Contents

2	Corporate Information
3	Audit Committee
4	Notice of Annual General Meeting
5	Notice of Dividend Entitlement
7	Notice of Nomination
8	Chairman's Statement
12	Directors' Report
16	Income Statements
17	Balance Sheets
18	Consolidated Statements of Changes in Equity
19	Company Statements of Changes in Equity
20	Consolidated Cash Flow Statement
22	Company Cash Flow Statement
23	Notes to the Financial Statements
46	Statement by Directors
46	Statutory Declaration
47	Report of the Auditors
48	Other Information
	Form of Proxy

Board of Directors

Tan Sri Dato' (Dr) Abdul Aziz Bin Mohd Zain (Chairman) Dato' Seri Abdul Ghani Bin Abdul Aziz (Executive Director) Dato' Paduka Hj. Ahmad Basri Bin Mohd Akil (Director) Dato' Ting Yew Tong (Director) Sharifatul Hanizah Binti Said Ali (Director)

Company Secretaries Lim Phooi Kee (MIA 2759) Lee Peng Khoon (MIA 2251)

Registrars

Signet Share Registration Services Sdn Bhd 11th Floor-Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2454337 Fax: 03-2421353

Registered Office

Signet & Co Sdn Bhd 10th Floor-Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2454337 Fax: 03-2415757

Auditors

PricewaterhouseCoopers 11th Floor Wisma Sime Darby Jalan Raja Laut P. O. Box 10192 50706 Kuala Lumpur

Principal Bankers

RHB Bank Berhad Malayan Banking Berhad Hong Leong Bank Berhad

Listing The Kuala Lumpur Stock Exchange (Main Board)

CHAIRMAN

Dato' Paduka Hj. Ahmad Basri Bin Mohd Akil (Independent Non-Executive Director)

MEMBERS

Dato' Seri Abdul Ghani Bin Abdul Aziz (Executive Director) Dato' Ting Yew Tong (Independent Non-Executive Director)

TERMS OF REFERENCE OF AUDIT COMMITTEE

Objective

To maintain high standards of corporate responsibility, integrity and accountability to shareholders.

COMPOSITION

The Committee shall consist of at least three (3) members but not more than five (5) members, appointed by the Board from amongst the Directors, comprising a majority of Non-Executive Directors. The Chairman of the Committee, who is a Non-Executive Director, shall be appointed by the Board.

MEETINGS

The Committee shall meet not less than two (2) times a year, and as many times as the Committee deems necessary. The quorum for meetings of the Committee shall be two (2) members. The Company Secretary shall be the Secretary of the Committee. The Committee may require the members of management, the internal auditor and representatives of the external auditors to attend any of its meetings as it deems fit.

AUTHORITY

The Committee shall have unlimited access to all information and documents relevant to its activities, to the internal and external auditors and to senior management of the Company and its subsidiaries. The Committee is also authorized to obtain other legal or independent professional advice as it considers necessary.

DUTIES

- To review with the external auditors, the overall scope of the external audits and discuss the results of their examination and their evaluation of the system of internal accounting controls.
- To review the scope and results of the internal audit procedures.
- To review the external audit report on the financial statements.
- To review the financial statements with the management and the auditors prior to them being approved by the Board.
- To review the effectiveness of the internal control systems.
- To recommend to the Board of Directors the appointment and re-appointment of the external auditors.
- To consider other topics such as health and safety issues.

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of the Company will be held at the Bilik Perdana, 3rd Floor, Wisma Idris, 17, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 27 November 2000 at 10.00 a.m. for the purpose of transacting the following business:

AGENDA

ORDINARY BUSINESS

- To receive and adopt the Audited Accounts for the year ended 30 June 2000 together with the Directors' and Auditors' Reports thereon.
- 2. To approve the payment of directors' fees for the year ended 30 June 2000. *Resolution 2*
- 3. To declare a Final Dividend of 2% less tax 28% for the year ended 30 June 2000. **Resolution 3**
- 4. To re-elect Directors who are retiring in accordance with the Company's Articles of Association:
 - i. Puan Sharifatul Hanizah Binti Said Ali
 ii. Dato' Paduka Hj. Ahmad Basri bin Mohd Akil
 Resolution 5
- 5. To appoint Auditors and to authorise the Directors to fix their remuneration. *Resolution 6*

A notice of nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed to the 2000 Annual Report and marked as "Annexure A" was received by the Company on 31 October 2000 for the nomination of Messrs Ernst & Young, who have given their consent to act as Auditors of the Company and of the intention to propose the following Ordinary Resolution :-

"THAT Messrs Ernst & Young be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs PricewaterhouseCoopers, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modifications, the following Ordinary Resolutions:

6. Ordinary Resolution

Appointment of Director over 70 years of age

"THAT pursuant to Section 129 of the Companies Act, 1965, Tan Sri Dato' (Dr) Abdul Aziz Bin Mohd Zain who is over 70 years of age be and is hereby appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

7. Ordinary Resolution

Authority to Directors to issue shares

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

ANY OTHER BUSINESS

8. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN THAT a Final Dividend of 2% less tax 28% for the year ended 30 June 2000 will be payable on 22 February 2001 to Depositors registered in the Records of Depositors at the close of business on 30 January 2001.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred to the Depositor's Securities Account before 12.30 p.m. on 30 January 2001 in respect of ordinary transfers;
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

BY ORDER OF THE BOARD C.I. HOLDINGS BERHAD

LIM PHOOI KEE LEE PENG KHOON Company Secretaries

Kuala Lumpur

Date: 9 November 2000

Notes:

- 1. A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- 2. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of some officer of the corporation duly authorised in that behalf.
- 3. 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.
- 4. The instrument appointing a proxy must be deposited at the Company's registered office at 10th Floor-Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or at any adjournment thereof.

