893,110
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Share Capital RM'000	Reserves (Note 27) RM'000	Total RM'000
GROUP			
Balance at 30 June 1999	629,557	263,553	893,110
Shares issued	240	159	399
Reserve on consolidation	-	1,759	1,759
Deferred taxation provided for revaluation of plantation land	-	(3,738)	(3,738)
Decrease in share of revaluation surplus due to decrease in shareholding in a subsidiary company	-	(4,713)	(4,713)
Translation gain on net equity of foreign subsidiary companies	-	3,194	3,194
Equity accounting for share of net assets of local associated companies	-	8,981	8,981
Translation loss upon equity accounting for share of net assets of foreign associated companies	-	(46,046)	(46,046)
Realisation of reserve on disposal of subsidiary companies	-	(108,255)	(108,255)
Amortisation of foreign exchange losses	-	77,036	77,036
Net loss for the financial year	-	(629,047)	(629,047)
Proposed dividend (0.05 sen per share less 28% income tax)	-	(453)	(453)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2000	629,797	(437,570)	192,227
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Share Capital RM'000	Reserves (Note 27) RM'000	Total RM'000
COMPANY			
Balance at 30 June 1998	629,557	511,676	1,141,233
Amortisation of foreign exchange losses	-	59,967	59,967
Loss for the financial year	-	(237,997)	(237,997)
Proposed dividend (0.05 sen per share less 28% income tax)	-	(453)	(453)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 1999	629,557	333,193	962,750
Shares issued	240	159	399
Amortisation of foreign exchange losses	-	59,967	59,967
Loss for the financial year	-	(90,596)	(90,596)
Proposed dividend (0.05 sen per share less 28% income tax)	-	(453)	(453)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2000	629,797	302,270	932,067
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2000

All amounts in RM'000 unless otherwise stated.

1.1 Going concern

The Group incurred a loss after taxation and minority interests of RM629.0 million during the financial year ended 30 June 2000. At that date, current liabilities of the Group and the Company exceeded current assets by RM6,053.4 million and RM1,565.9 million respectively. As disclosed in notes 25 and 28 to the financial statements, the Group and the Company have not serviced some of its principal borrowings and interest charges. Certain principal bankers have frozen or withdrawn existing credit facilities of the Group and the Company.

The Board of Directors has approved a Group Wide Restructuring Scheme which will involve the restructuring of the Group's and the Company's debts and rationalisation of the Group structure whereby core businesses will be redefined and non-core businesses will be divested.

In addition, certain subsidiary companies are presently re-negotiating with their bankers to extend the repayment schedules on existing term loans.

The directors are of the opinion that the restructuring scheme referred to above will be successfully implemented and the subsidiary companies will be able to obtain extended repayment schedules on existing term loans from their bankers. Accordingly, the directors consider that it is appropriate to prepare the financial statements of the Group and the Company on a going concern basis. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary if the Group and the Company is unable to continue as a going concern.

1.2 Basis of accounting

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain assets and comply with applicable approved accounting standards in Malaysia.

1.3 Significant accounting policies

a. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to 30 June. For those subsidiary companies acquired for less than two years and have a different financial year end, their last audited financial statements are adjusted for significant transactions or events which have occurred after their financial year end to the Group's financial year end and the adjusted financial statements have been used for the purpose of consolidation.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statement from the date of their acquisition or up to the date of their disposal.

Goodwill or reserve arising on consolidation represents the difference between the purchase price and the fair value of the net assets of subsidiary companies acquired, as applicable. Goodwill and reserve on consolidation are amortised over a period of twenty five years.

b. Associated companies

A company, other than a subsidiary company, in which the Group has a long term equity investment of from 20% to 50% and where the Group has representation on the Board and is in a position to exercise significant influence is accounted for as an associated company.

The consolidated income statement includes the Group's share in profits less losses of associated companies based on the latest audited or management financial statements of the companies concerned. In the consolidated balance sheet, the Group's interest in associated companies is stated at cost plus the Group's share of post acquisition retained profits and reserves.

c. Depreciation

Freehold land is not amortised. Leasehold land and plantations are amortised over the period of the lease. Depreciation of other fixed assets is provided on the straight line basis to write off the cost or valuation of each asset over its estimated useful life.

The principal annual depreciation rates are:

Buildings	2% - 10%
Plant and machinery	2% - 33.3%
Tools and equipment	10% - 20%
Furniture and equipment	5% - 25%
Motor vehicles	13% - 20%

d. Finance leases/hire purchase

Assets acquired under finance leases/hire purchase are capitalised under fixed assets. Outstanding obligations under finance leases/hire purchase are included as liabilities. Finance charges arising from finance leases/hire purchase are allocated to the income statement on a straight line/"sum of digits" basis respectively.

e. Recognition of income and cost on land and development expenditure

Land and development expenditure consist of land under development, development expenditure and portion of profit attributable to development work performed to date, less applicable progress billings, provision for foreseeable loss and provision for decline in value. Land under development is stated at cost or at group cost. Development expenditure are stated at cost.

Provision for foreseeable loss is made for land and development expenditure based on losses estimated to arise upon the completion of the projects which are already in progress.

Interest cost incurred on the development of property projects are capitalised and included as part of development expenditure. However, capitalisation of interest costs is suspended during extended periods in which active development is interrupted.

Profit from sale of development properties is recognised, using the percentage-of-completion method, in respect of sales where agreements have been finalised by the end of the financial year.

f. Investment properties

Investment properties are investments in land and buildings held for long term purposes and are not occupied substantially for use by, or in the operations of the Group. Investment properties are stated at directors' valuation and are not depreciated. The directors' valuations are based on the latest valuation reports by independent firms of professional valuers using the open market basis. The investment properties will be revalued at least once in every five years. Any surplus arising from revaluation of investment properties will be taken to the revaluation reserve. A deficit is set-off against revaluation reserve only to the extent of a surplus credited from previous revaluations of the respective investment properties and the excess of the deficit is charged to the income statement. On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred directly to retained earnings.

g. Hotel property

Hotel property comprises hotel land, buildings and their integral plant and machineries.

Hotel property which is completed during the financial year is stated at cost. Hotel property is appraised periodically at least once in every five years. Any surplus arising from revaluation of hotel property will be taken to revaluation reserve. A deficit is set-off against revaluation reserve only to the extent of a surplus credited from previous revaluations of the respective hotel property and the excess of the deficit is charged to the income statement.

No depreciation is provided on hotel property. It is the Group's practice to maintain the property in such condition that its residual value is not diminished by the passage of time, and therefore, any element of depreciation is insignificant. The related maintenance expenditure is dealt with in the income statement.

h. Investments

Investment in subsidiary and associated companies in the Company's financial statements and other investments are stated at cost and provision is made when the Directors are of the opinion that there is a permanent diminution in value of an investment.

i. Deferred expenditure

Deferred expenditure comprises preliminary, pre-operating, pre-production expenses, deferred charges and proprietary technology and patents.

Deferred charges are license fees which represents the acquisition cost of the design and manufacture rights and development expenditure that represents expenses incurred in the development of new and substantially improved products prior to commencement of commercial production.

Pre-commercial production expenses and deferred charges are amortised over a period not exceeding 10 years upon commencement of operations or commercial production. Proprietary technology and patents are stated at cost and are amortised on a straight line basis calculated to write off their cost over the expected period of future benefit which is estimated at 10 to 50 years.

During the financial year, preliminary and pre-operating expenses have been written off to comply with the applicable approved accounting standards in Malaysia.

j. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

k. Stocks

Stocks are valued at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged, obsolete or slow-moving items. Cost consists of, where relevant, direct materials, direct labour, direct overheads and appropriate proportions of production overheads and is determined on a weighted average basis or by first-in first-out or by specific identification.

Marketable securities are stated at lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Gains or losses on disposal of marketable securities and write down of marketable securities to market values are included in the income statement.

l. Deferred taxation

Provision is made, on the liability method, for taxation deferred by capital allowances and other timing differences, except where the tax effects of such timing differences are not expected to reverse in the foreseeable future.

Deferred tax benefit is only recognised when there is a reasonable expectation of realisation in the near future.

m. New planting, replanting and plantation development expenditure

Expenditure incurred, less proceeds on sales, on new planting are capitalised under long leasehold land and plantations until maturity.

Replanting expenditure is charged to the income statement in the year in which the expenditure is incurred.

Plantation development expenditure incurred in the establishment and development of tree plantations, including a proportion of the Group's forestry division general charges incurred in relation to the planting of trees, are capitalised under plantations. This expenditure is charged to income statement when the trees are harvested upon maturity.

n. Capitalisation of interest

Interest incurred on specific and identifiable borrowings used to acquire land and buildings is capitalised until the assets are ready for their intended use.

o. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short-term and highly liquid investments which are readily convertible to cash with insignificant risk of changes in value.

p. Foreign currencies

The financial statements are stated in Ringgit Malaysia.

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates or at contracted rates where applicable. Assets and liabilities in foreign currencies at the financial year end are translated into Ringgit Malaysia at the rates of exchange ruling at that date. All exchange differences are included in the income statement except for exchange differences on long term loans denominated in foreign currencies. Those obtained for acquiring fixed assets are capitalised while others are deferred and amortised over the remaining period of the loans. For the financial year under review, deferred exchange losses of RM77.0 million have been fully included in the income statement.

Assets and liabilities of overseas subsidiaries, denominated in foreign currencies, are translated into Ringgit Malaysia at the exchange rates ruling at the financial year end. Results of operations of those foreign entities are translated at an average rate for the financial year which best approximates the exchange rates at the dates of the transactions. Exchange differences arising from the restatement at financial year end rates of the opening net investments in overseas subsidiaries are dealt with through reserves.

The closing rates used in the translation are as follows:

RM1 = USD	0.26	(1999: RM1 = USD	0.26)
RM1 = SGD	0.46	(1999: RM1 = SGD	0.45)
RM1 = HK\$	2.06	(1999: RM1 = HK\$	2.06)
RM1 = Peso	11.52	(1999: RM1 = Peso	10.13)
RM1 = Rp	2,421	(1999: RM1 = Rp	1,898)
RM1 = Rmb	2.18	(1999: RM1 = Rmb	2.18)

q. Recognition of profit or loss in joint-ventures

A company in which the Group has joint control over its financial and operating policy decisions and not being a subsidiary or an associated company is treated as a joint-venture company.

The results of the joint-ventures are accounted for by the equity method of accounting based on the audited financial statements of the joint-ventures made up to 30 June of each financial year to coincide with the Company's financial year end. Under the equity method of accounting, the Group's equity in net earnings of the joint-venture is included currently in the consolidated results.

r. Retrenchment benefits

Provision is made in respect of cost of retrenchment benefits payable to employees based on percentages of their last drawn basic salaries and the number of completed years of service.

2. REVENUE

Revenue of the Group represents the sales of goods and services outside of the Group net of returns and allowances, gross brokerage income, commissions earned, the proportion of the aggregate sales value of property development projects sold attributable to the percentage of development work performed, sales value of land under development, proportion of the total contract values attributable to the percentage of construction work performed, sales value of completed property units, tuition fees and other related fees receivable net of scholarship, gross rental incomes, dividends and interest income. Revenue of the Company comprises dividends and interest income.

Analysis of revenue is as follows:

	GROUP		COMPANY	
	2000	1999	2000	1999
Sales of goods	4,886,443	4,642,746	-	-
Rendering of services	108,655	126,923	-	-
Progress billing	113,542	29,873	-	-
Construction contracts	13,027	118,983	-	-
Dividend income	582	511	2,819	11,420
Interest income	16,859	22,068	135,043	164,040
Rental income	102,693	107,110	-	-
Brokerage and commission income	119,125	67,188	-	-
Others	18,794	19,269	-	-
	<u>5,379,720</u>	<u>5,134,671</u>	<u>137,862</u>	<u>175,460</u>

3. LOSS BEFORE EXCEPTIONAL ITEMS

	GROUP		COMPANY	
	2000	1999	2000	1999
After charging:				
Depreciation	287,164	283,983	-	-
Interest expense on:				
Subsidiary company balances	-	-	111,592	139,754
Others	619,051	686,623	106,916	114,100
Directors' remuneration:				
Fees:				
- current financial year	273	306	215	241
- overprovision in prior year	-	(1)	-	-
Other emoluments	364	669	122	157
Benefit-in-kind received or receivable by directors	51	54	32	32
Auditors' remuneration:				
Current year	2,288	2,379	35	35
Underprovision in prior year	18	36	-	5
Amortisation of:				
Deferred expenditure	18,592	40,008	-	-
Forest concessions	10,796	10,796	-	-
Goodwill on consolidation	11,875	14,706	-	-
Rental of land and buildings	67,694	78,082	-	-
Hire of plant and machinery	996	4,053	-	-
Lease rental	1,933	4,876	-	-
Provision for doubtful debts	20,876	16,429	-	-
Provision for stock obsolescence	6,503	8,413	-	-
Provision for retirement benefits	14	184	-	-
Provision for royalties	(537)	2,218	-	-
Provision for retrenchment benefits	-	179	-	-
Loss on disposal of quoted investments	1,653	12	-	-
Loss on disposal of unquoted investments	13,819	-	-	63
Loss on disposal of subsidiary companies	-	114,664	-	-
Loss on dilution of subsidiary companies	15,161	26,797	-	-
Loss on dilution of associated companies	6,823	-	-	-
Loss on liquidation of subsidiary companies	2,585	-	-	-
Loss on disposal of fixed assets	5,442	10,606	-	-
Loss on disposal of marketable securities	-	104	-	-
Professional fees charged by a firm in which a director is a member	961	18	-	-
Fixed assets written off	28,493	26,685	-	-
Waiver of principal owing by subsidiary companies	-	-	15,115	19,530
Provision for diminution in value of investment in subsidiary companies	-	-	-	70,017
Bad debts written off	4,620	1,590	-	-
Deferred expenditure written off	40,980	2,780	-	-
Stocks written off	2,170	2,494	-	-

	GROUP		COMPANY	
	2000	1999	2000	1999
And crediting:				
Rental income	86,394	132,411	-	-
Interest income from:				
Subsidiary companies	-	-	134,580	163,928
Others	30,949	31,816	463	112
Gross dividends from investments:				
Quoted in Malaysia				
- subsidiary companies	-	-	1	1
- associated companies	-	-	1	6
- others	9	849	-	432
Quoted outside Malaysia	110	1,926	-	-
Unquoted				
- subsidiary companies	-	-	2,817	10,981
- others - overprovision in prior year	(2)	-	-	-
Gain on liquidation of associated company	600	-	-	-
Gain on disposal of associated companies	14,558	154,466	-	-
Gain on disposal of subsidiary companies	51,593*	-	70,102*	-
Gain on dilution of subsidiary company to associated company	-	20,700	-	-
Gain on disposal of supermarket division	-	47,456	-	-
Gain on disposal of investment properties	807	2,915	-	-
Gain on disposal of unquoted investments	-	240	-	-
Provision no longer required for diminution in:				
- value of investments	-	3,735	-	-
- value of marketable securities	3,071	3,611	-	-

* (net of RPGT of RM3.5 million)

4. EXCEPTIONAL ITEMS

	GROUP		COMPANY	
	2000	1999	2000	1999
(Gain)/Loss on foreign exchange				
- realised	(4,289)	8,044	-	(872)
- unrealised	102,623	204,117	59,967	59,730
	98,334	212,161	59,967	58,858
Provisions on cessation of operations of subsidiary companies:				
Fixed assets	60,404	-	-	-
Deferred expenditure	12,704	-	-	-
Debtors	2,081	-	-	-
Stocks	5,556	-	-	-
Retrenchment and retirement benefits	3,225	-	-	-
	83,970	-	-	-
Provision for doubtful debts for stockbroking companies	124,343	244,685	-	-
	306,647	456,846	59,967	58,858

5. TAXATION

	GROUP		COMPANY	
	2000	1999	2000	1999
Malaysian:				
Current	47,299	2,255	-	-
Recovery of tax deducted at source on dividend received and receivable from subsidiary companies	(17,457)	(34,615)	-	-
Deferred	(6,762)	(34,980)	-	-
Prior years	3,385	(9,898)	-	-
Associated companies	6,726	2,227	-	-
	<u>33,191</u>	<u>(75,011)</u>	<u>-</u>	<u>-</u>
Foreign	28,917	13,432	-	-
	<u>62,108</u>	<u>(61,579)</u>	<u>-</u>	<u>-</u>

The Company has an estimated accumulated tax exempt retained profit of RM24.8 million (1999: RM25.4 million) available for the payment of tax exempt dividends. The Company also has sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank approximately RM67.9 million (1999: RM6.4 million) of the retained profits, if paid out as dividends. The amounts are subject to agreement with the tax authorities.

