

# DIRECTORS' REPORT

*for the year ended 31 August 1999*

The directors have pleasure in presenting their report to the members together with the audited accounts of the Group and of the Company for the financial year ended 31 August 1999.

## PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies are set out in Note 10 to the accounts.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

## FINANCIAL RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Loss after taxation	(60,918)	(14,473)
Minority interests	413	–
	<hr/>	<hr/>
	(60,505)	(14,473)
Accumulated losses brought forward	(73,496)	(1,055)
	<hr/>	<hr/>
Accumulated losses carried forward	(134,001)	(15,528)
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## DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year.

The directors do not recommend any dividend for the financial year ended 31 August 1999.

## RESERVES AND PROVISIONS

There was no material transfer to or from reserves or provisions during the financial year except as disclosed in Note 3 to the accounts.

## BAD AND DOUBTFUL DEBTS

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in regard to the writing off of bad debts and the making of provision for doubtful debts and to satisfy themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors of the Company are not aware of any circumstances which would render the amount written off or provided for bad and doubtful debts in the accounts inadequate to any material extent.

## CURRENT ASSETS

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which would be unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the accounts of the Group and of the Company misleading.

## DIRECTORS' REPORT (Cont'd)

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### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

### FINANCIAL POSITION AND RESTRUCTURING EXERCISE

The regional financial crisis has caused the country to experience an economic slowdown reflected by illiquidity in certain sectors, declined in our currency values, high interest rates and credit squeeze. All these factors have had an adverse effect on the operations of the Group and the Company.

In view of these adverse financial conditions, the Group had in December 1998 sought the assistance of Corporate Debt Restructuring Committee (CDRC) to restructure the maturities of its short term debts. The Company appointed Arthur Andersen Corporate Advisory Sdn Bhd as an Independent Financial Consultant to provide advisory services in pursuant of restructuring scheme. In October 1999, the Company also appointed Moores Rowland Consulting Sdn Bhd as an additional advisor to act directly on behalf of the Group to develop and negotiate with the financial institutions, trade and other creditors on an integrate debt restructuring scheme. Negotiations are continuing with Corporate Debt Restructuring Committee (CDRC).

During the financial year, the Group and the Company have not serviced their short term borrowings interest amounting to RM35,486,043. In addition, litigations have been initiated by a number of financial institutions, trade and other creditors. These litigations are being monitored closely and where necessary are being settled from internal sources.

### CONTINGENT AND OTHER LIABILITIES

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

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

No contingent liability or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due, except for those mentioned in the preceding section.

### CHANGE OF CIRCUMSTANCES

At the date of this report, 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 respective accounts misleading.

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## DIRECTORS' REPORT (Cont'd)

### EMPLOYEES' SHARE OPTION SCHEME

Pursuant to the Employees' Share Option Scheme ("ESOS") which was implemented on 1 November 1995, the options exercised during the financial year and the remaining outstanding options as at 31 August 1999 are as follows:-

Option Price	Options Exercised	Options Forfeited	Options Outstanding
RM4.03	–	–	132,000

The principal features of the ESOS are as follows:-

- Eligible persons are employees including full time Executive Directors who have been confirmed in service and serve with the Group (the Company and subsidiary companies in which the Company holds more than 50% of its issued and paid-up share capital but excluding those that are dormant) for at least one (1) year immediately prior to the date of offer.
- The total number of shares to be offered under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS which shall be in force for a period of 5 years from 1 November 1995.
- The option price for each share shall be the average of the mean market quotation of the ordinary shares of the Company as shown in the Daily Official List issued by the KLSE for the 5 market days preceding the date of offer or the par value of the ordinary shares, whichever is higher.
- The shares to be allotted upon any exercise of the option will upon allotment and issue rank pari passu in all respects with the existing ordinary shares of the Company except that the shares so issued will not rank for any dividend or other distribution declared, made or paid to shareholders in respect of any 6-months financial period which precedes the date of exercise of the option.
- No option shall be granted for less than 1,000 shares or more than 500,000 shares to any eligible employee.

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM96,112,818 to RM98,996,889 by an issue of 2,884,071 ordinary shares of RM1 each at RM2.90 per share pursuant to the conversion of RM8,365,473 nominal value of 7% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") in accordance with the terms as stated in Note 4 to the accounts.

The Company has not issued any debentures during the financial year.

### DIRECTORS OF THE COMPANY

The directors in office since the date of the last report are:-

Tan Sri Dato' Jaffar bin Abdul  
Soo Tian Chai @ Soo Kim Chey  
Chai Seen  
Soo Thien Ming @ Soo Thien See  
Dato' Haji Abdul Kayoom bin Mustakim  
Ong Shi Fu  
Soo Suat Swon  
Paul Harris

– Appointed on 28.10.1999

## DIRECTORS' REPORT (Cont'd)

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### DIRECTORS OF THE COMPANY (CONT'D)

According to the Register of Directors' Shareholdings, the directors holding office at the end of the financial year and their interests in the ordinary share capital of the Company during the financial year were as follows:-

	Number of ordinary shares of RM1 each			At 31.8.99
	At 1.9.98	Bought	Sold	
<b>Direct Interest</b>				
Soo Tian Chai @ Soo Kim Chey	26,638,860	684,000	3,019,000	24,303,860
Chai Seen	798,800	—	—	798,800

Mr. Soo Tian Chai @ Soo Kim Chey is deemed to have an interest in all the shares held by the Company in the subsidiary companies by virtue of his substantial shareholdings in the Company.

None of the other directors held or dealt with any share of the Company or its subsidiary companies during the financial year.

In accordance with the Articles of Association of the Company, YBhg. Dato' Haji Abdul Kayoom bin Mustakim, Ms Soo Suat Swon and Mr Paul Harris retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or has become entitled to receive any benefit 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, other than those shown in the accounts and except for any benefit which may be deemed to have arisen by virtue of the provision of legal services to the Company and its related corporations by a firm in which a director is a partner.

During and at the end of the financial year, the Company was not a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

### AUDITORS

The auditors, Messrs. HLB I.M. Chieng & Co., Public Accountants, have expressed their willingness to continue in office.

On behalf of the Board,

**SOO TIAN CHAI @ SOO KIM CHEY**

*Director*

**SOO SUAT SWON**

*Director*

Kuala Lumpur  
20 December, 1999

# BALANCE SHEETS

as at 31 August 1999

	Note	Group		Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
SHARE CAPITAL	2	98,997	96,113	98,997	96,113
RESERVES	3	346,987	542,275	116,542	125,536
<b>SHAREHOLDERS' FUNDS</b>		<b>445,984</b>	<b>638,388</b>	<b>215,539</b>	<b>221,649</b>
MINORITY INTERESTS		58,491	80,853	–	–
LOAN STOCKS	4	–	–	–	–
DEFERRED LIABILITIES					
Term loans	5	52,159	41,475	–	2,500
Hire purchase and lease creditors	6	332	1,233	30	67
Deferred income		6,138	6,279	–	–
Deferred taxation	7	15,812	39,396	–	–
		74,441	88,383	30	2,567
		<b>578,916</b>	<b>807,624</b>	<b>215,569</b>	<b>224,216</b>
<b>CAPITAL EMPLOYED:-</b>					
FIXED ASSETS	8	196,346	251,238	539	696
PROPERTY DEVELOPMENT EXPENDITURE	9	315,435	404,370	–	–
SUBSIDIARY COMPANIES	10	–	–	451,082	450,066
ASSOCIATED COMPANY	11	8,997	8,997	8,997	8,997
INVESTMENT PROPERTIES	12	306,320	340,222	–	–
OTHER INVESTMENTS	13	4,823	7,091	4,021	4,000
GOODWILL ON CONSOLIDATION	14	71,401	74,637	–	–
EXPENDITURE CARRIED FORWARD	15	202	496	–	–
CURRENT ASSETS					
Stocks and contract work-in-progress	16	16,281	17,947	–	–
Investment stocks	17	1,113	–	–	–
Property development expenditure	9	3,323	41,347	–	–
Debtors	18	112,937	160,835	1,263	1,350
Fixed deposits	19	3,013	85	–	–
Cash and bank balances	20	4,629	6,482	66	496
Dividend receivable		–	–	–	1,940
		141,296	226,696	1,329	3,786
Less:-					
CURRENT LIABILITIES					
Loan stocks	4	–	8,365	–	8,365
Creditors	21	115,275	143,942	22,308	2,257
Short-term borrowings	22	320,805	324,414	224,394	229,010
Provision for taxation		29,824	29,402	3,697	3,697
		465,904	506,123	250,399	243,329
NET CURRENT LIABILITIES		(324,608)	(279,427)	(249,070)	(239,543)
		<b>578,916</b>	<b>807,624</b>	<b>215,569</b>	<b>224,216</b>

The accompanying notes form an integral part of these accounts.