Explanatory Notes on Special Business

1. Appointment of Director over 70 years of age

The proposed resolution under item 6 is in accordance with Section 129(6) of the Companies Act, 1965 which requires that a separate resolution be passed to appoint Tan Sri Dato' (Dr) Abdul Aziz Bin Mohd Zain who is over 70 years of age as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company. This resolution must be passed by a majority of not less than three-fourths of such members of the Company as being entitled to vote in person or where proxies are allowed, by proxy at the Annual General Meeting of the Company.

2. Authority to Directors to issue shares

In line with the Company's plan for expansion / diversification, the Company is actively looking into prospective areas so as to broaden the operating base and earnings potential of the Company. As the expansion / diversification may involve the issue of new shares, the Directors, under present circumstances, would have to call for a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is proposed that the Directors be empowered to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. Annexure A - Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965.

SYED IBRAHIM SDN BHD (35593-X) NO. 18 LORONG YAP KWAN SENG,50450 KUALA LUMPUR TEL: 21624444 FAX: 21619945

31 October 2000

The Board of Directors C.I. Holdings Berhad c/o 10th Floor Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur

Dear Sirs,

RE: CHANGE OF AUDITORS

We, being the shareholder of C.I. Holdings Berhad, hereby give notice pursuant to Section 172(11) of the Companies Act, 1965, of our intention to nominate Messrs Ernst & Young for appointment as auditors of C.I. Holdings Berhad and to propose the following as an ordinary resolution to be tabled at the forthcoming Twenty-Second Annual General Meeting of C.I. Holdings Berhad, to replace the retiring auditors, Messrs PricewaterhouseCoopers:

"That Messrs Ernst & Young be and are hereby appointed as the auditors of the Company in place of the retiring auditors, Messrs PricewaterhouseCoopers, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Yours faithfully

SYED IBRAHIM SDN BHD

SIGNED

Shareholder

On behalf of the Board of Directors, I am pleased to present the Annual Report and Accounts of the Group and the Company for the financial year ended 30 June 2000.

FINANCIAL PERFORMANCE

The Group achieved a turnover of RM 130.26 million compared to RM 249.74 million in the previous financial year. The sharp decrease in turnover was attributed to the divestment of its roofing tiles and paver divisions at the end of previous financial year and the disposal of its asphalt division on 25 October 1999.

At company level the Company recorded a profit before tax of RM 162.39 million compared to RM 15.43 million in the previous year. The significant increase is due to the waiver of RM 179.86 million intercompany advances from C.I. Building Industries Sdn Bhd, a wholly-owned subsidiary, to the Company.

The Group registered an exceptional gain of RM 13.42 million upon the disposal of its asphalt division. Despite this exceptional gain and the better performance of its remaining subsidiaries, the Group suffered a loss before tax of RM 7.10 million. The loss was mainly due to provision for diminution in value of its investment in subsidiaries amounting to RM 13.99 million as well as provision for diminution in value of fixed assets of RM 5.36 million.

REVIEW OF OPERATIONS

Readymix Division

Selling prices of readymix concrete were still low due to stiff competition and excess capacity in the industry. In addition, profit margins were being eroded by the reduction in cement rebates. The readymix market was practically dominated by a few large integrated readymix companies.

Unlike previous years, this division no longer enjoy the support of a cement manufacturer. Thus the division has lost competitiveness against the bigger local and foreign-owned readymix companies which have the support of their related cement manufacturers.

Quarrying Division

Although the division was able to achieve a commendable sales volume, selling prices of quarry materials continued to be depressed. The market is still flooded with excess capacity as the residual effect of the economic downturn is still being felt in the construction and building industry.

Stringent measures were taken to reduce operating costs and break-even levels to ensure operating cash flow remain positive.

During the financial year, one of the quarries was accredited the ISO 9002. To-date the division had attained three ISO 9002 quality system certification.

Tapware Division

Though there was slight improvement, the environment surrounding the tapware division was still very competitive with cheaper foreign tapware products making inroad into the market. Demand for cheaper tapware products was significant in the low and medium end residential development which placed greater emphasis on price rather than quality. The current trend of demand has been prejudicial to the division which has always emphasized on quality products.

Selling prices continued to be depressed with greater competition from cheaper imports. The division responded by continuing to tighten cost control, introduced new products and redesigning existing products. In addition, with the ISO 9002 Quality System in place, the division continued on quality products and was able to maintain its market share in the higher quality sector.

Financial Services Division

The Group's newly acquired credit and leasing company had performed reasonably well despite competition from larger financial institutions.

Since the completion of the acquisition of the division on 24 August 1999, the division had focused on collections of the hire purchase and money-lending loans extended in earlier periods. Collections, though slow initially have improved after the necessary corrective measures were implemented.

Construction Division

Since commencement of operations in March 2000 the division has been awarded a few projects which are currently in progress. With the availability of experienced personnel in the Group, this division is actively pursuing new projects.

CORPORATE DEVELOPMENTS

On 24 August 1999, the Company acquired 60% equity interest in Hwee Ann Credit & Leasing Sdn Bhd for a total cash consideration of RM 4,799,942.

