



Ancom Berhad
(8440-M) (Incorporated in Malaysia)



ANNUAL REPORT 2000 LAPORAN TAHUNAN

Cover Rationale

The new economy propelled by the communication technology revolution will feature prominently in the new millennium. The power of Internet communication has undoubtedly made a large impact on our lives. To maintain its competitive edge in the business environment, Ancom has committed to stay abreast with the latest developments in the technology, while continuing to focus on areas of its strength.

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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-First Annual General Meeting of the Company will be held at Junior Ballroom I, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur at 10.00 a.m., Monday, 16 October 2000 for the following purposes:

AGENDA

- To receive and adopt the audited accounts, report of the Directors and the Auditors thereon for the year ended 31 May 2000;
- To declare a final dividend of 4% less income tax in respect of the year ended 31 May 2000;
- To approve Directors’ fees in respect of the year ended 31 May 2000;
- To re-elect the following Directors who retire pursuant to Article 79 of the Company’s Articles of Association:
 - 4.1 Y. Bhg. Datuk Haji Ismail bin Haji Hashim
 - 4.2 Y. Bhg. Datuk Haji Mohamed Al-Amin bin Haji Abdul Majid, JP
- To re-elect the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the next Annual General Meeting:
 - 5.1 Y.A.B.M. Raja Tun Mohar bin Raja Badiozaman
 - 5.2 Y. Bhg. Dato’ Siew Nim Chee
- To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration;
- As special business, to consider and if thought fit, to pass the following Ordinary Resolution:
“THAT pursuant to Section 132D of the Companies Act, 1965 and the Articles of Association of the Company, approval be and is hereby given to the Directors to offer and grant options to eligible employees and executive directors of the Company and its subsidiary companies (“the Group”) pursuant to Ancom Berhad Employees’ Share Option Scheme (“ESOS”) which was approved at the Company’s Extraordinary General Meeting held on 24 February 1999 and to allot and issue such new ordinary shares in the Company from time to time during the existence of the ESOS to the eligible employees and executive directors of the Group pursuant to their exercise of the options under the ESOS.”
- As special business, to consider and if thought fit, to pass the following Ordinary Resolution:
“THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue new ordinary shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of new ordinary shares to be issued pursuant to this resolution does not exceed ten (10) per centum of the total issued capital of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors are further authorised to make the necessary applications to the Kuala Lumpur Stock Exchange and to do all such things necessary and upon such terms and conditions as the Directors may in their discretion deem fit and expedient in the best interest of the Company for the listing of and quotation for the new shares to be issued pursuant to this resolution.”

Notice Of Annual General Meeting (cont’d)

- As special business, to consider and if thought fit, to pass the following Ordinary Resolution:
“THAT subject to the provisions of the Companies Act, 1965 (“Act”), the Articles of Association of the Company, regulations and guidelines issued from time to time by the Kuala Lumpur Stock Exchange (“KLSE”) or any other regulatory authorities, the Directors are and be hereby authorised to utilise an amount not exceeding the total retained profits and share premium of the Company as at 31 May 2000 of RM1,205,916 and RM75,038,686 respectively to purchase on the KLSE and/or hold up to 12,045,520 ordinary shares of the Company (“Shares”) representing ten (10) percentum of the issued and paid up share capital of the Company for the time being AND THAT such authority shall commence upon the passing of this resolution until the conclusion of the next annual general meeting of the Company unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting AND THAT the Directors may retain the Shares so purchased as treasury shares as defined under Section 67A of the Act (“Treasury Shares”) and may resell the Treasury Shares in a manner they deem fit and expedient as prescribed by the Act and the applicable regulations and guidelines of the KLSE and any other relevant authorities for the time being in force AND THAT authority be and is hereby given to the Directors to take all such steps as are necessary to implement, finalise and to give effect to the aforesaid purchases and resales with full power to assent to any conditions modifications variations and amendments as may be imposed by the relevant authorities and to do all such acts and things and upon such terms and conditions as the Directors may in their discretion deem fit and expedient in the best interest of the Company in accordance with the aforesaid Act, regulations and guidelines.”
- To transact any other business that may be transacted at an Annual General Meeting of which due notice shall have been given in accordance with the Company’s Articles of Association and the Companies Act, 1965.

By order of the Board,

NANDITA K.K. CHOUDHURY
CHOO SE ENG
Company Secretaries

Kuala Lumpur
29 September 2000

NOTES:

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote for him. A proxy may but need not be a member of the Company.
- In the case of a corporate shareholder, the instrument appointing a proxy shall be under its Common Seal or its attorney.
- Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No.1, Leboh Ampang, 50100 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting.

EXPLANATORY NOTES ON ITEMS 7, 8 AND 9 OF THE AGENDA

- Item 7 of the Agenda**
The Ordinary Resolution proposed under item 7 of the Agenda, if passed, will empower the Directors to offer and grant options and issue new ordinary shares in the Company pursuant to the ESOS which was approved at the Extraordinary General Meeting of the Company held on 24 February 1999.
- Item 8 of the Agenda**
The Ordinary Resolution proposed under item 8 of the Agenda, if passed, will give the Directors authority to allot and issue new ordinary shares up to an amount not exceeding 10% of the issued capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this Annual General Meeting and, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting.
- Item 9 of the Agenda**
The Ordinary Resolution proposed under item 9 of the Agenda, if passed, will give the Directors authority to purchase the Company’s shares up to an amount not exceeding 10% of the issued capital of the Company for the time being in accordance with Section 67A of the Companies Act, 1965 and the regulations/guidelines of the KLSE. This authority will commence from the date of this Annual General Meeting and, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting.

Board of Directors



1	YABM Raja Tun Mohar bin Raja Badiozaman Chairman	2	Ahmad Johari bin Tun Abdul Razak Group Managing Director	3	Siew Ka Wei Group Deputy Managing Director
4	Y. Bhg. Dato' Siew Nim Chee Director/Advisor	5	Y. Bhg. Datuk Haji Ismail bin Haji Hashim Director	6	Aznam bin Dato' Mansor Director
7	Y. Bhg. Datuk Haji Mohamed Al-Amin bin Haji Abdul Majid, JP Director	8	Y. Bhg. Dato' Mohd Ismail bin Che Rus Director	9	Chan Thye Seng (Not in picture) Director

Audit Committee

Aznam bin Dato' Mansor
Chairman, Independent Non-Executive Director

Ahmad Johari bin Tun Abdul Razak
Group Managing Director

Y. Bhg. Dato' Mohd Ismail bin Che Rus
Independent Non-Executive Director

Secretaries

Choo Se Eng
Nandita K K Choudhury

Auditors

BDO Binder
Public Accountants

Solicitors

Shearn Delamore & Co
Lee Hishammuddin

Principal Bankers

OCBC Bank (Malaysia) Berhad

Bumiputra-Commerce Bank Berhad

Overseas Union Bank (Malaysia) Berhad

The Pacific Bank Berhad

Amanah Merchant Bank Berhad

Share Registrar

Signet Share Registration Services Sdn Bhd
10th & 11th Floor
Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-245 4337

Registered Office

Suite 1005, 10th Floor
Wisma Hamzah-Kwong Hing
No. 1, Leboh Ampang
50100 Kuala Lumpur
Tel: 03-230 0644

Stock Exchange Listing

The Main Board of the
Kuala Lumpur Stock Exchange

Chairman’s Statement

Chairman’s Statement (cont’d)

On behalf of the Board of Directors, I have great pleasure in presenting the Annual Report and Accounts of the Group and of the Company for the financial year ended 31 May 2000.

The current financial year marked a new milestone in the history of the Group with the completion of the acquisition of a 51.93% equity interest in Nylex (Malaysia) Berhad (“Nylex”) by Rhodemark Development Sdn Bhd, a 50.1%-owned subsidiary. The current year’s results of the Group, therefore, included the results of Nylex (Malaysia) Berhad Group (“Nylex Group”) with effect from 1 September 1999.



Marshal 205C, an insecticide marketed by the Agro-Chemical Division, is widely used in the chrysanthemum nursery.

Marshal 205C, sejenis racun serangga yang dipasar oleh Bahagian Kimia Pertanian, digunakan secara meluas di tapak semaian bunga kekwa.

Performance

The turnover of the Group was 182% higher at RM710.7 million as compared with 1999 (RM252.4 million) after taking into account Nylex Group’s turnover of RM389.5 million. The consolidated profit before tax and exceptional items was RM29.1 million, 81% higher than that in 1999 (RM16.1 million). The consolidated earnings per share before exceptional items was 24.5 sen (1999: 13.6 sen). After accounting for exceptional items of RM27.4 million (1999: Nil), the profit before tax was RM1.7 million and the earnings per share was 1.47 sen (1999: 13.6 sen) while the net tangible assets per share was RM1.68 (1999: RM1.76).

On the Company’s level, the turnover was slightly lower at RM16.0 million (1999: RM17.0 million) while the profit before tax was RM5.1 million (1999: RM6.8 million) due to the lower interest and dividend income.

The Board proposes the payment of a final dividend of 4% less 28% income tax, a similar rate as the last financial year, subject to the approval by the shareholders of the Company at the Annual General Meeting.

Review of Operations

The Agricultural and Industrial Chemicals Division remained the main contributor of the Group with its turnover of RM262.0 million (1999: RM197.8 million). The profit before tax of this Division was RM18.4 million (1999: RM12.9 million), an increase of 42.6% due to more sales of higher margin products and increased sales to the export markets.

The Oil & Gas Engineering Services Division recorded a loss before tax of RM3.5 million (1999: profit before tax of RM0.9 million) despite a 42.7% increase in turnover of RM43.8 million (1999: RM30.7 million) mainly from contracts undertaken during the year. The loss was due to a subsidiary company encountering production line difficulties during the first half of the financial year which had been rectified. The absence of significant contracts for the pipe threading unit and low supply requirements of equipment from the oil exploration activities during the second half of the financial year also contributed to the loss.

The Shipping Division recorded a slightly higher level of operating revenue than the last financial year. However, it recorded a loss before tax of RM2.5 million (1999: RM0.6 million) due to higher operating costs as a result to the severe increase in bunker prices. Freight rates remained stable with no rise due to stiff competition.

The Property Division recorded lower operating revenue at RM4.3 million (1999: RM13.0 million) due to lesser number of factory units sold during the year. This explained the Division’s loss before tax of RM0.3 million (1999: profit before tax RM3.5 million) for the financial year. The Division did not launch any new project during the year.

On Nylex Group, the Engineering Division and Polymer Division, the two main units in the Nylex Group, recorded turnover of RM212.1 million and RM85.7 million respectively. The Engineering Division, which is involved mainly in the manufacturing of switchgear and the trading of electrical and electronic products and the Polymer Division, which manufactures film and coated fabrics, were able to maintain their market shares in the local market and at the same time, expand their overseas markets. The Engineering and Polymer Division contributed profit before tax of RM14.8 million and RM8.7 million to the Group respectively.

The Packaging Division recorded a turnover of RM36.9 million and a loss before tax of RM2.7 million. Due to its continuous loss, the Packaging Division was disposed of during the year resulting in the exceptional loss explained below.

The Building Products Division, which mainly produces metal roof tiles in Malaysia and Indonesia and glasswool insulation products in the Philippines, recorded a turnover of RM54.7 million and a loss before tax of RM1.9 million due to excess capacity in the marketplace.

Exceptional Items

During the year, the Shipping Division disposed one of its motor tankers, “MT Zainab”, for a consideration of US\$2.625 million. The disposal resulted in an exceptional loss amounting to RM5.5 million to the Group, being the difference between the sale consideration and the net book value of the motor tanker and the deferred dry-docking expenditure written off.



Completed terrace factories in Taman Meranti Jaya, Puchong by the Property Division are now open for business activities.

Kilang-kilang teres siap di Taman Meranti Jaya, Puchong oleh Bahagian Hartanah dibuka untuk aktiviti-aktiviti perniagaan.

Also during the year, Nylex sold its entire equity in Kuala Lumpur Glass Manufacturers Co. Sdn Bhd, resulting in an exceptional loss of RM60.5 million, being the difference between the sale consideration and the carrying value of the investment in the books of Nylex. Nylex also made a provision to write down the value of its investment in Asia Pacific Insulation Corp. of Philippines of approximately RM30.1 million. The Group’s share in the above exceptional loss was RM21.5 million.

Major Corporate Developments

- i) The Company completed its acquisition of a 50.1% equity interest in Malay Sino Technologies Sdn Bhd (“MST”) for a total cash consideration of RM9.68 million. MST is mainly involved in the software development and provision of consultancy services in the area of information technology.
- ii) WorldSOL.com Sdn Bhd, a 100%-owned subsidiary, was established to undertake the development and operation of an Internet based marketplace exchange for the chemical industry called ‘worldSOL.com’ initially covering Malaysia and Singapore and other parts of South East Asia. Through worldSOL.com, the Group expects to derive cost-savings, improve sourcing efficiencies and drive sales growth.

worldSOL.com was launched by the Minister of International Trade and Industry on 5 September 2000.

Prospects

Barring unforeseen circumstances, the Board of Directors expects the results of the Group for the next financial year to remain satisfactory.



Pipes of various sizes which are well stacked and ready for threading by Tubex.

Paip-paip dengan pelbagai ukuran disusun rapi dan sedia diulir oleh Tubex.

Changes in the Board of Directors

On behalf of the Board, I would like to express our appreciation to Mr. Thomas Riley McHale who resigned as a Director during the year, for his invaluable contributions to the Group and to welcome Mr. Chan Thye Seng and Y Bhg Dato’ Mohd Ismail bin Che Rus who joined the Board during the year. They will strengthen the Board and their experience will help in contributing to the future growth of the Group.

Appreciation

The Board wishes to express its sincere thanks to the management and staff for their dedication and commitment and its grateful appreciations to the shareholders, customers, suppliers, bankers, business associates and all regulatory authorities for their continued support.

YABM RAJA TUN MOHAR BIN RAJA BADIOZAMAN
Chairman

8 September 2000
Kuala Lumpur

Penyata Pengerusi

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Akaun Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 Mei 2000.

Tahun kewangan ini merupakan satu penanda dalam sejarah kemajuan Kumpulan dengan terlaksananya pengambilalihan ekuiti 51.93% dalam Nylex (Malaysia) Berhad ("Nylex") oleh Rhodemark Development Sdn Bhd, sebuah anak syarikat 50.1% ekuiti milik syarikat. Keputusan tahunan Kumpulan merangkum keputusan Kumpulan Nylex (Malaysia) Berhad ("Kumpulan Nylex") bermula 1 September 1999.



Prestasi

Jumlah dagangan Kumpulan sebanyak RM710.7juta adalah 182% lebih tinggi berbanding pencapaian pada tahun 1999 (RM252.4 juta) selepas mengambilkira jumlah dagangan Kumpulan Nylex sebanyak RM389.5 juta. Keuntungan sebelum cukai dan perkara luarbiasa berjumlah RM29.1 juta, 81% lebih tinggi berbanding tahun 1999 (RM16.1 juta). Pendapatan sesaham disatukan sebelum perkara luarbiasa ialah 24.5 sen (1999: 13.6 sen). Selepas mengambilkira perkara luarbiasa berjumlah RM27.4 juta (1999: Tiada), keuntungan sebelum cukai ialah RM1.7 juta dan pendapatan sesaham pula ialah 1.47 sen (1999: 13.6 sen) manakala aset ketara bersih sesaham ialah RM1.68 (1999: RM1.76).