6. DIVIDEND

	GROUP AND COMPANY	
	2000	1999
Proposed first and final dividend of 0.05 sen per share less 28% income tax (1999: 0.05 sen per share less 28% income tax)	<u>453</u>	<u>453</u>

7. TRANSFERRED FROM/(TO) CAPITAL RESERVE

	GROUP	
	2000	1999
Forest concessions reserve realised on amortisation	6,748	8,601
Revaluation reserve realised on disposal of land and buildings	72,447	36,823
Revaluation reserve realised on disposal of investment properties	2,186	4,192
Capital reserve realised upon dilution of shareholding in an associated company	5,138	-
Transfer to asset redemption reserve	(627)	-
Capital redemption reserve realised upon disposal of shares in a subsidiary company	300	-
Transfer to capital reserve upon redemption of preference shares	(420)	(5,600)
Transfer to capital reserves by the Group's subsidiary companies in the People's Republic of China in accordance with the accounting regulations in that country and are not available for payment of dividends	(2,014)	(2,191)
	<u>83,758</u>	<u>41,825</u>

8. LOSS PER SHARE

The loss per share is calculated by dividing the Group's loss after tax and minority interests of RM629.0 million (1999: RM831.7 million) by the 1,259.4 million (1999: 1,259.1 million) weighted average number of shares of the Company in issue during the financial year.

9. FIXED ASSETS

	Land, plantations and buildings	Plant, machinery, tools and equipment	Furniture and office equipment	Motor vehicles	Capital work-in- progress	Total
GROUP						
COST/VALUATION						
At 1 July 1999	2,747,423	2,975,106	327,655	71,462	1,497,518	7,619,164
Additions	39,585	61,776	11,448	3,238	235,587	351,634
Disposals	(127,169)	(18,000)	(5,569)	(7,242)	(969)	(158,949)
Acquisitions less divestments of subsidiaries	85,778	11,020	(569)	890	16,004	113,123
Exchange difference	2,323	2,470	33	3	809	5,638
Written off	(2,862)	(39,904)	(7,092)	(511)	(10,667)	(61,036)
Transfers	(276,950)	354,683	16,588	6,966	(278,069)	(176,782)
At 30 June 2000	<u>2,468,128</u>	<u>3,347,151</u>	<u>342,494</u>	<u>74,806</u>	<u>1,460,213</u>	<u>7,692,792</u>
Representing items at:						
Cost	1,842,290	3,347,151	342,494	74,806	1,460,213	7,066,954
Valuation	625,838	-	-	-	-	625,838
	<u>2,468,128</u>	<u>3,347,151</u>	<u>342,494</u>	<u>74,806</u>	<u>1,460,213</u>	<u>7,692,792</u>
ACCUMULATED DEPRECIATION						
At 1 July 1999	218,599	901,401	163,022	35,967	-	1,318,989
Charge for the financial year	68,847	173,677	38,187	10,206	-	290,917
Disposals	(7,389)	(9,605)	(3,396)	(4,875)	-	(25,265)
Acquisitions less divestments of subsidiaries	8,248	3,439	(524)	559	-	11,722
Exchange difference	176	1,629	(3)	(24)	-	1,778
Written off	12,496	20,490	(4,820)	(305)	-	27,861
Transfers	(61,307)	102,808	14,116	5,349	-	60,966
At 30 June 2000	<u>239,670</u>	<u>1,193,839</u>	<u>206,582</u>	<u>46,877</u>	<u>-</u>	<u>1,686,968</u>
Representing items at:						
Cost	209,363	1,193,839	206,582	46,877	-	1,656,661
Valuation	30,307	-	-	-	-	30,307
	<u>239,670</u>	<u>1,193,839</u>	<u>206,582</u>	<u>46,877</u>	<u>-</u>	<u>1,686,968</u>

	Land, plantations and buildings	Plant, machinery, tools and equipment	Furniture and office equipment	Motor vehicles	Capital work-in- progress	Total
NET BOOK VALUE						
At 30 June 2000						
At cost	1,632,927	2,153,312	135,912	27,929	1,460,213	5,410,293
At valuation	595,531	-	-	-	-	595,531
	<u>2,228,458</u>	<u>2,153,312</u>	<u>135,912</u>	<u>27,929</u>	<u>1,460,213</u>	<u>6,005,824</u>
At 30 June 1999						
At cost	1,795,782	2,073,705	164,633	35,495	1,497,518	5,567,133
At valuation	733,042	-	-	-	-	733,042
	<u>2,528,824</u>	<u>2,073,705</u>	<u>164,633</u>	<u>35,495</u>	<u>1,497,518</u>	<u>6,300,175</u>
Depreciation charge for the financial year ended 30 June 1999	<u>60,504</u>	<u>171,100</u>	<u>46,124</u>	<u>11,808</u>	<u>-</u>	<u>289,536</u>

(a) Analysis of land, plantations and buildings are as follows:

	Freehold land and buildings	Long leasehold land, plantations and buildings	Short leasehold land and buildings	Total
GROUP				
COST/VALUATION				
At 1 July 1999	1,220,301	1,139,397	387,725	2,747,423
Additions	5,244	28,316	6,025	39,585
Disposals	(120,985)	(4,957)	(1,227)	(127,169)
Acquisitions less divestments of subsidiaries	(126)	85,904	-	85,778
Exchange difference	491	778	1,054	2,323
Written off	(660)	(485)	(1,717)	(2,862)
Transfers	(126,800)	(151,248)	1,098	(276,950)
At 30 June 2000	<u>977,465</u>	<u>1,097,705</u>	<u>392,958</u>	<u>2,468,128</u>
Representing items at:				
Cost	408,627	1,040,705	392,958	1,842,290
Valuation	568,838	57,000	-	625,838
	<u>977,465</u>	<u>1,097,705</u>	<u>392,958</u>	<u>2,468,128</u>

	Freehold land and buildings	Long leasehold land, plantations and buildings	Short leasehold land and buildings	Total
ACCUMULATED DEPRECIATION				
At 1 July 1999	32,715	148,096	37,788	218,599
Charge for the financial year	13,316	43,822	11,709	68,847
Disposals	(6,899)	(405)	(85)	(7,389)
Acquisitions less divestments of subsidiaries	(669)	8,917	-	8,248
Exchange difference	14	58	104	176
Written off	(400)	-	12,896	12,496
Transfers	(2,907)	(59,246)	846	(61,307)
At 30 June 2000	<u>35,170</u>	<u>141,242</u>	<u>63,258</u>	<u>239,670</u>
Representing items at:				
Cost	35,170	110,935	63,258	209,363
Valuation	-	30,307	-	30,307
	<u>35,170</u>	<u>141,242</u>	<u>63,258</u>	<u>239,670</u>
NET BOOK VALUE				
At 30 June 2000				
At cost	373,457	929,770	329,700	1,632,927
At valuation	568,838	26,693	-	595,531
	<u>942,295</u>	<u>956,463</u>	<u>329,700</u>	<u>2,228,458</u>
At 30 June 1999				
At cost	482,920	962,925	349,937	1,795,782
At valuation	704,666	28,376	-	733,042
	<u>1,187,586</u>	<u>991,301</u>	<u>349,937</u>	<u>2,528,824</u>
Depreciation charge for the financial year ended 30 June 1999	<u>11,792</u>	<u>33,637</u>	<u>15,075</u>	<u>60,504</u>

(b) Certain land and buildings stated at valuation are as follows:

	Long leasehold land and buildings	Freehold land and buildings
GROUP		
At 1982 valuation	57,000	-
At 1998 valuation	-	568,838
	<u>57,000</u>	<u>568,838</u>

The valuations were made by the Directors based on independent valuation reports carried out by firms of professional valuers and surveyors on an open market value basis.

The Directors have applied the transitional provisions of International Accounting Standards No. 16 (Revised) Property, Plant and Equipment as adopted by Malaysian Accounting Standards Board which allow the long leasehold land and buildings to be stated at their 1982 valuations less depreciation. Accordingly, these valuations have not been updated. The long leasehold land and buildings if stated at cost less depreciation would amount to RM8.0 million (1999: RM9.1 million).

- (c) The land titles of certain pieces of the freehold and leasehold land of the subsidiary companies have yet to be registered in the name of the subsidiary companies.
- (d) The additions to long leasehold land, plantations and buildings and capital work-in-progress of the Group for the financial year include interest on loan of RM41.0 million (1999: RM76.3 million), exchange difference of RM Nil (1999: RM3.0 million) and depreciation of RM274,000 (1999: RM268,000).
- (e) The net book value of fixed assets acquired under hire purchase and finance leases are as follows:

	GROUP	
	2000	1999
Capital work-in-progress	1,265	1,265
Plant, machinery, tools and equipment	18,972	24,680
Furniture and office equipment	3,746	7,444
Motor vehicles	4,170	7,992
	<u>41,153</u>	<u>41,381</u>

- (f) Fixed assets with carrying values of RM0.7 billion (1999: RM1.1 billion) have been pledged as securities for the term loans of certain subsidiary companies.

- (g) The depreciation charge of the Group is allocated as follows:

	GROUP	
	2000	1999
Income statement	287,164	283,983
Contract costs	84	112
Stocks	3,263	5,173
Capitalised in fixed assets	274	268
Capitalised in land and development expenditure	132	-
	<u>290,917</u>	<u>289,536</u>

10. FOREST CONCESSIONS

	GROUP	
	2000	1999
Forest concessions - at valuation	388,200	388,200
Cumulative amortisation	(33,288)	(22,492)
Net	<u>354,912</u>	<u>365,708</u>

The forest concessions consist of two forest areas with a total area of 276,623 hectares. The Group's forest concessions were revalued by the Directors based on independent valuation reports by a firm of professional valuers and surveyors on an open market value basis. The values attributable to the concessions of 158,623 hectares and 118,000 hectares are RM131,200,000 and RM257,000,000 respectively. The 158,623 hectares and 118,000 hectares of concessions are amortised over 16 and 99 years respectively.

11. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2000	1999	2000	1999
Quoted shares - at cost (less accumulated amortisation of premium on acquisition of RM9.3 million (1999: RM7.4 million) for the Group)	158,857	219,244	997	997
Quoted warrants - at cost	31,267	31,267	-	-
Unquoted shares - at cost	789,440	820,655	11,350	9,350
Share in post acquisition profits less losses and reserves	211,401	322,789	-	-
	<u>1,190,965</u>	<u>1,393,955</u>	<u>12,347</u>	<u>10,347</u>
Amount due from associated companies	107,981	103,618	27,188	27,186
Amount due to associated companies	(151,958)	(154,328)	(75)	-
	<u>1,146,988</u>	<u>1,343,245</u>	<u>39,460</u>	<u>37,533</u>
Market value - quoted shares	201,772	308,093	1,041	1,586
- quoted warrants	34,646	67,223	-	-
	<u>236,418</u>	<u>375,316</u>	<u>1,041</u>	<u>1,586</u>

The amounts due from/to associated companies which arose mainly from inter-company advances are interest bearing and have no fixed repayment terms.

The Group's interest in the associated companies is analysed as follows:

	GROUP	
	2000	1999
Share of net assets	1,153,895	1,355,032
Premium on acquisition less accumulated amortisation of RM9.3 million (1999: RM7.4 million)	37,070	38,923
	<u>1,190,965</u>	<u>1,393,955</u>

The associated companies are:

Name of Company	Country of Incorporation	Holding in Equity		Accounting Year End	Principal Activities
		2000 %	1999 %		
Amalgamated Containers Berhad	Malaysia	1.33 % # 27.61	1.33 % # 27.61	30 June	Investment holding
Asia Chase Limited	Hong Kong	50	50	30 June	# Investment holding

Name of Company	Country of Incorporation	Holding in Equity		Accounting Year End	Principal Activities
		2000 %	1999 %		
Bonuskad Loyalty Sdn Bhd	Malaysia	25	25	31 December	# Providing marketing services by means of "Bonuslink Loyalty Programme"
Changchun Changlin Motorcycle Co Ltd	China	49	49	31 December	# Manufacture of motorcycles
Changchun Changlin Engine Co Ltd	China	49	49	31 December	# Manufacture of motorcycles
Davids Distribution Sdn Bhd (under court liquidation)	Malaysia	49.16	49.16	30 June	# Ceased operation
eCyberChina.net Limited* (formerly known as Noble Link Holdings Limited)	Hong Kong	23	23	30 June	# Property and investment holding
Inner Mongolia Leadar Parkson Plaza Co Ltd	China	25	60	31 December	# Retailing
Inverfin Sdn Bhd	Malaysia	20	70	30 June	Property investment, development and management
Kobayashi Optical (S) Pte Ltd	Singapore	50	50	30 September	# Dormant
Lion Corporation Berhad	Malaysia	20.20	20.45	30 June	# Investment holding
Malaysia British Assurance Berhad	Malaysia	31.58	32.03	30 June	# Underwriting general insurance
Megasteel Sdn Bhd	Malaysia	39.99	39.99	30 June	# Manufacture of coils, bands, plates and sheets
Moorfield Investment Pte Ltd	Singapore	30	30	30 June	# Investment holding
Qingdao No 1 Parkson Co Ltd	China	50	50	31 December	# Property development and retailing
Rosemount Investment Pte Ltd	Singapore	30	30	30 June	# Investment holding
Steel Industries (Sabah) Sdn Bhd	Malaysia	20	20	31 December	Manufacture of steel bars

Name of Company	Country of Incorporation	Holding in Equity		Accounting Year End	Principal Activities
		2000 %	1999 %		
Steel Industry Sarawak Berhad	Malaysia	20	40	31 December	Manufacture of steel bars
Shanghai Nine Sea Lion Properties Management Co Ltd	China	45.5	45.5	31 December	# Property management
Associated companies of Angkasa Marketing Berhad					
Hicom-Suzuki Manufacturing Malaysia Sdn Bhd	Malaysia	24	24	31 March	Manufacture and assembly of motorcycle engines
Nanjing Jincheng Machinery Co Ltd	China	47.7	47.7	31 December	Manufacture of motorcycles
Jiangxi Fuqi Motor Co Ltd	China	50	50	31 December	Assembly and sale of 4-wheel drive vehicles and related components
Hefei Jianghuai Automotive Co Ltd	China	25	25	31 December	Manufacture of light trucks and component parts
Hunan Changfa Automobile Engine Co Ltd	China	50	50	31 December	Manufacture of automotive engine
Associated company of Chocolate Products (Malaysia) Berhad					
Ningbo Lion Sales Co Ltd*	China	20	-	31 December	Trading and wholesale of beer, beverages and other beer production
Associated companies of Lion Land Berhad					
Angkasa Welded Mesh Pte Ltd	Singapore	49	49	30 June	Dormant
Central Likom Packaging Sdn Bhd	Malaysia	-	40	31 December	Manufacture of packaging materials
Changchun Sanjia Carburettor Co Ltd	China	50	50	31 December	Manufacture of carburettors
Hubei Zenith Heilen Pharmaceutical Co Ltd*	China	25	-	31 December	Manufacture and sale of pharmaceutical products
Kamiya Corporation Sdn Bhd	Malaysia	27.5	27.5	30 June	Property Development (yet to commence operations)

Name of Company	Country of Incorporation	Holding in Equity		Accounting Year End	Principal Activities
		2000 %	1999 %		
Mega Mount Industrial Gases Sdn Bhd	Malaysia	13.7	34.7	31 March	Dealer in industrial gases and investment holding
Sereka Jaya Sdn Bhd	Malaysia	50	50	31 December	Property Development (yet to commence operations)
Teck Chiang Investment Pte Ltd	Singapore	50	50	30 June	Dormant
Tianjin Huali Motor Co Ltd*	China	25	50	31 December	Manufacture of commercial vehicles
Wuhan Wushang & Parkson Enterprise Development Co Ltd	China	50	50	31 December	Mixed commercial property development cum cash and carry retail business
Associated companies of Posim Berhad					
Jake Lumber Sdn Bhd (Liquidated)	Malaysia	-	40	-	Ceased operation
Kinabalu Motor Assembly Sendirian Berhad	Malaysia	20	20	30 June	Assembly of Isuzu range of motor vehicles

Holding in equity by subsidiary company.

* The Group has not accounted for the investment in these associated companies under the equity method of accounting as the Directors are of the opinion that the Group is not in a position to exercise significant influence in their management. Accordingly, these investments are treated as simple investments.

12. SUBSIDIARY COMPANIES

	COMPANY	
	2000	1999
Quoted shares at cost	3,244	3,244
Unquoted shares at cost	570,166	619,016
	573,410	622,260
Less: Provision for diminution in value	(70,017)	(70,017)
	503,393	552,243
Amount due from subsidiary companies	3,554,576	3,436,231
Amount due to subsidiary companies	(1,610,998)	(1,559,856)
	2,446,971	2,428,618
Market value of quoted shares	974	1,709

The amounts due from/to subsidiary companies which arose mainly from inter-company advances are interest bearing and have no fixed repayment terms.