# PROFIT AND LOSS ACCOUNTS

*for the year ended 31 August 1999*

	Note	Group		Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Turnover	23	158,730	173,691	2,240	1,468
Operating loss	24	(60,917)	(101,934)	(14,473)	(14,794)
Share of loss in associated company		–	–	–	–
Loss before exceptional items		(60,917)	(101,934)	(14,473)	(14,794)
Exceptional items	25	–	(46,166)	–	–
Loss before taxation		(60,917)	(148,100)	(14,473)	(14,794)
Taxation	26	(1)	(4,813)	–	(135)
Loss after taxation		(60,918)	(152,913)	(14,473)	(14,929)
Minority interests		413	13,071	–	–
Loss after taxation and minority interests		(60,505)	(139,842)	(14,473)	(14,929)
(Accumulated losses)/Retained profit brought forward		(73,496)	66,355	(1,055)	13,883
		(134,001)	(73,487)	(15,528)	(1,046)
Dividend	27	–	(9)	–	(9)
Accumulated losses carried forward		(134,001)	(73,496)	(15,528)	(1,055)
(Loss)/Earnings per share of RM1 each (sen)					
Basic	28	(62.1)	(145.6)		

*The accompanying notes form an integral part of these accounts.*

# CONSOLIDATED CASH FLOW STATEMENT

*for the year ended 31 August 1999*

	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(60,917)	(148,100)
Adjustments for:-		
Depreciation	7,008	7,260
Interest expense	36,558	45,065
Amortisation		
- expenditure carried forward	345	336
- goodwill	3,236	2,051
Loss on disposal of fixed assets	8	56
Tax penalty	737	-
Interest income	-	(1,535)
Fixed assets written off	265	-
Provision for diminution in value of quoted shares	-	33,006
Goodwill written off	-	2,332
Operating loss before working capital changes	(12,760)	(59,529)
Deferred income	(141)	(866)
Property development expenditure	22,909	79,094
Stocks	553	9,592
Debtors	47,897	104,114
Creditors	(60,808)	33,209
Short term borrowings	(17,557)	(60,884)
Associated company balance	-	(5,997)
Cash (used in)/generated from operations	(19,907)	98,733
Dividend paid	-	(9)
Dividend paid to minority shareholders	-	(324)
Interest paid	(4,341)	(45,065)
Taxes paid	(314)	(15,269)
Interest received	-	1,535
Net cash (used in)/from operating activities	(24,562)	39,601

*The accompanying notes form an integral part of these accounts.*

## CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of other investment	2,292	–
Proceeds from disposal of fixed assets	231	288
Purchase of investment in properties	(858)	(62,224)
Purchase of fixed assets	(583)	(3,753)
Purchase of other investment in quoted shares	(25)	(36,097)
Expenditure carried forward	(52)	(47)
Investment in associated company	–	(3,000)
Net cash from/(used in) investing activities	<b>1,005</b>	<b>(104,833)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	–	16
Repayment of term loans	(78)	–
Drawdown of term loans	13,262	38,425
Sinking fund received	–	115
Net cash from financing activities	<b>13,184</b>	<b>38,556</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(10,373)</b>	<b>(26,676)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>(52,123)</b>	<b>(25,447)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>(62,496)</b>	<b>(52,123)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Fixed deposits	3,013	85
Cash and bank balances	4,629	6,482
Bank overdrafts	(70,138)	(58,690)
	<b>(62,496)</b>	<b>(52,123)</b>

*The accompanying notes form an integral part of these accounts.*

# NOTES TO THE ACCOUNTS

31 August 1999

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) Accounting convention

The accounts of the Group and of the Company are prepared under the historical cost convention and comply with applicable approved Accounting Standards modified to include the revaluation of certain fixed assets. Development properties of two subsidiary companies are stated in the Group's accounts at values reflecting approximately the effective acquisition cost of the asset by the Group (group cost).

### (b) Basis of consolidation

The consolidated accounts include the accounts of the Company and all its subsidiary companies as listed under Note 10.

All significant intercompany balances and transactions are eliminated on consolidation.

Goodwill arising on consolidation represents the excess of the cost of the Company's investments over the fair value attributable to the related net assets of the subsidiary companies at the date of acquisition. Conversely, reserve arising on consolidation represents the excess of the fair value of net assets acquired over the consideration paid.

### (c) Fixed assets

- i) No amortisation is provided on the freehold buildings and improvements and building work-in-progress as the directors are of the opinion that the current market value of these properties are higher than the book value and the non-amortisation on the buildings has no significant impact on the results of the Group.
- ii) Depreciation of other fixed assets is calculated to write off the cost of the fixed assets in equal instalments over their expected useful lives at the following annual rates:-

Leasehold land and buildings	Over the period of the lease
Leasehold oil palm estate land	Over the period of the lease
Plantation development expenditure	Over the period of the lease
Building	2%
Office equipment, furniture and fittings	5% - 20%
Plant and machinery	10%
Renovations	10% - 20%
Estate buildings	10%
Forklifts, excavator and motor vehicles	20%
Hotel equipment, furniture and fittings	20%

- iii) Hotel operating equipment which comprises crockery, glassware, cutlery, linen, kitchen utensils and general supplies are capitalised at the minimum level requirements for normal operations. Replacements are written off in the year in which they are incurred.

During the financial year, a subsidiary of the Company has changed its depreciation rates in respect of plant and machinery from 20% to 10%. The effect of the change in the rates on the depreciation charge is not material to the Group's accounts.

## NOTES TO THE ACCOUNTS (Cont'd)

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### 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (d) Subsidiary companies

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost in the Company's accounts. Provision for diminution in value is only made when, in the opinion of the directors, there is a permanent diminution in the value of the investments.

#### (e) Associated company

An associated company is defined as an investment where the Group holds for long term purpose between 20% and 50% of the issued equity share capital of that company, and exercises significant influence over the Company's management.

Investment in associated company is accounted for under the equity method in the consolidated accounts which has taken into account the Group's share of the attributable post acquisition profit or loss and reserves of the investee company based on the latest audited or management accounts.

#### (f) Other investments

Investments in quoted and unquoted shares are stated at cost less provision for diminution in value. Provision for diminution in value is only made when, in the opinion of the directors, there is a permanent diminution in the value of the investments.

#### (g) Property development expenditure

Property development expenditure consists of land under development, development expenditure and portion of profit attributable to development work performed up to the balance sheet date, less progress billings.

Land and related development expenditure at the date of acquisition of two subsidiary companies are stated in the Group's accounts at values reflecting approximately the effective acquisition cost by the Group (group cost) of these assets. Development expenditure incurred subsequent to the acquisition date is stated at cost.

Interest cost incurred for the development of property development projects are capitalised and included as part of development expenditure. Profit from property development projects is recognised on the percentage-of-completion method based on actual sales. When foreseeable losses on property development projects are anticipated, full provision for these losses is made in the accounts.

#### (h) Investment properties

Investment properties are stated at cost or directors' valuation based on independent professional valuer's reports. It is the policy of the Group to revalue its investment properties every five years or at such shorter period as may be considered to be appropriate based upon the advice of professional valuers and appraisers. Any surplus or deficit arising from a valuation will be dealt with in the Revaluation Surplus account. A deficit is set-off against the Revaluation Surplus account only to the extent of a surplus credited from any previous revaluation of the investment properties, and the excess of the deficit is charged to the profit and loss account.