Di peringkat Syarikat, jumlah dagangannya RM16.0 juta adalah lebih rendah sedikit dari 1999 (RM17.0 juta) manakala keuntungan sebelum cukai ialah RM5.1 juta (1999: RM6.8 juta) disebabkan pendapatan faedah dan dividen yang lebih rendah.

Lembaga Pengarah mencadangkan pembayaran dividen akhir sebanyak 4% tolak 28% cukai pendapatan, menyamai kadar tahun kewangan sebelumnya, tertakluk kepada kelulusan para pemegang saham Syarikat di Mesyuarat Agung Tahunan.

Tinjauan Operasi

Bahagian Kimia Pertanian dan Industri terus kekal sebagai penyumbang utama bagi Kumpulan dengan jumlah dagangannya RM262.0 juta (1999: RM197.8 juta). Keuntungan sebelum cukai Bahagian ini ialah RM18.4 juta (1999: RM12.9 juta), 42.6% lebih tinggi disebabkan jualan produk yang beruntung lebih tinggi serta peningkatan jualan ke pasaran eksport.

Bahagian Perkhidmatan Kejuruteraan Minyak & Gas mengalami kerugian sebelum cukai sebanyak RM3.5 juta (1999: keuntungan sebelum cukai RM0.9 juta) meskipun mencatat peningkatan 42.7% dalam jumlah dagangan sebanyak RM43.8 juta (1999: RM30.7 juta) dari kontrak-kontrak yang diperoleh sepanjang tahun kewangan. Pertambahan dalam jumlah kerugian adalah kerana sebuah syarikat subsidiari mengalami masalah pengeluaran pada separuh pertama tahun kewangan dan ini sudah diatasi. Ketiadaan kontrak besar bagi unit penguliran paip dan permintaan bekalan yang rendah dari kegiatan mencarigali minyak sepanjang separuh kedua tahun kewangan menambah kerugian yang dialami.

Penyata Pengerusi (samb.)



MT Suhaila at anchorage off Penang and awaiting to unload its cargo to customers.

MT Suhaila di Pelabuhan Pulau Pinang menunggu untuk menurunkan kargo-kargo kepada pelanggan-pelanggannya.

Bahagian Perkapalan mencatat pendapatan operasi yang lebih tinggi sedikit berbanding tahun kewangan sebelumnya. Bagaimanapun, Bahagian ini mengalami kerugian sebelum cukai sebanyak RM2.5 juta (1999: RM0.6 juta) disebabkan kos operasi yang lebih tinggi akibat kenaikan harga bunker yang mendadak. Harga pengangkutan perkapalan terus stabil tetapi tidak dapat naik disebabkan persaingan yang sengit.

Bahagian Hartanah mencatat hasil pendapatan operasi yang lebih rendah sebanyak RM4.3 juta (1999: RM13.0 juta) disebabkan bilangan unit kilang yang dijual pada tahun kewangan berkurangan. Ini menyebabkan Bahagian kerugian sebelum cukai sebanyak RM0.3 juta (1999: keuntungan sebelum cukai RM3.5 juta) dalam tahun kewangan. Bahagian ini tidak melancarkan sebarang projek baru sepanjang tahun kewangan.

Berhubung Kumpulan Nylex, Bahagian Kejuruteraan dan Bahagian Polimer, dua unit utama dalam Kumpulan Nylex, mencatat jumlah dagangan masing-masingnya RM212.1 juta dan RM85.7 juta. Bahagian Kejuruteraan, yang terlibat khususnya dalam pengeluaran kelengkapan suis elektrik dan dagangan produk elektrik dan elektronik dan Bahagian Polimer yang khususnya terlibat dalam pengeluaran filem fabrik dan fabrik bersalut berupaya mengekalkan penguasaan pasarannya di pasaran tempatan dan pada masa yang sama, memperluaskan pasarannya di seberang laut. Bahagian Kejuruteraan dan Polimer telah menyumbang keuntungan sebelum cukai berjumlah masing-masingnya RM14.8 juta dan RM8.7 juta kepada Kumpulan.

Bahagian Pembungkusan mencatat jumlah dagangan RM36.9 juta dan kerugian sebelum cukai berjumlah RM2.7 juta. Ekoran dari kerugian yang berterusan, Bahagian Pembungkusan telah dijual dalam tahun kewangan ini, mengakibatkan kerugian luarbiasa seperti yang tertera di bawah ini.

Bahagian Produk Pembinaan, yang mengeluarkan genting bumbung logam di Malaysia dan Indonesia serta bulu-kaca di Filipina, telah mencatat jumlah dagangan RM54.7 juta, dan kerugian sebelum cukai sebanyak RM1.9 juta disebabkan kelebihan kapasiti dalam pasaran.

Perkara Luarbiasa

Dalam tahun kewangan, bahagian Perkapalan telah menjual sebuah dari kapal tangkinya "MT Zainab", dengan harga US\$2.625 juta. Penjualan ini menyebabkan kerugian luarbiasa berjumlah RM5.5 juta kepada Kumpulan, iaitu perbezaan antara pencapaian jualan dengan nilai buku bersih kapal tangki tersebut dan hapuskira perbelanjaan penyenggaraan.



Produced by Malaysian Roofing Industries, the metrocolour pressed metal roof tiles are supplied to the toll plaza at the Kesas Highway.

Genting bumbung logam Metrocolor yang dikeluarkan oleh Malaysian Roofing Industries, dibekal kepada plaza tol di Lebuhraya Kesas.

Juga dalam tahun kewangan, Nylex telah menjual keseluruhan ekuitinya dalam Kuala Lumpur Glass Manufacturers Co. Sdn Bhd, mengakibatkan kerugian luarbiasa sebanyak RM60.5 juta, iaitu perbezaan antara harga jualan dengan nilainya dalam buku-buku Nylex. Nylex juga membuat peruntukan untuk nilai pelaburannya yang tinggal dalam Asia Pacific Insulation Corp. di Filipina iaitu hampir RM30.1 juta. Bahagian Kumpulan dalam kerugian luarbiasa di atas ialah RM21.5 juta.

Perkembangan Korporat Utama

- i) Syarikat menyempurnakan pengambilalih 50.1% kepentingan ekuiti dalam Malay Sino Technologies Sdn Bhd (“MST”) dengan bayaran tunai RM9.68 juta. MST terlibat terutamanya dalam kemajuan “software” dan penyediaan perkhidmatan perunding dalam bidang teknologi maklumat.
- ii) WorldSOL.com Sdn Bhd, sebuah anak syarikat subsidiari milik 100%, telah ditubuh dan sedang giat menangani pembangunan dan operasi sebuah bursa pasaran berasas Internet bagi industri bahan kimia yang dikenali sebagai ‘worldSOL.com’ yang pada mulanya meliputi Malaysia dan Singapura serta bahagian-bahagian Asia Tenggara lain. Melalui worldSOL.com, Kumpulan menjangka akan dapat menjimat kos, sambil mencekapkan pencarian sumber dan meningkatkan pertumbuhan jualan.

worldSOL.com telah dilancarkan oleh Menteri Perdagangan Antarabangsa dan Industri pada 5 September 2000.

Prospek

Tanpa sebarang keadaan yang di luar jangkaan, Lembaga Pengarah menjangkakan keputusan Kumpulan bagi tahun kewangan yang akan datang akan terus memuaskan.



Steel roof truss structure fabricated by Akra Engineering, are installed at the foodcourt in Majlis Perbandaran Shah Alam.

Struktur rangka bumbung logam yang dibuat oleh Akra Engineering, dipasang di tempat makan Majlis Perbandaran Shah Alam.

Perubahan Dalam Lembaga Pengarah

Bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan kepada En. Thomas Riley McHale yang meletak jawatan sebagai seorang Pengarah pada tahun kewangan, di atas segala sumbangan beliau yang tidak ternilai kepada Kumpulan. Saya juga ingin mengalu-alukan En. Chan Thye Seng dan Y Bhg Dato’ Mohd Ismail bin Che Rus yang menyertai Lembaga pada tahun kewangan. Kehadiran mereka akan mengukuhkan Lembaga dan pengalaman mereka akan dapat menyumbang kepada pertumbuhan masa depan Kumpulan.

Penghargaan

Lembaga Pengarah mengambil kesempatan ini untuk merakamkan ucapan terima kasihnya kepada pihak pengurusan dan kakitangan di atas dedikasi dan komitmen mereka dan penghargaan yang tinggi kepada para pemegang saham, pelanggan, pembekal, bank, sekutu perniagaan dan segala pihak berkuasa di atas kerjasama dan sokongan mereka yang berterusan.

YABM RAJA TUN MOHAR BIN RAJA BADIOZAMAN
Pengerusi

8 September 2000
Kuala Lumpur

Audit Committee

CONSTITUTION

On 2 July 1994, the Board of Directors resolved to establish a Committee of the Board to be known as the Audit Committee.

MEMBERSHIP

The members of the Committee comprised of En. Aznam bin Dato’ Mansor (Chairman, Independent Non-Executive Director), En. Ahmad Johari bin Tun Abdul Razak (Group Managing Director) and Y. Bhg. Dato’ Mohd Ismail bin Che Rus (Independent Non-Executive Director).

OBJECTIVE OF THE COMMITTEE

The Committee shall meet at least two times a year although additional meetings may be called at any time at the Chairman’s discretion. The quorum for each meeting shall be two members. The Company Secretary shall act as Secretary to the Committee.

The objective of the Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to internal controls, corporate accounting and reporting practices for the Group. The Committee will endeavour to adopt certain practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to the Company’s shareholders.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The primary duties and responsibilities of the Committee include:-

- i) to assist the Board of Directors in establishing effective controls, appropriate accounting policies and reporting practices and in ensuring the sufficiency of auditing and the adequacy of disclosures in relation thereto;
- ii) to serve as a channel of communication between non-Committee Directors and the auditors (both internal and external) as well as the Company’s management in matters relating to internal controls, financial accounting and reporting practices; and
- iii) to preserve the independence of the Company’s external auditors and the integrity of the Company’s financial reports.

Financial Statements

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Directors’ Report

The directors hereby submit their report and the audited accounts of the Group and of the Company for the financial year ended 31 May 2000.

PRINCIPAL ACTIVITIES

The Company is an investment holding and management company.

The principal activities of the subsidiary companies are disclosed in Note 6 to the Accounts.

There have been no significant changes in the nature of the activities of the Group during the financial year other than the principal activities carried out by the newly acquired subsidiary companies as referred to in Notes 6 and 29 to the Accounts.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
(Loss)/Profit after taxation	(3,316,632)	3,494,500
Minority interests	4,482,330	–
Profit attributable to shareholders of the Company	1,165,698	3,494,500
Retained profits brought forward	47,533,887	1,225,136
Profits available for appropriation	48,699,585	4,719,636
Appropriation:-		
Proposed final dividend of 4%, less income tax	(3,466,402)	(3,466,402)
Increase in dividend paid for dividend proposed in previous financial year	(47,318)	(47,318)
Retained profits carried forward	45,185,865	1,205,916

DIVIDENDS

Since the end of the previous financial year, the Company has, on 22 December 1999, paid a final dividend of 4%, less income tax, amounting to RM3,410,040 for the financial year ended 31 May 1999 instead of RM3,362,722 as proposed in the Directors’ Report for that financial year. The addition in respect of the previous year’s final dividend paid of RM47,318 is due to the allotment of shares pursuant to the Employees’ Share Option Scheme subsequent to the end of the previous financial year.

The directors propose a final dividend of 4%, less income tax, amounting to RM3,466,402 in respect of the financial year ended 31 May 2000.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the accounts.

Directors’ Report (cont’d)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up share capital of the Company was increased from 116,761,195 ordinary shares of RM1 each to 120,361,195 ordinary shares of RM1 each by an allotment of 3,600,000 new ordinary shares of RM1 each pursuant to the Employees’ Share Option Scheme at the option price of RM1.476 per share.

The Company did not issue any debentures during the financial year.

EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”)

In 1999, the Company implemented an ESOS for the benefits of eligible employees and eligible directors of the Company and its subsidiary companies. This ESOS was approved by the shareholders at an Extraordinary General Meeting held on 24 February 1999 and became effective on 7 April 1999 when the last of the requisite approvals was obtained.

The salient features of the ESOS are as follows:-

- a) The maximum number of new shares of the Company which may be offered under the Scheme shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.
- b) The ESOS shall be in force for a period of 5 years from 7 April 1999 to 6 April 2004.
- c) In order to qualify for participation in the ESOS, the eligible employees must have attained the age of at least eighteen years and is a confirmed employee with at least one year of continuous service with any company in the Group, including service during probation periods, if any.
- d) Eligible employees who may be considered for participation in the ESOS shall be those who fall within any of the following categories. Subject to the minimum of 1,000 new shares, the maximum allowable allotment of new shares that may be offered to any employee under the ESOS shall be the amount set opposite their respective categories:-

Categories of eligible employees	Maximum allowable allotment of new shares per eligible employee
Executive Director	150,000
Division Head (Grade 1)	100,000
General/Senior Manager (Grades 1–4)	70,000
Manager (Grades 5–6)	50,000
Executive 1 (Grades 7–8)	30,000
Executive 2 (Grades 9–12)	18,000
Management Support & Operative (Grades 13–15)	12,000

The maximum number of new shares that may be offered to an eligible employee in accordance with the terms of this ESOS shall be based on the category and length of service completed by the eligible employee.

- e) The option price for each new share shall be the average of the mean market quotation of the shares of the Company as shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the 5 preceding market days immediately prior to the date of offer or the last transacted price of the shares of the Company on the market day immediately prior to the date of offer, whichever is higher and in no event should be lower than the par value of the shares of the Company.

EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) (cont’d)

f) Any share option exercised shall be in multiples of and not less than 1,000 shares and in accordance with the limits set out in the table below:-

Number of shares comprise in option granted	Maximum percentage of option exercisable in each particular year of the ESOS				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 20,000	100%	–	–	–	–
20,000 to less than 100,000	40%*	30%	30%**	–	–
100,000 and above	20%	20%	20%	20%	20%
* 40% or 20,000 shares whichever is higher					
** 30% or the remaining number of shares					

Year 1 shall commence from the date of the coming into force of the date of offer and the subsequent years shall be the anniversary of the previous year. Options exercisable in a particular year but not exercised may be carried forward to the following year for exercise and shall not be taken into account in determining the limits set out in the table above but shall be subject to the option period and the ESOS remaining in force. Any option unexercised or unexercisable due to the limits set out in the table above after the expiration of the option period would automatically lapse and be of no effect.

g) The new shares to be allotted upon any exercise of an option will upon issue and allotment rank pari passu in all respects with the then existing issued ordinary shares of the Company.

The employees to whom the options have been granted shall not be entitled to participate in any other share option or similar scheme administered by any other company in the Group.