The subsidiary companies are:

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Akurjaya Sdn Bhd	Malaysia	70	70	Investment holding, plantation management and property development
Amalgamated Rolling Mill Sdn Bhd	Malaysia	100	100	Ceased operation
Ambang Jaya Sdn Bhd	Malaysia	100	100	Investment holding
Amsteel Capital Holdings Sdn Bhd	Malaysia	100	100	Investment holding
Angkasa Marketing (Singapore) Pte Ltd*	Singapore	100	100	Investment holding
Avenel Sdn Bhd	Malaysia	55 # 45	55 # 45	Investment holding
Ayer Keroh Resort Sdn Bhd	Malaysia	70	70	Investment holding and property development
Bungawang Sdn Berhad	Malaysia	70	70	Investment holding
Crystavel Sdn Bhd	Malaysia	99.8	99.8	Investment holding
Exuniq Sdn Bhd	Malaysia	100	100	Investment holding
Harbour Home Sdn Bhd	Malaysia	100	100	Investment holding
Lion Gateway Parade Sdn Bhd	Malaysia	51	51	Property contractor and developer
Lion Metal Industries Sdn Bhd	Malaysia	100	100	Provision of storage facilities
Lion Plantations Sdn Bhd	Malaysia	70	70	Investment holding
Lion Seatings Sdn Bhd	Malaysia	100	100	Manufacture of high quality chairs and parts thereof (ceased operation)
Lion Tooling Sdn Bhd	Malaysia	100	100	Manufacture and sale of tools and dies
Mastrama Sdn Bhd	Malaysia	100	100	Management services
Megasteel HBI Sdn Bhd	Malaysia	100	100	Dormant
Optima Jaya Sdn Bhd	Malaysia	100	100	Investment holding and hotel business
Singa Logistics Sdn Bhd	Malaysia	100	100	Transportation services

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Timuriang Sdn Bhd	Malaysia	100	100	Investment holding and operation of departmental stores
Visionwell Sdn Bhd	Malaysia	80	80	Investment holding and property development
Ambang Maju Sdn Bhd	Malaysia	70	70	# Investment holding
AMS Nominees (S) Pte Ltd* (De-registered)	Singapore	-	100	# Dormant
AMS Securities (S) Pte Ltd*	Singapore	100	100	# Ceased operation
Amsteel Asset Management (M) Sdn Bhd*	Malaysia	100	100	# Dormant
Amsteel Capital (L) Ltd* (Struck-off)	Malaysia	-	100	# Dormant
Amsteel Derivatives Limited*	British Virgin Islands	100	100	# Proprietary trading
Amsteel Equity Nominees (Asing) Sdn Bhd*	Malaysia	100	100	# Provision of nominee services
Amsteel Equity Nominees (Tempatan) Sdn Bhd*	Malaysia	100	100	# Provision of nominee services
Amsteel Equity Realty (M) Sdn Bhd*	Malaysia	100	100	# Property investment and management
Amsteel Finance (HK) Ltd*	Hong Kong	100	100	# Provision of administrative services and money lender
Amsteel Finance International BV*	The Netherlands	100	100	# Fund raising
Amsteel Futures (HK) Ltd*	Hong Kong	100	100	# Futures dealer
Amsteel Holdings (HK) Limited*	Hong Kong	100	90	# Investment holding
Amsteel Holdings Philippines, Inc.*	Philippines	100	100	# Investment holding
Amsteel Nominees (HK) Ltd*	Hong Kong	100	100	# Nominee services
Amsteel Research (HK) Ltd*	Hong Kong	100	100	# Economic research

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Amsteel Research (M) Sdn Bhd*	Malaysia	100	100	# Dormant
Amsteel Securities (Far East) Limited*	United Kingdom	100	100	# Ceased operation
Amsteel Securities (HK) Limited*	Hong Kong	100	100	# Securities dealer
Amsteel Securities (M) Sdn Bhd*	Malaysia	83.78	83.78	# Stockbroking
Amsteel Securities Philippines, Inc*	Philippines	100	100	# Ceased operation
Amsteel Strategic Investors Alliance, Inc*	Philippines	100	100	# Provision of financial management and investment advisory services
Amsteel Venture Sdn Bhd	Malaysia	100	100	# Dormant
Andalas Development Sdn Bhd	Malaysia	100	100	# Property development
Angkasa China Investment Limited*	British Virgin Islands	100	100	# Dormant
Angkasa Hong Kong Investment Limited*	British Virgin Islands	100	100	# Dormant
Angkasa International Trading Limited*	British Virgin Islands	100	100	# Dormant
Angkasa Logistic Pte Ltd*	Singapore	100	100	# Transport contractors and agent
Angkasa Marketing Berhad	Malaysia	58	60.11	# Investment holding and sale and distribution of steel products
Angkasa Strategic Limited*	Hong Kong	100	100	# Dormant
Anika Developments Sdn Bhd	Malaysia	100	100	# Contract management
Aquabio Holdings Sdn Bhd	Malaysia	100	100	# Investment holding
Araprop Development Sdn Bhd	Malaysia	100	100	# Property development
Arus Setia Sdn Bhd	Malaysia	100	100	# Ceased operation
Bandar Akademia Sdn Bhd	Malaysia	100	100	# Real estate development

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Bandar Akademia Corporation (M) Sdn Bhd	Malaysia	100	100	# Real estate development
Beijing Parkson Light Industry Development Co Ltd*	China	70	70	# Property development and retailing
Benecorp Sdn Bhd	Malaysia	100	100	# Distribution of apparels under the name of "Benetton"
Brewood Investment Pte Ltd*	Singapore	70	70	# Investment holding
Budmouth Limited*	Hong Kong	100	100	# Investment holding
Chembong Malay Rubber Company (1920) Limited	United Kingdom	100	100	# Cultivation of rubber and oil palm
Chocolate Products (Malaysia) Berhad*	Malaysia	0.15 # 59.34	0.15 # 62.28	Investment holding, management services and manufacturing and sale of malted cocoa beverage
Chongqing Wang Yu Parkson Plaza Co Ltd*	China	70	70	# Retailing
Cibber Limited*	Hong Kong	100	-	# Investment holding
Cockington Limited*	Hong Kong	100	100	# Dormant
Cornelian Star (S) Pte Ltd*	Singapore	70	70	# Investment holding
Croydon Investment Pte Ltd*	Singapore	70	70	# Investment holding
Dalian Tianhe Parkson Shopping Center Co Ltd*	China	60	60	# Retailing
Datavest Sdn Bhd	Malaysia	100	100	# Investment holding
Davids Warehousing Sdn Bhd* (under voluntary liquidation)	Malaysia	51	51	# Ceased operation
Dawson Investment Pte Ltd*	Singapore	70	70	# Investment holding
Eusden Limited*	Hong Kong	100	100	# Dormant
Excellent Strategy Sdn Bhd*	Malaysia	60	80	# Hospital, healthcare services and provision of higher education and training courses for nurses, pharmaceutical personnels and other allied healthcare professionals

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Exonbury Limited*	Hong Kong	100	100	# Investment holding
Farrington Investment Pte Ltd*	Singapore	70	70	# Investment holding
Gateway Management Sdn Bhd	Malaysia	100	100	# Property management
Geldart Investment Pte Ltd*	Singapore	100	100	# Investment holding
Henrietta Rubber Estate Limited	United Kingdom	100	100	# Cultivation of rubber and oil palm
Hiap Joo Chong Realty Sdn Bhd	Malaysia	73	73	# Property investment
Hy-Line Berhad	Malaysia	100	100	# Operation and management of golf and country club
Infojati Trading Sdn Bhd	Malaysia	100	100	# Dormant
Intel Consultants Ltd*	Hong Kong	100	100	# Treasury investment
Jilin Motor City Park Hotel Co Ltd*	China	60	-	# Ownership and operation of a hotel
Khidmat Kelana (M) Sdn Bhd	Malaysia	100	100	# Investment holding
KL Home, Garden and Leisure Centre Sdn Bhd	Malaysia	100	100	# Investment holding
Kobayashi Optical Sdn Bhd	Malaysia	70	70	# Ceased operation
Konming Investments Limited*	Hong Kong	100	100	# Securities trading
Kuala Pahi Development Company Limited	United Kingdom	100	100	# Cultivation of rubber and oil palm
Limerick Investment Pte Ltd*	Singapore	70	70	# Investment holding
Lion Asia Investment Pte Ltd*	Singapore	82.50	82.50	# Investment holding
Lion Commodities And Futures Trading Sdn Bhd	Malaysia	100	100	# Dormant
Lion Ipoh Parade Sdn Bhd	Malaysia	100	100	# Property development and investment holding
Lion Jianmin Pte Ltd*	Singapore	60	60	# Investment holding

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Lion Land Berhad*	Malaysia	0.17 # 50.31	0.17 # 51.12	Investment holding and property development
Lion Landscaping Sdn Bhd	Malaysia	-	100	# Ceased operation
Lion Mutiara Parade Sdn Bhd	Malaysia	60	60	# Property development
Lion Seremban Parade Sdn Bhd	Malaysia	70	70	# Property development and investment holding
Masbeef Sdn Bhd	Malaysia	100	100	# Investment holding
Masoni Investment Pte Ltd*	Singapore	100	100	# Investment holding
MBLI Bulking and Trading Pte Ltd*	Singapore	100	100	# Dormant
Mianyang Fulin Parkson Plaza Co Ltd*	China	70	70	# Retailing
Natvest Parkson Sdn Bhd	Malaysia	100	100	# Investment holding
Ozly Enterprise Sdn Bhd	Malaysia	-	99.99	# Sale and distribution of shoes
Pacific Credit Leasing Sdn Bhd	Malaysia	100	100	# Money lender
Parkson Corporation Sdn Bhd	Malaysia	100	100	# Operation of departmental stores
P T Amsteel Securities Indonesia*	Indonesia	85	85	# Ceased operation
P T Kebunaria*	Indonesia	70	-	# Cultivation of oil palm and processing of oil palm
Parkson's Holdings (S) Pte Ltd*	Singapore	100	100	# Investment holding
Parkson's Investments Limited*	United Kingdom	100	100	# Dormant
Parkson Glomart Pte Ltd*	Singapore	100	100	# Investment holding
Parkson Investment Pte Ltd*	Singapore	100	100	# Investment holding
Parkson Management Pte Ltd*	Singapore	100	100	# Investment holding
Parkson Pacific Pte Ltd*	Singapore	100	100	# Investment holding

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Parkson Retail Consulting and Management Sdn Bhd	Malaysia	100	100	# Investment holding, consultancy and management
Parkson Superstore (HK) Limited*	Hong Kong	100	100	# Dormant
Parkson Supplies Pte Ltd*	Singapore	100	100	# Investment holding
Parkson Venture Pte Ltd*	Singapore	100	100	# Investment holding
Peridang (M) Sdn Bhd	Malaysia	100	100	# Rental of plant and machinery
Pine Castle Sdn Bhd*	Malaysia	100	100	# Retreading tyres
Plantations Management Services (Sabah) Sdn Bhd	Malaysia	100	100	# Ceased operation
Posim Berhad*	Malaysia	83.77	85.25	# Investment holding, trading and distribution of building materials and consumer goods
Qingdao Croydon Investment Co Ltd*	China	100	100	# Dormant
Qingdao Dawson Investment Co Ltd*	China	100	100	# Dormant
Romiti Limited*	Hong Kong	100	100	# Investment holding
Salient Care Sdn Bhd	Malaysia	70	70	# Dormant
Sea World Attraction Sdn Bhd	Malaysia	100	100	# Dormant
Secom (Malaysia) Sdn Bhd*	Malaysia	51	51	# Dealers of security communication equipment
Segamat Land Berhad	Malaysia	100	100	# Cultivation of oil palm
Serbadagang Holdings Sdn Bhd	Malaysia	100	100	# Investment holding
Shanghai Hengda Parkson Plaza Co Ltd*	China	97	97	# Ceased operation
Shanghai Lion Asia Investment Consulting Co Ltd*	China	100	100	# Consultancy and advisory services
Shanghai Lion Garment Industry Co Ltd*	China	100	100	# Dormant

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Shanghai Lion Food Industry Co Ltd*	China	93.79	93.79	# Ceased operation
Shanghai Lion Parkson Investment Consultant Co Ltd*	China	100	100	# Provision of investment and consultancy services
Shanghai Ninesea Parkson Plaza Co Ltd*	China	100	100	# Retailing, food and beverage and entertainment business
Shanghai Parkson Decorations Industry Co Ltd*	China	100	100	# Retailing of fashion products
Sichuan Hezheng Parkson Plaza Co Ltd*	China	90	90	# Retailing
Silverstone Berhad*	Malaysia	0.23 # 52.11	0.23 #52.11	Manufacture and sale of tyres, rubber compound and other related products
Silverstone Marketing Sdn Bhd*	Malaysia	100	100	# Distribution of tyres, rubber compound and other related products
Silverstone Tire & Rubber (UK) Company Limited*	United Kingdom	100	100	# Sale and distribution of tyres
Silverstone Tyreplus Pty Ltd*	Australia	100	100	# Dormant
Stowinco Sdn Bhd	Malaysia	100	100	# Investment holding
Subang Parade Management Sdn Bhd	Malaysia	100	100	# Dormant
Success Services Limited* (De-registered)	Hong Kong	-	100	# Provision of secretarial services
Sukhothai Food Sdn Bhd	Malaysia	100	100	# Investment holding
Superior Achievement Sdn Bhd	Malaysia	100	100	# Investment holding
Terunaraya Sdn Bhd	Malaysia	100	100	# Dormant
Tetap Bebas Sdn Bhd	Malaysia	100	100	# Dormant
The Brooklands Selangor Rubber Company Limited	United Kingdom	100	100	# Cultivation of rubber and oil palm, processing of palm oil and property development
The Lenggeng Rubber Company Limited	United Kingdom	100	100	# Cultivation of rubber and oil palm

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Umatrac Enterprises Sdn Bhd	Malaysia	100	100	# Investment holding
WGD Retail Consultancy Sdn Bhd	Malaysia	100	100	# Provision of retail design consultancy services
Wuxi Sanyang Parkson Co Ltd*	China	60	60	# Retailing
Xian Lucky King Parkson Plaza Co Ltd*	China	51	51	# Retailing
Xtra Supercenter Sdn Bhd	Malaysia	100	100	# Operation of hypermarkets
Yangzhou Parkson Plaza Co Ltd*	China	55	55	# Retailing
Subsidiaries of Angkasa Marketing Berhad				
AMB Venture Sdn Bhd	Malaysia	100	100	Dormant
Angkasa Transport Equipment Sdn Bhd	Malaysia	100	100	Investment holding
AMB Aerovest Limited* (formerly known as China Aero-Fund (511) Limited)	British Virgin Islands	100	100	Investment holding
Dong Feng Lion Tyre Co Ltd*	China	55	55	Manufacture and sale of tyres
Hamba Research & Development Co Ltd*	Taiwan	98	98	Research and development
Innovasi Istimewa Sdn Bhd	Malaysia	100	100	Investment holding
Innovasi Selaras Sdn Bhd	Malaysia	100	100	Investment holding
Lion Rubber Industries Pte Ltd*	Singapore	100	100	Investment holding
Lion Suzuki Marketing Sdn Bhd	Malaysia	100	100	Sale and distribution of "Suzuki" motorcycles
Lion Suzuki Motor Sdn Bhd	Malaysia	100	100	Sale and distribution of "Suzuki" motor vehicles
Lion Tyre Venture Sdn Bhd	Malaysia	100	100	Investment holding
Nanjing Jingyi Casting Co Ltd*	China	60	60	Manufacture of motorcycle cast iron parts
Otomotif Malaysia Sendirian Berhad	Malaysia	100	100	Manufacture of motorcycle parts and accessories

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Range Grove Sdn Bhd	Malaysia	100	100	Investment holding
S.I.T Corporate Learning Centre Sdn Bhd	Malaysia	100	100	Provision of training services
Silverstone Tyre (S) Pte Ltd*	Singapore	80	80	Investment holding
Suzuki Assemblers Malaysia Sdn Bhd	Malaysia	100	100	Assembly of "Suzuki" motorcycles
Tianjin Zhaoxia Motorcycle Technical Development Co Ltd*	China	63	63	Research and development
Wuhan Fortune Motor Co Ltd*	China	50	50	Manufacture of light trucks and buses
Wuxi Top Absorber Co Ltd*	China	55	55	Manufacture of motorcycle absorbers
Willet Investment Pte Ltd*	Singapore	100	100	Investment holding
Wuxi Puhua Electroplating Co Ltd*	China	70	70	Electroplating of motorcycle absorbers
Subsidiaries of Chocolate Products (Malaysia) Berhad				
Beijing Vochelle Foodstuff Co Ltd*	China	70	70	Ceased operation
Bingkisan Jaya Sdn Bhd	Malaysia	100	100	Dormant
Chocolate Products (S) Pte Ltd*	Singapore	100	100	Investment holding
Chocolate Products Management Sdn Bhd*	Malaysia	100	100	Investment holding and operation of food court
Chocolate Products Manufacturing Sdn Bhd*	Malaysia	100	100	Manufacture of chocolates and other cocoa based products
Chocolate Products Trading Sdn Bhd*	Malaysia	100	100	Sale of proprietary chocolates, malted cocoa beverage and snacks
Chocolate Vochelle (Far East) Limited*	Hong Kong	100	100	Dormant
Chocolats Vochelle AG*	Switzerland	100	100	Investment holding and ownership of "Vochelle" and "Darry's" brand
Consitrade (M) Sdn Bhd*	Malaysia	100	100	Investment holding