#### (i) Investment stocks

Investment stocks held as current assets are stated at cost. Provision for diminution in value is only made when, in the opinion of the directors, there is a permanent impairment in the value of these investments.

## NOTES TO THE ACCOUNTS (Cont'd)

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (j) Stocks

Unsold houses and contract work-in-progress are valued at the lower of cost and net realisable value. Stores, raw materials and finished goods are valued at the lower of weighted average cost and net realisable value. Cost of unsold houses includes direct costs and allocated common costs of development. Cost of contract work-in-progress consists of materials and direct labour while cost of finished goods consists of materials, direct labour and a proportion of production overheads. Residential property under development is stated at the value ascribed to the land and development work done on site.

#### (k) Expenditure carried forward

Preliminary and pre-operating expenses of subsidiary companies are deferred and amortised over a period of three years commencing from the year full scale operations are achieved.

#### (l) Plantation expenditure

New planting expenditure incurred, including upkeep of trees to maturity (including interest on borrowings) is capitalised and included under plantation costs while replanting expenditure is charged to the profit and loss account in the year in which the expenditure is incurred.

#### (m) Deferred taxation

The tax effects of transactions are recognised, using the 'liability' method, in the year such transactions enter into the determination of net income regardless of when they are recognised for tax purposes. However, where timing differences would give rise to net future tax benefits, the tax effects are recognised generally on actual realisation.

#### (n) Accounting for hire purchase

Fixed assets acquired under hire purchase agreements are capitalised at their purchase cost and depreciated on the same basis as owned assets. The total amounts payable under hire purchase agreements are included as hire purchase creditors.

The interest element of the rental obligations is charged to the profit and loss account over the period of the hire purchase and accounted for based on the sum of digits method.

### 2. SHARE CAPITAL

	<b>Group/Company</b>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
Authorised		
Ordinary shares of RM1 each	<b>500,000</b>	500,000
Issued and Fully Paid		
Ordinary shares of RM1 each		
Balance at beginning of year	96,113	95,901
Exercise of Employees' Share Option Scheme	—	4
Pursuant to the conversion of 7% ICULS (Note 4)	<b>2,884</b>	208
Balance at end of year	<b>98,997</b>	96,113

## NOTES TO THE ACCOUNTS (Cont'd)

### 2. SHARE CAPITAL (CONT'D)

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM96,112,818 to RM98,996,889 by an issue of 2,884,071 ordinary shares of RM1 each at RM2.90 per share pursuant to the conversion of RM8,365,473 nominal value of 7% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") in accordance with the terms as stated in Note 4 to the accounts.

### 3. RESERVES

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Non distributable:-				
Share premium (Note a)	130,861	125,382	130,861	125,382
Reserve on consolidation	675	675	-	-
Capital reserve (Note b)	348,243	488,834	-	-
Other reserve	-	(329)	-	-
	<u>479,779</u>	<u>614,562</u>	<u>130,861</u>	<u>125,382</u>
Distributable:-				
Capital reserve (Note c)	1,209	1,209	1,209	1,209
Accumulated losses	(134,001)	(73,496)	(15,528)	(1,055)
	<u>346,987</u>	<u>542,275</u>	<u>116,542</u>	<u>125,536</u>

#### Note a

	Group/Company	
	1999 RM'000	1998 RM'000
Share premium		
At beginning of year	125,382	124,975
Exercise of ESOS	-	12
Conversion of ICULS	5,479	395
At end of year	<u>130,861</u>	<u>125,382</u>

#### Note b

	Group	
	1999 RM'000	1998 RM'000
Capital reserve (Non distributable)		
At beginning of year	488,834	-
Revaluation (deficit)/surplus	(170,399)	528,347
Transfer from/(to) deferred tax (Note 7)	23,584	(39,513)
Utilised for bonus issue	-	(223,248)
Adjustment	6,224	-
	<u>348,243</u>	<u>265,586</u>
Bonus issue by subsidiary companies capitalised from revaluation reserve	-	223,248
At end of year	<u>348,243</u>	<u>488,834</u>

## NOTES TO THE ACCOUNTS (Cont'd)

### 3. RESERVES (CONT'D)

Note c

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Capital reserve (Distributable)				
At beginning of year	1,209	1,331	1,209	1,209
Movement in the year	-	(122)	-	-
At end of year	1,209	1,209	1,209	1,209

The overall asset value of the Group has been reduced by RM170,399,017. The purpose of the revaluation undertaken by professional valuer was to reflect continued negative factors affecting the property sector and the current stages of each assets development.

### 4. LOAN STOCKS

	Group/Company	
	1999 RM'000	1998 RM'000
<b>7% Irredeemable Convertible Unsecured Loan Stocks 1994/1999 ("ICULS")</b>		
At beginning of year	8,365	8,968
Converted to ordinary shares of RM1 each	(8,365)	(603)
At end of year	-	8,365
Repayable within 1 year (Note 4)	-	(8,365)
	-	-

On 28 February 1994, the Company issued RM38,121,204 7% Irredeemable Convertible Unsecured Loan Stocks 1994/1999 ("ICULS") at 100% of its nominal amount on the basis of RM4.00 nominal amount of ICULS for every five (5) existing ordinary shares held. These ICULS are convertible into new ordinary shares after a lapse of one (1) year from the date of issue, during each period commencing 1 July to 31 July and 1 January to 31 January. At the end of the fifth year of the tenure, any unconverted ICULS will be converted mandatorily by the Company. The ratio of the conversion is RM2.90 nominal amount of ICULS for one (1) new ordinary share of RM1.00 each.

During the financial year, the balance of outstanding RM8,365,473 nominal value of 7% ICULS were fully converted into 2,884,071 new ordinary shares of RM1.00 each (Note 2).

## NOTES TO THE ACCOUNTS (Cont'd)

### 5. TERM LOANS

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Principal outstanding				
- Secured	52,159	38,975	-	-
- Unsecured	-	10,000	-	10,000
	<u>52,159</u>	<u>48,975</u>	<u>-</u>	<u>10,000</u>
Less: Portion repayable within the next 12 months (Note 22)	-	7,500	-	7,500
	<u>52,159</u>	<u>41,475</u>	<u>-</u>	<u>2,500</u>

The term loans of the Group are secured by way of legal charges over its landed properties and is supported by a corporate guarantee of the holding company.

These loans bear interest ranging from 7.74% - 14.00% (1998: 11.00% - 16.80%) per annum.

### 6. HIRE PURCHASE AND LEASE CREDITORS

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Gross amount	1,439	2,807	73	115
Less: Unexpired interest	118	252	6	15
	<u>1,321</u>	<u>2,555</u>	<u>67</u>	<u>100</u>
Repayable as follows:-				
- within one year	989	1,322	37	33
- in the second to fifth years inclusive	332	1,233	30	67
	<u>1,321</u>	<u>2,555</u>	<u>67</u>	<u>100</u>

### 7. DEFERRED TAXATION

	Group	
	1999 RM'000	1998 RM'000
At beginning of year	39,396	2,215
Transfer to profit and loss account (Note 26)	-	(2,454)
Transfer (to)/from capital reserve (Note 3)	(23,584)	39,513
Adjustment arising from change of tax rate	-	122
At end of year	<u>15,812</u>	<u>39,396</u>