The movements in the unissued shares under the ESOS which have been granted and their exercise price per share during the financial year are as follows:-

	Options over Ordinary Shares of RM1 each			
	Balance at 1.6.1999	Granted	Exercised	Balance at 31.5.2000
Number of unissued shares under options at an exercise price of RM1.476 per share	5,931,000	–	(3,600,000)	2,055,000
Number of unissued shares under options at an exercise price of RM3.68 per share	–	936,000	–	931,000

DIRECTORS

The directors who have held office since the date of the last report are as follows:-

YABM Raja Tun Mohar bin Raja Badiozaman (*Chairman*)
Ahmad Johari bin Tun Abdul Razak (*Group Managing Director*)
Siew Ka Wei (*Group Deputy Managing Director*)
Y. Bhg. Dato’ Siew Nim Chee (*Advisor*)
Y. Bhg. Datuk Haji Ismail bin Haji Hashim
Aznam bin Dato’ Mansor
Y. Bhg. Datuk Haji Mohamed Al-Amin bin Haji Abdul Majid, JP
Chan Thye Seng (*Appointed on 19.10.1999*)
Y. Bhg. Dato’ Mohd Ismail bin Che Rus (*Appointed on 29.10.1999*)
Thomas Riley McHale (*Resigned on 25.1.2000*)
Y. Bhg. Tan Sri Nasruddin bin Mohamed (*Deceased on 13.8.1999*)

In accordance with Article 79 of the Company’s Articles of Association, Y. Bhg. Datuk Haji Ismail bin Haji Hashim and Y. Bhg. Datuk Haji Mohamed Al-Amin bin Haji Abdul Majid, JP retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

YABM Raja Tun Mohar bin Raja Badiozaman and Y. Bhg. Dato’ Siew Nim Chee retire in accordance with Section 129(2) of the Companies Act, 1965. The Board recommends that YABM Raja Tun Mohar bin Raja Badiozaman and Y. Bhg. Dato’ Siew Nim Chee be re-appointed as directors of the Company pursuant to Section 129(6) of the Companies Act, 1965, to hold office until the conclusion of the next Annual General Meeting.

DIRECTORS’ INTERESTS

Except as stated below, none of the directors who held office at the end of the financial year had any beneficial interests in the ordinary shares of the Company and related companies during the financial year ended 31 May 2000, as recorded in the Register of Directors’ Shareholdings kept by the Company under Section 134 of the Companies Act, 1965:-

Shares of the Company	No. of Ordinary Shares of RM1 each			
	Balance at 1.6.1999	Bought	Options Exercised	Balance at 31.5.2000
Direct Interest				
YABM Raja Tun Mohar bin Raja Badiozaman	619,738	–	–	(250,000) 369,738
Ahmad Johari bin Tun Abdul Razak	499,126	–	–	– 499,126
Siew Ka Wei	3,999,000	1,004,000	30,000	(455,000) 4,578,000
Y. Bhg. Dato’ Siew Nim Chee	393,000	433,000	20,000	– 846,000
Y. Bhg. Datuk Haji Ismail bin Haji Hashim	108,093	–	40,000	– 148,093
Aznam bin Dato’ Mansor	80,925	–	–	– 80,925
Indirect Interest				
Siew Ka Wei	11,019,853	433,000	20,000	– 11,472,853
Y. Bhg. Dato’ Siew Nim Chee	14,939,427	1,004,000	30,000	(455,000) 15,518,427
Chan Thye Seng	–	14,448,489	–	– 14,448,489

Indirect interests represent shares held by connected persons and a company in which the directors are deemed to have substantial interest.

Directors’ Report (cont’d)

DIRECTORS’ INTERESTS (cont’d)

The following directors have been granted share options under the ESOS:-

	— Options over Ordinary Shares of RM1 each —		
	Balance at 1.6.1999	Granted	Balance at 31.5.2000
Ahmad Johari bin Tun Abdul Razak	150,000	—	150,000
Siew Ka Wei	150,000	—	120,000
Y. Bhg. Dato’ Siew Nim Chee	100,000	—	80,000
Y. Bhg. Datuk Haji Ismail bin Haji Hashim	100,000	—	60,000

DIRECTORS’ BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 22 to the Accounts) by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling any directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted to En. Ahmad Johari bin Tun Abdul Razak, Mr. Siew Ka Wei, Y. Bhg. Dato’ Siew Nim Chee and Y. Bhg. Datuk Haji Ismail bin Haji Hashim pursuant to the ESOS.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

I) As At The End Of The Financial Year

- a) Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:-
 - i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - ii) to ensure that any current assets which were unlikely to realise their values in the ordinary course of business had been written down to their estimated realisable values.
- b) In the opinion of the directors, save for the Exceptional Items highlighted in Note 23 to the Accounts, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

II) From The End Of The Financial Year To The Date Of This Report

- c) The directors are not aware of any circumstances:-
 - i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the accounts of the Group and of the Company inadequate to any material extent; or
 - ii) which would render the values attributed to current assets in the accounts of the Group and of the Company misleading; or
 - iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors’ Report (cont’d)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont’d)

- d) In the opinion of the directors:-
 - i) there has not arisen 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; and
 - ii) 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 will or may substantially affect the abilities of the Group and of the Company to meet their obligations as and when they fall due.

III) As At The Date Of This Report

- e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- g) The directors are not aware of any circumstances not otherwise dealt with in this report or accounts of the Group and of the Company which would render any amount stated in the accounts misleading.

SIGNIFICANT EVENTS

- a) On 26 April 1999, Rhodemark Development Sdn. Bhd., a subsidiary company of Ancom Berhad, entered into a sales and purchase agreement for the proposed acquisition of 116,586,472 ordinary shares of RM1 each representing approximately 51.93% equity interest in Nylex (Malaysia) Berhad, a company incorporated in Malaysia and quoted on the Main Board of the Kuala Lumpur Stock Exchange, for a total cash consideration of RM174,879,708. The acquisition has been approved by the relevant authorities during the financial year and the shareholders of the Company at an Extraordinary General Meeting held on 6 August 1999.
- b) On 1 November 1999, Tamco Corporate Holdings Sdn. Berhad, a wholly-owned subsidiary of Nylex (Malaysia) Berhad, completed its acquisition of the remaining 49% equity interest in Universal Motor Kontrol Pty. Limited (“UMK”), thereby making UMK its wholly-owned subsidiary, for a total purchase consideration of RM10,877,000.
- c) On 27 December 1999, Nylex (Malaysia) Berhad, a subsidiary of Rhodemark Development Sdn. Bhd., entered into a conditional sale and purchase agreement for the disposal of a wholly-owned subsidiary company, Kuala Lumpur Glass Manufacturers Company Sdn. Bhd., for a proposed cash consideration of RM60,000,000.

The disposal has been approved by the relevant authorities during the financial year and the shareholders of Nylex (Malaysia) Berhad at an Extraordinary General Meeting held on 17 May 2000.

- d) On 29 February 2000, Ancom Berhad entered into a conditional sale and purchase agreement for the proposed acquisition of 1,002,000 ordinary shares of RM1 each representing 50.1% equity interest in Malay Sino Technologies Sdn. Bhd. for a total cash consideration of RM9,680,000. The acquisition has been approved by the relevant authorities during the financial year.
- e) On 20 March 2000, Ancom Berhad entered into a conditional joint venture agreement for the carrying out of manufacturing, trading and distribution of organic fertilisers through a joint venture company, OrganiGro Sdn. Bhd. (formerly known as Sequantum Sdn. Bhd.).

SIGNIFICANT EVENTS (cont’d)

f) On 10 May 2000, Synergy Tanker Sdn. Bhd., a wholly owned subsidiary of Ancom Berhad, entered into a conditional sale and purchase agreement for the disposal of its vessel, MT Zainab, for a cash consideration of approximately RM9,975,000.

The agreement became unconditional upon delivery of the vessel in June 2000 and this has resulted in a write down of the carrying amount of the asset by RM3,259,000 and write off of deferred expenditure of RM2,260,000 as at 31 May 2000.

AUDIT COMMITTEE

The primary duties of the Audit Committee are to:-

- i) assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Group and of the Company and the sufficiency of auditing in relation thereto;
- ii) serve as a channel of communication between non-committee directors and auditors (both internal and external) as well as management on matters relating to financial accounting, reporting and controls; and
- iii) assure the independence of the Company’s external auditors, the integrity of management and the adequacy of disclosures to shareholders.

The Audit Committee consists of a minimum of three directors, the majority of whom are independent non-executive directors. These directors are:-

- a) Aznam bin Dato’ Mansor (Chairman, Independent Non-Executive Director)
- b) Ahmad Johari bin Tun Abdul Razak (Group Managing Director)
- c) Y. Bhg. Dato’ Mohd Ismail bin Che Rus (Independent Non-Executive Director)

AUDITORS

The retiring auditors, Messrs. BDO Binder, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

YABM Raja Tun Mohar bin Raja Badiozaman

Ahmad Johari bin Tun Abdul Razak

Kuala Lumpur
27 July 2000

Statement By Directors

In the opinion of the directors, the accounts set out on pages 25 to 60 are drawn up in accordance with applicable approved accounting standards so as to give a true and fair view of:-

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

On behalf of the Board,

YABM Raja Tun Mohar bin Raja Badiozaman
Director

Ahmad Johari bin Tun Abdul Razak
Director

Kuala Lumpur
27 July 2000

Statutory Declaration

I, **Ahmad Johari bin Tun Abdul Razak**, being the director primarily responsible for the financial management of Ancom Berhad, do solemnly and sincerely declare that the accounts set out on pages 25 to 60 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)	
declared by the abovenamed at)	Ahmad Johari bin Tun Abdul Razak
Petaling Jaya this 27 July 2000)	

Before me:-

G. Vijayan @ Baskaran PPN
Commissioner for Oaths (B014)
Malaysia

Report Of The Auditors

To The Members Of Ancom Berhad

We have audited the accounts set out on pages 25 to 60. The preparation of the accounts is the responsibility of the directors. Our responsibility is to express an opinion on the accounts based on our audit.

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

In our opinion:-

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

We have considered the accounts and the auditors’ reports of the subsidiary companies of which we have not acted as auditors, as indicated in Note 6 to the Accounts, being accounts that have been included in the consolidated accounts.

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

The auditors’ reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

BDO Binder
AF: 0206
Public Accountants

Tan Kim Leong, JP
235/6/01 (J/PH)
Partner

Kuala Lumpur
27 July 2000

Balance Sheets

As At 31 May 2000

		GROUP		COMPANY	
ASSETS EMPLOYED	NOTE	2000 RM	1999 RM	2000 RM	1999 RM
FIXED ASSETS	4	281,899,346	115,205,162	28,786,766	19,155,756
DEVELOPMENT PROPERTIES	5	26,176,878	26,312,572	–	–
INTEREST IN SUBSIDIARY COMPANIES	6	–	–	226,448,507	179,560,012
INTEREST IN ASSOCIATED COMPANIES	7	4,383,479	8,809,005	49,000	49,000
OTHER INVESTMENTS – At Cost	8	42,103,730	44,346,484	38,453,606	44,276,484
INTANGIBLE ASSETS	9	11,136,164	6,842,243	–	–
GOODWILL ARISING ON CONSOLIDATION	10	54,136,801	39,742,951	–	–
CURRENT ASSETS					
Development properties	5	5,536,114	8,036,071	–	–
Stocks	11	113,288,857	22,106,590	–	–
Debtors	12	277,027,712	69,681,460	3,025,884	1,814,248
Short term deposits	13	66,090,589	35,003,480	–	18,539,000
Cash and bank balances		28,430,619	12,351,064	78,142	40,976
		490,373,891	147,178,665	3,104,026	20,394,224
LESS: CURRENT LIABILITIES					
Creditors	14	216,220,988	42,663,001	1,209,735	1,410,027
Short term borrowings	15	179,683,198	47,601,010	22,911,833	22,776,128
Proposed dividend		3,466,402	3,362,722	3,466,402	3,362,722
Provision for taxation		6,382,836	2,748,590	–	–
		405,753,424	96,375,323	27,587,970	27,548,877
NET CURRENT ASSETS/(LIABILITIES)		84,620,467	50,803,342	(24,483,944)	(7,154,653)
		504,456,865	292,061,759	269,253,935	235,886,599
FINANCED BY					
SHARE CAPITAL	16	120,361,195	116,761,195	120,361,195	116,761,195
RESERVES	17	147,107,279	135,493,093	128,409,345	118,939,362
SHAREHOLDERS’ FUNDS		267,468,474	252,254,288	248,770,540	235,700,557
MINORITY INTERESTS		157,376,717	10,764,621	–	–
DEFERRED AND LONG TERM LIABILITIES	18	79,611,674	29,042,850	20,483,395	186,042
		504,456,865	292,061,759	269,253,935	235,886,599

Profit And Loss Accounts

For The Financial Year Ended 31 May 2000

		GROUP		COMPANY	
	NOTE	2000 RM	1999 RM	2000 RM	1999 RM
OPERATING REVENUE	3.15	710,694,771	252,413,416	15,977,691	16,983,196
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS	22	27,476,180	16,437,168	5,071,667	6,752,649
EXCEPTIONAL ITEMS	23	(27,363,141)	–	–	–
OPERATING PROFIT AFTER EXCEPTIONAL ITEMS		113,039	16,437,168	5,071,667	6,752,649
SHARE OF RESULTS OF ASSOCIATED COMPANIES		1,636,688	(384,557)	–	–
PROFIT BEFORE TAXATION		1,749,727	16,052,611	5,071,667	6,752,649
TAXATION	24	(5,066,359)	384,059	(1,577,167)	(1,862,414)
(LOSS)/PROFIT AFTER TAXATION		(3,316,632)	16,436,670	3,494,500	4,890,235
MINORITY INTERESTS		4,482,330	(393,045)	–	–
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		1,165,698	16,043,625	3,494,500	4,890,235
CANCELLATION OF OWN SHARES REPURCHASED AT BELOW NOMINAL VALUE		–	59,075	–	59,075
TRANSFER TO CAPITAL REDEMPTION RESERVE	17	–	(1,001,000)	–	(1,001,000)
RETAINED PROFITS BROUGHT FORWARD		47,533,887	35,773,287	1,225,136	617,926
PROFITS AVAILABLE FOR APPROPRIATION		48,699,585	50,874,987	4,719,636	4,566,236
APPROPRIATION:-					
DIVIDENDS	25	(3,513,720)	(3,341,100)	(3,513,720)	(3,341,100)
RETAINED PROFITS CARRIED FORWARD	17	45,185,865	47,533,887	1,205,916	1,225,136
RETAINED BY:-					
The Company		1,205,916	1,225,136		
Subsidiary companies		42,625,301	46,126,490		
Associated companies		1,354,648	182,261		
		45,185,865	47,533,887		
EARNINGS PER ORDINARY SHARE	26	0.98 sen	13.6 sen		

The attached notes form an integral part of the Accounts.