On 25 October 1999, a wholly-owned subsidiary of the Company, C.I. Building Industries Sdn Bhd (formerly known as Hume Redland Industries Sdn Bhd) completed the disposal of its entire equity interest in HIPL Holdings Pte. Ltd. (formerly known as Hume Redland Trading (S) Pte. Ltd.) for a total cash consideration of SGD 27,500,000.

On 28 October 1999 the Company entered into a conditional sale and purchase agreement with Punca Ibarat Sdn Bhd for the proposed acquisition of 100% equity interest in Mawar Seroja Sdn Bhd ("Proposed Acquisition") which have beneficial ownership of 57 million ordinary shares of RM 1.00 each in KFC Holdings (Malaysia) Bhd ("KFC Shares") for an aggregate amount of RM 450 million. In conjunction with this Proposed Acquisition, the Company announced a Proposed Bonus Issue, a Proposed Bonds with Warrant Issue and a Proposed Restricted Offer for Sale of Warrants ("The Proposals"). The Proposals were approved by the shareholders of the Company at the Extraordinary General Meeting held on 22 July 2000 and submitted to the Securities Commission for ratification and approval at end October 2000.

A wholly-owned sub-subsidiary of the Company, C.I. Quarries Sdn Bhd, completed the acquisition of 100% equity interest of C.I. Quarries (Nilai) Sdn Bhd (formerly known as Nilai Granite Industries Sdn Bhd) on 23 February 2000.

Subsequent to the financial year-end the following agreements were entered into on 27 September 2000 :-

- A Share Sale Agreement between C.I. Building Industries Sdn Bhd ("CIBI"), a wholly-owned subsidiary of the Company, with YTL Cement Bhd for the divestment of CIBI's entire shareholding in C.I. Readymix Sdn Bhd;
- 2. A Sale & Purchase Agreement between C.I. Quarries Sdn Bhd ("CIQ") and its wholly-owned subsidiaries C.I. Quarries (Nilai) Sdn Bhd and C.I. Quarrying & Marketing Sdn Bhd ("collectively referred to as "CIQ Companies") with Batu Tiga Quarry Sdn Bhd (BTQ) for the disposal of certain quarry equipment located in Semenyih in Selangor, Nilai in Negri Sembilan, Kulai in Johore and Penanti and Berapit in Penang (" the Aforementioned Locations ") to BTQ;
- 3. Contracting Agreements appointing BTQ to carry out quarry operations at the Aforementioned Locations; and
- 4. A Supplemental Agreement between Punca Ibarat Sdn Bhd and the Company whereby the acquisition of 100% equity interest in Mawar Seroja Sdn Bhd was deemed completed.

Under an internal restructuring scheme the KFC Shares were sold by Mawar Seroja Sdn Bhd to C.I.Enterprise Sdn Bhd, both wholly-owned subsidiaries of the Company, on 19 October 2000.

DIVIDEND

The Board of Directors has recommended a first and final gross dividend of 2 sen less tax of 28% per ordinary share in respect of the financial year ended 30 June 2000.

CURRENT YEAR PROSPECTS

Given the Group's high dependence on the building and construction industry, the slow recovery of this sector had adversely affected the Group's performance in the previous financial year.

Going forward, the country is on track to achieve the targeted Gross Domestic Product growth of 7.5% this year and coupled with the acquisition of the KFC Shares, the Board is reasonably optimistic of the prospects for the current year as KFC Holdings (Malaysia) Bhd is expected to contribute significantly to the Group's results barring any unforeseen circumstances.

APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation and gratitude to the management and staff of the Group for their conscious effort, dedication and commitment. We would also like to thank our shareholders, business associates, bankers and the regulatory authorities for their invaluable support and assistance and look forward to their continued support.

TAN SRI DATO' (DR) ABDUL AZIZ BIN ZAIN

Chairman

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

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. It also provides management services to its subsidiary companies.

The principal activities of the subsidiary companies are described in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the year except for that arising from the acquisition and disposal of subsidiaries as mentioned in Note 10 to the financial statements.

FINANCIAL RESULTS

	Group RM′000	Company RM'000
(Loss)/profit after taxation	(8,376)	161,950
Minority interests	(378)	-
Net (loss)/profit attributable to shareholders	(8,754)	161,950

DIVIDENDS

The dividends paid by the Company since the end of the previous financial year were as follows:

	RM′000
In respect of year ended 30 June 1999, as shown in the Directors' report of that year:	
A final dividend of 5 sen per share, less tax at 28%, paid on 30 March 2000	2,066

The Directors now recommend the payment of a final dividend in respect of the year ended 30 June 2000 of 2 sen per share less income tax at 28%, amounting to RM826,241.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the year are shown in the financial statements.

DIRECTORS

The Directors who have held office during the period since the date of the last report are:

Dato' Seri Abdul Ghani bin Abdul Aziz	
Mr Ting Yew Tong	
Puan Sharifatul Hanizah binti Said Ali	
Tan Sri Dato' (Dr) Abdul Aziz bin Mohd Zain	(appointed on 30.12.1999)
Dato' Paduka Hj. Ahmad Basri bin Mohd Akil	(appointed on 30.12.1999)
Mr Tai Pet Song	(resigned on 30.12.1999)
Mr Tan Jooi Kyang	(resigned on 30.12.1999)
Mr Su Lung-Chun	(resigned on 30.12.1999)
Mr Tan Kok Aun	(resigned on 30.12.1999)

In accordance with Article 93 of the Company's Articles of Association, Dato' Paduka Hj. Ahmad Basri bin Mohd Akil who was appointed during the financial year retires at the forthcoming Annual General Meeting and, being eligible, offers himself for election.