## NOTES TO THE ACCOUNTS (Cont'd)

### 8. FIXED ASSETS

Group	As at 1.9.98 RM'000	Additions RM'000	Disposals RM'000	Write-Off RM'000	Adjustments RM'000	As at 31.8.99 RM'000
<b>1999</b>						
<b>Cost/Valuation</b>						
At Valuation:-						
Freehold buildings	63,630	15	-	-	-	<b>63,645</b>
Short-term leasehold oil palm estate land	160,467	-	-	-	(56,268)	<b>104,199</b>
	<u>224,097</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>(56,268)</u>	<u><b>167,844</b></u>
At Cost:-						
Freehold land and buildings	8,453	-	-	(97)	-	<b>8,356</b>
Improvement and renovations	12,067	44	(199)	(352)	-	<b>11,560</b>
Short-term leasehold land and buildings	1,353	-	-	-	-	<b>1,353</b>
Plantation development expenditure	87	-	-	-	-	<b>87</b>
Office equipment, furniture and fittings	3,889	396	(140)	(68)	-	<b>4,077</b>
Plant and machinery	6,477	87	(17)	(65)	-	<b>6,482</b>
Forklifts, excavator and motor vehicles	2,776	41	(311)	(24)	-	<b>2,482</b>
Hotel equipment	6,495	-	(20)	-	-	<b>6,475</b>
Building work in progress	240	-	-	-	-	<b>240</b>
	<u>41,837</u>	<u>568</u>	<u>(687)</u>	<u>(606)</u>	<u>-</u>	<u><b>41,112</b></u>
	<u>265,934</u>	<u>583</u>	<u>(687)</u>	<u>(606)</u>	<u>(56,268)</u>	<u><b>208,956</b></u>
<b>Accumulated Depreciation</b>						
At Valuation:-						
Freehold buildings	-	37	-	-	-	<b>37</b>
Short-term leasehold oil palm estate land	3,918	4,386	-	-	(8,304)	<b>-</b>
	<u>3,918</u>	<u>4,423</u>	<u>-</u>	<u>-</u>	<u>(8,304)</u>	<u><b>37</b></u>

## NOTES TO THE ACCOUNTS (Cont'd)

### 8. FIXED ASSETS (CONT'D)

Group	As at 1.9.98 RM'000	Amortisation/ Depreciation for the year RM'000	Disposals RM'000	Write-Off RM'000	Adjustments RM'000	As at 31.8.99 RM'000
<b>1999</b>						
<b>Accumulated Depreciation (Cont'd)</b>						
At Cost:-						
Freehold land and buildings	403	47	-	(97)	-	<b>353</b>
Improvement and renovations	363	154	(69)	(100)	-	<b>348</b>
Short-term leasehold land and buildings	422	45	-	-	-	<b>467</b>
Plantation development expenditure	1	2	-	-	-	<b>3</b>
Office equipment, furniture and fittings	1,997	523	(90)	(54)	-	<b>2,376</b>
Plant and machinery	3,006	541	(17)	(65)	-	<b>3,465</b>
Forklifts, excavator and motor vehicles	1,847	325	(260)	(24)	-	<b>1,888</b>
Hotel equipment	2,739	948	(14)	-	-	<b>3,673</b>
Building work in progress	-	-	-	-	-	<b>-</b>
	<u>10,778</u>	<u>2,585</u>	<u>(450)</u>	<u>(340)</u>	<u>-</u>	<u><b>12,573</b></u>
	<u>14,696</u>	<u>7,008</u>	<u>(450)</u>	<u>(340)</u>	<u>(8,304)</u>	<u><b>12,610</b></u>
<b>Net Book Value</b>						<u><b>196,346</b></u>

Group	As at 1.9.97 RM'000	Additions RM'000	Disposals RM'000	Adjustments RM'000	As at 31.8.98 RM'000
<b>1998</b>					
<b>Cost/Valuation</b>					
At Valuation:-					
Freehold buildings	22,829	-	-	40,801	63,630
Short-term leasehold oil palm estate land	30,107	67	-	130,293	160,467
	<u>52,936</u>	<u>67</u>	<u>-</u>	<u>171,094</u>	<u>224,097</u>

## NOTES TO THE ACCOUNTS (Cont'd)

### 8. FIXED ASSETS (CONT'D)

Group	As at 1.9.97 RM'000	Additions RM'000	Disposals RM'000	Adjustments RM'000	As at 31.8.98 RM'000
<b>1998</b>					
<b>Cost/Valuation (Cont'd)</b>					
At Cost:-					
Freehold land and buildings	6,648	945	(11)	871	8,453
Improvement and renovations	11,974	100	(7)	-	12,067
Short-term leasehold land and buildings	1,344	9	-	-	1,353
Plantation development expenditure	1,257	87	-	(1,257)	87
Office equipment, furniture and fittings	2,847	1,016	(21)	47	3,889
Plant and machinery	5,030	1,523	(99)	23	6,477
Forklifts, excavator and motor vehicles	3,132	4	(360)	-	2,776
Hotel equipment	6,592	-	(97)	-	6,495
Building work in progress	1,180	-	-	(940)	240
	40,004	3,684	(595)	(1,256)	41,837
	92,940	3,751	(595)	169,838	265,934
		<b>Amortisation/ Depreciation</b>			
	<b>As at 1.9.97 RM'000</b>	<b>for the year RM'000</b>	<b>Disposals RM'000</b>	<b>Adjustments RM'000</b>	<b>As at 31.8.98 RM'000</b>
<b>Accumulated Depreciation</b>					
At Valuation:-					
Freehold buildings	-	-	-	-	-
Short-term leasehold oil palm estate land	6,561	4,264	-	(6,907)	3,918
	6,561	4,264	-	(6,907)	3,918
<b>Accumulated depreciation</b>					
At Cost:-					
Freehold land and buildings	353	59	(9)	-	403
Improvement and renovations	221	143	(1)	-	363
Short-term leasehold land and buildings	377	45	-	-	422
Plantation development expenditure	444	1	-	(444)	1
Office equipment, furniture and fittings	1,515	488	(6)	-	1,997
Plant and machinery	2,183	882	(59)	-	3,006
Forklifts, excavator and motor vehicles	1,566	420	(139)	-	1,847
Hotel equipment	1,818	958	(37)	-	2,739
Building work in progress	-	-	-	-	-
	8,477	2,996	(251)	(444)	10,778
	15,038	7,260	(251)	(7,351)	14,696
<b>Net Book Value</b>					<b>251,238</b>

## NOTES TO THE ACCOUNTS (Cont'd)

### 8. FIXED ASSETS (CONT'D)

Company	As at 1.9.98 RM'000	Additions RM'000	Disposals RM'000	Write-Off RM'000	As at 31.8.99 RM'000
<b>1999</b>					
At Cost:-					
Renovations	367	44	–	(352)	<b>59</b>
Office equipment, furniture and fittings	501	185	(27)	(63)	<b>596</b>
Motor vehicles	391	33	(69)	–	<b>355</b>
	1,259	262	(96)	(415)	<b>1,010</b>
	As at 1.9.98 RM'000	Amortisation/ Depreciation for the year RM'000	Disposals RM'000	Write-Off RM'000	As at 31.8.99 RM'000
<b>Accumulated Depreciation</b>					
At Cost:-					
Renovations	68	40	–	(100)	<b>8</b>
Office equipment, furniture and fittings	233	79	(21)	(50)	<b>241</b>
Motor vehicles	262	29	(69)	–	<b>222</b>
	563	148	(90)	(150)	<b>471</b>
<b>Net Book Value</b>					<b>539</b>
Company	As at 1.9.97 RM'000	Additions RM'000	Disposals RM'000	As at 31.8.98 RM'000	
<b>1998</b>					
At Cost:-					
Renovations	267	100	–	367	
Office equipment, furniture and fittings	446	55	–	501	
Motor vehicles	513	–	(122)	391	
	1,226	155	(122)	1,259	
	As at 1.9.97 RM'000	Amortisation/ Depreciation for the year RM'000	Disposals RM'000	As at 31.8.98 RM'000	
<b>Accumulated Depreciation</b>					
At Cost:-					
Renovations	37	31	–	68	
Office equipment, furniture and fittings	155	78	–	233	
Motor vehicles	230	65	(33)	262	
	422	174	(33)	563	
<b>Net Book Value</b>				<b>696</b>	

## NOTES TO THE ACCOUNTS (Cont'd)

### 8. FIXED ASSETS (CONT'D)

#### Group

Certain subsidiaries of the Company have devalued their leasehold oil palm estate to reflect the current levels of yield from their plantations and the expected continued prevailing and projected low future product price. The devaluation has taken into account the future replanting costs arising from the current age of the trees and the residual value of the property given the reducing leasehold tenure of the plantation lands. The last revaluation was in 1998 in which a revaluation of RM136,385,564 was credited to revaluation reserve. The deficit on revaluation of RM47,963,017 was taken up in the current financial year.