Consolidated Cash Flow Statement

For The Financial Year Ended 31 May 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,749,727	16,052,611
Adjustments for:-		
Amortisation of intangible assets	4,492,967	1,532,265
Amortisation of foreign exchange losses	483,600	386,880
Depreciation of fixed assets	29,524,862	9,328,746
Dividend (gross) from investment in quoted shares	(1,361,528)	(637,539)
Dividend (gross) from investment in unquoted shares	(1,107,047)	–
Dividend (gross) from associated companies	(288,378)	–
Fixed assets written off	14,331	1,353,800
Fixed assets written down	3,259,009	–
(Gain)/Loss on disposal of fixed assets	(493,515)	103,857
Loss on disposal of investments	651,803	–
Provision for retirement benefits	845,538	–
Provision for doubtful debts	256,024	–
Provision for doubtful debts no longer required	–	(2,113,611)
Interest expense	17,208,540	7,441,788
Interest income	(914,639)	(3,692,498)
Deferred expenditure written off	2,260,424	–
Revaluation deficit	14,080	–
Goodwill realised on disposal of a subsidiary company	2,431,982	–
Goodwill realised on partial write off in value of a subsidiary company	356,691	–
Provision for stock obsolescence	3,504,000	–
Gain on partial disposal of a subsidiary company	–	(39,707)
Bad debts written off	1,042,301	79,260
Loss on disposal of subsidiary companies	19,055,035	463,459
Share of results in associated companies	(1,636,688)	384,557
Operating cash flow before working capital changes	81,349,119	30,643,868
(Increase)/Decrease in stocks	(2,877,695)	2,150,377
Increase in debtors	(44,049,447)	(2,594,289)
Increase/(Decrease) in creditors	12,599,659	(7,030,096)
Decrease in development properties expenditure	2,635,651	5,562,778
Cash generated from operations	49,657,287	28,732,638
Retirement benefits paid	(838,105)	–
Interest received	914,639	3,692,498
Dividend received	2,412,860	515,739
Tax paid	(8,607,115)	(7,350,939)
Interest paid	(17,208,540)	(7,441,788)
Dividend paid	(3,410,040)	(2,521,523)
Net cash from operating activities	22,920,986	15,626,625

Consolidated Cash Flow Statement (cont'd)

For The Financial Year Ended 31 May 2000

	2000 RM	1999 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	8,228,107	–
Proceeds from partial disposal of a subsidiary company	–	20,000
Disposal of subsidiary companies (Note A)	57,066,953	51,520
Proceeds from sale of fixed assets	3,251,060	306,537
Acquisition of subsidiary companies (Note B)	(272,714,847)	691,155
Purchase of additional shares in existing subsidiary companies	(11,948,718)	(5,001)
Purchase of fixed assets (Note C)	(13,934,300)	(4,124,155)
Purchase of shares in associated company	(2,141,732)	(109,998)
Purchase of investments	(3,057,032)	(16,857,057)
Purchase of intangible assets	(1,199,268)	(4,227,127)
Net cash used in investing activities	(236,449,777)	(24,254,126)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares to minority interests	52,790,636	–
Proceeds from shares issued under the ESOS	5,273,665	35,424
Proceeds from term loans	100,000,000	1,354,810
Purchase of Company’s own shares	–	(941,925)
Repayment of hire-purchase creditors	(2,131,410)	(1,236,757)
Net drawdown of bank borrowings	102,637,507	7,596,601
Repayment of term loans	(5,803,772)	(5,962,212)
Net cash from financing activities	252,766,626	845,941
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	39,237,835	(7,781,560)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	38,250,158	46,044,956
Foreign exchange differences on opening balances	–	(13,238)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (Note D)	77,487,993	38,250,158

Notes To The Consolidated Cash Flow Statement

For The Financial Year Ended 31 May 2000

A. DISPOSAL OF SUBSIDIARY COMPANIES

Net assets disposed:-	2000 RM	1999 RM
Fixed assets	64,301,948	78,936
Intangible assets	–	3,145
Stocks	31,662,000	–
Debtors	21,466,000	4,981,039
Cash and bank balances	2,948,901	–
Creditors	(14,182,309)	(4,272,516)
Provision for retirement benefits	(3,088,651)	–
Short term bank borrowings	(22,237,000)	(51,520)
Provision for taxation	(263,000)	(77,000)
Deferred taxation	(1,537,000)	–
	79,070,889	662,084
Less: Net assets retained as associated company	–	(198,625)
	79,070,889	463,459
Loss on disposal of subsidiary companies	(19,055,035)	(463,459)
Proceeds from disposal of subsidiary companies	60,015,854	–
Less: Cash and cash equivalents of subsidiary companies disposed	(2,948,901)	51,520
Cash inflow on disposal, net of cash disposed	57,066,953	51,520

Notes To The Consolidated Cash Flow Statement (cont'd)

For The Financial Year Ended 31 May 2000

B. ACQUISITION OF SUBSIDIARY COMPANIES

Net assets acquired:-		
	2000	1999
	RM	RM
Fixed assets	240,449,212	-
Investments	4,706,659	-
Intangible assets	9,848,044	-
Stocks	123,470,572	-
Trade debtors	155,525,882	-
Other debtors	27,259,318	-
Fixed deposits	1,200,000	-
Cash and bank balances	27,200,400	1,500,000
Trade creditors	(84,917,970)	-
Other creditors	(44,057,726)	-
Hire-purchase creditors	(183,331)	-
Short term bank borrowings	(118,481,086)	-
Amounts due to related companies	(6,247,643)	-
Provision for taxation	(1,251,803)	-
Provision for retirement benefits	(5,709,227)	-
Deferred taxation	(4,115,555)	-
Minority interests	(160,712,961)	(748,500)
Net assets acquired	163,982,785	751,500
Goodwill on acquisition	18,651,376	57,345
Total purchase price	182,634,161	808,845
Less: Cash and cash equivalents of subsidiary companies acquired	90,080,686	(1,500,000)
Cash outflow/(inflow) on acquisition, net of cash acquired	272,714,847	(691,155)

C. PURCHASE OF FIXED ASSETS

During the financial year, the Group acquired fixed assets with an aggregate cost of RM16,009,685 (1999: RM4,621,912) of which RM2,075,385 (1999: RM497,757) were acquired by means of hire-purchase and lease agreements. Cash payments of RM13,934,300 (1999: RM4,124,155) were made to purchase the fixed assets.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

	2000	1999
	RM	RM
Bank overdrafts	(17,033,215)	(9,104,386)
Short term deposits	66,090,589	35,003,480
Cash and bank balances	28,430,619	12,351,064
	77,487,993	38,250,158

Notes To The Accounts

31 May 2000

1. PRINCIPAL ACTIVITIES

The Company is an investment holding and management company.

The principal activities of the subsidiary companies are disclosed in Note 6 to the Accounts.

There have been no significant changes in the nature of the activities of the Group during the financial year other than the principal activities carried out by the newly acquired subsidiary companies as highlighted under Notes 6 and 29 to the Accounts.

2. BASIS OF PREPARATION OF ACCOUNTS

The accounts of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

The accounts of the Group and of the Company have been prepared under the historical cost convention as modified by the revaluation of certain long leasehold land and buildings.

3.2 Basis of Consolidation

The consolidated accounts incorporate the accounts of the Company and its subsidiary companies made up to the end of the financial year. Inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only. The Company adopts both the acquisition and merger method of consolidation.

When the acquisition method is adopted, the difference between the purchase price and the fair value of the attributable net assets of subsidiary companies at the date of acquisition is reflected in the accounts as goodwill or reserve on consolidation. Goodwill on consolidation is stated at cost and is written down only when the directors are of the opinion that there is a permanent diminution in its value. The results of the subsidiary companies acquired or disposed of are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal.

Acquisition of subsidiary companies which meet the criteria for merger accounting under the Malaysian Accounting Standards 2, Accounting for Acquisition and Merger are accounted for using merger accounting principles. Where the merger method is used, the excess of the cost of investment over the nominal value of the share capital of the subsidiary company is treated as merger reserve arising on consolidation. The results of subsidiary companies acquired are accounted for on a full year basis and the comparative figures are restated accordingly.

3.3 Associated Companies

Associated companies are those companies in which the Group has a long term interest of not less than 20% and not more than 50% of the equity and in which it exercises significant influence over the financial and operating policies through Board representation.

The Group's share of results and reserves of associated companies acquired or disposed of are included in the consolidated accounts from the effective date of acquisition or up to the effective date of disposal. The Group's interest in associated companies is stated at cost plus adjustments to reflect changes in the Group's share of the net assets of the associated companies. For this purpose, the prorated audited results of the associated companies for the year ended 31 December 1999 and the unaudited management accounts of the associated companies for the period 1 January 2000 to 31 May 2000 are used.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**3.4 Fixed Assets and Depreciation**

Fixed assets are stated at cost or valuation, less accumulated depreciation.

The long leasehold land and buildings will be revalued at regular intervals of at least once in every five years. Where market conditions indicate that the carrying values of revalued properties differ materially from the market values, additional revaluation will be carried out in those intervening years.

Long leasehold land and improvements to long leasehold land are amortised over the lease period of 53–99 years. The mining lease has been fully amortised. Ships are depreciated over 12–19 years after taking into account their estimated residual values. Building and plant and machinery under construction and freehold land are not depreciated. All other fixed assets are depreciated on the straight line basis over their estimated useful lives at the following annual rates:-

Buildings	2 – 10%
Plant, machinery and equipment	10 – 20%
Motor vehicles	10 – 20%
Furniture, fixtures and fittings	10%
Renovation	2 – 10%

3.5 Development Properties and Income Recognition

Development properties are stated at cost less any provision for permanent diminution in value plus attributable profit to the development work performed, and less progress billings and provision for foreseeable losses, if any. Development properties consists of cost of land acquired under development and all incidental development expenditure incurred in relation to the property development including interest charges directly related to the financing of the development.

Profit from sale of development properties is recognised on the percentage of completion method.

3.6 Stocks

Stocks are valued at the lower of cost (determined on weighted average method) and net realisable value. Cost of raw materials, packing materials and consumables comprise the original cost of purchase plus the cost incurred in bringing the stocks to their present condition and location. Cost of finished goods and work-in-progress comprise the cost of raw materials, direct labour and an appropriate proportion of factory overheads.

3.7 Bad and Doubtful Debts

Known bad debts are written off and provision is made for debts where recoverability is considered doubtful.

3.8 Expenditure Carried Forward

Expenditure carried forward are stated at cost less amortisation. Preliminary and pre-operating expenses of the subsidiary companies are amortised over five years commencing from the first year of operations of the subsidiary companies. Technical know-how obtained for the manufacture of certain products of a subsidiary company is amortised over a period of twenty years commencing from the financial year when commercial production and operating revenue commences. Trademarks and patents are amortised over ten years. Ship maintenance expenses incurred by the subsidiary companies are amortised over the period of the ship's next drydocking cycle ranging from one to five years.

3.9 Deferred Taxation

Deferred taxation is provided under the liability method at the current taxation rate in respect of all material timing differences except where it is reasonably probable that such timing differences will not crystallise in the foreseeable future. Deferred tax benefits are recognised in the accounts only when there are reasonable assurance of their realisation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**3.10 Provision for Retirement Benefits**

Certain subsidiary companies are obliged under non-contributory retirement benefit schemes and collective bargaining agreements to pay retirement benefits to certain employees who retire or leave the companies' employ after fulfilling certain conditions. Provision for retirement benefits is computed based on the length of service and a proportion of the basic salary earnings of the employees in each particular year of service.

3.11 Voyage Accounting

The results of all voyages, completed and uncompleted, up to the balance sheet date are included in the operating profit for the financial year. For voyages which remained uncompleted as at the balance sheet date, the freight receivable for cargoes loaded onto the ship up to the balance sheet date and their corresponding discharging costs are accrued in the profit and loss account.

3.12 Foreign Currency Transactions and Translations

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange prevailing on transaction dates. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated into Ringgit Malaysia at the approximate rates of exchange prevailing on that date.

Foreign exchange differences arising from the translation of long term foreign currency loan is taken to foreign exchange reserve in the balance sheet. These unrealised foreign exchange differences will be deferred and charged to the profit and loss account over the remaining term of the loan.

All other gains or losses on foreign exchange are taken up in the profit and loss account.

3.13 Investments

Investments in subsidiary companies, associated companies and other investments are stated at cost less provision for permanent diminution in value, if any.

3.14 Hire-Purchase and Lease Assets

Assets financed by hire-purchase agreements and leasing arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised as fixed assets and the corresponding obligations are treated as liabilities. The fixed assets capitalised are depreciated on the same basis as that of the Group's fixed assets.

Finance charges are allocated to the profit and loss account over the period of the agreements to give a constant periodic rate of charge on the remaining hire-purchase and lease liabilities.

3.15 Operating Revenue

Turnover of the Company represents dividend income, management fees, rental and interest income.

Turnover of the Group represent the aggregate gross invoiced value of goods sold and services rendered less sales tax, discounts and returns, dividend income, interest income, freight and demurrage income received and receivable, proceeds from sales of land and proportionate sales value of development properties and infrastructure contracts based on percentage of development work performed.

3.16 Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

4. FIXED ASSETS

Notes To The Accounts (cont'd)

GROUP 2000	Balance at 1.6.1999 RM	Revaluation RM	Additions RM	Disposals RM	Subsidiary companies acquired RM	Exchange fluctuation RM	Written down RM	Written off RM	Reclassi- fication RM	Balance at 31.5.2000 RM	Net book value at 31.5.2000 RM
Cost/Valuation											
Freehold land and buildings											
- at 2000 valuation	-	-	-	-	-	-	-	-	9,680,000	9,680,000	9,672,367
- at cost	7,228,260	2,455,340	-	(777,615)	9,341,000	(279,040)	-	-	(9,680,000)	8,287,945	8,287,945
Long leasehold land and buildings											
- at 1985 valuation	-	-	-	-	11,542,000	-	-	-	-	11,542,000	11,343,027
- at 1990 valuation	2,375,000	695,438	-	-	-	-	-	-	(3,070,438)	-	-
- at 1994 valuation	17,150,000	7,261,725	1,438,275	-	-	-	-	-	(25,850,000)	-	-
- at 2000 valuation	-	-	-	-	-	-	-	-	33,180,000	33,180,000	33,098,015
- at cost	5,015,862	891,449	545,679	(14,623,987)	59,131,000	(696,997)	-	-	(4,232,262)	46,030,744	45,425,377
Buildings											
- at cost	2,924,579	-	-	-	-	-	-	-	-	2,924,579	2,048,326
Leasehold improvements	320,846	-	1,490	-	-	-	-	-	-	322,336	21,903
Plant, machinery and equipment	65,488,497	-	3,996,265	(54,665,163)	144,336,549	(4,281,133)	-	-	3,945,887	158,820,902	117,252,945
Plant, machinery and equipment under lease and hire-purchase	3,341,042	-	639,233	-	-	-	-	-	-	3,980,275	3,161,624
Motor vehicles	3,334,768	-	949,535	(1,916,962)	3,417,515	(56,310)	-	-	1,281,692	7,010,238	3,940,398
Motor vehicles under hire-purchase	2,523,162	-	1,155,952	(274,525)	280,200	-	-	-	(1,281,692)	2,403,097	1,813,106
Furniture, fixtures and fittings	4,876,680	-	772,390	(729,116)	6,892,276	(312,726)	-	(21,731)	353,380	11,831,153	7,791,847
Furniture, fixtures and fittings under lease and hire-purchase	7,553	-	-	-	-	-	-	-	-	7,553	5,602
Building, plant and machinery under construction	286,723	-	6,266,729	(1,393,114)	5,736,674	-	-	-	(4,326,567)	6,570,445	6,570,445
Mining lease	1,842,080	-	-	-	-	-	-	-	-	1,842,080	-
Ships	44,862,334	-	208,179	(1,172)	-	-	(6,237,446)	-	-	38,831,895	30,596,298
Renovation	942,040	-	35,958	(6,882)	-	-	-	-	-	971,116	870,121
	162,519,426	11,303,952	16,009,685	(74,388,536)	240,677,214	(5,626,206)	(6,237,446)	(21,731)	-	344,236,358	281,899,346