In accordance with Article 102 of the Company's Articles of Association, Puan Sharifatul Hanizah binti Said Ali retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-election.

Tan Sri Dato' (Dr) Abdul Aziz bin Mohd Zain, being over seventy years of age, retires in accordance with Section 129 of the Companies Act, 1965 and offers himself for re-appointment in accordance with Section 129(6) of the said Act to hold office until the conclusion of the next Annual General Meeting of the Company.

DIRECTORS' BENEFITS

During and at the end of the year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling 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.

Since the end of the previous year, no Director has received or become entitled to receive a benefit (other than those disclosed in Note 6 in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of Directors' shareholding, none of the Directors in office at the end of the year held any interests in shares in, or debentures of, the Company and its related corporations.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

- (a) 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 satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.
- At the date of this report, the Directors are not aware of any circumstances:
- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

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 year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or the Company to meet their obligations when they fall due.

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

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

OTHER STATUTORY INFORMATION

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors,

- (a) the results of the Group's and the Company's operations during the year were not substantially affected by any item, transaction or event of a material and unusual nature except for the exceptional items disclosed in Note 5 to the financial statements and the significant events during the year as disclosed in Note 29 to the financial statements; and
- (b) there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the year in which this report is made except as disclosed in Note 30 to the financial statements.

In accordance with a resolution of the Board of Directors.

DATO' SERI ABDUL GHANI BIN ABDUL AZIZ

Director

TING YEW TONG

Director

Kuala Lumpur

Income Statements

FOR THE YEAR ENDED 30 JUNE 2000

	Note	Gro 2000 RM′000			pany 1999 RM′000
Revenue Cost of sales	4	130,260 (114,005)	249,741 (185,347)	5,401 -	18,756 -
Gross profit Other operating income Distribution costs Administration expenses Other operating expenses		16,255 1,395 (660) (13,193) (2,150)	64,394 5,571 (17,857) (19,655) (4,370)	5,401 - - (2,262) -	18,756 - - (2,453) -
Operating profit before exceptional items Exceptional items	5	1,647 (5,933)	28,083 21,427	3,139 160,516	16,303
Operating (loss)/profit after exceptional items Finance costs Share of results of associated companies		(4,286) (2,811)	49,510 (949) (97)	163,655 (1,263) -	16,303 (871) -
(Loss)/profit before taxation Taxation	6 7	(7,097) (1,279)	48,464 (4,736)	162,392 (442)	15,432 (3,270)
Net (loss)/profit from ordinary activities Minority interests		(8,376) (378)	43,728 (5,001)	161,950 -	12,162
Net (loss)/profit attributable to shareholders		(8,754)	38,727	161,950	12,162
(Loss)/earnings per share (sen)	8	(15)	67		

Balance Sheets

AS AT 30 JUNE 2000

	Group Note 2000		oup 1999	Com 2000	npany 1999
		RM′000	RM′000	RM′000	RM′000
NON CURRENT ASSETS	0	40.014	(4 5 0 7	1.00/	
Property, plant and equipment Subsidiary companies	9 10	48,011	64,587	1,026 89,062	- 103,830
Goodwill	10	- 21,443	- 11,654	09,002	103,630
Goodwin		21,443	11,004	-	
CURRENT ASSETS					
Inventories	12	6,304	7,313	-	-
Amounts due from subsidiary companies	10	-	-	54,702	-
Debtors	13	269,517	237,128	175,979	56,052
Bank deposits Cash and bank balances	14	620 2 6 0 2	24,039	-	- 2 241
		2,692	6,714	353	2,241
		279,133	275,194	231,034	58,293
CURRENT LIABILITIES					
Creditors	15	33,115	36,550	2,502	1,631
Amount due to subsidiary companies	10	-		14,982	11,741
Short-term borrowings (unsecured)	17	16,492	14,292	5,000	11,000
Taxation		3,398	7,981	1,094	402
Proposed dividend		826	2,066	826	2,066
		53,831	60,889	24,404	26,840
NET CURRENT ASSETS		225,302	214,305	206,630	31,453
		294,756	290,546	296,718	135,283
CAPITAL AND RESERVES					
Share capital	18	57,378	57,378	57,378	57,378
Retained earnings	19	160,574	163,978	227,400	66,276
Reserves		69,140	65,410	11,629	11,629
SHAREHOLDERS' EQUITY		287,092	286,766	296,407	135,283
MINORITY INTERESTS		6,235	2,745	-	-
		293,327	289,511	296,407	135,283
NON CURRENT LIABILITIES					
Deferred taxation	20	1,118	1,035		-
Hire purchase creditors	16	311		311	-
			000 5 1 /		105 000
		294,756	290,546	296,718	135,283
NET TANGIBLE ASSET PER SHARE - RM		4.63	4.79	_	