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
CP Properties Sdn Bhd*	Malaysia	100	100	Dormant
Darry's Confectionery Sdn Bhd*	Malaysia	100	100	Manufacture of confectioneries
DEbier Sdn Bhd*	Malaysia	100	100	Investment holding
Force Ten Sdn Bhd*	Malaysia	100	100	Dormant
Graimpi Sdn Bhd*	Malaysia	100	100	Investment holding
Grand Tours & Travel Service Sdn Bhd*	Malaysia	100	100	Dormant
Hubei Jinlongquan Brewery Co Ltd*	China	60	60	Beer brewing
Hubei Jinlong Shenshui Brewery Co Ltd* (formerly known as Hubei Jinlongquan Group Changjiang Brewery Co Ltd)	China	55.56	55.56	Beer brewing
Hubei Lion Brewery Co Ltd*	China	60	60	Beer brewing
Hunan DEbier Brewery Co Ltd* (formerly known as Hunan Lion Brewery Co Ltd)	China	55	55	Beer brewing
Hypervest Sdn Bhd	Malaysia	100	100	Dormant
Indobaru Sdn Bhd	Malaysia	100	100	Dormant
Jatitrade Sdn Bhd	Malaysia	100	100	Dormant
Jiangsu DEbier Brewery Co Ltd* (formerly known as Jiangsu Santai Lion Brewery Co Ltd)	China	55	55	Beer brewing
Le Chocolatier Boutique (M) Sdn Bhd*	Malaysia	100	100	Dormant
Lion Mahkota Parade Sdn Bhd*	Malaysia	99.99	99.99	Property management and operation of food court
Lion Subang Parade Sdn Bhd*	Malaysia	100	100	Property management
Megavest Sdn Bhd*	Malaysia	100	100	Property and housing development
Ningbo Lion Brewery Co Ltd*	China	55	55	Beer brewing

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Pattervest Sdn Bhd	Malaysia	100	100	Dormant
Pavlova Investment Pte Ltd*	Singapore	100	100	Investment holding
Pingyang Lion Beer Co Ltd*	China	55	55	Beer brewing
Shandong DEbier Brewery Co Ltd* (formerly known as Zibo Lulansha Brewery Co Ltd)	China	60	60	Beer brewing
Shanghai DEbier Management Consulting Co Ltd*	China	100	100	Management consulting services
United Brands Trading Sdn Bhd*	Malaysia	100	100	Dormant
Urban Resources Sdn Bhd*	Malaysia	100	100	Property development
Vochelle Investment Pte Ltd*	Singapore	100	100	Investment holding
Wenzhou Double Deer Beer Marketing Co Ltd*	China	100	-	Sale and marketing of beer and other beverages
Wenzhou Double Deer Brewing Group Co Ltd* (formerly known as Wenzhou Lion Brewery Co Ltd)	China	55	55	Beer brewing
Zhejiang YanDangShan Lion Brewery Co Ltd*^	China	100	-	Beer brewing
Zhuzhou DEbier Brewery Co Ltd* (formerly known as Zhuzhou Lion Brewery Co Ltd*)	China	55	55	Beer brewing and mineral water bottling
Subsidiaries of Lion Land Berhad				
Amarod Corporation Sdn Bhd	Malaysia	100	100	Manufacture of pre-stressed concrete wire and strand (yet to commence operation)
Amble Legacy Sdn Bhd	Malaysia	100	100	Investment holding
Amsteel Mills Realty Sdn Bhd	Malaysia	100	100	Investment holding
Amsteel Mills Sdn Bhd	Malaysia	100	100	Manufacture and marketing of steel bars, wire rods and hot briquetted iron

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Batu Pahat Enterprise Sdn Bhd*	Malaysia	100	100	Property holding
Beijing Trostel Property Development Co Ltd*	China	95	95	Property development
Berkat Timor Sdn Bhd*	Malaysia	100	100	Property development
Citibaru Sendirian Berhad*	Malaysia	100	100	Property development
Crest Wonder Sdn Bhd	Malaysia	100	100	Investment holding
Hebei Weiyuan Heilen Bio-Chemical Co Ltd*	China	55	55	Manufacture of industrial chemicals and related products
Holdsworth Investment Pte Ltd*	Singapore	100	100	Investment holding
Huangshi Heilen Pharmaceutical Co Ltd*	China	60	60	Manufacturing and packaging of pharmaceutical products (ceased operation)
JOPP Builders Sdn Bhd*	Malaysia	100	100	Building construction
Kisan Agency Sdn Bhd*	Malaysia	100	100	Property development (yet to commence operation)
Lion Biotech Pte Ltd*	Singapore	100	100	Investment holding
Lion Courts Sdn Bhd*	Malaysia	100	100	Investment and property holding
Lion Klang Parade Bhd*	Malaysia	100	100	Property holding and development
Lion Motor Venture Sdn Bhd	Malaysia	100	100	Investment holding
Lion Plaza Sdn Bhd*	Malaysia	100	100	Property development
LLB Bina Sdn Bhd*	Malaysia	100	100	Property development
LLB Courts Sdn Bhd*	Malaysia	100	100	Investment and property holding
LLB Enterprise Sdn Bhd*	Malaysia	69	69	Dormant
LLB Indah Permai Sdn Bhd*	Malaysia	100	100	Property development
LLB Hazama Incorporated Sdn Bhd*	Malaysia	60	60	Investment holding
LLB Hazama Sdn Bhd*	Malaysia	100	100	Property development
LLB Innovation Sdn Bhd	Malaysia	100	100	Research and development in computer technology (ceased operation)

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
LLB Nominees Sdn Bhd*	Malaysia	100	100	Investment holding
LLB Suria Sdn Bhd*	Malaysia	100	100	Investment holding
LLB Strategic Holdings Berhad*	Malaysia	90	90	Investment holding
LLB Steel Industries Sdn Bhd	Malaysia	100	100	Investment holding
LLB Venture Sdn Bhd	Malaysia	100	100	Dormant
Malim Courts Property Development Sdn Bhd*	Malaysia	100	100	Property development and investment holding
Malim Jaya (Melaka) Sdn Bhd*	Malaysia	100	100	Property development
Marvenel Sdn Bhd*	Malaysia	70	70	Investment holding
Matrix Control Sdn Bhd	Malaysia	100	100	Investment holding
Mcken Sdn Bhd*	Malaysia	100	100	Property development
PM Holdings Sdn Bhd*	Malaysia	100	100	Investment holding
Projek Jaya Sdn Bhd*	Malaysia	100	100	Investment holding
Secomex Manufacturing (M) Sdn Bhd	Malaysia	51	51	Manufacturing and marketing of industrial gases
SEG Insurance Sdn Bhd* (Liquidated)	Malaysia	-	51	Dormant
Sepang Education Centre Sdn Bhd*	Malaysia	100	100	Provision of education services
Seri Lalang Development Sdn Bhd*	Malaysia	100	100	Property development
Shanghai Lion Plastic Industrial Co Ltd*	China	90	90	Manufacture and marketing of plastic components and related products
Sharikat Pengangkutan East West Sdn Bhd*	Malaysia	100	100	Property development
Slag Aggregate Sdn Bhd	Malaysia	100	100	Dormant
Soga Sdn Bhd*	Malaysia	94	94	Property development
Steelcorp Sdn Bhd	Malaysia	99 @0.75	99 @0.75	Investment holding

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Sucorp Enterprise Sdn Bhd*	Malaysia	100	100	Investment holding
Sumber Realty Sdn Bhd*	Malaysia	100	100	Property development
Syarikat Pekan Baru Kemajuan Berhad*	Malaysia	100	100	Property development
Tianjin Baden Real Estate Development Co Ltd*	China	95	95	Property development
Tianjin Hua Shi Auto Meter Co Ltd*	China	56.40	56.40	Manufacture of meter for motor vehicles and after sales services
Trial Jubilant Sdn Bhd	Malaysia	100	100	Investment holding
Zhuhai Lion International Bio-Tech Co Ltd* (under liquidation)	China	95	95	Manufacture and sale of pharmaceutical health and herbal products (ceased operation)
Subsidiaries of Posim Berhad				
Fabulous Contour Sdn Bhd*	Malaysia	100	100	Dormant
Ototek Sdn Bhd*	Malaysia	70	70	Trading and distribution of lubricants, tyres, spark plugs and other automotive components
Posim Agricultural Products Sdn Bhd*	Malaysia	100	100	Dormant
Posim Industrial Equipment Sdn Bhd*	Malaysia	100	100	Trading, servicing, hiring and distribution of industrial machine and equipment
Posim Petroleum Marketing Sdn Bhd*	Malaysia	100	100	Trading and distribution of lubricating oil and other petroleum products
Posim Petroleum Products Sdn Bhd*	Malaysia	100	100	Manufacturing of petroleum products
Sabah Forest Industries Sdn Bhd*	Malaysia	97.78	97.78	Integrated wood-based activities and pulp paper mill operation
Sabah Pulp and Paper Mill Sdn Bhd*	Malaysia	100	100	Dormant
SC Nominees Sdn Bhd*	Malaysia	100	100	Investment holding
SFI Paper Pte Ltd*	Singapore	100	100	Dormant
Stoller Chemical Company (M) Sdn Bhd*	Malaysia	100	100	Dormant

- * Financial statements of subsidiary companies as at 30 June 2000 not audited by Ong Boon Bah & Co
- # Holding in equity by subsidiary companies
- @ Holding in equity by the Company
- ^ The results of this subsidiary company has not been consolidated as the Group has no power to exercise control over the company's financial and operating policies so as to obtain the benefits from the company's activities at the end of the financial year.

Certain subsidiary companies' financial statements for the financial year ended 30 June 2000 were commented on by their respective auditors as follows:

- a) AMS Securities (S) Pte Ltd - an "unable to and do not express an opinion" qualification due to the following:
 - i) An amount due from the holding company of S\$9,520,307 as at 30 June 2000 which might not be recoverable in view of the net liability position of the holding company as at 30 June 2000.
 - ii) As at 30 June 2000, the company has a balance due from other debtors amounting to S\$860,386. The full recoverability of this amount is uncertain.
 - iii) The company had ceased to carry on the business of stock and sharebrokers upon the expiry of its dealer's license on 12 May 1998 and the company had incurred a net loss of S\$256,666 during the financial year ended 30 June 2000, and as at that date, the company's current liabilities exceeded its current assets by S\$8,281,540.
- b) P T Amsteel Securities Indonesia - an "unable to express and do not express an opinion" qualification due to the following:
 - i) On 1 December 1997, the company was suspended from capital market activities by the relevant authorities. For commercial reasons, the company had on 1 July 1998 downsized its entire operations and maintain its presence until subsequent economic recovery would enable the company to revive its activities, and
 - ii) The company had suffered net loss of Rp32,110,233,616 for the financial year ended 30 June 2000 and due to the company's recurring operating losses in prior years, the company had a capital deficiency of Rp149,553,122,251 as at that date. The cumulative deficit due to recurring operating losses up to 30 June 2000 was Rp160,553,122,251 (Exchange rate as at 30 June 2000 was Rp1,000 to RM0.413).
- c) Amsteel Holdings Philippines, Inc - an "unable to express and do not express an opinion" qualification due to significant losses amounting to 194 million peso and 602 million peso and net capital deficiency of 1,470 million peso and 1,276 million peso for the financial years ended 30 June 2000 and 1999 respectively. On 14 September 1998, the company adopted a resolution authorizing to implement a "de facto" phase out of the company's operations in accordance with the consensus arrived at during the meeting held on 20 August 1998. The activities of the company thereafter are limited to the realization of assets and settlement of liabilities.
- d) Amsteel Securities Philippines, Inc - an "unable to express and do not express an opinion" qualification due to significant losses amounting to 3 million peso and 76 million peso and a net capital deficiency of 185 million peso and 182 million peso for the financial years ended 30 June 2000 and 1999 respectively. On 14 September 1998, the company adopted a resolution authorizing to implement a "de facto" phase out of the company's operations in accordance with the consensus arrived at during the meeting held on 20 August 1998. The company has ceased to carry on its business as stockbroker and dealer upon the sale of its exchange seat in the Philippine Stock Exchange. The activities of the company thereafter are limited to the realization of assets and settlement of liabilities.
- e) Amsteel Strategic Investors Alliance, Inc - raised doubt about the company's ability to continue as a going concern due to the losses suffered from operations of 0.2 million peso and net capital deficiency of 0.3 million peso for the financial year ended 30 June 2000. (Exchange rate as at 30 June 2000 was 100 peso to RM8.68).

13. INTEREST IN JOINT-VENTURES

	GROUP	
	2000	1999
Capital contribution	210	210
Share of profit from joint-ventures	166	166
	<u>376</u>	<u>376</u>
Less: Cash received	(316)	(316)
	<u>60</u>	<u>60</u>
Add: Amount due from joint-ventures	8,807	-
	<u>8,867</u>	<u>60</u>

The following amounts represent the Group's proportionate share of the assets and liabilities employed by the joint-ventures and have not been included in the consolidated balance sheet under their respective categories:

	GROUP	
	2000	1999
Deferred expenditure	-	6
Current Assets		
Construction work-in-progress	771	-
Debtors	5,147	1,616
Deposits, cash and bank balances	1,732	535
	<u>7,650</u>	<u>2,151</u>
Current Liabilities		
Creditors	7,488	2,012
Net Assets Employed	<u>162</u>	<u>145</u>

The joint-venture companies are:

Name of joint-venture	Holding in equity by subsidiary company		Accounting year end	Principal activities
	2000	1999		
Kajima-Anika J.V.	40%	40%	31 December	Construction and development of hotel and office complex
Dwiwater Sdn Bhd	52.52%	52.52%	31 December	Construction of treated water pipeline
Triwater Sdn Bhd	43.07%	43.07%	31 December	Construction of treated water pipeline

14. HOTEL PROPERTY

	GROUP	
	2000	1999
Freehold land and building at cost	<u>159,821</u>	<u>157,617</u>

15. INVESTMENT PROPERTIES

	GROUP	
	2000	1999
At valuation:		
Freehold land and buildings	559,990	787,665
Long leasehold land and buildings	249,946	276,091
	809,936	1,063,756
	809,936	1,063,756

The Group's investment properties were revalued in 1999 by the Directors based on independent valuation reports carried out by firms of professional valuers and surveyors on an open market value basis.

All of the investment properties of the Group have been pledged to financial institutions for credit facilities granted to its subsidiary companies.

16. INVESTMENTS - AT COST

	GROUP		COMPANY	
	2000	1999	2000	1999
Quoted shares:				
In Malaysia	36,150	34,816	6,277	6,277
Outside Malaysia	65,654	10,717	-	-
	101,804	45,533	6,277	6,277
Unquoted shares	91,521	82,186	127	127
Debenture stock	580	500	580	500
Convertible unsecured loan stock	-	-	4,590	4,590
	193,905	128,219	11,574	11,494
	193,905	128,219	11,574	11,494
Market value of shares:				
Quoted in Malaysia	35,245	45,388	6,959	8,966
Quoted outside Malaysia	31,653	8,816	-	-
	66,898	54,204	6,959	8,966
	66,898	54,204	6,959	8,966

Certain of the shares quoted in Malaysia of the Group and of the Company amounting to RM36.2 million (1999: RM34.8 million) and RM6.3 million (1999: RM6.3 million) respectively were pledged to financial institutions for credit facilities granted to the Company and its subsidiary companies.

17. DEFERRED EXPENDITURE

	GROUP	
	2000	1999
At beginning of the financial year	155,193	197,230
Additions during the financial year	14,665	30,025
Exchange reserve	229	(2,791)
	170,087	224,464
Amortisation	(18,592)	(40,008)
Addition/(Reduction) due to acquisition/(disposal) of subsidiaries	3,460	(26,483)
Written off	(40,980)	(2,780)
Provision for write down	(12,704)	-
	101,271	155,193
	101,271	155,193

18. STOCKS

	GROUP	
	2000	1999
Products:		
At cost		
Raw materials	216,355	173,322
Finished goods	429,081	388,750
General and consumable stores	112,514	203,148
Goods in transit	14,721	36,772
Work-in-progress	48,633	57,862
	821,304	859,854
At net realisable value		
Finished goods	8,949	-
General and consumable stores	342	1,425
	9,291	1,425
Provisions for stocks obsolescence and stocks write down	(20,789)	(17,605)
	809,806	843,674
Property:		
Completed units for sale	62,531	19,277
Provision for write down	-	(4,645)
	62,531	14,632
Securities:		
Marketable securities	33,426	21,403
Provision for diminution in value	-	(3,071)
	33,426	18,332
Market value at end of the financial year	33,426	18,332
	905,763	876,638

Certain marketable securities costing RM19.2 million (1999: RM13.5 million) were pledged to financial institutions as securities for banking facilities granted to a subsidiary company.