A subsidiary company's freehold buildings were revalued in 1994 and 1998 by professional firms of surveyors and valuers. The surpluses arising from the revaluation were credited to the revaluation reserve.

The credit facilities from a bank granted to a subsidiary company are secured on its short term leasehold land and building.

The costs of fixed assets acquired under hire purchase and finance lease arrangements are as follows:-

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
<b>Under Hire Purchase</b>				
Plant and machinery	2,239	2,609	-	-
Forklifts, excavator and motor vehicles	590	1,160	180	180
Office equipment, furniture and fittings	39	114	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Under Finance Lease</b>				
Office equipment	462	462	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 9. PROPERTY DEVELOPMENT EXPENDITURE

	Group	
	1999 RM'000	1998 RM'000
Freehold land - at valuation	72,639	156,869
Long term leasehold land - at valuation	140,929	160,749
- at cost	63,779	63,777
Development expenditure - at cost	312,136	252,614
	<u>589,483</u>	<u>634,009</u>
Less: Portion of profit attributable to development work performed to date	25,311	14,237
	<u>564,172</u>	<u>619,772</u>
Less: Progress billings	245,414	174,055
	<u>318,758</u>	<u>445,717</u>
Less: Current portion	3,323	41,347
	<u>315,435</u>	<u>404,370</u>

## NOTES TO THE ACCOUNTS (Cont'd)

### 9. PROPERTY DEVELOPMENT EXPENDITURE (CONT'D)

Current charges to property development expenditure include:-

	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest expense	<u>1,451</u>	<u>11,426</u>

The Company's debt-restructuring scheme presently being discussed with the creditors will involve the sale and development for sale of assets during the period when significant recovery in the sector may not yet have occurred. Therefore in determining the value of the assets, the Company anticipates the current price levels will remain soft due to surplus supply and weak demand for development property. Despite the recovery in the national economy, the Company expects to see no appreciable improvement in property market values until after existing completed property is sold and project finance for new development becomes more accessible.

The most significant devaluation is in relation to a 1.28 hectare development site in Johore Bahru. In addition to general market conditions, it is also anticipated that a planning consent could be obtained to favour the development for a high density mixed used commercial project. From the current indications, it is unlikely that a favourable planning consent will be obtained before the proposed period for the assets sale. The last revaluation was in 1998 and which revaluation surplus of RM242,586,830 was credited to revaluation reserve. The deficit on current revaluation of RM104,050,000 was taken up in the financial year under review.

The Group considers as current asset that portion of property development expenditure on which development work has commenced and is expected to be completed within the normal operating cycle of one to two years. The portion transferred to current assets includes the related profit attributable to development work performed to date less the applicable progress billings.

Leasehold land and buildings belong to certain subsidiaries have been charged as security for their borrowings and term loans.

### 10. SUBSIDIARY COMPANIES

	Company	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares at cost	<b>167,570</b>	167,570
Less: Provision for diminution in value	<b>1,400</b>	1,400
	<u><b>166,170</b></u>	<u>166,170</u>
Amounts owing by subsidiary companies	<b>305,292</b>	291,191
Less: Provision for doubtful debts	<b>910</b>	910
	<u><b>304,382</b></u>	<u>290,281</u>
	<b>470,552</b>	456,451
Less: Amounts owing to subsidiary companies	<b>19,470</b>	6,385
	<u><b>451,082</b></u>	<u>450,066</u>

## NOTES TO THE ACCOUNTS (Cont'd)

### 10. SUBSIDIARY COMPANIES (CONT'D)

The amounts owing by subsidiary companies are unsecured with no fixed terms of repayment and interest free but certain amounts outstanding are charged interest at the rate of 12.5% - 16.0% (1998: 12.5% - 16.0%) per annum.

The amounts owing to subsidiary companies are also unsecured with no fixed terms of repayment and are interest free but certain amounts outstanding bear interest at 12.5% (1998: 12.5%) per annum.

The subsidiary companies, all incorporated in Malaysia, are as follows:-

Subsidiary companies	Effective interest		Principal activities
	1999 %	1998 %	
Chemstab Asia (M) Sdn. Bhd. and its subsidiaries	100	100	Property development
Resort Habitat (M) Sdn. Bhd.	100	100	Property development
Perpetual Gain Sdn. Bhd. (Indirect through Resort Habitat (M) Sdn. Bhd.)	100	100	Property management
Athenaeum Management Sdn. Bhd.	100	100	Property management
Anson Perdana Realty Sdn. Bhd.	100	100	Property development and construction
Eternal Resources Sdn. Bhd. and its subsidiaries	70	70	Property development
Bayan Marina Yacht Club Berhad	100	100	Owner and operator of yacht club
Paragon Status Sdn. Bhd.	100	100	Investment in hotel properties *
Utas Kesuma Sdn. Bhd.	100	100	Investment in hotel properties *
Bagan Semesta Sdn. Bhd.	100	100	Investment in hotel properties *
ERSB Management Services Sdn. Bhd.	100	100	Property Management *
Starlaunch Sdn. Bhd.	100	100	Theme Park Operator *
Tegas Sepakat Sdn. Bhd.	100	100	Property development *
Jasa Malim Sdn. Bhd. and its subsidiaries	100	100	Property investment
New Century Realty Sdn. Bhd.	100	100	Property development and investment in landed properties
Plaza Century Management Services Sdn. Bhd. (Indirect through New Century Realty Sdn. Bhd.)	100	100	Property management
Taman Sri Putri Realty Sdn. Bhd.	100	100	Housing contractor *
Sri Putri Management Services Sdn. Bhd.	100	100	Property management *
Anson Perdana Property Services Sdn. Bhd.	100	100	Project management

## NOTES TO THE ACCOUNTS (Cont'd)

### 10. SUBSIDIARY COMPANIES (CONT'D)

Subsidiary companies	Effective interest		Principal activities
	1999 %	1998 %	
Mutual Perfection Sdn. Bhd.	100	100	Project investment
Sharikat Tanaman Dan Perusahaan Perak Sdn. Bhd.	100	100	Cultivation and sale of oil palm produce
Ladang Sawit Permai Sdn. Bhd.	100	100	Cultivation and sale of oil palm produce
Changkat Jong Plantations Sdn. Bhd.	100	100	Cultivation and sale of oil palm produce
Anson Perdana Equity Sdn. Bhd.	100	100	Investment trading
Perdana-Jaya Concrete Sdn. Bhd.	51	51	Manufacture of large diameter concrete pipes and sound barrier system
Shimara Holdings Sdn. Bhd. and its subsidiaries	100	100	Investment holding
Prodeal Sdn. Bhd.	60	60	Trading in building materials
Primason Sdn. Bhd.	54	54	Trading in sawn timber and timber products
Shimara Resources Sdn. Bhd.	51	51	Trading in consumer products (operations materially scaled down)
Kinta Plus Industries Sdn. Bhd. and its subsidiary	100	100	Investment holding
Roman Marble Co Sdn. Bhd.	100	100	Manufacture and sale of marble slabs
Anson Corporation Sdn. Bhd. (formerly known as Paragon Parade Sdn. Bhd.)	100	100	Dormant
Perpetual View Sdn. Bhd.	100	100	Property investment
TD Management Sdn. Bhd. and its subsidiaries	100	100	Property development
Taman Desaria Management Sdn. Bhd.	100	100	Property management
Ketaras Jaya Sdn. Bhd.	100	100	Property management
Bestamaju Sdn. Bhd.	100	100	Property management
Anson Perdana (Sarawak) Sdn. Bhd.	100	100	Dormant

\* Subsidiary companies which have not commenced business during the financial year.