4. FIXED ASSETS (cont'd)

Notes To The Accounts (cont'd)

GROUP 2000	Balance at 1.6.1999 RM	Revaluation RM	Charge for the financial year RM	Disposals RM	Subsidiary companies acquired RM	Exchange fluctuation RM	Written down RM	Written off RM	Reclassi- fication RM	Balance at 31.5.2000 RM
Accumulated Depreciation										
Freehold land and buildings										
- at 2000 valuation	-	-	2,833	-	-	-	-	-	4,800	7,633
- at cost	126,201	(157,589)	39,788	(3,600)	-	-	-	-	(4,800)	-
Long leasehold land and buildings										
- at 1985 valuation	-	-	252,423	(53,450)	-	-	-	-	-	198,973
- at 1990 valuation	386,640	(441,338)	42,934	-	-	-	-	-	11,764	-
- at 1994 valuation	1,073,161	(1,237,897)	224,658	-	-	-	-	-	(59,922)	-
- at 2000 valuation	-	-	-	-	-	-	-	-	81,985	81,985
- at cost	618,416	(398,925)	1,057,322	(68,487)	-	(112,132)	-	-	(490,827)	605,367
Buildings										
- at cost	934,243	-	223,859	(281,849)	-	-	-	-	-	876,253
Leasehold improvements	268,199	-	32,234	-	-	-	-	-	-	300,433
Plant, machinery and equipment	26,768,160	-	21,311,756	(5,105,780)	-	(1,863,179)	-	-	457,000	41,567,957
Plant, machinery and equipment under lease and hire-purchase	429,284	-	389,367	-	-	-	-	-	-	818,651
Motor vehicles	2,197,089	-	1,283,520	(1,381,100)	33,873	(26,160)	-	-	962,618	3,069,840
Motor vehicles under hire-purchase	1,332,025	-	278,452	(70,322)	12,454	-	-	-	(962,618)	589,991
Furniture, fixtures and fittings	2,498,156	-	1,909,034	(364,143)	181,675	(178,016)	-	(7,400)	-	4,039,306
Furniture, fixtures and fittings under lease and hire-purchase	1,196	-	755	-	-	-	-	-	-	1,951
Building, plant and machinery under construction	-	-	-	-	-	-	-	-	-	-
Mining lease	1,842,080	-	-	-	-	-	-	-	-	1,842,080
Ships	8,760,024	-	2,454,263	(253)	-	-	(2,978,437)	-	-	8,235,597
Renovation	79,390	-	21,664	(59)	-	-	-	-	-	100,995
	47,314,264	(2,235,749)	29,524,862	(7,329,043)	228,002	(2,179,487)	(2,978,437)	(7,400)	-	62,337,012

Notes To The Accounts (cont'd)

4. FIXED ASSETS (cont'd)

GROUP 1999	Balance at 1.6.1998 RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.5.1999 RM	Net book value at 31.5.1999 RM
Cost/Valuation							
Freehold land and buildings	7,228,260	-	-	-	-	7,228,260	7,102,059
Long leasehold land and buildings							
- at 1990 valuation	2,375,000	-	-	-	-	2,375,000	1,988,360
- at 1994 valuation	17,150,000	-	-	-	-	17,150,000	16,076,839
- at cost	4,941,601	74,261	-	-	-	5,015,862	4,397,446
Buildings							
- at cost	2,863,897	60,682	-	-	-	2,924,579	1,990,336
Leasehold improvements	320,846	-	-	-	-	320,846	52,647
Plant, machinery and equipment	64,551,579	1,249,088	(893,781)	(145,793)	727,404	65,488,497	38,720,337
Plant, machinery and equipment under lease and hire-purchase	3,631,177	394,757	-	-	(684,892)	3,341,042	2,911,758
Motor vehicles	2,805,607	308,128	(316,350)	-	537,383	3,334,768	1,137,679
Motor vehicles under hire-purchase	3,161,739	103,000	(204,194)	-	(537,383)	2,523,162	1,191,137
Furniture, fixtures and fittings	4,191,588	1,089,113	(333,542)	(127,180)	56,701	4,876,680	2,378,524
Furniture, fixtures and fittings under lease and hire-purchase	64,254	-	-	-	(56,701)	7,553	6,357
Building, plant and machinery under construction	1,392,634	152,701	-	(1,216,100)	(42,512)	286,723	286,723
Mining lease	1,842,080	-	-	-	-	1,842,080	-
Ships	44,121,319	741,015	-	-	-	44,862,334	36,102,310
Renovation	578,621	449,167	(41,780)	(43,968)	-	942,040	862,650
	161,220,202	4,621,912	(1,789,647)	(1,533,041)	-	162,519,426	115,205,162

GROUP 1999	Balance at 1.6.1998 RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.5.1999 RM
Accumulated Depreciation						
Freehold land and buildings	115,835	10,366	-	-	-	126,201
Long leasehold land and buildings						
- at 1990 valuation	345,580	41,060	-	-	-	386,640
- at 1994 valuation	875,478	197,683	-	-	-	1,073,161
- at cost	538,541	79,875	-	-	-	618,416
Buildings						
- at cost	663,831	270,412	-	-	-	934,243
Leasehold improvements	236,115	32,084	-	-	-	268,199
Plant, machinery and equipment	22,612,238	4,501,898	(692,062)	(107,892)	453,978	26,768,160
Plant, machinery and equipment under lease and hire-purchase	457,853	425,409	-	-	(453,978)	429,284
Motor vehicles	1,619,445	392,201	(318,598)	-	504,041	2,197,089
Motor vehicles under hire-purchase	1,427,874	543,741	(135,549)	-	(504,041)	1,332,025
Furniture, fixtures and fittings	2,299,497	395,172	(151,167)	(69,532)	24,186	2,498,156
Furniture, fixtures and fittings under lease and hire-purchase	18,957	6,425	-	-	(24,186)	1,196
Building, plant and machinery under construction	-	-	-	-	-	-
Mining lease	1,842,080	-	-	-	-	1,842,080
Ships	6,346,996	2,413,028	-	-	-	8,760,024
Renovation	64,756	19,392	(2,941)	(1,817)	-	79,390
	39,465,076	9,328,746	(1,300,317)	(179,241)	-	47,314,264

Notes To The Accounts (cont'd)

4. FIXED ASSETS (cont'd)

COMPANY 2000	Balance at 1.6.1999 RM	Revaluation RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.5.2000 RM	Net book value at 31.5.2000 RM
Cost/Valuation								
Long leasehold land and buildings								
- at 1994 valuation	17,150,000	7,261,725	1,438,275	-	-	(25,850,000)	-	-
- at 2000 valuation	-	-	-	-	-	26,800,000	26,800,000	26,736,745
- at cost	1,684,309	(779,664)	45,355	-	-	(950,000)	-	-
Motor vehicles	688,577	-	51,950	(754,809)	-	770,169	755,887	111,455
Motor vehicles under hire-purchase	952,970	-	835,000	(182,801)	-	(770,169)	835,000	788,667
Furniture, fixtures and fittings	588,514	-	76,085	(1,439)	(8,589)	-	654,571	430,508
Renovation	765,021	-	5,616	-	-	-	770,637	719,391
	21,829,391	6,482,061	2,452,281	(939,049)	(8,589)	-	29,816,095	28,786,766

	Balance at 1.6.1999 RM	Revaluation RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.5.2000 RM
Accumulated Depreciation							
Long leasehold land and buildings							
- at 1994 valuation	1,073,161	(1,237,897)	224,658	-	-	(59,922)	-
- at 2000 valuation	-	-	-	-	-	63,255	63,255
- at cost	93,003	(121,831)	32,161	-	-	(3,333)	-
Motor vehicles	651,820	-	155,867	(820,909)	-	657,654	644,432
Motor vehicles under hire-purchase	657,654	-	46,333	-	-	(657,654)	46,333
Furniture, fixtures and fittings	162,155	-	63,045	(155)	(982)	-	224,063
Renovation	35,842	-	15,404	-	-	-	51,246
	2,673,635	(1,359,728)	537,468	(821,064)	(982)	-	1,029,329

Notes To The Accounts (cont'd)

4. FIXED ASSETS (cont'd)

COMPANY 1999	Balance at 1.6.1998 RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.5.1999 RM	Net book value at 31.5.1999 RM
Cost/Valuation							
Long leasehold land and buildings							
– at 1994 valuation	17,150,000	–	–	–	–	17,150,000	16,076,839
– at cost	1,610,048	74,261	–	–	–	1,684,309	1,591,306
Motor vehicles	252,017	787	–	–	435,773	688,577	36,757
Motor vehicles under hire-purchase	1,388,743	–	–	–	(435,773)	952,970	295,316
Furniture, fixtures and fittings	463,278	237,910	(51,091)	(61,583)	–	588,514	426,359
Renovation	454,484	326,487	(15,950)	–	–	765,021	729,179
	21,318,570	639,445	(67,041)	(61,583)	–	21,829,391	19,155,756
Accumulated Depreciation							
Long leasehold land and buildings							
– at 1994 valuation	875,479	197,682	–	–	–	1,073,161	
– at cost	59,547	33,456	–	–	–	93,003	
Motor vehicles	206,814	16,496	–	–	428,510	651,820	
Motor vehicles under hire-purchase	808,416	277,748	–	–	(428,510)	657,654	
Furniture, fixtures and fittings	143,529	54,730	(14,549)	(21,555)	–	162,155	
Renovation	23,563	13,929	(1,650)	–	–	35,842	
	2,117,348	594,041	(16,199)	(21,555)	–	2,673,635	

Certain long leasehold land and buildings of the Group and of the Company were revalued by the directors based on a valuation carried out in 2000 by an independent firm of professional valuers using the open market value method. The carrying amount of the revalued assets of certain subsidiary companies that would have been carried at cost less accumulated depreciation cannot be determined from available records.

Certain freehold land, long leasehold land and building, plant, machinery and equipment, and ships of the Group have been charged as securities for banking facilities granted to the Group.

Notes To The Accounts (cont'd)

5. DEVELOPMENT PROPERTIES

	GROUP	
	2000 RM	1999 RM
Freehold land		
– at cost	10,770,638	10,770,638
– at valuation	877,201	1,754,402
Development expenditure	63,014,736	62,446,500
	74,662,575	74,971,540
Less: Long term portion	(26,176,878)	(26,312,572)
	48,485,697	48,658,968
Add: Attributable profit recognised	21,260,740	24,060,729
	69,746,437	72,719,697
Less: Progress billings	(64,210,323)	(64,683,626)
Short term portion included under current assets	5,536,114	8,036,071

The freehold land of a subsidiary company was revalued by the directors in 1980 on open market value based on a valuation carried out by an independent professional firm of valuers.

Included in cost of freehold land in 1999 is interest capitalised of RM221,765. A piece of freehold land under the long term portion is charged to a licensed bank as security for bank overdraft facility granted to a subsidiary company.

6. INTEREST IN SUBSIDIARY COMPANIES

	COMPANY	
	2000 RM	1999 RM
Unquoted shares – at cost	225,493,164	160,390,237
Amounts due from subsidiary companies	30,715,813	31,688,643
Amounts due to subsidiary companies	(29,760,470)	(12,518,868)
	226,448,507	179,560,012

The amounts due from/to subsidiary companies represent balances arising from advances and payments made on behalf of/by the subsidiary companies which are unsecured and have no fixed terms of repayment. The advances bear interest at 3% to 8% (1999: 3% to 10%) per annum.

6. INTEREST IN SUBSIDIARY COMPANIES (cont'd)

Details of the subsidiary companies are as follows:-

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2000	1999	
Ancom Crop Care Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of agricultural chemical products
Polytensides Sdn. Bhd.	Malaysia	100%	100%	Manufacture of agricultural products and chemicals
Timber Preservatives Sdn. Bhd.	Malaysia	51%	51%	Manufacture and distribution of timber preservatives and chemicals
Sun Chemicals Sdn. Bhd.	Malaysia	100%	100%	Formulation and repacking of agricultural chemicals
Norwood Sdn. Bhd.	Malaysia	—	100%	Dormant
A.P. Industrial Chemicals Corp. Sdn. Bhd.	Malaysia	100%	100%	Dormant
Fermpro Sdn. Bhd.	Malaysia	100%	100%	Manufacture and trading of ethanol and other related chemical products
Perusahaan Kimia Gemilang Sdn. Bhd.	Malaysia	100%	100%	Trading in petroleum based products and industrial chemicals
Kumpulan Kesuma Sdn. Bhd	Malaysia	100%	100%	Manufacture of sealants and adhesive products
Wedon Sdn. Bhd.	Malaysia	100%	100%	Trading in sealants and adhesive products
Ancom-ChemQuest Terminals Sdn. Bhd.	Malaysia	51%	51%	Build, own, operate and manage chemical tank farm
Ancom Energy & Services Sdn. Bhd.	Malaysia	55%	55%	Supply of goods and services to oil and gas industry
Elderberry Sdn. Bhd.	Malaysia	100%	100%	Ship-owning and ship-operating
Synergy Concepts Sdn. Bhd.	Malaysia	100%	100%	Ship-owning and ship-operating
Synergy Point Sdn. Bhd.	Malaysia	100%	100%	Ship-owning and ship-operating
Synergy Tanker Sdn. Bhd.	Malaysia	100%	100%	Ship-owning and ship-operating
Ancom Ship Management Sdn. Bhd.	Malaysia	100%	100%	Ship management
OrganiGro Sdn. Bhd. (formerly known as Sequantum Sdn. Bhd.)	Malaysia	100%	100%	Dormant

6. INTEREST IN SUBSIDIARY COMPANIES (cont'd)

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2000	1999	
* Syarikat Wandeerfull Sdn. Bhd.	Malaysia	100%	100%	Investment holding, dealing in and subletting of land
* Bullion Mining and Developments Sendirian Berhad	Malaysia	100%	100%	Property development and investment holding
* Rhodemark Development Sdn. Bhd.	Malaysia	50.1%	50.1%	Investment holding
+ Ancom (Hong Kong) Limited	Hong Kong	100%	100%	Investment holding
* Malay Sino Technologies Sdn. Bhd.	Malaysia	50.1%	—	Trading of computer hardware and software and the rendering of IT related consulting service
Subsidiary companies of Ancom Crop Care Sdn. Bhd.				
Ancom Garden Products Sdn. Bhd.	Malaysia	100%	100%	Distributing gardening products
Consolidated Specialties Sdn. Bhd.	Malaysia	100%	100%	Trading in industrial textile chemicals
* Ancom do Brasil Ltda	Brazil	99.99%	99.99%	Dormant
+ Ancom Argentina S.A.	Argentina	99.99%	99.99%	Dormant
* Ancom Australia Pty. Ltd.	Australia	100%	100%	Dormant
* Malancom Agrochemicals (Pty.) Limited	South Africa	100%	—	Dormant
Subsidiary companies of Ancom Energy & Services Sdn. Bhd.				
Tubex Sdn. Bhd.	Malaysia	55%	45.4%	Provide threading and ancillary services
Akra Engineering Sdn. Bhd.	Malaysia	53.1%	53.1%	Manufacture of steel structures for oil and gas industries and other related maintenance and engineering services
AES Mayak Sdn. Bhd.	Malaysia	55%	55%	Dormant
Petrodril (Malaysia) Sdn. Bhd.	Malaysia	44%	44%	Provision of drilling rigs and workover services, and supply of drilling related equipment