Included in the stocks of the Group is depreciation amounting to RM3.3 million (1999: RM5.2 million).

19. LAND AND DEVELOPMENT EXPENDITURE

	GROUP	
	2000	1999
Land at cost	211,185	280,602
Land at valuation - current portion	179,947	75,575
Development expenditure	546,058	834,453
	937,190	1,190,630
Less: Non current portion	(259,821)	(223,341)
	677,369	967,289
Profit attributable to development work performed to date	192,363	350,853
	869,732	1,318,142
Progress billings	(505,502)	(961,695)
	364,230	356,447
	364,230	356,447

The land titles of certain subsidiary companies held for development have yet to be registered in the name of the subsidiary companies.

Certain land at cost and valuation of RM241.8 million (1999: RM138.0 million) have been pledged as securities for the term loans of a subsidiary company.

Included in development expenditure are the following expenses incurred during the financial year:

	GROUP	
	2000	1999
Depreciation	132	-
Interest expense	<u>10,837</u>	<u>13,116</u>

The Group considers the portion of property projects on which development work has commenced and is expected to be completed within the normal operating cycle as current assets.

20. AMOUNT DUE FROM/TO CONTRACT CUSTOMERS

Amount due from/to contract customers, pertaining to a subsidiary company, consist of the following:

	GROUP	
	2000	1999
Contract cost	721,430	706,567
Profit attributable to work performed todate	<u>28,805</u>	<u>27,205</u>
Total	750,235	733,772
Progress billings	<u>(746,477)</u>	<u>(730,396)</u>
Amount due from contract customers	<u>3,758</u>	<u>3,376</u>
Contract cost	113,079	121,984
Profit attributable to work performed todate	<u>4,205</u>	<u>4,828</u>
Total	117,284	126,812
Progress billings	<u>(118,637)</u>	<u>(128,899)</u>
Amount due to contract customers	<u>(1,353)</u>	<u>(2,087)</u>

As at 30 June 2000, retentions held by customers for contract works amount to RM9.7 million (1999: RM16.4 million).

Current charges to contract cost include the following:

	GROUP	
	2000	1999
Depreciation of fixed assets	<u>84</u>	<u>112</u>

21. DEBTORS

	GROUP		COMPANY	
	2000	1999	2000	1999
Trade debtors	1,330,830	1,626,822	-	-
Provision for doubtful debts	(384,211)	(334,778)	-	-
	<u>946,619</u>	<u>1,292,044</u>	<u>-</u>	<u>-</u>
Retention monies	9,688	16,447	-	-
Other debtors, deposits and prepayments	799,337	1,077,904	68,938	74,178
	<u>1,755,644</u>	<u>2,386,395</u>	<u>68,938</u>	<u>74,178</u>

Included in other debtors are tax recoverable of RM110.1 million (1999: RM237.2 million), proceeds receivable from sale of assets and investments of RM37.1 million (1999: RM163.5 million) and application monies for the preference shares of an associated company of RM Nil (1999: RM49.0 million).

22. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2000	1999	2000	1999
Deposits with:				
Licensed banks	229,148	292,095	73,921	-
Licensed financial institutions	179,589	24,515	-	2,967
Housing Development Accounts	11,875	9,739	-	-
Cash and bank balances	390,135	211,748	485	4,149
	<u>810,747</u>	<u>538,097</u>	<u>74,406</u>	<u>7,116</u>

The Housing Development Accounts are maintained in accordance with Section 7(A) of the Housing Developer (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the subsidiary companies upon the completion of the property development projects and after all property development expenditure has been fully settled.

Included in deposits are as follows:

	GROUP		COMPANY	
	2000	1999	2000	1999
Pledged as security for credit facilities granted to the Group	41,352	42,900	-	-
Earmarked for the purpose of bond redemption under the proposed Group Wide Restructuring Scheme	181,730	27,130	72,600	-
	<u>223,082</u>	<u>70,030</u>	<u>72,600</u>	<u>-</u>

23. CREDITORS

	GROUP		COMPANY	
	2000	1999	2000	1999
Trade creditors	797,060	889,465	-	-
Retention monies	28,726	45,528	-	-
Hire purchase and lease creditors (Note 29)	8,892	13,015	-	-
Other creditors and accruals	1,578,661	1,254,452	211,521	98,640
	<u>2,413,339</u>	<u>2,202,460</u>	<u>211,521</u>	<u>98,640</u>

Included in other creditors and accruals are interest accrued of RM469.0 million (1999: RM257.4 million) and amounts accrued for construction of plant and machinery of RM227.0 million (1999: RM157.8 million).

24. PROVISIONS FOR RETRENCHMENT AND RETIREMENT BENEFITS

	GROUP		
	Retrenchment benefits	Retirement benefits	Total
At 30 June 1998	-	1,644	1,644
Provisions made during the financial year	-	184	184
Utilised during the financial year	-	(9)	(9)
At 30 June 1999	-	1,819	1,819
Provisions made during the financial year	5,053	14	5,067
Utilised during the financial year	-	(5)	(5)
Reversal of provisions	-	(1,828)	(1,828)
At 30 June 2000	<u>5,053</u>	<u>-</u>	<u>5,053</u>
Comprising:			
Current	5,053	-	5,053
Non current	-	-	-
	<u>5,053</u>	<u>-</u>	<u>5,053</u>

25. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2000	1999	2000	1999
Bank overdrafts - secured	149,716	179,335	-	-
- unsecured	256,607	279,030	2,523	2,311
Revolving credits - secured	73,246	114,407	-	-
- unsecured	733,266	802,129	624,979	624,979
Short term loans - secured	355,105	208,581	-	-
- unsecured	3,587,986	2,843,793	842,200	842,200
Bills payable - unsecured	327,636	287,041	-	-
Long term borrowings - portion repayable within one year (Note 28)	1,724,326	2,078,563	-	-
	<u>7,207,888</u>	<u>6,792,879</u>	<u>1,469,702</u>	<u>1,469,490</u>

The bank overdrafts, revolving credits and short term loans of certain subsidiaries are secured by way of fixed and floating charges over their respective assets, quoted shares and certain fixed assets. The short term borrowings bear interest at rates ranging from 1.0% to 13.7% (1999: 0.5% to 17.8%) per annum.

The Group and Company has not serviced some of its principal borrowings and interest charges. As a result, certain principal bankers have frozen or withdrawn existing credit facilities available to the Group and Company.

In addition, certain subsidiary companies are presently re-negotiating with their bankers to extend the repayment schedules on existing term loans.

Included in the outstanding loans of the Group and Company are amounts of RM702.3 million and RM293.0 million respectively which have been sold by licensed banks to Danaharta Managers Sdn Bhd, Danaharta Managers (L) Ltd, Pengurusan Danaharta Nasional Bhd and Danaharta Urus Sdn Bhd. The original terms and conditions of the loan agreements remain unchanged.

26. SHARE CAPITAL

	GROUP AND COMPANY	
	2000	1999
Ordinary Shares of RM0.50 each		
(a) Authorised:		
2,000,000,000 shares	<u>1,000,000</u>	<u>1,000,000</u>
(b) Issued and fully paid:		
At beginning of the financial year	629,557	629,557
Issued during the financial year	<u>240</u>	<u>-</u>
At end of the financial year	<u>629,797</u>	<u>629,557</u>

Upon the expiry of the Executive Share Option Scheme ("ESOS") on 28 November 1999, there were 20,600,000 unissued shares under options granted pursuant to the ESOS. These options lapsed on the date of expiry of the ESOS.

Upon the maturity of the warrants with a right to subscribe for ordinary shares in the Company on the basis of one new ordinary share for every warrant held, the 209,834,332 warrants which were not exercised lapsed on 19 May 2000.

27. RESERVES

	Share Premium	Revaluation Reserve	Other Reserves	Accumulated Loss	Total
GROUP					
Balance at 30 June 1998	230,029	1,026,029	252,294	(342,591)	1,165,761
Reserve on consolidation	-	-	(7,049)	-	(7,049)
Transfer from/(to) capital reserve (Note 7)	-	(49,616)	7,791	41,825	-
Deficit on revaluation of investment properties	-	(149,734)	-	-	(149,734)
Deferred taxation provided for revaluation of plantation land	-	(36,462)	-	-	(36,462)
Increase in share of revaluation surplus due to increase in shareholding in a subsidiary company	-	43,243	-	-	43,243
Translation loss on net equity of foreign subsidiary companies	-	-	(89,087)	-	(89,087)
Equity accounting for share of net assets of local associated companies	-	-	59,167	-	59,167
Translation gain upon equity accounting for share of net assets of foreign associated companies	-	-	13,383	-	13,383
Realisation of reserve on disposal of associated company	-	-	(67,454)	-	(67,454)
Realisation of reserve on disposal of subsidiary companies	-	(8,503)	(40,959)	-	(49,462)
Amortisation of foreign exchange losses	-	-	213,387	-	213,387
Net loss for the financial year	-	-	-	(831,687)	(831,687)
Proposed dividend (0.05 sen per share less 28% income tax)	-	-	-	(453)	(453)
Balance at 30 June 1999	<u>230,029</u>	<u>824,957</u>	<u>341,473</u>	<u>(1,132,906)</u>	<u>263,553</u>

	Share Premium	Revaluation Reserve	Other Reserves	Accumulated Loss	Total
GROUP					
Balance at 30 June 1999	230,029	824,957	341,473	(1,132,906)	263,553
Shares issued	159	-	-	-	159
Reserve on consolidation	-	-	1,759	-	1,759
Transfer from/(to) capital reserve (Note 7)	-	(81,380)	(2,378)	83,758	-
Deferred taxation provided for revaluation of plantation land	-	(3,738)	-	-	(3,738)
Decrease in share of revaluation surplus due to decrease in shareholding in a subsidiary company	-	(4,442)	(271)	-	(4,713)
Translation gain on net equity of foreign subsidiary companies	-	-	3,194	-	3,194
Equity accounting for share of net assets of local associated companies	-	-	8,981	-	8,981
Translation loss upon equity accounting for share of net assets of foreign associated companies	-	-	(46,046)	-	(46,046)
Realisation of reserve on disposal of subsidiary companies	-	(62,141)	(46,114)	-	(108,255)
Amortisation of foreign exchange losses	-	-	77,036	-	77,036
Net loss for the financial year	-	-	-	(629,047)	(629,047)
Proposed dividend (0.05 sen per share less 28% income tax)	-	-	-	(453)	(453)
Balance at 30 June 2000	<u>230,188</u>	<u>673,256</u>	<u>337,634</u>	<u>(1,678,648)</u>	<u>(437,570)</u>

	Share Premium	Exchange Reserve	Accumulated Profit	Total
COMPANY				
Balance at 30 June 1998	230,029	(119,934)	401,581	511,676
Amortisation of foreign exchange losses	-	59,967	-	59,967
Loss for the financial year	-	-	(237,997)	(237,997)
Proposed dividend (0.05 sen per share less 28% income tax)	-	-	(453)	(453)
Balance at 30 June 1999	<u>230,029</u>	<u>(59,967)</u>	<u>163,131</u>	<u>333,193</u>
Shares issued	159	-	-	159
Amortisation of foreign exchange losses	-	59,967	-	59,967
Loss for the financial year	-	-	(90,596)	(90,596)
Proposed dividend (0.05 sen per share less 28% income tax)	-	-	(453)	(453)
Balance at 30 June 2000	<u>230,188</u>	<u>-</u>	<u>72,082</u>	<u>302,270</u>

Analysis of other reserves are as follows:

	GROUP	
	2000	1999
Exchange differences deferred	-	(77,035)
Translation reserves	216,829	339,467
Reserve on consolidation	11,658	9,899
Others	109,147	69,142
	<u>337,634</u>	<u>341,473</u>

28. LONG TERM BORROWINGS

	GROUP	
	2000	1999
Term loans - secured	1,237,768	1,586,325
- unsecured	1,035,834	1,813,363
Others - unsecured	-	198
	<u>2,273,602</u>	<u>3,399,886</u>
Less: Portion repayable within one year and included under short term borrowings (Note 25)	<u>(1,724,326)</u>	<u>(2,078,563)</u>
	<u><u>549,276</u></u>	<u><u>1,321,323</u></u>

The Group has not serviced some of its principal borrowings and interest charges. As a result, certain principal bankers have frozen or withdrawn existing credit facilities available to the Group.

In addition, certain subsidiary companies are presently re-negotiating with their bankers to extend the repayment schedules on existing term loans.

Included in the outstanding loans of the Group is an amount of RM86.1 million which have been sold by licensed banks to Danaharta Managers Sdn Bhd and Pengurusan Danaharta Nasional Bhd. The original terms and conditions of the loan agreements remain unchanged.

The long term borrowings are repayable over the following periods:

	GROUP	
	2000	1999
Within one year	1,724,326	2,078,563
From one to two years	176,393	602,328
From two to five years	235,742	410,902
Over five years	137,141	308,093
	<u>2,273,602</u>	<u>3,399,886</u>

The term loans of certain subsidiary companies are secured by way of charges over their respective assets and certain fixed assets, where applicable. The long term borrowings bear interest at rates ranging from 6.0% to 11.5% (1999: 1.0% to 17.8%) per annum.

29. DEFERRED CREDITORS

	GROUP	
	2000	1999
Hire purchase and lease creditors	21,058	30,232
Less: Portion payable within one year and included in creditors (Note 23)	(8,892)	(13,015)
	<u>12,166</u>	<u>17,217</u>
Contract cost of development property of a subsidiary company payable after one year	82,454	82,454
Security/refundable deposits received	1,245	3,911
Others	921	911
	<u>96,786</u>	<u>104,493</u>

30. DEFERRED TAXATION

	GROUP	
	2000	1999
Deferred taxation provided for in the financial statements:		
- excess of capital allowances over depreciation	4,318	22,831
- tax effects of revaluation of plantation lands	65,350	63,411
- other timing differences	9,315	1,024
	<u>78,983</u>	<u>87,266</u>
Deferred taxation not provided for in the financial statements:		
- timing differences on fixed assets which are not expected to reverse in the foreseeable future	313	-
- tax effects of revaluation of investment properties held for long term	5,751	15,860
	<u>6,064</u>	<u>15,860</u>
Tax losses carried forward for which no credit has been taken in the net income of the current or prior years	<u>1,019,260</u>	<u>852,226</u>
Unabsorbed capital allowances for which no credit has been taken in the net income of the current or prior years	<u>1,311,443</u>	<u>1,249,216</u>
Unabsorbed reinvestment allowance for which no credit has been taken in the net income of the current or prior years	<u>497,954</u>	<u>584,122</u>

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties are entities which have common directors and/or shareholders with the Company and/or its subsidiary companies, excluding those parties disclosed as related companies in the financial statements.