## NOTES TO THE ACCOUNTS (Cont'd)

### 11. ASSOCIATED COMPANY

	<b>Group/Company</b>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares at cost	3,000	3,000
Amount owing by associated company	5,997	5,997
	<b>8,997</b>	<b>8,997</b>

The associated company, incorporated in Malaysia, is as follows:-

<b>Associated company</b>	<b>Effective interest</b>		<b>Principal activities</b>
	<b>1999</b>	<b>1998</b>	
	%	%	
Konsortium Lapangan Terjaya Sdn. Bhd. and its subsidiaries	<b>30</b>	30	Highway construction and toll collection
Pembinaan Konsortium Lapangan Terjaya Sdn. Bhd.	<b>100</b>	100	Dormant
Lebuhraya KLT Sdn. Bhd.	<b>100</b>	100	Dormant

### 12. INVESTMENT PROPERTIES

	<b>Group</b>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
Leasehold land and building under construction - at cost	4,367	4,367
- at valuation	154,325	189,085
Development expenditure, at cost	147,628	146,770
	<b>306,320</b>	<b>340,222</b>

As part of the proposed debt restructuring exercise, certain investment properties of the group have been devalued by professional valuer to reflect the prevailing market value. The last revaluation was done in 1998 in which surplus on revaluation of RM95,795,872 has been credited to revaluation reserve.

Leasehold land belong to a subsidiary company has been charged as security for its term loan.

### 13. OTHER INVESTMENTS

	<b>Group</b>		<b>Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At cost:-				
Unquoted shares	3,000	3,000	3,000	3,000
Quoted shares	13,067	36,097	-	-
Quoted unit trusts	1,021	1,000	1,021	1,000
	<b>17,088</b>	40,097	<b>4,021</b>	4,000
Less: Provision for diminution in value	12,265	33,006	-	-
	<b>4,823</b>	7,091	<b>4,021</b>	4,000

## NOTES TO THE ACCOUNTS (Cont'd)

### 13. OTHER INVESTMENTS (CONT'D)

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
At market value:-				
Shares quoted in Malaysia	2,384	2,206	-	-
Quoted unit trusts	763	660	763	660

### 14. GOODWILL ON CONSOLIDATION

	Group	
	1999 RM'000	1998 RM'000
At beginning of year	74,637	79,020
Less: Amortisation during the year	3,236	2,051
Goodwill written off (Note 25)	-	2,332
At end of year	71,401	74,637

### 15. EXPENDITURE CARRIED FORWARD

- At cost less amounts written off

Preliminary expenses	14	28
Pre-operating expenses	188	468
	202	496

Included in current year's addition to pre-operating expenses is audit fee of RM4,150 (1998: RM4,900).

### 16. STOCKS AND CONTRACT WORK-IN-PROGRESS

	Group	
	1999 RM'000	1998 RM'000
Consumables, raw materials and packing materials	314	1,255
Finished goods	490	1,479
Work-in-progress	63	167
Stocks of residential property	8,984	9,128
Residential property under development	10,542	10,542
Less: Progress billings received and receivable	4,576	4,624
	5,966	5,918
Contract work-in-progress	3,961	-
Attributable profit	79	-
Less: Progress billings	3,576	-
	464	-
	16,281	17,947

## NOTES TO THE ACCOUNTS (Cont'd)

### 16. STOCKS AND CONTRACT WORK-IN-PROGRESS (CONT'D)

Residential property under development was part settlement received following the rescission of a Joint Venture Agreement in 1992. The amount of RM6.0 million (1998: RM6.0 million) at balance sheet date represents the value ascribed to the land and development of work done on site less progress billings on units sold while the balance of the settlement sum represents the value of development work yet to be performed which is included under other debtors (see Note 18).

### 17. INVESTMENT STOCKS

	Group	
	1999 RM'000	1998 RM'000
Quoted shares, at cost	<b>1,113</b>	–
Market Value:- Shares quoted in Malaysia	<b>1,112</b>	–

### 18. DEBTORS

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Trade debtors	<b>91,030</b>	122,285	–	–
Less: Provision for doubtful debts	<b>19,703</b>	3,810	–	–
	<b>71,327</b>	118,475	–	–
Other debtors, deposits and prepayments	<b>41,617</b>	42,367	<b>1,263</b>	1,350
Less: Provision for doubtful debts	<b>7</b>	7	–	–
	<b>41,610</b>	42,360	<b>1,263</b>	1,350
	<b>112,937</b>	160,835	<b>1,263</b>	1,350

#### Group

Included in other debtors is an interest free refundable security deposit of RM32 million (1998: RM32 million) given under the agreement entered into by a subsidiary to develop a proposed joint venture project.

### 19. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

The fixed deposits of a subsidiary company have been pledged to the respective bank as security for credit facilities and bank guarantee facility to the said subsidiary company.

### 20. CASH AND BANK BALANCES

Included in the Group's cash and bank balances is RM1,963,110 (1998: RM419,966) maintained pursuant to the Housing Developers (Housing Development Account) Regulations 1991.

## NOTES TO THE ACCOUNTS (Cont'd)

### 21. CREDITORS

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Trade creditors	63,585	117,748	–	–
Other creditors and accruals	51,690	26,194	22,308	2,257
	<b>115,275</b>	143,942	<b>22,308</b>	2,257

Included in other creditors and accruals are hire purchase creditors (see Note 6).

### 22. SHORT-TERM BORROWINGS

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Secured:-				
Bank overdrafts	1,554	1,480	–	–
Bankers acceptances	193	180	–	–
Revolving credit	10,400	10,400	–	–
Unsecured:-				
Bank overdrafts	68,584	57,210	36,444	34,060
Bankers acceptances	2,150	42,356	–	–
Revolving credit	235,924	203,288	187,950	187,450
Term Loan (Note 5)	–	7,500	–	7,500
Others	2,000	2,000	–	–
	<b>320,805</b>	324,414	<b>224,394</b>	229,010

#### Company

The Company's overdraft and short-term loan facilities bear interest at 5.85% - 16.70% (1998: 10.30% - 12.40%) per annum.

#### Group

The bank overdrafts and bankers acceptances of a subsidiary company is secured by a legal charge over certain leasehold land and buildings, a debenture over its fixed and floating assets and is supported by a corporate guarantee from the Company.

The revolving credit facilities of a subsidiary company is secured by a legal charge over certain leasehold land and is supported by a corporate guarantee from the Company.

The above borrowings are charged interest at a rate of 5.85% - 16.7% (1998: 11.25% - 16.10%) per annum.

### 23. TURNOVER

Turnover of the Company comprises income from investments and management fees receivable.

Turnover of the subsidiary companies comprises sales proceeds from produce harvested and processed, the proportion of the aggregate sales value of the property development projects sold attributable to the percentage of development works performed during the year, sales value of vacant lots and sales proceeds from goods sold net of discounts and returns, proceeds from sale of trading investments and rental income.

## NOTES TO THE ACCOUNTS (Cont'd)

### 24. OPERATING PROFIT BEFORE TAXATION

Operating profit before taxation is arrived at:-

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
After charging:-				
Audit fee				
- current year	124	135	25	29
- prior year	(20)	2	(4)	-
Interest expense on:				
- Revolving credit/Term loans/Banker's acceptance	29,212	31,321	22,514	29,498
- Overdrafts	6,673	6,279	3,400	4,064
- Subsidiary companies	-	-	194	1,482
- ICULS	274	510	274	510
- Others	399	6,926	190	7
Amortisation/depreciation of fixed assets	7,005	7,260	148	174
Directors' remuneration				
- Fees	-	140	-	80
- Other emoluments	2,271	1,442	651	736
Advisory fees to related party	90	-	90	-
Rental of premises	502	806	212	215
Amortisation of goodwill arising on consolidation	3,236	2,051	-	-
Fixed assets written off	358	11	265	-
Amortisation of expenditure carried forward	345	336	-	-
Loss on disposal of fixed assets	8	56	-	-
Bad debts written off	17	28	-	-
Provision for doubtful debts	15,688	2,536	-	-
Professional fees - legal fees paid to a legal firm where a director has an interest	-	128	-	61
Provision for foreseeable losses	-	30,162	-	-
Provision for liquidated and ascertained damages	-	3,509	-	-
Loss on foreign exchange	3	-	-	-
and crediting:-				
Gross dividend from:				
- unquoted subsidiary companies	-	-	2,000	661
- quoted shares	44	-	31	-
Interest income from:				
- Subsidiary companies	-	-	15,314	22,774
- Others	925	1,542	-	14
Rental income	16	-	-	-
Gain on disposal of fixed assets	-	-	11	31
Provision for doubtful debts no longer required	-	4	-	-
Management fees from:				
- Subsidiary companies	-	-	240	808
- Others	120	120	-	-
Royalties	5	60	-	-
Gain on foreign exchange	-	17	-	-

## NOTES TO THE ACCOUNTS (Cont'd)

### 25. EXCEPTIONAL ITEMS

	Group	
	1999 RM'000	1998 RM'000
Loss on disposal of quoted shares	–	44,629
Gain on disposal of properties	–	(795)
Goodwill written off (Note 14)	–	2,332
	–	46,166

### 26. TAXATION

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Current year	–	3,629	–	–
Under provision in prior year	1	3,638	–	135
Transfer from deferred taxation (Note 7)	–	(2,454)	–	–
	1	4,813	–	135

Subject to the agreement by Inland Revenue Board, the Group and the Company have estimated unabsorbed tax losses and capital allowances totalling RM115,414,000 (1998: RM79,965,000) and RM2,521,000 (1998: RM1,508,000) respectively to set off against future tax liabilities.