	Note	Issued and ordinary of RM1 Number of shares '000	shares each	Share premium RM'000	Capital reserves RM'000	Revaluation reserves RM'000	Non-dist Special reserves RM'000	ributable Other reserves RM′000	Distri- butable Retained earnings RM'000	Total RM′000
At 1.7.1998		57,378	57,378	1,007	19,578	1,635	3,080	9,176	135,008	226,862
Transfer to/(from) reserve		-	-	-	-	(1,635)	4,168	(213)	(2,320)	-
Exchange loss arising from translation of opening reserve		-	-	-	-	-	-	(2,787)	-	(2,787)
Arising from increase in equity interest in								() -)		() -)
subsidiary companies		-	-	-	31,401		-	-	-	31,401
Net profit for the year		-	-	-	-	-	-	-	38,727	38,727
Dividends for year ended:										
- 30.6.1999	21	-	-	-	-	-	-	-	(7,437)	(7,437)
At 30.6.1999		57,378	57,378	1,007	50,979	-	7,248	6,176	163,978	286,766
Transfer to/(from) reserve		-	-	-	-	-	-	(6,176)	6,176	-
Arising from increase in equity interest in										
subsidiary companies in previous year		-	-	-	2,560	-	-	-	-	2,560
Reinstatement of special reserves on										
disposal on investment in subsidiaries		-	-	-	-	-	4,272	-	-	4,272
Arising from acquisition of subsidiary										
companies		-	-	-	3,074	-	-	-	-	3,074
Net loss for the year		-	-	-	-	-	-	-	(8,754)	(8,754)
Dividends for year ended:										
- 30.6.2000	21	-	-	-	-	-	-	-	(826)	(826)
At 30.6.2000		57,378	57,378	1,007	56,613	-	11,520	-	160,574	287,092

Company Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2000

	Note	Issued and ordinary of RM1 Number of shares '000	shares	Non-distr Share premium RM'000	ibutable Special reserve RM′000	Retained earnings	Total RM′000
At 1.7.1998		57,378	57,378	1,007	10,622	61,551	130,558
Net profit for the year		-	-	-	-	12,162	12,162
Dividends for year ended							
- 30.6.1999	21	-	-	-	-	(7,437)	(7,437)
At 30.6.1999		57,378	57,378	1,007	10,622	66,276	135,283
Net profit for the year		-	-	-	-	161,950	161,950
Dividends for year ended							
- 30.6.2000	21	-	-	-	-	(826)	(826)
At 30.6.2000		57,378	57,378	1,007	10,622	227,400	296,407

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2000

Note	2000 RM′000	1999 RM′000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(7,097)	48,464
Adjustments for:		
Property, plant and equipment written off	100	
Goodwill written off	13,988	
Depreciation of property, plant and equipment	7,751	19,577
Share of loss of associated companies	-	97
Interest expense	789	864
Interest income	(1,394)	(6,239)
Gain on disposal of property, plant and equipment	(105)	(780)
Charge for impairment in value of property, plant and equipment	5,360	389
Gain on disposal of shares in subsidiary and associated companies	(13,415)	(21,427)
Provision for slow moving stock	601	81
	6,578	41,026
Changes in working capital:		
Inventories	(185)	6,122
Debtors	(49,595)	2,455
Creditors	4,231	(2,692)
Former holding and related company balances	-	(33,671)
Cash generated (used in)/from operations	(38,971)	13,240
Interest paid	(789)	(864)
Interest received	1,394	6,239
Taxation paid	(2,374)	(11,941)
Net cash (used in)/from operating activities	(40,740)	6,674
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired 22	(24,097)	
Purchase of property, plant and equipment	(6,082)	(11,320)
Proceeds from sale of property, plant and equipment	472	3,536
Proceeds from disposal of subsidiary and associated companies 23	42,460	(1,966)
Net cash from/(used in) investing activities	12,753	(9,750)

	Note	2000 RM′000	1999 RM′000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from hire purchase creditors		412	-
Dividends paid		(2,066)	(11,154)
Proceeds from short term borrowings		1,429	-
Net cash used in financing activities		(225)	(11,154)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(28,212)	(14,230)
Effect of exchange rate changes		-	(2,047)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		29,611	45,888
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	1,399	29,611

Company Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2000

Note	2000 RM′000	1999 RM′000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	162,392	15,432
Adjustments for:		
Provision for diminution in value of investment	19,348	
Depreciation of property, plant and equipment	122	231
Loss on disposal of property, plant and equipment	-	103
Interest expense	1,249	850
Interest income	(4,153)	(3,726)
Loss on transfer of investment to a		
subsidiary company	360	-
	179,318	12,890
Changes in working capital:		
Debtors	(120,039)	(20,928)
Intercompany balances	(51,395)	10,432
Creditors	(4,818)	11,105
Cash generated from operations	3,066	13,499
Interest paid	(1,249)	(850)
Interest received	4,153	3,726
Taxation refund/(paid)	252	(3,753)
Net cash from operating activities	6,222	12,622
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of subsidiary companies	(4,896)	-
Purchase of property, plant and equipment	(1,148)	(1)
Proceeds from sale of property, plant and equipment	-	738
Net cash (used in)/from investing activities	(6,044)	737
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,066)	(11,154)
Net cash used in financing activity	(2,066)	(11,154)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,888)	2,205
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,241	36
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR24	353	2,241

Notes to the Financial Statements

- 30 JUNE 2000

1 GENERAL INFORMATION

The Company is principally an investment holding company. It also provides management services to its subsidiary companies.

The principal activities of the subsidiary companies are described in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the year except for that arising from the acquisition and disposal of subsidiaries as mentioned in Note 10 to the financial statements.

The number of employees in the Group and in the Company at the end of the year amounted to 140 employees (1999: 987 employees) and 5 employees (1999: 3 employees) respectively.