	GROUP	
	2000	1999
Advance billings	-	116,700
Progress billings	10,869	86,183
Sales	162,227	12,965
Progress claims	5,130	27,402
Rental income	11,037	10,047
Interest income	2,612	2,957
Finance cost	617	1,438
Purchases	<u>55,884</u>	<u>47,051</u>

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

The outstanding balances arising from the above transactions are as follows:

	GROUP	
	2000	1999
Receivables:		
Included in trade debtors	35,585	54,254
Included in other debtors	7,996	10,526
	<u>43,581</u>	<u>64,780</u>
Payables:		
Included in amount due to associated companies	5,931	123,813
Included in other creditors	5,747	28,840
	<u>11,678</u>	<u>152,653</u>

32. CONTINGENT LIABILITIES

	GROUP	
	2000	1999
Unsecured		
Liquidated ascertained damages	20,500	-
Legal claims in respect of the termination of contracts for the extraction and sale of timber	564,000	571,000
	<u>584,500</u>	<u>571,000</u>

33. COMMITMENTS

The Group has commitments as follows:

	GROUP	
	2000	1999
Capital expenditure for fixed assets		
- approved and contracted for	464,443	300,538
- approved but not contracted for	149,549	106,516
Commitment to acquire shares in subsidiary companies	48,183	39,861
Commitment to acquire shares and warrants in an associated company	27,117	28,780
Non-cancellable lease agreements	24,404	7,770
	<u>713,696</u>	<u>483,465</u>

The non-cancellable lease agreements are repayable as follows:

	GROUP	
	2000	1999
Within one year	6,658	4,502
From one to two years	17,404	1,980
From two to five years	342	1,288
	<u>24,404</u>	<u>7,770</u>

34. SEGMENT ANALYSIS - GROUP

2000	Turnover	Profit/(Loss)	Total assets employed
a. By Industry			
Steel	980,418	124,815	1,847,983
Motor	358,334	(37,000)	444,717
Tyre and chemicals	489,852	7,111	1,317,762
Food and agricultural products	1,124,718	46,964	3,320,182
Retail and distribution	1,907,988	51,054	1,297,553
Property	255,550	48,075	2,666,181
Finance and services	145,442	(9,567)	381,927
Investment holding and others	117,418	(18,981)	687,939
	<u>5,379,720</u>	<u>212,471</u>	<u>11,964,244</u>
Share of associated companies		(92,547)	1,146,988
Share of joint-ventures		-	8,867
Net interest expenses		(588,102)	-
Amortisation of goodwill on consolidation		(11,875)	-
Foreign exchange loss		(98,334)	-
Provisions on cessation of operations of subsidiary companies		(83,970)	-
		<u>(662,357)</u>	<u>13,120,099</u>
b. By Geographical Location			
Malaysia	3,312,526	241,612	8,194,532
Overseas	2,067,194	(29,141)	3,769,712
	<u>5,379,720</u>	<u>212,471</u>	<u>11,964,244</u>
Share of associated companies		(92,547)	1,146,988
Share of joint-ventures		-	8,867
Net interest expenses		(588,102)	-
Amortisation of goodwill on consolidation		(11,875)	-
Foreign exchange loss		(98,334)	-
Provisions on cessation of operations of subsidiary companies		(83,970)	-
		<u>(662,357)</u>	<u>13,120,099</u>

1999	Turnover	Profit/(Loss)	Total assets employed
a. By Industry			
Steel	805,118	37,666	1,952,462
Motor	379,223	9,795	506,626
Tyre and chemicals	643,902	45,242	1,332,770
Food and agricultural products	1,069,135	40,002	3,558,465
Retail and distribution	1,729,699	32,044	1,346,574
Property	292,221	43,447	2,914,205
Finance and services	98,027	(145,233)	493,438
Investment holding and others	117,346	(111,688)	717,446
	<u>5,134,671</u>	<u>(48,725)</u>	<u>12,821,986</u>
Share of associated companies		(4,298)	1,343,245
Share of joint-venture		-	60
Net interest expenses		(654,807)	-
Amortisation of goodwill on consolidation		(14,706)	-
Foreign exchange loss		(212,161)	-
		<u>(934,697)</u>	<u>14,165,291</u>
b. By Geographical Location			
Malaysia	3,109,072	50,834	9,072,592
Overseas	2,025,599	(99,559)	3,749,394
	<u>5,134,671</u>	<u>(48,725)</u>	<u>12,821,986</u>
Share of associated companies		(4,298)	1,343,245
Share of joint-venture		-	60
Net interest expenses		(654,807)	-
Amortisation of goodwill on consolidation		(14,706)	-
Foreign exchange loss		(212,161)	-
		<u>(934,697)</u>	<u>14,165,291</u>

35. CONSOLIDATED CASH FLOW STATEMENT

a) Adjustment for non-cash items and interests	2000	1999
Depreciation	287,164	283,983
Share in profits less losses of associated companies	92,547	4,298
Write off/amortisation of deferred expenditure	59,572	42,788
Amortisation of forest concessions	10,796	10,796
Amortisation of goodwill on consolidation	11,875	14,706
Interest expenses	619,051	686,623
Interest income	(30,949)	(31,816)
Fixed assets written off	28,493	26,685
Loss on disposal of fixed assets	5,442	10,606
Gain on disposal of supermarket division	-	(47,456)
Gain on disposal of associated companies	(14,558)	(154,466)
Gain on liquidation of associated company	(600)	-
Loss on dilution of associated companies	6,823	-
(Gain)/Loss on disposal of subsidiary companies	(51,593)	114,664
Loss/(Gain) on disposal of investments	15,472	(228)
Gain on disposal of investment properties	(807)	(2,915)
Provision for stock obsolescence	6,503	8,413
Provision for doubtful debts:		
- stockbroking companies	124,343	244,685
- others	20,876	16,429
Dividend income	(117)	(2,775)
Unrealised loss on foreign exchange	102,623	204,117
Stocks written off	2,170	2,494
Loss on disposal of marketable securities	-	104
Provision for royalties	(537)	2,218
Provision for retirement benefits	14	184
Provision for retrenchment benefits	-	179
Bad debts written off	4,620	1,590
Provision for diminution in value no longer required for:		
- investments	-	(3,735)
- marketable securities	(3,071)	(3,611)
Provisions on cessation of operations of subsidiary companies	83,970	-
Gain on dilution of subsidiary company to associated company	-	(20,700)
Loss on liquidation of subsidiary companies	2,585	-
Loss on dilution of subsidiary companies	15,161	26,797
	<u>1,397,868</u>	<u>1,434,657</u>
b) Cash and cash equivalents at end of the financial year	2000	1999
Cash and bank balances	390,135	211,748
Deposits with:		
- licensed banks	229,148	292,095
- licensed financial institutions	179,589	24,515
Housing Development Accounts	11,875	9,739
Bank overdrafts	(406,323)	(458,365)
	<u>404,424</u>	<u>79,732</u>
Less: Fixed deposits pledged	(41,352)	(42,900)
Fixed deposits earmarked for bond redemption	(181,730)	(27,130)
	<u>181,342</u>	<u>9,702</u>

- c) During the financial year, the Group acquired fixed assets with an aggregate cost of RM232.3 million (1999: RM612.9 million) of which RM0.8 million (1999: RM0.8 million) was acquired by means of hire purchase. Cash payments of RM231.5 million (1999: RM612.1 million) were made to purchase fixed assets.

36. SUMMARY OF EFFECTS OF ACQUISITION OF SUBSIDIARY COMPANIES

	2000	1999
Net assets acquired:		
Fixed assets	103,619	15,832
Investments	-	8
Deferred expenditure	3,997	1,152
Goodwill on consolidation	594	552
Stocks	2,101	5,197
Debtors	15,876	5,843
Cash and bank balances	683	279
Creditors	(57,924)	(13,045)
Short term borrowings	(51,828)	(366)
Minority interests	(5,353)	(7,491)
Deferred creditors	-	(73)
Reserve on consolidation	(2,452)	-
	<hr/>	<hr/>
Net assets	9,313	7,888
Less: Reclassification from other investment	-	(2,286)
Less: Cash and bank balances	(683)	(279)
	<hr/>	<hr/>
Cash flow on acquisition net of cash and bank balances acquired	<u>8,630</u>	<u>5,323</u>

37. SUMMARY OF EFFECTS OF DISPOSAL/LIQUIDATION OF SUBSIDIARY COMPANIES

	2000	1999
Net assets disposed/liquidated:		
Fixed assets	(2,218)	(158,659)
Investment properties	(383,682)	(110,038)
Investments	-	(100)
Deferred expenditure	(537)	(27,635)
Goodwill on consolidation	(937)	(83,838)
Stocks	(2,028)	(13,031)
Debtors	(18,134)	(237,951)
Cash and bank balances	(7,879)	(5,355)
Creditors	42,944	39,117
Short term borrowings	-	59,870
Minority interests	48,510	123,124
Deferred taxation	3,095	364
Long term liabilities	200,000	14,859
Other reserve	61,841	-
Reserve on consolidation	-	8,629
	<hr/>	<hr/>
Net assets	(59,025)	(390,644)
(Gain)/Loss on disposal/liquidation of subsidiary companies	(49,008)	114,664
	<hr/>	<hr/>
Total cash consideration	(108,033)	(275,980)
Add: Cash and bank balances	7,879	5,355
Add: Reclassification to other debtors	31,628	54,813
	<hr/>	<hr/>
Cash flow on disposal net of cash and bank balances disposed/liquidated	<u>(68,526)</u>	<u>(215,812)</u>

38. SUMMARY OF EFFECTS OF DILUTION OF SUBSIDIARY COMPANY TO ASSOCIATED COMPANY

	2000	1999
Net assets diluted:		
Fixed assets	-	(3,122)
Goodwill on consolidation	-	(42)
Debtors	-	(16,517)
Creditors	-	23,849
Short term borrowings	-	12,122
Long term liabilities	-	4,410
	<hr/>	<hr/>
Net assets	-	20,700
Gain on dilution of subsidiary company	-	(20,700)
	<hr/>	<hr/>
Total cash consideration	-	-
Less: Cash and bank balances	-	-
	<hr/>	<hr/>
Cash flow on dilution net of cash and bank balances diluted	<hr/> <hr/>	<hr/> <hr/>

39. CORPORATE INFORMATION

a. Registered office and principal place of business

The registered office and principal place of business of the Company is located at Level 46, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur.

b. Staff numbers

	GROUP		COMPANY	
	2000	1999	2000	1999
Total number of employees as at the end of the financial year	<u>30,111</u>	<u>30,076</u>	<u>2</u>	<u>2</u>

40. MATERIAL EVENTS

During the financial year, the Group undertook the following acquisitions and reorganisations:

- Chocolate Products Manufacturing Sdn Bhd, in which the Group has a 51.3% equity interest, and several of its wholly-owned subsidiaries have entered into several agreements for the disposal of the VICO business, intermediate cocoa products business, proprietary chocolate business, chocolate trading business, confectionery business and trademarks for a total consideration of RM53.5 million.
- LLB Suria Sdn Bhd, in which the Group has a 50.5% equity interest, has entered into an agreement for the disposal of 25% equity interest in Tianjin Huali Motor Co Ltd, a company incorporated in the PRC for a total cash consideration of Rmb65 million (equivalent to approximately RM29.8 million).
- Wenzhou Double Deer Brewing Group Co Ltd (WDDBG) (formerly known as Wenzhou Lion Brewery Co Ltd) and Pingyang Lion Beer Co Ltd (PYLB), both 55% owned subsidiaries of Chocolate Products (Malaysia) Berhad, have entered into an agreement to acquire the entire equity interest in Zhejiang YanDangShan Lion Brewery Co Ltd (ZYDSL) for a cash consideration of Rmb39.6 million. In view of the close proximity of the location of ZYDSL with WDDBG, it is in the interest of WDDBG and PYLB to acquire ZYDSL in order to avoid unnecessary competition in the future.

41. SUBSEQUENT EVENTS

Subsequent to the financial year end, the Group has also undertaken the following exercises :

1. The Company had on 5 July 2000 and 19 October 2000, announced its Proposed Group Wide Restructuring Scheme (Proposed GWRS) which involves its public listed subsidiaries (PLCs), namely Angkasa Marketing Berhad (Angkasa), Lion Land Berhad (LLB) and Chocolate Products (Malaysia) Berhad (CPB) and its associated company, Lion Corporation Berhad (LCB) with the objective to:

- (a) consolidate, stabilise, restructure and rationalise the cash flow and funding of the Group; and
- (b) reorganise and restructure the Group's business

with a view to provide the Group with the financial ability to meet its financial commitments to its creditors, and to enable the Group to continue operations on a going concern basis and, in the long run, to regain a position of profitability.

The Proposed GWRS involves, inter-alia, the following proposals:

- I) The Proposed Debt Restructuring Exercise which involves the consolidation of the applicable debts of the Company and its affected subsidiaries (Scheme Companies) and the application of the pool of cash flow available for repayment of the applicable debts. The key features of the Proposed Debt Restructuring Exercise are as follows:
 - Basis of RM1/USD1 debt as at 31 December 2000 to be fully settled by the issue of RM1 Bond/USD1 Consolidated and Rescheduled Debt;
 - RM denominated debts in the Scheme Companies are proposed to be swapped for the Bonds to be issued by Amsteel;
 - USD denominated debts in the Scheme Companies are proposed to be rescheduled to Consolidated and Rescheduled Debts from a Labuan-incorporated special purpose company which is to be wholly-owned by Amsteel; and
 - The target date for the issuance of the Bonds/Consolidated and Rescheduled Debts is 1 January 2001.
- II) The proposed corporate restructuring exercise for the Group to facilitate the tapping of future cash flow from various key operating entities in the Group in respect of which the business outlook is expected to be stable for the purposes of the Proposed Debt Restructuring Exercise and to streamline the Group such that it has one-two core businesses (Proposed Corporate Restructuring Exercise). The Proposed Corporate Restructuring Exercise entails the following proposals:
 - i) Amsteel Group
 - a) Proposed acquisition of 30% equity interest in Akurjaya Sdn Bhd (Akurjaya) from Horizon Towers Sdn Bhd for a consideration of RM522.77 million to be satisfied by the issuance of new ordinary shares of the Company.
 - b) Proposed acquisition of 20% equity interest in Avenel Sdn Bhd (Avenel) from Angkasa for a consideration of RM1.00 and the payment by Angkasa to the Company of RM18.48 million which represents approximately 20% share of Avenel's net liabilities of RM92.38 million, based on the unaudited net tangible assets of Avenel as at 31 December 1999 after restating Avenel's cost of investment in Posim Berhad (Posim) based on a discounted cash flow valuation of the future cash flows of Sabah Forest Industries Sdn Bhd (SFI), Posim's principal asset (hereinafter referred to as the Avenel's Adjusted NTA) to be satisfied by the issuance of 8.64 million new shares in Angkasa and the netting off against inter-company balance owing from the Amsteel Group to the Angkasa Group (Proposed Avenel-Angkasa Acquisition).
 - c) Proposed acquisition of 25% equity interest in Avenel Sdn Bhd (Avenel) from LLB for a consideration of RM1.00 and the payment by LLB to the Company of RM23.09 million which represents approximately 25% share of Avenel's Adjusted NTA to be satisfied by the netting off against inter-company balance owing from the Amsteel Group to the LLB Group (Proposed Avenel-LLB Acquisition).

- d) Proposed acquisition of 13.5% equity interest in Hiap Joo Chong Realty Sdn Bhd (Hiap Joo Chong) from LCB for a consideration of RM2.29 million to be satisfied by the netting off against inter-company balance with the LCB Group.
 - e) Proposed acquisition of 13.5% equity interest in Hiap Joo Chong from Teck Bee Mining (M) Sdn Bhd for a consideration of RM2.29 million to be satisfied by the issuance of 2.97 million new ordinary shares in the Company.
 - f) Proposed disposal of 40% equity interest in Megasteel Sdn Bhd to the LCB Group for a consideration of RM1,254 million to be satisfied by the netting off against inter-company balance with the LCB Group and the issue of LCB Bonds to the Group.
 - g) Proposed disposal of 50.46% equity interest in LLB to the LCB Group for a consideration of RM473.03 million to be satisfied by the netting off against inter-company balance with the LCB Group and the issue of LCB Bonds to the Group.
 - h) Proposed disposal of 59.47% equity interest in CPB to LLB for a consideration of RM281.19 million to be satisfied by the netting off against inter-company balance with the LLB Group (Proposed CPB Disposal).
 - i) Proposed disposal of 83.77% equity interest in Posim to LLB for a consideration of approximately RM4.23 per Posim share to be satisfied by the netting off against inter-company balance with the LLB Group (Proposed Posim Disposal).
 - j) Proposed disposal of 52.34% equity interest in Silverstone Berhad (Silverstone) for a consideration of approximately RM1.16 per Silverstone share to be satisfied by the issuance of new Angkasa ordinary shares to the Company (Proposed Silverstone Disposal).
 - k) Proposed disposal of 35.51 million LCB shares in the open market at the prevailing market price.
 - l) Proposed acquisition of 100% equity interest in Lion Plaza Sdn Bhd from LLB for a consideration of RM33.53 million to be satisfied by the netting off against inter-company balance with the LLB Group (Proposed Lion Plaza Acquisition).
 - m) Proposed issue of 314.89 million new 4 1/2 years Warrants at the price of RM0.10 per Warrant with a right to subscribe for 1 new ordinary share in the Company for every Warrant held by the payment of RM0.80 per share.
- ii) LLB Group
- a) Proposed acquisition of 100% equity interest in Posim of which 83.77% will be acquired from Avenel (refer to Proposed Posim Disposal) and the balance from minority shareholders for cash consideration of approximately RM4.23 per Posim share.
 - b) Proposed acquisition of 59.47% equity interest in CPB (refer to Proposed CPB Disposal).
 - c) Proposed disposal of 25% equity interest in Avenel to Amsteel (refer to Proposed Avenel-LLB Acquisition).
 - d) Proposed disposal of 100% equity interest in Lion Plaza Sdn Bhd to Amsteel Group (refer to Proposed Lion Plaza Acquisition).
- iii) Angkasa Group
- a) Proposed acquisition of 100% equity interest in Silverstone of which 52.34% will be acquired from the Amsteel Group (refer to Proposed Silverstone Disposal) and the balance 6.35% from LCB Group (Proposed Silverstone-LCB Acquisition) and 41.31% from minority shareholders for a consideration of approximately RM1.16 per Silverstone share to be satisfied by the issuance of new ordinary shares in Angkasa.

b) Proposed disposal of 20% equity interest in Avenel to Amsteel (refer to Proposed Avenel-Angkasa Acquisition).

iv) Inter-company settlement

Proposed settlement of inter-company balances within the Amsteel Group, LLB Group, Angkasa Group, CPB Group, Posim Group and LCB Group by netting off against consideration pursuant to the transactions of the Proposed GWRS with the inter-company balances, issuance of Bonds and new ordinary shares of the relevant companies, where applicable.

v) Proposed Divestment of non-core assets

The proposed divestment programme for the Group to rationalise their activities through the sale of non-core and peripheral assets and businesses (Proposed Divestment Programme).