### 27. DIVIDEND

	Group/Company	
	1999 RM'000	1998 RM'000
Proposed final dividend:-		
Additional dividend paid in respect of final dividend for the year ended 31 August 1996 arising from additional shares issued upon the conversion of ICULS and exercise of share options under the ESOS	–	9

### 28. EARNINGS PER SHARE

The basic earnings per share is calculated based on Group loss after taxation of RM60.5 million (1998: RM139.8 million) and the weighted average number of ordinary shares in issue during the financial year of 97,495,779 (1998: 96,025,914).

## NOTES TO THE ACCOUNTS (Cont'd)

### 29. SEGMENTAL INFORMATION

The Company and its subsidiary companies operate in five industry segments, namely, property development, plantations, trading, manufacturing and investments as follows:-

	Turnover		(Loss)/Profit before taxation		Total Assets employed	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Property	65,573	17,053	(6,018)	(68,521)	825,517	1,013,782
Plantations	20,709	24,096	5,446	(34,609)	139,713	179,326
Trading	10,178	118,982	(23,372)	(5,649)	44,115	66,436
Manufacturing	9,085	5,683	(2,569)	(3,808)	12,703	15,800
Investments	67,800	11,495	(3,233)	(6,837)	1,141	35
Non-segment items	2,240	1,469	(15,221)	(14,794)	489,015	467,555
	<b>175,585</b>	178,778	<b>(44,967)</b>	(134,218)	<b>1,512,204</b>	1,742,934
Intra-Group	<b>(16,855)</b>	(5,087)	<b>(15,950)</b>	(13,882)	<b>(467,384)</b>	(429,187)
	<b>158,730</b>	173,691	<b>(60,917)</b>	(148,100)	<b>1,044,820</b>	1,313,747
Associated company	—	—	—	—	—	—
Total	<b>158,730</b>	173,691	<b>(60,917)</b>	(148,100)	<b>1,044,820</b>	1,313,747

Interest income, dividend income, rental income and goodwill on consolidation are not attributable to any industry segment and are therefore included under non-segment items.

Information on the Group's operations by geographical segments are not provided as the Group operates principally in Malaysia.

### 30. RELATED COMPANY TRANSACTIONS

The accounts of the Company reflect the following significant related company transactions with subsidiary companies:-

	Company	
	1999 RM'000	1998 RM'000
Dividend income	2,000	661
Interest income	15,314	22,774
Management fees receivable	240	808
Interest expenses	194	1,483

### 31. CAPITAL COMMITMENTS

	Group	
	1999 RM'000	1998 RM'000
Approved and contracted for	13,417	14,078

## NOTES TO THE ACCOUNTS (Cont'd)

### 32. CONTINGENT LIABILITIES

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Secured:-				
Guarantees to banks, financial institutions and third parties for credit and margin facilities granted to subsidiary companies	–	–	109,675	178,488
Guarantee given to bank in respect of the issuing of bankers' guarantees and loan facilities granted to third parties	493	1,873	–	500
	<b>493</b>	<b>1,873</b>	<b>109,675</b>	<b>178,988</b>

### 33. MATERIAL LITIGATIONS

Save as disclosed below, the Company and the Group are not engaged in any material litigation either as plaintiff or defendant and the Directors of the Company have no knowledge of any proceedings pending or threatened against the Company and the Group or of any other facts likely to give rise to any proceedings which might materially affect the position and business of the Company and the Group:-

Plaintiff	Defendant	Amount RM'million	Remarks
1. Antah Schindler Sdn Bhd	Eternal Resources Sdn Bhd	4.3	Claims for ownership of lifts and escalators by sub-contractors.
2. Public Bank Berhad	Anson Perdana Berhad	10.0	Claims for repayment of outstanding loan money under the Revolving Credit facility.
3. OCBC Bank (M) Berhad	Anson Perdana Berhad	5.0	Claims for repayment of outstanding loan money under the Revolving Credit facility.
4. The Pacific Bank Berhad	Anson Perdana Berhad	4.0	Claims for repayment of outstanding loan money under the Revolving Credit facility.
5. Arab-Malaysian Bank Berhad	Perdana-Jaya Concrete Sdn Bhd and Anson Perdana Berhad	1.3	Claims for repayment of outstanding loan money under the Banker Acceptance facility.
6. Arab-Malaysian Bank Berhad	Primason Sdn Bhd and Anson Perdana Berhad	1.3	Claims for repayment of outstanding loan money under the Banker Acceptance facility.
7. NCK Wire Products Sdn Bhd	Prodeal Sdn Bhd	1.2	Claims for outstanding payment due for goods supplied.
8. Public Bank Berhad	Prodeal Sdn Bhd and Anson Perdana Berhad	1.9	Claims for repayment of outstanding loan money under the Banker Acceptance facility.
9. Prodeal Sdn Bhd	Sumbang Bina Sdn Bhd	2.1	Claims for outstanding payment due for goods supplied.
10. Primason Sdn Bhd	Lieng Soon Enterprise Sdn Bhd	1.9	Claims for outstanding payment due for goods supplied.

## NOTES TO THE ACCOUNTS (Cont'd)

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### 34. SIGNIFICANT EVENTS

- i) The Company appointed an independent financial consultant in November 1998 to review the borrowings of the Group and to present proposals to strengthen the Group's financial position with the assistances of the Corporate Debt Restructuring Committee (CDRC).
- ii) During the financial year, a subsidiary of the Company has entered into a conditional Sale and Purchase Agreement with various vendors to acquire 3,000,000 ordinary shares of RM1.00 each representing the entire equity interest in NCR Hotel Sdn. Bhd. for a total consideration of RM10.00.

### 35. FINANCIAL POSITION AND RESTRUCTURING EXERCISE

The regional financial crisis has caused the country to experience an economic slowdown reflected by illiquidity in certain sectors, declined in our currency values, high interest rates and credit squeeze. All these factors have had an adverse effect on the operations of the Group and the Company.

In view of these adverse financial conditions, the Group had in December 1998 sought the assistance of Corporate Debt Restructuring Committee (CDRC) to restructure the maturities of its short term debts. The Company appointed Arthur Andersen Corporate Advisory Sdn Bhd as an Independent Financial Consultant to provide advisory services in pursuant of restructuring scheme. In October 1999, the Company also appointed Moores Rowland Consulting Sdn Bhd as an additional advisor to act directly on behalf of the Group to develop and negotiate with the financial institutions, trade and other creditors on an integrate debt restructuring scheme. Negotiations are continuing with Corporate Debt Restructuring Committee (CDRC).

During the financial year, the Group and the Company have not serviced their short term borrowings interest amounting to RM35,486,043. In addition, litigations have been initiated by a number of financial institutions, trade and other creditors. These litigations are being monitored closely and where necessary are being settled from internal sources.

### 36. COMPARATIVE FIGURES

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

# STATEMENT BY DIRECTORS

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*Pursuant to Section 169(15) of the Companies Act, 1965*

We, Soo Tian Chai @ Soo Kim Chey and Soo Suat Swon, two of the directors of Anson Perdana Berhad, state that in the opinion of the directors, the accounts set out on pages 16 to 42, are drawn up in accordance with applicable approved Accounting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 August 1999, and of the results of the operations of the Group and of the Company and cash flow of the Group for the year ended on that date.