6. INTEREST IN SUBSIDIARY COMPANIES (cont'd)

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2000	1999	
Subsidiary companies of Ancom Energy & Services Sdn. Bhd. (cont'd)				
Material Performance Engineering Sdn. Bhd.	Malaysia	49.5%	49.5%	Investment holding, trading of anodes and cathodic protection equipment and provision of technical training services
Subsidiary companies of Material Performance Engineering Sdn. Bhd.				
MPE Lindung Sdn. Bhd.	Malaysia	49.5%	49.5%	Manufacture and supply of anodes and cathodic protective equipment
Indah Segar Sdn. Bhd.	Malaysia	49.5%	49.5%	Technical and consulting services in the field of corrosion protection, material design, evaluation and environment engineering related work activities
Subsidiary company of Perusahaan Kimia Gemilang Sdn. Bhd.				
* Dynamic Chemical Trading Pte. Ltd.	Singapore	100%	100%	Trading in industrial chemicals
Subsidiary companies of Syarikat Wandeerfull Sdn. Bhd.				
* Wandeerfull Industries Sdn. Bhd.	Malaysia	100%	100%	Dormant
* Wandeerfull Property & Development Sdn. Bhd.	Malaysia	70%	70%	Property development
Subsidiary company of Wandeerfull Property & Development Sdn. Bhd.				
* Wandeerfull Mining Sdn. Bhd.	Malaysia	70%	70%	Dormant

6. INTEREST IN SUBSIDIARY COMPANIES (cont'd)

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2000	1999	
Subsidiary company of Bullion Mining and Developments Sendirian Berhad				
* Merah Putih Sdn. Bhd.	Malaysia	—	100%	Dormant
Subsidiary companies of Rhodemark Development Sdn. Bhd.				
* Norwood Sdn. Bhd.	Malaysia	50.1%	—	Dormant
* Nylex (Malaysia) Berhad	Malaysia	26%	—	Manufacture and marketing of vinyl-coated fabrics, calendered film and sheeting and other plastic products, including geotextiles and prefabricated sub-soil drainage systems
Subsidiary companies of Nylex (Malaysia) Berhad				
* Tamco Corporate Holdings Sdn. Berhad	Malaysia	26%	—	Design, manufacture, supply, installation, commissioning and maintenance of equipment and systems of power distribution
* Nycon Manufacturing Sdn. Bhd.	Malaysia	26%	—	Manufacture and marketing of rotomoulded bulk containers
* Malaysian Roofing Industries Sdn. Bhd.	Malaysia	13.3%	—	Manufacture and marketing of metal roofing tiles and ceiling panels
* Asia Pacific Insulation Corporation	Philippines	26%	—	Manufacture and marketing of glasswool insulation products
* Zonson Sports (Malaysia) Sdn. Bhd.	Malaysia	20.8%	—	Manufacture and marketing of quality golf bags
* Tamco (Singapore) Pte. Ltd.	Singapore	26%	—	Trading and contracting in electrical engineering products
* Tamco Electrical & Electronics (Malaysia) Sdn. Bhd.	Malaysia	26%	—	Trading and contracting in electrical engineering products

6. INTEREST IN SUBSIDIARY COMPANIES (cont'd)

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2000	1999	
Subsidiary companies of Nylex (Malaysia) Berhad (cont'd)				
* Tamco Electrical & Electronics (Singapore) Pte. Ltd.	Singapore	26%	—	Trading and contracting in electrical engineering products
* Tamco Electrical & Electronics (Hong Kong) Limited	Hong Kong	26%	—	Trading and contracting in electrical engineering products
* Tamco (Malaysia) Sdn. Berhad	Malaysia	26%	—	Dormant
* Tamco Industries Sdn. Berhad	Malaysia	26%	—	Dormant
* TEE Power & Engineering Sdn. Bhd.	Malaysia	26%	—	Dormant
* Asia Pacific Insulation Development Corporation (formerly known as ACI Philippines Development, Inc.)	Philippines	26%	—	Property holding company
* Asia Pacific Insulation Trading Corporation (formerly known as ACI Philippines Trading, Inc.)	Philippines	26%	—	Trading in fibreglass and other related products
* PT Indomalay Ekatana Roofing Industries	Indonesia	9.3%	—	Manufacture and marketing of metal roofing tiles
* Universal Motor Kontrol Pty. Limited	Australia	26%	—	Design and manufacture of electrical motor control centres
* Kontrol Sales Pty. Limited	Australia	26%	—	Sales of electrical motor control centres and other related equipment
* PT Kontrol Ragam Indonesia	Indonesia	20.8%	—	Design and manufacture of electrical motor control centres
* Universal Motor Kontrol Hong Kong Limited	Hong Kong	26%	—	Sales of electrical motor control centres and other related equipment
* Tamco Shanghai Switchgear Company Limited	China	26%	—	Manufacture and marketing of switchgear and related products

6. INTEREST IN SUBSIDIARY COMPANIES (cont'd)

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2000	1999	
Subsidiary companies of Nylex (Malaysia) Berhad (cont'd)				
* Tamco Gulf Enterprises Sdn. Berhad	Malaysia	26%	—	Dormant
* Tamco Static Systems (Far East) Limited	Hong Kong	26%	—	Dormant
Subsidiary company of Malay Sino Technologies Sdn. Bhd.				
* WorldSOL.com. Sdn. Bhd. (formerly known as Five-D Marketing Sdn. Bhd.)	Malaysia	50.1%	—	Dormant
* Subsidiary companies not audited by BDO Binder or member firms of BDO International. + Subsidiary companies audited by a member firm of BDO International.				

7. INTEREST IN ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Unquoted shares – at cost	8,950,491	5,705,883	49,000	49,000
Amounts due from associated companies	2,166,672	3,106,891	—	—
Amounts due to associated companies	(8,088,332)	(186,030)	—	—
	3,028,831	8,626,744	49,000	49,000
Group's share of post acquisition results	1,354,648	182,261	—	—
	4,383,479	8,809,005	49,000	49,000

The amounts due from/to associated companies represent advances and balances arising from normal trade transactions which are unsecured and have no fixed terms of repayment. Certain advances bear interest at 8% (1999: 10%) per annum.

Details of the associated companies are as follows:-

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2000	1999	
Direct:-				
* Fernz Timber Protection (M) Sdn. Bhd.	Malaysia	49%	49%	Trading in timber wood preservative and other chemical products

7. INTEREST IN ASSOCIATED COMPANIES (cont'd)

Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2000	1999	
Indirect:-				
Ancom Kimia Sdn. Bhd.	Malaysia	30%	30%	Distributor of petroleum based products and industrial chemicals
* Transmare-Chemie (Singapore) Pte. Ltd.	Singapore	20%	20%	Distributor of printing ink solvent and industrial chemicals
* ChemResources China (Agencies) Limited	Hong Kong	40%	40%	Distributor of printing ink solvent and industrial chemicals
* Transmare-Chemie Handelsgesellschaft mbH	Germany	20%	20%	Distributor of printing ink solvent and industrial chemicals
* ChemResources China Coating Limited	Hong Kong	30%	30%	Investment holding
+ Ancom Philippines Inc.	Philippines	39.6%	39.6%	Dormant
* Hikmat Ikhlas Sdn. Bhd.	Malaysia	12.75%	—	Trading and contracting in electrical engineering products
* Suistulin Sdn. Bhd.	Malaysia	7.8%	—	Trading and marketing in switchgear and related products
* Tamco Chongqing Switchgear Company Limited	China	13%	—	Manufacturing and sale of switchgear and related products

* Associated companies not audited by BDO Binder or member firms of BDO International.
+ Associated company audited by a member firm of BDO International.

8. OTHER INVESTMENTS - At Cost

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Long term				
– quoted shares in Malaysia	30,834,949	36,657,827	30,834,949	36,657,827
– quoted shares outside Malaysia	7,402,079	7,402,079	7,402,079	7,402,079
– unquoted investments	3,866,702	286,578	216,578	216,578
	42,103,730	44,346,484	38,453,606	44,276,484
Market value				
– quoted shares in Malaysia	32,969,220	30,126,290	32,969,220	30,126,290
– quoted shares outside Malaysia	5,201,560	5,938,176	5,201,560	5,938,176

9. INTANGIBLE ASSETS

	GROUP	
	2000 RM	1999 RM
Trademarks and patents	147,304	237,941
Preliminary expenses	47,092	52,197
Pre-operating expenses	480,073	278,370
Technical know-how	251,505	251,505
Ship maintenance expenses	9,027,350	8,659,729
Development expenditure	18,941,338	—
	28,894,662	9,479,742
Less: Accumulated amortisation	(15,498,074)	(2,637,499)
Ship maintenance expenses written off	(2,260,424)	—
	11,136,164	6,842,243
Included in pre-operating expenses is the following:-		
Auditors' remuneration	4,000	3,300

Notes To The Accounts (cont'd)

10. GOODWILL ARISING ON CONSOLIDATION

	GROUP	
	2000	1999
	RM	RM
As at 1 June	39,742,951	39,688,660
Arising from acquisition of:-		
– subsidiary companies	10,100,677	57,345
– additional shares in subsidiary companies	7,083,056	5,001
Disposal of subsidiary companies	(2,433,192)	–
Partial disposal of a subsidiary company	–	(8,055)
Goodwill realised on partial write-off in value of a subsidiary company	(356,691)	–
As at 31 May	54,136,801	39,742,951

11. STOCKS

	GROUP	
	2000	1999
	RM	RM
Raw materials	59,499,625	8,545,998
Packing materials	195,163	152,247
Work-in-progress	12,894,509	53,718
Finished goods	41,401,686	13,491,196
Consumables	3,431,167	49,061
	117,422,150	22,292,220
Less: Provision for stock obsolescence	(4,133,293)	(185,630)
	113,288,857	22,106,590

12. DEBTORS

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Trade debtors	237,957,734	62,626,985	–	–
Less: Provision for doubtful debts	(4,089,584)	(2,811,566)	–	–
	233,868,150	59,815,419	–	–
Other debtors, deposits and prepayments	44,902,403	11,608,882	3,025,884	1,814,248
Less: Provision for doubtful debts	(1,742,841)	(1,742,841)	–	–
	43,159,562	9,866,041	3,025,884	1,814,248
	277,027,712	69,681,460	3,025,884	1,814,248

The provision for doubtful debts are net of bad debts written off of RM125,263 (1999: RM1,205,086).

Notes To The Accounts (cont'd)

13. SHORT TERM DEPOSITS

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Short term deposits with:-				
– licensed banks	63,576,632	17,943,015	–	14,539,000
– licensed financial institutions	2,513,957	17,060,465	–	4,000,000
	66,090,589	35,003,480	–	18,539,000

Included in the short term deposits of the Group are amounts totalling RM6,053,787 (1999: RM519,689) belonging to certain subsidiary companies which have been pledged to licensed banks for banker's guarantee issued in favour of a state authority and third parties, and for banking facility granted to a subsidiary company.

14. CREDITORS

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Trade creditors	107,188,846	21,314,578	–	–
Other creditors and accruals	107,686,036	20,204,212	1,084,264	1,276,088
Hire-purchase and lease creditors (Note 19)	1,290,106	1,030,855	125,471	133,939
Amounts due to directors	56,000	113,356	–	–
	216,220,988	42,663,001	1,209,735	1,410,027

15. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Unsecured				
Export credit refinancing	1,183,000	–	–	–
Bankers' acceptances	37,921,000	7,260,498	–	–
Trust receipts and bills payable	28,816,940	796,000	–	–
Revolving credits	43,432,349	21,000,000	20,600,000	19,000,000
Bank overdrafts	7,821,130	6,290,476	2,311,833	3,776,128
Short term loan	–	1,262,988	–	–
	119,174,419	36,609,962	22,911,833	22,776,128

Notes To The Accounts (cont'd)

15. SHORT TERM BORROWINGS (cont'd)

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Secured				
Bankers' acceptances	293,000	677,000	–	–
Bank overdrafts	9,212,085	2,813,910	–	–
Trust receipts	745,060	1,794,356	–	–
Revolving credits	800,000	–	–	–
Long term loans				
– current portion (Note 20)	49,458,634	5,705,782	–	–
	60,508,779	10,991,048	–	–
	179,683,198	47,601,010	22,911,833	22,776,128

The bankers' acceptances, bank overdrafts, trust receipts and revolving credits of the Group are secured by a fixed charge over the freehold land and buildings of certain subsidiary companies and guaranteed by the Company.

Short term borrowings bear interest ranging from 3.2% to 9.3% (1999: 3.8% to 15.1%) per annum.

The contractual terms of the long term loans are detailed in Note 20 to the Accounts.

16. SHARE CAPITAL

	GROUP & COMPANY	
	2000	1999
	RM	RM
Ordinary shares of RM1 each:-		
Authorised	500,000,000	500,000,000
Issued and Fully Paid:-		
As at 1 June	116,761,195	117,738,195
Issue of shares under ESOS	3,600,000	24,000
Purchase of Company's own shares	–	(1,001,000)
As at 31 May	120,361,195	116,761,195

During the financial year, the issued and fully paid-up share capital of the Company has increased from 116,761,195 ordinary shares of RM1 each to 120,361,195 ordinary shares of RM1 each by an allotment of 3,600,000 new ordinary shares of RM1 each pursuant to the Employees' Share Option Scheme ("ESOS") at the option price of RM1.476 per share.