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

The address of the principal place of business of the Company is as follows:

B-9-5, Block B Level 9 Megan Phileo Promenade 189, Jalan Tun Razak 50400 Kuala Lumpur

2 BASIS OF ACCOUNTING

The financial statements of the Group and the Company have been prepared under the historical cost convention as modified for the revaluation of certain land and buildings.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the period. Subsidiary companies are those companies in which the Group, directly or indirectly, has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date of acquisition up to the date of disposal. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

(b) Goodwill

Goodwill represents the excess of the fair value of purchase consideration of subsidiary and associated companies acquired over the Group's share of the fair value of their separable net assets at the date of acquisition and is included in the Group financial statements as goodwill or capital reserve arising on consolidation, where appropriate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Associated companies

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Associated companies are companies in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies but is not control over those policies.

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

Unrealised surpluses and deficits on transactions between group companies and associated companies have been eliminated to the extent of the Group's interest in the associated companies. Where necessary, in applying the equity method, adjustments have been made to the financial statements of associated companies to ensure consistency of accounting policies with the Group.

(d) Foreign currency transactions

Foreign currency transactions are converted into Ringgit Malaysia at rates ruling at transaction dates.

Realised gains or losses on exchange are included in the income statement. Foreign currency assets and liabilities at the year end are translated into Ringgit Malaysia at the rates of exchange ruling at that date and differences are taken to the income statements.

The assets and liabilities and trading results of foreign subsidiary companies are translated into Ringgit Malaysia, at the rates of exchange ruling at the balance sheet date. Exchange differences arising from restatement of the opening net investments in foreign subsidiary companies at rates ruling at the balance sheet date are dealt with through reserves.

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

Foreign currency	30.6.2000	30.6.1999
1 United States Dollar	3.80	3.80
1 Singapore Dollar	2.10	2.20
1 Deutsche Mark	1.85	2.00

(e) Property, plant and equipments

Property, plant and equipments are stated at cost/valuation less depreciation.

The Directors have applied the transitional provisions of International Accounting Standards No. 16 (Revised) Property, Plant and Equipment as adopted by Malaysian Accounting Standards Board which allow the long term leasehold land and buildings to be stated at their valuations mentioned in Note 9 to the financial statements less depreciation. Accordingly, these valuations have not been updated.

Freehold land and construction in progress are not amortised. Leasehold land is amortised in equal instalments over the period of the respective leases ranging from 60 to 99 years. Quarry improvements are written off over a period of two years. Depreciation of other property, plant and equipment assets is calculated on the straight line basis to write off the cost or valuation of the assets over their estimated useful lives.

The principal annual rates of depreciation are as follows:

Buildings	1.05% to 20%
Plant, equipment and vehicles	5% to 25%
Access road	10% to 20%
Plant mobilisation	50%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investments

Investments in subsidiaries and associated companies are stated at cost unless in the opinion of the Directors there has been a permanent diminution in value, in which case, provision is made for the diminution in value. Permanent diminution in value of an investment is recognised as an expense in the period in which the diminution is identified.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to the income statements.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on a weighted average basis. In the case of finished goods and work-in-progress, cost represents raw materials, direct labour and an appropriate proportion of overheads.

(h) Trade debtors

Trade debtors are carried at anticipated realisable value. Bad debt are written off in the period in which they are identified. An estimate is made for doubtful debtors based on a review of all outstanding amounts at the period end.

(i) Taxation

The taxation charge in the income statement is calculated at current tax rates based on the estimated chargeable income for the year.

Deferred taxation is provided for using the liability method in respect of all material timing differences except where the tax effects of such timing differences are expected to be deferred indefinitely.

(j) Finance lease

Leases where substantially all risk and rewards of ownership of assets are transferred to the Group are accounted for as finance leases.

Property, plant and equipment acquired under finance leases are included in tangible property, plant and equipment and are amortised in accordance with Note 3(e). Obligations under such agreements are treated as liabilities. Finance charges are allocated to the income statement over the period of the lease agreements.

(k) Revenue recognition

Sales are recognised upon delivery of products and customer acceptances, net of sales taxes and discounts and after eliminating sales within the Group.

Revenue from loans and hire purchase transactions are recognised on the following basis:

- (i) Loans Yearly rest basis over the period of the loan
- (ii) Hire purchase Rule of 78 method

Interest income from the above transactions are recognised as its accrues (unless collectibility is in doubt).

(I) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4 **REVENUE**

Revenue for the Company represents gross dividends, interest income and management and other fees receivable from subsidiary companies.

Revenue for the Group represents the invoiced value of goods to third parties, net of discounts and returns and interest income from finance related activities.

Analysis of revenue

Analysis of revenue	Grc 2000 RM'000	oup 1999 RM′000	Com 2000 RM′000	pany 1999 RM′000
Sale of goods	124,388	249,726	-	-
Interest income from finance related activities	4,731	-	-	-
Other interest income - subsidiary companies		-	3,012	-
former related companiesothers	- 1,141	- 15	- 1,141	3,711 15
Dividend income from subsidiary companies	-	-	448	13,301
Management and other fees from subsidiary companies	-	-	800	1,729
	130,260	249,741	5,401	18,756

5 EXCEPTIONAL ITEMS

	Gro	oup	Company		
	2000 RM′000	1999 RM′000	2000 RM′000	1999 RM′000	
Waiver of loans from a subsidiary company #	-	-	179,864	-	
Gain on disposal of shares in subsidiary and associated companies	13,415	21,427	-	-	
Charge for impairment in value of property, plant and equipment	(5,360)	-	-	-	
Provision for diminution in value of subsidiary companies	-	-	(19,348)	-	
Goodwill written off	(13,988)	-	-	-	
	(5,933)	21,427	160,516	-	

In conjunction with the acquisition of Mawar Seroja Sdn Bhd as disclosed in Notes 29(c) and 30(c), the Company had on 28 October 1999 announced the proposal to issue bonus shares. To undertake the proposed bonus issue, C.I. Building Industries Sdn Bhd, a subsidiary of the Company had on 26 June 2000 effected a transfer of reserves to the Company by way of a waiver of loans totalling RM179,864,000.