On behalf of the Board,

**SOO TIAN CHAI @ SOO KIM CHEY**

*Director*

**SOO SUAT SWON**

*Director*

Kuala Lumpur

20 December, 1999

# STATUTORY DECLARATION

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

I, Soo Tian Chai @ Soo Kim Chey, the director primarily responsible for the financial management of Anson Perdana Berhad, do solemnly and sincerely declare that the accounts set out on pages 16 to 42, 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.

**SOO TIAN CHAI @ SOO KIM CHEY**

Subscribed and solemnly declared by the abovenamed Soo Tian Chai @ Soo Kim Chey  
at Kuala Lumpur this 20 December, 1999.

Before me,

**TEONG KIAN MENG**

Commissioner for Oaths

Kuala Lumpur

20 December, 1999

# AUDITORS' REPORT

*to the members of ANSON PERDANA BERHAD*

We have audited the accounts set out on pages 16 to 42 of Anson Perdana Berhad. The preparation of the financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accounts give a true and fair view of the state of affairs of the Group and of the Company as at 31 August 1999 and of their results and cash flow of the Group for the financial year ended on that date in accordance with applicable approved Accounting Standards and comply with the Companies Act, 1965; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We 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.

**HLB I.M. CHIENG & CO.**

No: AF 0311

*Public Accountants*

**CHIENG ING MUI PA(M), FCA, CPA.**

No: 711/6/00 (J/PH)

*Public Accountant*

*Chartered Accountant*

*Certified Public Accountant*

Kuala Lumpur

20 December, 1999

# STATEMENT OF SHAREHOLDINGS

as at 30 December 1999

Authorised Capital	:	RM500,000,000/-
Issued and fully paid-up capital	:	RM98,996,889/-
Class of Shares	:	Ordinary shares of RM1/- each fully paid
Voting Rights	:	One vote per RM1/- share

## BREAKDOWN OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	% of Shareholders	No. of RM1/- Shares	% of Issued Capital
1 – 499	331	2.86%	84,983	0.09%
500 – 999	150	1.29%	103,924	0.11%
1,000 – 5,000	9,172	79.13%	19,912,771	20.11%
5,001 – 10,000	1,098	9.47%	9,244,930	9.34%
10,001 – 100,000	783	6.76%	20,718,075	20.93%
100,001 – 1,000,000	44	0.38%	13,467,220	13.60%
1,000,001 and above	13	0.11%	35,464,986	35.82%
<b>TOTAL</b>	<b>11,591</b>	<b>100.00%</b>	<b>98,996,889</b>	<b>100.00%</b>

## TWENTY LARGEST REGISTERED SHAREHOLDERS

Name of Shareholder	Holdings	Percentage
1) Amanah Raya Nominees (Tempatan) Sdn Bhd ( <i>Sekim Amanah Saham Bumiputera</i> )	6,962,400	7.03%
2) HLG Nominee (Asing) Sdn Bhd ( <i>A/C Shogun Investment Limited</i> )	4,000,000	4.04%
3) Hwa Tai Industries Berhad	3,956,000	4.00%
4) DB (Malaysia) Nominee (Asing) Sdn Bhd ( <i>A/C Contend Investments Limited</i> )	3,530,586	3.57%
5) BHLB Nominees (Tempatan) Sdn Bhd ( <i>A/C Soo Tian Chai @ Soo Kim Chey</i> )	3,526,000	3.56%
6) HLG Nominee (Asing) Sdn Bhd ( <i>A/C Silver Arrow Investment Limited</i> )	3,108,000	3.14%
7) Chase Malaysia Nominees (Asing) Sdn Bhd ( <i>A/C Star System Limited</i> )	2,377,000	2.40%
8) EB Nominees (Tempatan) Sendirian Berhad ( <i>A/C Pengkalen Securities Sdn Bhd</i> )	1,860,000	1.88%
9) Bank Simpanan Nasional	1,515,000	1.53%
10) HLG Nominee (Tempatan) Sdn Bhd ( <i>A/C Soo Tian Chai @ Soo Kim Chey</i> )	1,231,000	1.24%
11) HSBC Nominees (Tempatan) Sdn Bhd ( <i>A/C Goh Teong Hoe</i> )	1,200,000	1.21%
12) DB (Malaysia) Nominee (Tempatan) Sdn Bhd ( <i>A/C Soo Tian Chai @ Soo Kim Chey</i> )	1,129,000	1.14%
13) DB (Malaysia) Nominee (Tempatan) Sdn Bhd ( <i>A/C See Ai Chin</i> )	1,070,000	1.08%
14) HSBC Nominees (Tempatan) Sdn Bhd ( <i>A/C Ong Tee Thong</i> )	1,000,000	1.01%
15) DB (Malaysia) Nominee (Asing) Sdn Bhd ( <i>A/C Victory Capital Limited</i> )	890,965	0.90%
16) Amsec Nominees (Tempatan) Sdn Bhd ( <i>A/C Soo Tian Chai @ Soo Kim Chey</i> )	835,413	0.84%
17) Ea Choo Guan	760,931	0.77%
18) M & A Nominee (Asing) Sdn Bhd ( <i>A/C Sun Seng Fatt Timber Co Sdn Bhd</i> )	700,000	0.71%
19) Arab-Malaysian Nominees (Tempatan) Sdn Bhd ( <i>A/C Dato' Lim Cheng Pow</i> )	625,000	0.63%
20) Mah Siew Seong	524,000	0.53%
<b>TOTAL</b>	<b>40,801,295</b>	<b>41.21%</b>

## STATEMENT OF SHAREHOLDINGS (Cont'd)

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### SUBSTANTIAL SHAREHOLDERS

According to the register required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders (beneficial owners only) of the Company:

<b>Name of Substantial Shareholder</b>	<b>Direct Interest (A)</b>	<b>Indirect Interest (B)</b>	<b>Total Interest (A+B)</b>
Soo Tian Chai @ Soo Kim Chey	24,858,860	–	24,858,860
Amanah Raya Berhad	6,962,400	–	6,962,400
Shogun Investment Limited	4,000,000	–	4,000,000
Hwa Tai Industries Berhad	3,956,000	–	3,956,000
Contend Investment Limited	3,530,586	–	3,530,586
Silver Arrow Investment Limited	3,108,000	–	3,108,000
Star System Limited	2,377,000	–	2,377,000

# ANSON PERDANA BERHAD

*Incorporated in Malaysia (Company No.: 13982-X)*

## FORM OF PROXY

I/We, \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of ANSON PERDANA BERHAD hereby appoint \_\_\_\_\_

of \_\_\_\_\_  
as my/our proxy, to vote for me/us and on my/our behalf at the Twenty-Seventh Annual General Meeting of Shareholders, to be held on 19 February 2000 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:-

Resolutions relating to :		For	Against
1.	The adoption of Reports and Accounts		
2.	The payment of Directors' fee		
3.	The re-election of Directors:-		
	(i) Dato' Haji Abdul Kayoom bin Mustakim		
	(ii) Soo Suat Swon		
	(iii) Paul Harris		
4.	Appointment of Auditors and their remuneration		
5.	Ordinary Resolution No. 1		
6.	Ordinary Resolution No. 2		

Please indicate with (X) how you wish your vote to be cast

Date : \_\_\_\_\_

Signature: \_\_\_\_\_

No. of Shares Held	
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### Notes :

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for holding the Meeting.
- (2) Where this proxy form is executed by a corporation, it must be either under its seal or under the hand of an officer or attorney duly authorised.
- (3) In the case of joint-holders, the signature of any one joint-holder is sufficient.
- (4) If neither "for" nor "against" is indicated, the proxy will vote or abstain as he thinks fit.

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Postage

**THE SECRETARY**  
**ANSON PERDANA BERHAD**  
NOS. 21 & 23, JALAN HUSSEIN (GROUND FLOOR),  
30250 IPOH,  
PERAK DARUL RIDZUAN,  
MALAYSIA.

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