Notes To The Accounts (cont'd)

17. RESERVES

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
i) Non-distributable				
Share premium	75,038,686	73,365,021	75,038,686	73,365,021
Merger reserve/relief	1,282,044	1,282,044	32,494,629	32,494,629
Revaluation reserve	20,441,670	6,995,138	14,753,114	6,937,576
Capital reserve	2,349,307	2,349,307	–	–
Foreign exchange reserve	(2,107,293)	(949,304)	–	–
Capital redemption reserve	4,917,000	4,917,000	4,917,000	4,917,000
ii) Distributable				
Retained profits	45,185,865	47,533,887	1,205,916	1,225,136
	147,107,279	135,493,093	128,409,345	118,939,362
Movements in reserves during the year were:-				
Share premium				
As at 1 June	73,365,021	73,353,597	73,365,021	73,353,597
Add: Arising from issue of shares under ESOS	1,713,600	11,424	1,713,600	11,424
Less: Expenses arising from issue of shares under ESOS	(39,935)	–	(39,935)	–
As at 31 May	75,038,686	73,365,021	75,038,686	73,365,021
Revaluation reserve				
As at 1 June	6,995,138	6,995,138	6,937,576	6,937,576
Add: Arising from revaluation of land and buildings during the year	13,472,783	–	7,841,789	–
Less: Valuation cost	(26,251)	–	(26,251)	–
As at 31 May	20,441,670	6,995,138	14,753,114	6,937,576

Notes To The Accounts (cont'd)

17. RESERVES (cont'd)

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Foreign exchange reserve				
As at 1 June	(949,304)	(1,530,580)	–	–
Unrealised exchange gain/(loss) on translation of foreign currency term loan	–	207,480	–	–
Less: Amortisation for the year	483,600	386,880	–	–
	(465,704)	(936,220)	–	–
Arising from translation of foreign subsidiary companies	(1,641,589)	(13,084)	–	–
As at 31 May	(2,107,293)	(949,304)	–	–
Capital redemption reserve				
As at 1 June	4,917,000	3,916,000	4,917,000	3,916,000
Transfer from profit and loss account	–	1,001,000	–	1,001,000
As at 31 May	4,917,000	4,917,000	4,917,000	4,917,000

The movement in capital redemption reserve in 1999 represents the nominal value of shares totalling RM1,001,000 capitalised from retained profits on cancellation of 1,001,000 ordinary shares of RM1 each upon the purchase by the Company of its own shares.

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax exempt income to distribute cash dividend out of all its retained profits as at 31 May 2000 without incurring additional tax liability.

18. DEFERRED AND LONG TERM LIABILITIES

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Hire-purchase and lease creditors (Note 19)	1,619,521	1,751,466	298,238	37,885
Long term loans (Note 20) – secured	76,528,979	26,085,603	20,000,000	–
Deferred taxation (Note 21)	(1,812,969)	1,205,781	185,157	148,157
Provision for retirement benefit (Note 3.10)	3,276,143	–	–	–
	79,611,674	29,042,850	20,483,395	186,042

Notes To The Accounts (cont'd)

19. HIRE-PURCHASE AND LEASE CREDITORS

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Amount outstanding	3,428,678	3,417,529	517,300	183,376
Less: Unexpired interest	(519,051)	(635,208)	(93,591)	(11,552)
Principal sum outstanding	2,909,627	2,782,321	423,709	171,824
Payable as follows:-				
Within the next twelve months (Note 14)	1,290,106	1,030,855	125,471	133,939
After the next twelve months (Note 18)	1,619,521	1,751,466	298,238	37,885
	2,909,627	2,782,321	423,709	171,824

20. LONG TERM LOANS

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Secured				
As at 31 May	125,987,613	31,791,385	20,000,000	–
Repayable within the next twelve months (Note 15)	(49,458,634)	(5,705,782)	–	–
Repayable after the next twelve months (Note 18)	76,528,979	26,085,603	20,000,000	–

The long term loans of the Group and of the Company are secured by:-

- a fixed charge over the freehold land and building of the Company and of a subsidiary company;
- fixed charge over the ships, and plant and machinery of certain subsidiary companies;
- a fixed and floating charge over all the assets of a subsidiary company;
- deed of assignment over rental proceeds derived from lease of chemical tank farm of a subsidiary company;
- shares in a subsidiary company;
- a short term deposit of RM5,585,000; and
- guarantee by all the shareholders of a subsidiary company.

The long term loans bear interest ranging from 6.00% to 8.90% (1999: 6.00% to 13.55%) per annum.

The long term loans are repayable in monthly, semi-annual and annual instalments within a period not exceeding 8 years.

Notes To The Accounts (cont'd)

21. DEFERRED TAXATION

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
As at 1 June	1,205,781	1,205,781	148,157	148,157
Transfer (to)/from profit and loss accounts (Note 24)	(5,597,778)	–	37,000	–
Deferred taxation of subsidiary companies acquired	4,115,555	–	–	–
Deferred taxation of subsidiary company disposed of	(1,536,527)	–	–	–
As at 31 May	(1,812,969)	1,205,781	185,157	148,157
Represented by:-				
– Deferred taxation	8,058,534	1,205,781	185,157	148,157
– Future income tax benefits	(9,871,503)	–	–	–
	(1,812,969)	1,205,781	185,157	148,157

22. OPERATING PROFIT

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
The operating profit is arrived at after charging/(crediting):-				
Amortisation of foreign exchange losses	483,600	386,880	–	–
Amortisation of intangible assets	4,480,392	1,519,690	–	–
Auditors' remuneration				
– current year	718,487	174,909	15,000	15,000
– over provision in prior years	(3,410)	(10,982)	–	(8,780)
Bad debts written off	1,042,301	79,260	–	1,292,935
Cost of sales	504,960,466	187,247,491	–	–
Directors' remuneration				
– fees	624,000	587,000	109,500	111,000
– other emoluments	5,187,434	4,319,613	1,378,080	1,618,000
Depreciation of fixed assets	26,030,738	5,522,658	537,468	594,041
Fixed assets written off	14,331	1,353,800	7,607	40,028
Interest expense on:-				
– bank overdrafts	587,506	1,288,262	208,352	693,341
– term loans	14,276,356	4,286,151	2,093,636	1,341,921
– others	2,344,678	1,867,375	2,972,587	1,994,745
Loss on disposal of investment	651,803	–	651,803	–
Loss on disposal of a subsidiary company	–	463,459	–	–

Notes To The Accounts (cont'd)

22. OPERATING PROFIT (cont'd)

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Provision for doubtful debts	1,264,414	286,509	–	–
Rental of:-				
– land and premises	6,015,675	1,253,514	208,310	306,672
– others	98,313	75,000	–	–
Unrealised loss on foreign exchange	56,324	–	–	–
Provision for retirement benefits	845,538	–	–	–
Provision for stock obsolescence	3,504,000	–	–	–
Revaluation deficit	14,080	–	–	–
Dividend (gross) from unquoted subsidiary companies	–	–	(8,009,700)	(7,909,000)
Dividend (gross) from investment in quoted shares:-				
– in Malaysia	(964,528)	(435,000)	(964,528)	(435,000)
– outside Malaysia	(397,000)	(202,539)	(397,000)	(202,539)
Dividend (gross) from investment in unquoted shares	(1,107,047)	–	–	–
Dividend (gross) from associated companies	(288,378)	–	–	–
Gain on partial disposal of a subsidiary company	–	(39,707)	–	–
(Gain)/Loss on disposal of fixed assets	(493,515)	103,857	(282,700)	1,400
(Gain)/Loss on foreign exchange	(382,916)	(2,793,586)	(648)	170
Interest income	(914,639)	(3,692,498)	(823,540)	(2,980,339)
Provision for doubtful debts no longer required	(1,008,390)	(2,400,120)	–	–
Rental income from:-				
– subsidiary companies	–	–	(198,000)	(198,000)
– others	(3,007,527)	(3,469,632)	–	–

The estimated monetary value of benefits-in-kind received by certain directors of the Group amounted to RM83,900 (1999: RM44,217).

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Included in cost of sales are the following:-				
Amortisation of intangible assets	12,575	12,575	–	–
Depreciation of fixed assets	3,494,124	3,806,088	–	–
Rental of equipment	31,730	1,500	–	–
Provision for obsolete stocks	–	92,815	–	–
Rental of premises	427,998	442,400	–	–

Notes To The Accounts (cont'd)

23. EXCEPTIONAL ITEMS

	GROUP	
	2000	1999
	RM	RM
Loss on disposal of a subsidiary company	19,065,040	–
Gain on disposal of a subsidiary company	(10,005)	–
Goodwill realised on disposal of a subsidiary company	2,431,982	–
Goodwill realised on partial write-off in value of a subsidiary company	356,691	–
Deferred expenditure written off	2,260,424	–
Fixed assets written down	3,259,009	–
	27,363,141	–

24. TAXATION

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Current taxation				
– current year's provision				
– Malaysia	9,567,930	121,800	1,580,000	1,803,065
– Foreign	450,000	–	–	–
– under/(over) provision in prior years	181,906	(136,204)	(39,833)	59,349
Recoverable effect of tax credit in respect of dividend received from subsidiary companies	–	(533,254)	–	–
Share of taxation in associated companies	464,301	163,599	–	–
	10,664,137	(384,059)	1,540,167	1,862,414
Transfer (from)/to deferred taxation (Note 21)	(5,597,778)	–	37,000	–
	5,066,359	(384,059)	1,577,167	1,862,414

The tax charge of the Group in 2000 reflects an effective tax rate which is higher than the statutory rate due mainly to the non-availability of group relief where tax losses of certain subsidiary companies cannot be set-off against the taxable profits of other subsidiary companies.

No provision has been made for taxation in 1999 for the Group and the Company in respect of income, except for dividend income, for the financial year ended 31 May 1999 in accordance with the waiver in the Income Tax (Amendment) Act 1999.

Notes To The Accounts (cont'd)

25. DIVIDENDS

	GROUP & COMPANY	
	2000	1999
	RM	RM
Proposed final dividend of 4% (1999: 4%) less income tax	3,466,402	3,362,722
Reduction in dividend paid for dividend proposed in previous year in relation to the purchase of its own shares subsequent to the end of the previous financial year	–	(21,622)
Increase in dividend paid for dividend proposed in previous year in relation to the allotment of shares pursuant to the ESOS	47,318	–
	3,513,720	3,341,100

26. EARNINGS PER ORDINARY SHARE

The earnings per ordinary share is calculated based on the Group's profit after taxation and minority interests of RM1,165,698 (1999: RM16,043,625) and the weighted average number of 118,678,112 (1999: 117,668,028) ordinary shares in issue during the year.

The fully-diluted earnings per share based on the assumed conversion of the share options granted under the ESOS is antidilutive.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2000	1999	2000	1999
	RM	RM	RM	RM
Dividend (gross) received from subsidiary companies	–	–	8,009,700	7,909,000
Interest received from subsidiary companies	–	–	486,051	969,042
Interest paid to subsidiary companies	–	–	2,894,255	1,966,766
Rental income from subsidiary companies	–	–	198,000	198,000
Management fee receivable from subsidiary companies	–	–	5,584,923	5,258,318
Sales to an associated company	25,000	1,077,482	–	–
Commission payable to an associated company	–	691,719	–	–
Purchases from associated companies	85,422,133	1,012,587	–	–
Contract progress billings from a company in which certain directors of a subsidiary company have substantial financial interest	–	7,591,101	–	–

These transactions are entered into in the ordinary course of business and have been established under negotiated terms.

28. COMMITMENTS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
i) Capital expenditure				
Approved/Contracted but not provided for	14,456,232	751,614	–	–
ii) Investments				
Authorised and contracted for in respect of:-				
– purchase of shares in quoted investment	–	174,879,708	–	–
– purchase of additional shares in an existing subsidiary company	–	1,420,000	–	–
– subscription for new shares in an existing subsidiary company	–	–	–	53,356,501
	14,456,232	177,051,322	–	53,356,501

The outstanding investment commitment of the Company in an unquoted subsidiary company, Rhodemark Development Sdn. Bhd. of RM53,356,501 in 1999 was utilised to finance the purchase of 116,586,472 ordinary shares of RM1 each representing approximately 51.93% equity interest in Nylex (Malaysia) Berhad, a company incorporated in Malaysia and quoted on the Main Board of the Kuala Lumpur Stock Exchange, for a total cash consideration of RM174,879,708 in 2000.

29. SIGNIFICANT EVENTS

- a) On 26 April 1999, Rhodemark Development Sdn. Bhd., a subsidiary company of Ancom Berhad, entered into a sales and purchase agreement for the proposed acquisition of 116,586,472 ordinary shares of RM1 each representing approximately 51.93% equity interest in Nylex (Malaysia) Berhad, a company incorporated in Malaysia and quoted on the Main Board of the Kuala Lumpur Stock Exchange, for a total cash consideration of RM174,879,708. The acquisition has been approved by the relevant authorities during the financial year and the shareholders of the Company at an Extraordinary General Meeting held on 6 August 1999.
- b) On 1 November 1999, Tamco Corporate Holdings Sdn. Berhad, a wholly-owned subsidiary of Nylex (Malaysia) Berhad, completed its acquisition of the remaining 49% equity interest in Universal Motor Kontrol Pty. Limited (“UMK”), thereby making UMK its wholly-owned subsidiary, for a total purchase consideration of RM10,877,000.
- c) On 27 December 1999, Nylex (Malaysia) Berhad, a subsidiary of Rhodemark Development Sdn. Bhd., entered into a conditional sale and purchase agreement for the disposal of a wholly-owned subsidiary company, Kuala Lumpur Glass Manufacturers Company Sdn. Bhd., for a proposed cash consideration of RM60,000,000.

The disposal has been approved by the relevant authorities during the financial year and the shareholders of Nylex (Malaysia) Berhad at an Extraordinary General Meeting held on 17 May 2000.

29. SIGNIFICANT EVENTS (cont'd)

- d) On 29 February 2000, Ancom Berhad entered into a conditional sale and purchase agreement for the proposed acquisition of 1,002,000 ordinary shares of RM1 each representing 50.1% equity interest in Malay Sino Technologies Sdn. Bhd. for a total cash consideration of RM9,680,000. The acquisition has been approved by the relevant authorities during the financial year.
- e) On 20 March 2000, Ancom Berhad entered into a conditional joint venture agreement for the carrying out of manufacturing, trading and distribution of organic fertilisers through a joint venture company, OrganiGro Sdn. Bhd. (formerly known as Sequantum Sdn. Bhd.).
- f) On 10 May 2000, Synergy Tanker Sdn. Bhd., a wholly owned subsidiary of Ancom Berhad, entered into a conditional sale and purchase agreement for the disposal of its vessel, MT Zainab, for a cash consideration of approximately RM9,975,000.

The agreement became unconditional upon delivery of the vessel in June 2000 and this has resulted in a write down of the carrying amount of the asset by RM3,259,000 and write off of deferred expenditure of RM2,260,000 as at 31 May 2000.

30. CONTINGENT LIABILITIES

COMPANY

As at 31 May 2000, the Company has given corporate guarantee amounting to RM34,889,440 (1999: RM49,097,000) to licensed banks, finance companies and a leasing company for credit facilities granted to certain subsidiary companies.

GROUP

As at 31 May 1999, the Group has outstanding contingent liabilities arising from certain subsidiary companies which are contingently liable:-

- i) for a claim of approximately RM137,700 (1999: RM137,700) by a third party for services rendered to a subsidiary company. The directors of the subsidiary company are of the opinion that the claim has no merit and, accordingly, no provision has been made in the accounts;
- ii) up to the extent of RM140,000 (1999: RM140,000) to a licensed bank for a banker’s guarantee issued in favour of a state authority on behalf of another subsidiary company for the fulfilment of obligations in respect of filling and levelling its mining lease; and
- iii) up to the extent of RM3,942,000 (1999: RM3,942,000) to a licensed bank for corporate guarantee and letter of guarantee given for bank credit facilities granted to associated companies.

2000	Turnover RM	Profit/(Loss)	Total
		Before Taxation RM	Assets Employed RM
Major segment by geographical region:-			
Malaysia	590,729,750	10,946,961	733,087,699
Singapore	19,407,503	615,506	18,598,691
Philippines	23,528,462	(4,412,648)	53,222,586
Other countries	77,029,056	(7,036,780)	123,261,153
	710,694,771	113,039	928,170,129
Group share of results of associated companies	–	1,636,688	–
	710,694,771	1,749,727	928,170,129

No analysis by geographical region is provided for 1999 as the Group was then operating predominantly in Malaysia.