The Proposed Divestment Programme for the Company and its public listed subsidiaries (PLCs) and their subsidiaries respectively are as follows:

<u>Name of PLC</u>	<u>Amount Estimated to be Divested</u>
Amsteel Group	RM2,973.55 million
LLB Group	RM 461.18 million
CPB Group	RM 38.78 million
Angkasa Group	RM 621.67 million

It was further proposed that the issue prices of all new shares to be issued by the Company, Angkasa and LLB pursuant to the Proposed GWRS, and the exercise price of the Amsteel Warrant shall be fixed after the receipt of the Securities Commission's approval for the Proposed GWRS (Price Fixing Date) at prices to be agreed by the relevant parties after taking into account the weighted average market price of the relevant shares for the 5 days, 1 month and 3 months prior to the Price Fixing Date or the issue prices announced on 5 July 2000, whichever shall be the lower (Issue Price) subject to the restriction on par value in the case of Amsteel. In the case of LLB and Angkasa, the Issue Price, if determined based on the aforesaid to be lower than the par value, shall be arrived at after taking into account the reserves of LLB and Angkasa.

The implementation of the Proposed GWRS is subject to various conditions precedent, which includes the approval of Bank Negara Malaysia (obtained vide its letters dated 2 October 2000, 5 October 2000 and 12 October 2000), Securities Commission, Foreign Investment Committee, Ministry of International Trade and Industry, Kuala Lumpur Stock Exchange, Scheme Companies, shareholders of Scheme Companies and Amsteel and all other participating companies concerned and any other relevant authorities.

- Exuniq Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Allianz Aktiengesellschaft, a company incorporated in Germany, to dispose of its 31.6% equity interest comprising 16,906,666 ordinary shares of RM1.00 each in Malaysia British Assurance Berhad for a total consideration of RM129.3 million.
- LLB proposed to dispose of a piece of leasehold industrial land with buildings erected thereon, commonly known as the Melaka Technology Park to Likom Caseworks Sdn Bhd, a company in which certain directors of the company are deemed to have interests, for a total consideration of RM93.15 million to be satisfied by the issuance of ordinary shares in the capital of Likom Electronic Pte Ltd (LEPL), a company incorporated in Singapore.
- LLB proposed to accept the variation to the mode of redemption of the 5-year cumulative redeemable preference shares of RM0.01 each amounting to RM43.6 million in Likom Computer System Sdn Bhd by way of the issuance of ordinary shares in the capital of LEPL prior to its due date of redemption on 28 June 2001.

42. COMPARATIVE FIGURES

The presentation of the financial statements for the current financial year is changed to adopt the format as prescribed in Malaysian Accounting Standards Board (MASB) Standard No. 1 Presentation of Financial Statements. Comparative figures are reclassified to conform with this presentation, where necessary.

STATEMENT BY DIRECTORS

We, **JEN (B) TAN SRI DATO' ZAIN HASHIM** and **DATUK CHENG YONG KIM**, being two of the Directors of **AMSTEEL CORPORATION BERHAD**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 26 to 86 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2000 and of the results of the operations of the Group and of the Company and cash flows of the Group for the financial year ended on that date.

On behalf of the Board

JEN (B) TAN SRI DATO' ZAIN HASHIM
Director

DATUK CHENG YONG KIM
Director

Kuala Lumpur
30 October 2000

STATUTORY DECLARATION

I, **DATUK CHENG YONG KIM**, the Director primarily responsible for the financial management of **AMSTEEL CORPORATION BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 26 to 86 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 above-named **DATUK CHENG YONG KIM** at Kuala Lumpur in the Federal Territory on 30 October 2000.

DATUK CHENG YONG KIM

Before me

P. SETHURAMAN
W-217
Commissioner for Oaths
Kuala Lumpur

REPORT OF THE AUDITORS TO THE MEMBERS OF AMSTEEL CORPORATION BERHAD

We have audited the financial statements set out on pages 26 to 86. The preparation of these financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary, to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements which have been prepared under the historical cost convention, modified by the revaluation of certain assets, are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:-
 - (i) the 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 30 June 2000 and of the results of the Group and of the Company and of the cash flows of the Group for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

Without qualifying our opinion, we draw attention to notes 1.1, 25 and 28 to the financial statements which explain the financial position of the Group and the Company and the plans of the directors to implement a scheme involving the restructuring of the Group's and the Company's debts and rationalisation of the Group structure. The validity of preparing the financial statements on the going concern basis depends upon the successful implementation of these restructuring plans.

The names of subsidiary companies of which we have not acted as auditors are shown in note 12 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification other than as disclosed in note 12 to the financial statements and did not include any comment made under subsection (3) of Section 174 of the Companies Act, 1965.

ONG BOON BAH & CO
AF: 0320
Public Accountants

WONG SOO THIAM
1315/11/00(J)
Partner of the Firm

Kuala Lumpur
30 October 2000

LIST OF GROUP PROPERTIES

AS AT 30 JUNE 2000

	Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
1	HS (D) 1420, 1421 & 3389, PT 1083-1085 Mukim of Endau Daerah Rompin Pahang	Leasehold 10.10.2021 and 13.6.2025	798.6 hectares	Aquaculture land	Prawn culture	1.2
2	HS (M) 1197 PT 1784 Tempat Kg. Kasing Mukim of Endau Pahang	Leasehold 12.12.2025	2.0 hectares	Industrial land	Vacant	*
3	HS (M) 1198 PT 1785 Mukim of Endau Daerah Rompin Pahang	Leasehold 12.12.2025	2.0 hectares	Industrial land	Shrimp processing plant	*
4	PT 3252-3255, 3677, 4606 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Leasehold 5.12.2090 and 25.5.2093	131.5 hectares	Land and building	Golf course and country club	93.8
5	PT 487-489 Kawasan Bandar Hilir Daerah Melaka Tengah Melaka	Leasehold 25.7.2090 and 19.10.2091	13.4 hectares	Land and building	Shopping complex, hotel, carpark and property under development 4	25.4
6	Lot 2 PN 6528, Lot 3 PN 6516 and Lot 4 PN 6517 Bandar XLII Daerah Melaka Tengah Melaka	Leasehold 27.7.2090 and 19.10.2091	30.8 hectares	Land and building	Hospital and carpark 6	41.8
7	HS (D) 92634 PT 5148 Lot 4973 Town of Seremban Seremban Negeri Sembilan	Leasehold 3.10.2094	2.0 hectares	Land and building	Shopping complex and property under development 4	93.4
8	Lots 10488, 011116, 011129, 2900N-2904N, 33516, 33518, 35796 and 35786-35790 Jalan Abdul Jalil/ Jalan Brewster Greentown, Ipoh, Perak	Freehold	5.4 hectares	Land and building	Shopping complex and property under development 2	207.8
9	Brooklands Estate HS (D) 5377 PT 6339 Mukim Tanjung Duabelas Daerah Kuala Langat Selangor	Freehold	503.4 hectares	Land	Vacant	164.8

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
10 Brooklands Estate Grant 5106 Lot 707, Grant 10886 Lot 1644 & 1647, Mukim Tanjong Duabelas, Kuala Langat Selangor	Freehold	419.2 hectares	Mixed development land	Property under development	65.5
11 Henrietta Estate Lot 953, Mukim of Sidam Kanan Daerah Kulim, Kedah	Freehold	39.1 hectares	Mixed development land	Property under development	3.4
12 HS (D) 47850 PT 770 Mukim of Beranang Daerah Hulu Langat Selangor	Freehold	383.4 hectares	Mixed development land	Property under development	165.7
13 Lots 1816, 1827, 1828 Mukim of Beranang Daerah Hulu Langat Selangor	Freehold	73.2 hectares	Mixed development land	Property under development	34.2
14 Lots 2933-2939 Mukim of Tebrau, Johor	Freehold	17.9 hectares	Land	Vacant	26.6
15 Mukim of Padang Meha District of Kulim, Kedah	Freehold	327.0 hectares	Agriculture land	Vacant	49.9
16 Lenggeng Estate Mukim of Lenggeng District of Seremban Negeri Sembilan	Freehold	722.0 hectares	Mixed development land	Oil palm plantation and property under development	229.6
17 Chembong Estate District of Rembau Negeri Sembilan	Freehold	480.0 hectares	Agriculture land	Oil palm and rubber plantation	35.4
18 Chembong Estate District of Rembau Negeri Sembilan	Freehold	222.0 hectares	Mixed development land	Oil palm and rubber plantation	70.3
19 Thye Seng Estate Mukim of Sidam Kanan and Naga Lilit District of Kulim and Mukim of Tawar District of Baling, Kedah	Freehold	288.0 hectares	Agriculture land	Oil palm plantation	23.5
20 Bagan Sena Estate Mukim of Bagan Sena District of Kulim, Kedah	Freehold	1,162.4 hectares	Agriculture land	Oil palm and rubber plantation	43.1
21 Tanjung Rambutan Estate Mukim of Ulu Kinta District of Kinta, Perak	Freehold	364.2 hectares	Agriculture land	Oil palm plantation	31.5

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
22 HS (D) 8003, 8004 & 8005, PTD 168, 168(A) & 168(B) Kampung Sedili Kecil Kota Tinggi, Johor	Leasehold 3.10.2010	202.0 hectares	Aquaculture land	Vacant	–
23 HS (D) 10, PT 6 Bandar Georgetown Section 17 Daerah Timur Laut Penang	Leasehold 8.8.2092	1.0 hectare	Land	Property under development (shopping complex)	62.4
24 Lot 4, Jalan Singgamata Lahad Datu, Sabah	Leasehold 22.4.2064	174.0 sq metres	Land and building	Office and staff quarters 19	0.4
25 Lot 5831 Kamunting Industrial Estate II Kamunting, Perak	Leasehold 1.10.2088	12.0 hectares	Land and building	Office, factory and warehouse 10	59.4
26 Lengkungan Perusahaan Kamunting Kawasan Perusahaan Kamunting Raya Kamunting, Perak	Leasehold 14.10.2097	4.1 hectares	Land and building	Office, factory and warehouse 2	7.6
27 HS (D) 7561 Lot 7964 Bt. 22, Jalan Kulai-Air Hitam Kulai, Johor	Freehold	1.7 hectares	Land and building	Vacant 26	0.7
28 HS (D) 24277 PT 3501 Bukit Raja Industrial Estate Mukim of Bukit Raja Daerah Klang, Selangor	Leasehold 22.10.2088	3.2 hectares	Land and building	Factory 12	12.8
29 276, Wisma ACF Jalan Penang, Penang	Freehold	2,205.4 sq metres	Land and building	Office 14	4.1
30 LG Floor, Block A Kompleks Karamunsing Kota Kinabalu, Sabah	Leasehold 21.1.2901	1,257.3 sq metres	Land and building	Departmental store 12	2.1
31 CT 13782 Lot 692 Section 57, Jalan Nagasari Kuala Lumpur	Freehold	8,619.8 sq metres	Land	Property under development (office)	65.4
32 Lots 172, 227, 278, 285-288, 357, 652 & 654 Jalan Bukit Bintang Kuala Lumpur	Freehold	3,628.0 sq metres	Land and building	Hotel 2	159.8

	Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
33	Geran 26262 Lot 4060 Mukim of Batu Kuala Lumpur	Freehold	2.6 hectares	Land	Vacant	1.1
34	West Wing, Wisma Amsteel Securities - part of HS (D) 64502 PT 32625, Mukim Kapar Daerah Klang, Selangor	Freehold	1,978.8 sq metres	Land and building	Office 7	6.8
35	HS (D) 212081 PTD 111179 Mukim of Plentong Johor Bahru, Johor	Freehold	2,030.8 sq metres	Industrial land	Vacant	1.2
36	HS (D) 212082 PTD 111180 Mukim of Plentong Johor Bahru, Johor	Freehold	2,255.6 sq metres	Industrial land	Vacant	1.4
37	HS (D) 212199 PTD 111297 Mukim of Plentong Johor Bahru, Johor	Freehold	8,021.6 sq metres	Industrial land	Vacant	3.4
38	HS (D) 212200 PTD 111298 Mukim of Plentong Johor Bahru, Johor	Freehold	8,219.9 sq metres	Industrial land	Vacant	3.5
39	HS (D) 212298 PTD 111398 Mukim of Plentong Johor Bahru, Johor	Freehold	14,655.0 sq metres	Industrial land	Vacant	4.8
40	Ground Floor Podium 'A Block' Kompleks Karamunsing Kota Kinabalu, Sabah	Leasehold 21.1.2901	1,257.3 sq metres	Building	Departmental store 10	2.7
41	1586, Fanghuang Road Fengxi Village Qing Pu County Shanghai, China	Leasehold 28.4.2044	233,100.0 sq metres	Industrial land and building	Office, factory and warehouse 6	30.7
42	135, Xu Nan Village Fengxi Town Qing Pu County Shanghai, China	Leasehold 21.8.2044	8,277.0 sq metres	Industrial land	Vacant	0.9
43	98, Qiong Hua Zhongduan, Yangzhou Jiangsu, China	Leasehold 20.9.2034	7,666.9 sq metres	Commercial land and building	Shopping complex 5	34.2

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
44 119, East Street Xian, China	Leasehold 22.5.2047	15,000.0 sq metres	Building	Shopping complex 3	33.9
45 918, Huaihai Zhong Lu Shanghai, China	Leasehold 29.11.2024	26,760.0 sq metres	Building	Shopping complex 4	67.6
46 22-38 Sha He Kou Lu Xian Lu, China	Leasehold 6.3.2027	25,176.0 sq metres	Commercial land and building	Shopping complex 3	39.8
47 60, Xu Nan Village Fengxi Town Qing Pu County Shanghai, China	Leasehold 15.3.2045	3,203.0 sq metres	Land	Vacant	0.4
48 127, Ren Min Road Wuxi, China	Leasehold 22.4.2044	28,290.3 sq metres	Commercial land and building	Shopping complex and office 4	59.3
49 37, Jin Rong Jie Xi Cheng Qu Beijing, China	Leasehold 27.8.2048	62,000 sq metres	Commercial land and building	Shopping complex and office 2	236.2
50 3, Jalan SS13/3B 47500 Petaling Jaya Selangor	Freehold	10,005 sq feet	Industrial land and building	Factory 11	1.0
51 Lot 72 Persiaran Jubli Perak 40000 Shah Alam Selangor	Freehold	5 acres	Industrial land and building	Factory 6	8.5
52 12 & 12/1 Jalan Nangka Tiga Taman Rumpun Bahagia 75300 Bacang Melaka	Leasehold 21.7.2084	1,650 sq feet	Land and building	2-storey shop office 15	0.1
53 Menara Duta 2 Unit No: B-13A-C7 Block B, Jalan 1/38B Off Jalan Segambut 51200 Kuala Lumpur	Freehold	1,473 sq feet	Building	Condominium 3	0.2
54 Centre Point Business Park Shah Alam Unit No: B-8-1 & B-8-2 5, Jalan Tanjung Keramat 26/35 Seksyen 26, 40400 Shah Alam	Freehold	2,716 sq feet	Building	Office 2	0.4

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
55 50, Jalan Wangsa 2/5 Taman Wangsa Permai 52200 Kuala Lumpur	Leasehold 21.10.2087	1,400 sq feet	Land and building	4 1/2-storey shop office 2	0.7
56 Lot : C13 Pusat Komersil Bukit Mertajam Bukit Mertajam	Freehold	2,240 sq feet	Land and building	3-storey shop office 1	0.7
57 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2087	291.7 hectares	Land	Log pond and waste disposal area	1.6
58 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2082	79.6 hectares	Land and building	Residential 12-15	66.3
59 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2043	23.9 hectares	Land	Vacant	1.5
60 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2043	4.0 hectares	Land	Jetty	27.0
61 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2048	166.7 hectares	Land and building	Pulp and) paper mills) 12-15))	452.8
62 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2044	47.0 hectares	Land and building	Pulp and) paper mills) 12-15))	
63 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2043	499.0 hectares	Land and building	Mills and) housing) 12-15)	
64 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2087	1.5 hectares	Land and building	Pump house 12-15	
65 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2044	58.9 hectares	Land	Nursery site	0.1
66 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2087	6,107 hectares	Land	Plantation	15.3
67 Kampung Sebuoh Mukim of Sipitang Sabah	Leasehold 31.12.2087	5,860 hectares	Land	Plantation	14.6