The exceptional items of the Group and the Company have no tax effect as they are capital in nature.

6 (LOSS)/PROFIT BEFORE TAXATION

The following items have been charged/(credited) in arriving at (loss)/profit before taxation.

	Gro 2000 RM'000	oup 1999 RM′000	Com 2000 RM′000	pany 1999 RM′000
Auditors' remuneration	105	205	12	12
Directors remuneration	353		60	-
Directors' fees	40		40	-
Rental of premises	1,010	578	65	24
Rental of land	105	101	-	-
Rental of plant and machinery	184	119	-	-
Interest expense				
- subsidiary companies	-	-	785	-
- others	789	864	464	850
Provision for doubtful debts	997	1,258	-	-
Staff costs	11,977	29,256	239	343
Depreciation of property, plant and equipment	7,751	19,577	122	231
Property, plant and equipment written off	100	-	-	-
(Gain)/loss on disposal of property, plant and equipment	(105)	(780)	-	103
Provision for slow moving stocks	601	81	-	-
Provision for retirement benefits	116	85	-	-
Interest income	(1,394)	(6,239)	-	-

7 TAXATION

TAXATION	Gro 2000 RM′000	oup 1999 RM′000	Com 2000 RM′000	pany 1999 RM′000
The taxation charge for the year arises:				
In Malaysia				
Company and subsidiary companies:				
Current taxation	1,992	-	1,201	3,270
Overprovision in prior years	(713)	(25)	(759)	-
	1,279	(25)	442	3,270
Deferred taxation				
Charge for the year	-	1,233	-	-
Overprovision in prior years	-	(312)	-	-
Net charge of deferred taxation (Note 20)	-	921	-	-

7 TAXATION (CONTINUED)

	Gro	oup	Company		
	2000 RM′000	1999 RM′000			
Outside Malaysia					
Subsidiary companies:					
Current taxation	-	3,840	-	-	
	1,279	4,736	442	3,270	

The effective tax rate of the Company is lower than the statutory rate as the gain arising from the waiver of loans from a subsidiary company as mentioned in Note 5 is capital in nature and hence not taxable in arriving at the chargeable income. The effective tax rate of the Group is higher than the statutory rate as certain expenses are disallowed for tax purposes and tax losses of subsidiaries are not available for Group relief.

8 (LOSS)/EARNINGS PER SHARE

The (loss)/earnings per share has been calculated based on the Group's net (loss)/profit attributable to shareholders of RM8,754,000 (1999: RM38,727,000) and on the number of ordinary shares of RM1 each in issue during the year of 57,377,835 (1999: 57,377,835).

9 PROPERTY, PLANT AND EQUIPMENT

		Acquisition of	Disposal of			Reclassi-		
	As at 1.7.1999 RM′000	subsidiary	subsidiary	Additions RM'000	Disposals RM'000	fication in/(out) RM'000	Write offs RM'000	As at 30.6.2000 RM'000
Group								
2000								
At valuation								
Long-term leasehold land	457	-	-	-	-	-	-	457
Building	972	-	(402)	-	-	-	-	570
	1,429	-	(402)	-	-	-	-	1,027
At cost								
Freehold land	26,307	1,648	-	-	-	-	-	27,955
Long-term leasehold land	-	450	-	-	-	-	-	450
Buildings	5,302	843	(1,335)	27	-	-	(9)	4,828
Plant, equipment and vehicles	109,035	7,400	(30,973)	3,240	(1,585)	761	(45)	87,833
Access road	1,621	162	-	-	-	-	-	1,783
Plant mobilisation	2,790	-	-	745	-	-	-	3,535
Quarry improvements	3,991	-	-	349	-	-	-	4,340
Construction in progress	5,600	-	(6,305)	1,721	-	(761)	(226)	29
	154,646	10,503	(38,613)	6,082	(1,585)	-	(280)	130,753
Total	156,075	10,503	(39,015)	6,082	(1,585)	-	(280)	131,780

		Acquisition of	Disposal of					
	As at 1.7.1999 RM'000	subsidiary companies RM'000			Release on disposals RM'000	Write offs RM′000	Impairment charge RM'000	As at 30.6.2000 RM'000
Group								
2000								
Accumulated depreciation								
At valuation								
Long-term leasehold land	96	-	-	5	-	-	-	101
Building	627	-	(407)	11	-	-		231
	723	-	(407)	16	-	-	-	332
At cost								
Long-term leasehold land	-	35	-	-	-	-		35
Buildings	3,356	26	(973)	172	(9)	-	-	2,572
Plant, equipment and vehicles	80,229	4,483	(22,696)	6,621	(1,209)	(180)	5,360	72,608
Access road	1,315	100	-	120	-	-	-	1,535
Plant mobilisation	2,056	-	-	592	-	-	-	2,648
Quarry improvements	3,809	-	-	230	-	-		4,039
	90,765	4,644	(23,669)	7,735	(1,218)	(180)	5,360	83,437
Total	91,488	4,644	(24,076)	7,751	(1,218)	(180)	5,360	83,769