Notes To The Accounts (cont’d)

31. SEGMENTAL INFORMATION

	Turnover		Profit/(Loss)		Total Assets Employed	
	Before Taxation					
	2000	1999	2000	1999	2000	1999
	RM	RM	RM	RM	RM	RM
Major segment by industry:-						
Investment holding	1,784,139	2,648,836	(3,966,425)	(158,627)	91,201,204	101,640,933
Agricultural and industrial chemicals	262,042,899	197,835,032	18,372,515	12,888,200	157,808,001	146,713,197
Oil and gas services	43,753,444	30,658,007	(3,507,341)	852,127	54,607,033	50,932,730
Shipping	9,040,188	8,290,044	(8,051,835)	(651,535)	36,568,037	44,681,342
Property development	4,276,713	12,981,497	(255,789)	3,519,896	40,566,408	42,686,551
Polymer	85,715,335	–	8,742,159	–	194,032,028	–
Engineering	212,112,498	–	14,835,997	–	273,794,682	–
Packaging	36,946,214	–	(24,189,079)	–	83,366,634	–
Building products	54,683,885	–	(1,865,771)	–	(6,698,794)	–
Others	339,456	–	(1,392)	(12,893)	2,924,896	1,782,329
	710,694,771	252,413,416	113,039	16,437,168	928,170,129	388,437,082
Group share of results of associated companies						
	–	–	1,636,688	(384,557)	–	–
	710,694,771	252,413,416	1,749,727	16,052,611	928,170,129	388,437,082

32. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year’s presentation.

Analysis of Shareholding

As At 21 August 2000

Analysis by Size of Holdings

Size of Holdings	No. of Holders	%	No. of Shares	%
1 – 499	151	1.44	29,308	0.02
500 – 5,000	8,611	81.91	17,467,296	14.50
5,001 – 10,000	962	9.15	7,911,284	6.57
10,001 – 100,000	708	6.73	18,138,087	15.06
100,001 – 1,000,000	66	0.63	20,550,985	17.06
Above 1,000,000	15	0.14	56,358,235	46.79
	10,513	100.00	120,455,195	100.00

Twenty Largest Shareholders

Name	No. of Shares	%
1. Pacific & Orient Berhad	11,499,489	9.55
2. Malaysia Nominees (Tempatan) Sendirian Berhad a/c for Silver Dollars Sdn Bhd	7,075,655	5.87
3. Lembaga Tabung Haji	6,716,893	5.58
4. Pacific Nominees (Asing) Sdn Bhd a/c for Sword Investments Private Limited	5,965,500	4.95
5. OUB Nominees (Tempatan) Sdn Bhd a/c for Siew Ka Wei	4,195,000	3.48
6. Tee Kim Chan	3,529,000	2.93
7. Malaysia Nominees (Tempatan) Sendirian Berhad a/c for Great Eastern Life Assurance (Malaysia) Berhad	3,316,000	2.75
8. UMB Nominees (Tempatan) Sdn Bhd a/c for Eastern & Oriental Berhad	3,305,000	2.74
9. Pacific & Orient Insurance Co Berhad	2,949,000	2.45
10. Malaysia Nominees (Tempatan) Sendirian Berhad a/c for Siew Nim Chee & Sons Sdn Bhd	2,371,698	1.97
11. Citicorp Nominees (Asing) Sdn Bhd a/c for CIB Lux Union Investment Management SA for Unidynamicfonds Asia	2,000,000	1.66
12. Amanah Raya Nominees (Tempatan) Sdn Bhd a/c for Kuala Lumpur Index Fund	1,540,000	1.28
13. Malaysia Nominees (Tempatan) Sendirian Berhad a/c for Tan Sri Dato’ Thong Yaw Hong	1,500,000	1.25
14. Mayban Nominees (Tempatan) Sdn Bhd a/c for Mayban Trustees Bhd for Amanah Saham Wanita	1,071,000	0.89
15. Universal Trustee (Malaysia) Berhad a/c for BHLB Pacific Emerging Companies Growth Fund	986,000	0.82
16. Malaysia Nominees (Tempatan) Sendirian Berhad a/c for Siew Ka Wei	898,000	0.75
17. Foo Yong	815,000	0.68
18. Ng Wing Kong	798,141	0.66
19. Mayban Nominees (Tempatan) Sdn Bhd a/c for Mayban Trustees Berhad for Kuala Lumpur Industry Fund	788,000	0.65
20. HSBC Nominees (Asing) Sdn Bhd a/c for Howe Yoon Chong	650,130	0.54

List Of Shareholders Holding 2% And Above Of The Total Issued Share Capital As Per The Register Of Substantial Shareholders

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Y Bhg Dato’ Siew Nim Chee	846,000	0.70	15,542,429 ^a	12.90
Siew Ka Wei	4,527,000	3.76	11,547,853 ^b	9.59
Pacific & Orient Berhad	11,499,489	9.55	2,949,000 ^c	2.45
Lembaga Tabung Haji	6,716,893	5.58	–	–
The Straits Trading Company Limited	–	–	6,525,000 ^d	5.42
Tee Kim Chan	3,529,000	2.93	–	–
Eastern & Oriental Berhad	3,305,000	2.74	–	–
Great Eastern Life Assurance (Malaysia) Bhd	3,316,000	2.75	–	–

Notes:-

- a Held by Silver Dollars Sdn Bhd, Siew Nim Chee & Sons Sdn Bhd, Siew Ka Wei, Siew Ka Kheong and Young Ka Mun.
b Held by Silver Dollars Sdn Bhd, Siew Nim Chee & Sons Sdn Bhd, Dato’ Siew Nim Chee and Young Ka Mun.
c Held by Pacific & Orient Insurance Co. Berhad.
d Held by Sword Investments Pte. Ltd. and Baxterley Holdings Pte. Ltd.

List of Properties

As At 31 May 2000

Location	Tenure	Land Area	Descriptions	Net Book Value As At 31 May 2000 RM
Ancom Berhad				
1. Q.T. (R) 4353 Mukim of Damansara District of Klang Selangor Darul Ehsan	Unexpired leasehold interest of 68 years (Expiring on 10.4.2068)	2.22 hectares	Office and factory buildings Age of buildings:- approximately 30 years	12,766,320
2. P.T. 4227 and P.T. 4228 Mukim of Kapar District of Klang Selangor Darul Ehsan	Unexpired leasehold interest of 86 years (Expiring on 9.6.2086)	5.37 hectares	Office and factory buildings Age of buildings:- approximately 9 years	13,970,425
Fermpro Sdn. Bhd.				
1. H.S (M) 748 Lot 1113 Mukim of Chuping Perlis	Unexpired leasehold interest of 46 years (Expiring on 22.11.2046)	1.62 hectares	Office and factory buildings Age of buildings:- approximately 12 years	2,073,196
2. H.S. (M) 1804 Plot 3 & 4 P.T. 924A Mukim of Chuping Perlis	Unexpired leasehold interest of 59 years (Expiring on 7.2.2059)	2.43 hectares	Spent molasses treatment pond	1,016,793
3. H.S. (M) 1803 P.T. 2978 Mukim of Chuping Perlis	Unexpired leasehold interest of 59 years (Expiring on 7.2.2059) (Land office is in the process of issuing land title deed)	0.81 hectare	Vacant land	331,149
Akra Engineering Sdn. Bhd.				
1. Lot 118 Senawang Industrial Estate, Seremban Negeri Sembilan Darul Khusus	Unexpired leasehold interest of 73 years (Expiring on 22.3.2073)	0.81 hectare	Building with covered workshop Age of building:- approximately 25 years	3,271,281
Perusahaan Kimia Gemilang Sdn. Bhd.				
1. Lot 279, Sec. 63 Town of Kuala Lumpur	Freehold	0.26 hectare	Two storey bungalow Age of building:- approximately 38 years	5,998,500

List of Properties (cont'd)

As At 31 May 2000

Location	Tenure	Land Area	Descriptions	Net Book Value As At 31 May 2000 RM
Perusahaan Kimia Gemilang Sdn. Bhd. (cont'd)				
2. Lot 1219 and 1220 Mukim 12 Seberang Perai Selatan Pulau Pinang	Freehold	0.12 hectare	1½ storey semi-detached factory Age of building:- approximately 6 years	568,667
Material Performance Engineering Sdn. Bhd.				
1. Lot 1908 Mukim of Klang Selangor Darul Ehsan	Freehold	0.38 hectare	Office and factory buildings Age of buildings:- approximately 5 years	2,498,250
Bullion Mining and Developments Sendirian Berhad				
1. Apartment 8E Kayangan Apartments Genting Highlands Pahang	Freehold	2,086 sq. ft.	Apartment Age of building:- approximately 21 years	348,250
2. Shoplot No. 1.30 First Floor Wisma Cosway Kuala Lumpur	Freehold	428 sq. ft.	Shoplot Age of building:- approximately 24 years	258,700
Nylex (Malaysia) Berhad				
1. QT(R) 32 Persiaran Selangor Section 15, Shah Alam Industrial Estate, Shah Alam Selangor Darul Ehsan	Unexpired leasehold interest of 70 years (Expiring on 19.7.2070)	2.93 hectares	Office and factory buildings Age of buildings:- approximately 29 years	17,825,705
2. HS (D) 209 Persiaran Selangor Section 15, Shah Alam Industrial Estate, Shah Alam Selangor Darul Ehsan	Unexpired leasehold interest of 75 years (Expiring on 10.2.2075)	1.21 hectares	Warehouse, factory and vacant land Age of buildings:- approximately 20 years	

List of Properties (cont'd)

As At 31 May 2000

				Net Book Value As At 31 May 2000 RM
Location	Tenure	Land Area	Descriptions	
Tamco Corporate Holdings Sdn Bhd				
1. HS (D) 7524 2A, Jalan 13/2 Petaling Jaya Selangor Darul Ehsan	Unexpired leasehold interest of 58 years (Expiring on 20.7.2058)	1.31 hectares	Office and factory buildings Age of buildings:- approximately 15 to 25 years	22,780,703
2. HM 30892 Lot 24, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Freehold	2.75 hectares	Office and factory buildings Age of buildings:- approximately 8.5 years	
Malaysian Roofing Industries Sdn Bhd				
1. HS (D) 33792 Lot 12, Nilai Industrial Estate, Nilai, Negeri Sembilan Darul Khusus	Unexpired leasehold interest of 44 years (Expiring on 18.6.2044)	2.17 hectares	Office and factory buildings Age of buildings:- approximately 16 years	2,676,232
Asia Pacific Insulation Development Corporation (Formerly known as ACI Philippines Development, Inc.)				
1. TCT No. 293777 (Lot 1509 F-1) Barrio Real, Calamba, Laguna, Philippines	Unexpired leasehold interest of 16 years (Expiring in December 2016)	3.12 hectares	Administration building, factory office, plant and vacant lot Age of buildings:- approximately 25 years	2,841,648 (PHP33,004,039)
2. TCT No. 293778 (Lot 1509 F-2) Barrio Real, Calamba, Laguna, Philippines	Unexpired leasehold interest of 16 years (Expiring in December 2016)	1.01 hectares	Factory, warehouse and vacant lot Age of buildings:- approximately 11 years	
3. TCT No. 293780/293779, (Lot 1509 F-5 and C-2) Barrio Real, Calamba, Laguna, Philippines	Unexpired leasehold interest of 16 years (Expiring in December 2016)	0.04 hectare	Right of way	

List of Properties (cont'd)

As At 31 May 2000

Net Book				Value As At
Location	Tenure	Land Area	Descriptions	31
May 2000				RM
Universal Motor				
Kontrol Pty Limited				
1. V 9922/510	Freehold	0.4	Factory	4,649,719 (A\$2,148,645)
31, Kitchen Road, Dandenong, Australia		hectare	Age of building:- approximately 15 years	
2. V 9922/509	Freehold	0.4	Factory	
Lot 29, Kitchen Road Dandenong, Australia		hectare	Age of building:- approximately 6 years	
3. V 10363/524	Freehold	0.61	Vacant	
Lot 11, Nissan Drive Dandenong, Australia		hectare		
Tamco Shanghai Switchgear				
Company Ltd				
1. 1997-000180	Unexpired	1.25	Office and	8,602,108 (RMB18,891,949)
You Ai Village, Tangwan Town Minhang District Shanghai, China	leasehold interest of 45 years (Expiring on 2.10.2045)	hectares	factory buildings Age of buildings:- approximately 7 years	
2. 1997-000181	Unexpired	2.09	Office and	
No. 379, Jianchuan Road, Tangwan Town Minhang District Shanghai, China	leasehold interest of 45 years (Expiring on 2.10.2045)	hectares	factory buildings Age of buildings:- approximately 7 years	
Zonson Sports (Malaysia) Sdn Bhd				
1. HS (D) 27690	Freehold	1.20	Office and	4,093,035
Lot 13260		hectares	factory buildings	
Jalan Hj. Abd. Manan			Age of buildings:-	
Mukim Kapar			approximately	
Daerah Klang			11 years	

Proxy Form



I/We*, _____
of _____
being a member/members of the Company, hereby appoint Mr./Ms./Mrs./Madam* _____
of _____
or failing whom the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Thirty First Annual General Meeting of the Company to be held at Junior Ballroom I, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur at 10.00 a.m., Monday, 16 October 2000 or at any adjournment thereof and to vote as indicated below:-

No.	Ordinary Resolutions	For	Against
1.	To adopt Audited Accounts and Reports.		
2.	To approve the final dividend of 4% less income tax.		
3.	To approve Directors’ fees.		
4.	To re-elect Directors retiring pursuant to Article 79 of the Company’s Articles of Association:-		
4.1	Y. Bhg. Datuk Haji Ismail bin Haji Hashim		
4.2	Y. Bhg. Datuk Haji Mohamed Al-Amin bin Haji Abdul Majid, JP		
5.	To re-elect Directors retiring pursuant to Section 129(6) of the Companies Act, 1965:-		
5.1	Y.A.B.M. Raja Tun Mohar bin Raja Badiozaman		
5.2	Y. Bhg. Dato’ Siew Nim Chee		
6.	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.		
7.	To approve the issue of new ordinary shares pursuant to the ESOS.		
8.	To approve the issue of new ordinary shares pursuant to Section 132D of the Companies Act, 1965.		
9.	To approve the proposed shares buy-back.		

(Please indicate with “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.)

* Delete if not applicable

Dated this _____ day of _____ 2000

No. of shares held

Signature/Common Seal of shareholder(s)

- Notes:-
- i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote for him. A proxy may but need not be a member of the Company.
 - ii) In the case of a corporate shareholder, the instrument appointing a proxy shall be under its Common Seal or its attorney.
 - iii) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
 - iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, 50100 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting.

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**AFFIX
STAMP**

ANCOM BERHAD (8440-M)

Registered Office:-
Suite 1005, 10th Floor
Wisma Hamzah-Kwong Hing
No. 1, Leboh Ampang
50100 Kuala Lumpur

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