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
68 1412, Plot No. 281 Prai Industrial Complex 13600 Prai, P.W.					
- HS (D) 123 Lot 275-277	Leasehold 29.5.2035	1.2 hectares	Land and building	Factory 3-14	4.0
- HS (D) 127 Lot 278-280	Leasehold 22.7.2035	1.6 hectares	Land and building	Factory 3-9	4.4
- HS (D) 62 Lot 281	Leasehold 26.11.2071	0.4 hectare	Land and building	Factory 3-27	2.1
- HS (D) 102 Lot 282	Leasehold 31.8.2034	0.5 hectare	Land and building	Factory 3-26	1.4
- HS (D) 96 Lot 283	Leasehold 27.7.2034	0.5 hectare	Land and building	Factory 26	1.5
All of Mukim 1 Kawasan Perusahaan Prai Daerah Seberang Prai Tengah Pulau Pinang					
69 73, 73A - C Jalan Jelutong 11600 Pulau Pinang Geran 23670, 23671, 23680, 23681, Lot 1431, 1432, 1441, 1442 All of Sek 9W, Bandar Georgetown Daerah Timur Laut Pulau Pinang	Freehold	195.0 sq. metres	Land and building	Showroom, office and service centre 12	0.7
70 12, Jalan Nangka Tiga Taman Rumpun Bahagia Bacang 75300 Melaka HS (D) 12489 PT 575 Mukim Pringgit Daerah Melaka Tengah Melaka	Leasehold 21.7.2084	153.0 sq. metres	Building	Office 15	0.1
71 72, Persiaran Jubli Perak, Seksyen 21 40000 Shah Alam Selangor HS (D) 80060 PT 14373 Mukim of Damansara District of Petaling Jaya Selangor	Freehold	6.2 hectares	Industrial land and building	Office, factory and warehouse 7	28.2

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
72 Lot 243, Jalan Cinta Alam Country Heights 43000 Kajang, Selangor HS (D) 19980 PT 12889 Mukim Kajang District Ulu Langat, Selangor	Freehold	1,839.0 sq. metres	Land	Vacant	1.2
73 161, Mian Hua Jie Hanyang, China	Leasehold 22.5.2038	0.7 hectare	Building	Residential 5-28	11.7
74 221, Hanjiang Road Shiyen, Hubei China	-	55.6 hectares	Building	Office and factory 5-28	77.2
75 38, Nanjing Shimenkan, Zhengao Qiaocun, Jiangsu, China	Leasehold 1.6.2026	3.3 hectares	Industrial land and building	Office, factory and warehouse 3-6	4.7
76 14, Xihui Road Wuxi Jiangsu China	Leasehold 22.12.2025	2.9 hectares	Industrial land and building	Office, factory and warehouse 3-5	8.5
77 818, Linjiang Road Wuhan	Leasehold 19.9.2044	58,400 sq. metres	Commercial land and building	Office, factory and warehouse 22	25.8
78 Yingwu Road Wuhan	Leasehold 19.9.2044	3,000 sq. metres	Commercial land and building	Office, factory and warehouse 14	0.8
79 323, Hanqiang Road Wuhan	Leasehold 19.9.2044	200,000 sq. metres	Commercial land	In construction stage	4.0
80 Lot 1359 Lorong Mak Mandin 6 Mak Mandin Industrial Estate Butterworth, Penang	Leasehold 20.8.2070	1.0 hectares	Industrial land and building	Factory 22	5.0
81 Lot 2688 Lorong Mak Mandin 6 Mak Mandin Industrial Estate Butterworth, Penang	Leasehold 31.10.2043	1.2 hectares	Industrial land and building	Warehouse and plant 8	7.0
82 Menara Jubili Kota Kinabalu Sabah (Ground floor to 2nd floor)	Leasehold 31.12.2088	1,698.0 sq metres	Commercial building	College 8	5.7

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
83 5 Jalan SS 16/1 Subang Jaya Selangor	Freehold	5.2 hectares	Land and building	Office and shopping complex 12	274.4
84 PT 487-489 Bandar Hilir Melaka Tengah Daerah Melaka Tengah Melaka	Leasehold 25.7.2090 and 19.10.2091	5.3 hectares	Land and building	Office and shopping complex 7	171.3
85 234, Wu Tian Street Wenzhou City Zhejiang, China	Leasehold 28.2.2045	7.6 hectares	Industrial land and building	Office, factory and warehouse 6-12	44.2
86 89, Chang Ning Road Jing Men City Hubei, China	Leasehold 31.12.2045	10.6 hectares	Industrial land and building	Office, factory and warehouse 4	36.3
87 89, Chang Ning Road Jing Men City Hubei, China	Leasehold 31.12.2045	22.5 hectares	Industrial land and building	Office, factory and warehouse 5-22	29.4
88 28, Hongqi North Road Zhuzhou City Hunan, China	Leasehold 31.12.2045	4.4 hectares	Industrial land and building	Office, factory and warehouse 3-12	15.2
89 96, Shaoshan Road Changsha City Hunan, China	Leasehold 13.12.2044	4.1 hectares	Industrial land and building	Office, factory and warehouse 3-12	43.9
90 Quan Fang Tou Kunyang Village Pingyang City Zhejiang, China	Leasehold 30.4.2046	4.5 hectares	Industrial land and building	Office, factory and warehouse 12	14.0
91 10, Li Shan Road Yi Yuan District Shangdong, China	Leasehold 31.12.2046	3.6 hectares	Industrial land and building	Office, factory and warehouse 12	18.6
92 19, Huanxi Road Diao Pu Village Tai Xing City Jiangsu, China	Leasehold 30.6.2046	9.0 hectares	Industrial land and building	Office, factory and warehouse 5	33.6
93 10, Wangziher Lin Changsha Hunan, China	Leasehold 7.4.2050	6.4 hectares	Industrial land and building	Office, factory and warehouse 1	1.0
94 HS (D) 159945 Lot 7736 Johor Bahru, Johor	Freehold	152 sq metres	Building	3-storey shophouse 28	0.2

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
95 PT 19268 Mukim of Bukit Raja Klang, Selangor	Freehold	1.0 hectare	Commercial land	Future development	1.9
96 PT 19263 Mukim of Bukit Raja Klang, Selangor	Freehold	1.3 hectares	Commercial land	Future development	3.0
97 Melaka Technology Park HS (D) 34924 PT 3852 Mukim of Cheng District of Melaka Tengah Melaka	Leasehold 14.8.2096	37.6 hectares	Land and building	Factory buildings 8	108.0
98 PT 19254-59, 19264-66 & 19273-74 Mukim of Bukit Raja Klang, Selangor	Freehold	4.0 hectares	Commercial land	Property under development	9.8
99 Lot 2764, 2835 & 3680 Mukim 14 Seberang Perai Pulau Pinang	Freehold	0.9 hectare	Land	Property under development	0.7
100 Taman Supreme 39 Titles Mukim of Cheras Kuala Lumpur	Freehold	11.9 hectares	Land	Future development	7.0
101 Lot 1110, 1111 & 2870 Mukim of Petaling District of Petaling Selangor	Freehold	8,114 sq metres	Land	Industrial land	0.2
102 PT 862-3348 Mukim of Bacang Melaka	Leasehold 12.4.2081 (residential) 22.8.2077 (industrial)	3.8 hectares	Land	Property under development	12.5
103 Lot 1553, Section 2 Bandar Tanjung Tokong Pulau Pinang	Freehold	0.8 hectare	Land and buildings	Residential 1	7.0
104 Lot 4534 Mukim of Simpang Kanan Batu Pahat, Johor	Freehold	8.6 hectares	Land	Property under development	7.3
105 Lot 4093 Mukim of Simpang Kanan Batu Pahat, Johor	Freehold	1,201 sq metres	Land and building	10-storey commercial/ office building 16	5.0

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
106 HS (D) 60874 Lot 11233 Taman Tayton, Cheras Kuala Lumpur	Freehold	620 sq metres	Land	Future development	0.1
107 Lot 7623 Kepong Utara Mukim of Batu Kuala Lumpur	Leasehold 30.3.2086	4.9 hectares	Land	Property under development	14.9
108 Mukim 17 North East District Batu Ferringhi Pulau Pinang	Freehold	28.7 hectares	Land	Future development	31.0
109 PT 19261 Mukim of Bukit Raja Klang, Selangor	Freehold	4.2 hectares	Land and building	Office and shopping complex 6	189.0
110 PT 19269 Mukim of Bukit Raja Klang, Selangor	Freehold	5,463 sq metres	Commercial land	Future development	0.9
111 Lot 408, 937 & 2090 Mukim of Plentong Johor Bahru	Freehold	2.8 hectares	Agricultural land	Future development	0.1
112 Lot 59, Section 57 Kuala Lumpur	Freehold	6,556 sq metres	Commercial land	Future development	57.0
113 PT 798 & 885 Mukim of Jerai District of Jempol Negeri Sembilan	Freehold	5.5 hectares	Land	Property under development	2.4
114 PT 3494 Mukim of Bukit Raja Klang, Selangor	Leasehold 9.11.2085	24.0 hectares	Industrial land and buildings	Factory 23	51.0
115 PT 17631 Mukim of Bukit Raja Klang, Selangor	Leasehold 29.10.2091	2,880 sq metres	Industrial land and buildings	Factory 23	0.4
116 HS (D) 48446 PT 23992 Mukim of Kapar Klang, Selangor	Leasehold 29.3.2087	10.4 hectares	Land	Industrial Land	9.3
117 HS (D) 24284 PT 3510 Mukim of Bukit Raja Klang, Selangor	Leasehold 21.10.2088	2.9 hectares	Land and buildings	Office and factory 5	10.8

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
118 Lot 2320 & 2323B Mukim of Tanjung Dua Belas District of Kuala Langat Selangor	Freehold	71.6 hectares	Industrial land	Property under development	69.6
119 Beijing Lu, Fengxi Town Qing Pu County Shanghai, China	Leasehold 30.6.2043	7.1 hectares	Industrial land and buildings	Office and factory 6	3.9
120 1314, Huangshi Road Huangshi, Hubei China	Leasehold 19.8.2043	1.5 hectares	Land and building	Office, factory and warehouse 5-7	13.0
121 27, Nanheng Street Fuxingzhuang Hedong District Tianjin, China	Leasehold 19.12.2045	33,411 sq metres	Industrial land and buildings	Office & factory 3-14	6.1
122 Tong Xian County Beijing, China	Leasehold 2.7.2045	32.8 hectares	Industrial land and buildings	Factory 6	38.3
123 Sun Palace Apartments Chao Yang District Beijing, China	Leasehold 22.7.2064	1,245 sq metres	Building	Apartment 7	3.6
124 186, Yellow River Road Zhejiashuang New and Hi-Tech Industrial Development Zone Hebei, China	Leasehold 1.6.2026	20,100 sq metres	Industrial land and buildings	Factory 3-4	4.2

* Below RM100,000.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 OCTOBER 2000

ShareCapital

Authorised Share Capital : RM1,000,000,000
 Issued and Paid-up Capital : RM629,796,500.50

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 500	2,745	6.16	548,817	0.04
500 – 5,000	25,989	58.36	68,181,758	5.41
5,001 – 10,000	7,975	17.91	68,399,334	5.43
10,001 – 100,000	7,343	16.49	198,501,806	15.76
100,001 – 1,000,000	424	0.95	102,982,344	8.18
Above 1,000,000	55	0.13	820,978,942	65.18
	<u>44,531</u>	<u>100.00</u>	<u>1,259,593,001</u>	<u>100.00</u>

Substantial Shareholders	No. of Shares	% of Shares
1. Tan Sri William H.J. Cheng	488,654,886	38.79
2. Lancaster Trading Company Limited	477,290,826	37.89
3. William Cheng Sdn Bhd	473,155,192	37.56
4. Datuk Cheng Yong Kim	469,771,826	37.30
5. Lion Realty Pte Ltd	467,640,826	37.13
6. Lion Holdings Sdn Bhd	465,090,826	36.92
7. Utara Enterprise Sdn Bhd	465,090,826	36.92
8. Happyvest (M) Sdn Bhd	463,655,944	36.81
9. Amanvest (M) Sdn Bhd	393,105,071	31.21
10. Lion Corporation Berhad	369,907,238	29.37
11. Mirzan bin Mahathir	369,907,238	29.37
12. Peringkat Prestasi (M) Sdn Bhd	369,907,238	29.37
13. Lembaga Tabung Angkatan Tentera	264,505,413	21.00
14. Limpahjaya Sdn Bhd	126,133,797	10.01
15. Panoron Sdn Bhd	69,896,492	5.55
16. Tirta Enterprise Sdn Bhd	69,417,949	5.51

Bare Trustees pursuant to Section 69P of the Companies Act, 1965	No. of Shares	% of Shares
1. Chase Malaysia Nominees (Tempatan) Sdn Bhd	85,668,703	6.80
2. Aseam Malaysia Nominees (Tempatan) Sdn Bhd	65,823,697	5.23
3. Arab-Malaysian Nominees (Tempatan) Sdn Bhd	45,170,006	3.59
4. HDM Nominees (Asing) Sdn Bhd	41,626,195	3.30
5. Amanah Merchant Nominees (Tempatan) Sdn Bhd	30,481,600	2.42

Twenty Largest Registered Shareholders	No. of Shares	% of Shares
1. Lembaga Tabung Angkatan Tentera	264,505,413	21.00
2. Lion Corporation Berhad	191,589,644	15.21
3. Chase Malaysia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Limpahjaya Sdn Bhd	74,978,265	5.95
4. Aseam Malaysia Nominees (Tempatan) Sdn Bhd Lion Corporation Berhad	52,183,797	4.14
5. Amanah Merchant Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Limpahjaya Sdn Bhd	29,021,600	2.30
6. Arab-Malaysian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tirta Enterprise Sdn Bhd (BK 7/283-6)	15,548,105	1.23
7. Arab-Malaysian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Limpahjaya Sdn Bhd (BK 7/366-2)	12,853,878	1.02
8. Employees Provident Fund Board	12,790,400	1.02
9. HSBC Nominees (Tempatan) Sdn Bhd BOA (M) Bhd for Tirta Enterprise Sdn Bhd	10,184,600	0.81
10. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Lion Holdings Sdn Bhd (01-00016-000)	9,804,590	0.78
11. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amanvest (M) Sdn Bhd (414084018573)	9,800,000	0.78
12. Arab-Malaysian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Saujana Heights Sdn Bhd (BK 7/362-0)	9,402,000	0.75
13. Aseam Malaysia Nominees (Tempatan) Sdn Bhd Limpahjaya Sdn Bhd	9,200,500	0.73
14. Arab-Malaysian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amanvest (M) Sdn Bhd (7/284-4)	7,143,223	0.57
15. HSBC Nominees (Asing) Sdn Bhd BOA (M) Bhd for Lancaster Trading Co Ltd	5,980,000	0.47
16. Chan Yin Chan Yock Nam	5,850,600	0.46
17. Chase Malaysia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Finlink Holdings Sdn Bhd	5,417,438	0.43
18. Chase Malaysia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tirta Enterprise Sdn Bhd	5,273,000	0.42
19. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tirta Enterprise Sdn Bhd (01-00255-000)	5,156,200	0.41
20. UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for William Cheng Sdn Bhd (MP)	4,734,000	0.38

INFORMATION ON LEVEL 1 SPONSORED AMERICAN DEPOSITARY RECEIPT PROGRAMME

The Company had registered with the Securities and Exchange Commission of the United States of America a Level 1 Sponsored American Depositary Receipt ("ADR") Programme on 30 December 1992.

Under the ADR Programme, a maximum of 5% of the total issued and paid-up share capital of the Company will be traded in the US OTC Market in the United States of America in the ratio of one ADR for every one ordinary share of RM0.50 each fully paid in the Company. The Company's trading symbol on the US OTC Market is AMCSY and its CUSIP number is 032182107.

The depositary bank for the ADR Programme is The Bank of New York and the sole custodian of the Company's shares for the ADR Programme is Malayan Banking Berhad ("MBB"), Kuala Lumpur.

As at 31 October 2000, 198,580 shares representing 0.016% of the total issued and paid-up share capital of the Company were deposited with MBB for the ADR Programme.

FORM OF PROXY

I/We
of
being a Member/Members of AMSTEEL CORPORATION BERHAD, hereby appoint
.....
of.....
or failing whom
of

as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Fifth Annual General Meeting of the Company to be held at the Meeting Hall, Level 23, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur on Monday, 18 December 2000 at 2.30 pm and at any adjournment thereof.

Resolutions	For	Against
1. To receive and adopt the Directors' Report and Audited Financial Statements		
2. To approve a first and final dividend		
3. To approve Directors' fees		
4. To re-elect as Director, Mr M. Chareon Sae Tang @ Tan Whye Aun		
5. To re-elect as Director, Mr Tan Siak Tee		
6. To re-appoint as Director, Y. Bhg. Jen (B) Tan Sri Dato' Zain Hashim		
7. To re-appoint as Director, Mr Cheng Theng Kee		
8. To re-appoint Auditors		
9. Authority to Directors to issue shares		

Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

As witness my hand this day of2000.

No. of shares:

Signed:

in the presence of:

Representation at Meeting

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal.
- An instrument appointing a proxy executed in Malaysia need not be witnessed. The signature to an instrument appointing a proxy executed outside Malaysia shall be attested by a solicitor, notary public, consul or magistrate.
- The instrument of proxy shall be deposited at the Registered Office of the Company, Level 46, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur at least forty-eight (48) hours before the time appointed for holding the Meeting.