	As at 1.7.1998 RM′000		y Additions RM′000	Disposals RM′000	Reclass in/(out) RM'000	Exchange differences translation RM'000	
Group							
1999							
At valuation							
Freehold land	2,298	(2,298)	-	-	-	-	-
Long-term leasehold land	1,437	(980)	-	-	-	-	457
Building	5,363	(4,347)	-	-	-	(44)	972
	9,098	(7,625)	-	-	-	(44)	1,429
At cost							
Freehold land	45,881	(22,601)	3,027	-	-	-	26,307
Long-term leasehold land	7,615	(7,615)	-	-	-	-	-
Buildings	37,985	(32,608)	70	-	-	(145)	5,302
Plant, equipment and vehicles	221,274	(97,270)	4,343	(16,374)	219	(3,157)	109,035
Access road	1,489	-	132	-	-	-	1,621
Plant mobilisation	2,070	-	720	-	-	-	2,790
Quarry improvements	2,796	-	99	-	1,096	-	3,991
Construction in progress	2,283	-	3,649	-	(219)	(113)	5,600
	321,393	(160,094)	12,040	(16,374)	1,096	(3,415)	154,646
Total	330,491	(167,719)	12,040	(16,374)	1,096	(3,459)	156,075

	As at 1.7.1998 RM′000	Disposal of subsidiary companies RM'000		Release on disposals RM'000		Exchange differences on translation RM'000	Impair- ment charge RM′000	As at 30.6.1999 RM′000
Group								
1999								
Accumulated depreciation								
At valuation								
Long-term leasehold land	355	(281)	22	-	-	-	-	96
Building	2,017	(1,444)	98	-	-	(44)	-	627
	2,372	(1,725)	120	-	-	(44)	-	723
At cost								
Long-term leasehold land	394	(492)	98	-	-	-	-	
Buildings	6,555	(3,759)	660	-	-	(100)	-	3,356
Plant, equipment and								
vehicles	128,838	(50,912)	17,653	(13,617)	-	(2,122)	389	80,229
Access road	1,061	-	254	-	-	-	-	1,315
Plant mobilisation	1,544	-	512	-	-	-	-	2,056
Quarry improvements	2,571	-	280	-	958	-	-	3,809
	140,963	(55,163)	19,457	(13,617)	958	(2,222)	389	90,765
Total	143,335	(56,888)	19,577	(13,617)	958	(2,266)	389	91,488

	2000 RM′000	1999 RM′000
Group		
Net book value		
At valuation:		
Long-term leasehold land	356	361
Building	339	345
	695	706
At cost:		
Freehold land	27,955	26,307
Long-term leasehold land	415	-
Buildings	2,256	1,946
Plant, equipment and vehicles	15,225	28,806
Access road	248	306
Plant mobilisation	887	734
Quarry improvements	301	182
Construction in progress	29	5,600
	47,316	63,881
Total	48,011	64,587

The long term leasehold land and building, stated at valuation, were revalued in 1980 by the Directors based on valuations carried out by independent professional valuers on an open market value basis.

Had the long-term leasehold land and building been carried at historical cost less depreciation the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year are as follows:

	2000 RM′000	1999 RM′000
Long-term leasehold land	51	52
Building	152	157
	203	209

	As at 1.7.1999 RM′000	Additions RM'000	Disposal RM'000	As at 30.6.2000 RM′000
Company				
2000				
At cost				
Equipment and vehicles	-	1,148	-	1,148
Accumulated depreciation	As at 1.7.1999 RM′000	Charge for the year RM'000	Release on disposal RM'000	As at 30.6.2000 RM′000
Equipment and vehicles	_	122		122
	-	122	-	122
	As at 1.7.1998 RM′000	Additions RM'000	Disposal RM′000	As at 30.6.1999 RM'000
1999				
At cost				
Equipment and vehicles	2,347	1	(2,348)	-
	As at 1.7.1998 RM′000	Charge for the year RM'000	Release on disposal RM′000	As at 30.6.1999 RM'000
Accumulated depreciation				
Equipment and vehicles	1,276	231	(1,507)	-
			2000 RM′000	1999 RM′000
Net book value				
Equipment and vehicles			1,026	-

Included in net book value of the Group and the Company is an amount of RM325,044 (1999: RM3,012,000) and RM325,044 (1999: Nil) respectively in respect of assets acquired under hire purchase agreements.

10 SUBSIDIARY COMPANIES

	Company 2000 1999 RM′000 RM′000	
	100 410	102.074
Unquoted shares at cost	108,410	103,874
Less: Provision for diminution in value	(19,348)	(44)
	89,062	103,830
Amounts due to subsidiary companies	(14,982)	(11,741)
Amounts due from subsidiary companies	54,702	
	128,782	92,089
Amount due within twelve months classified as current liabilities/(assets)		
- Amounts due to subsidiary companies	14,982	11,741
- Amounts due from subsidiary companies	(54,702)	
	89,062	103,830

Included in amount due from subsidiary companies are loans amounting to RM51,194,529 (1999: RM Nil) which are unsecured, bear interest rates ranging from 4.85% to 8.25% (1999: Nil%) per annum and with no fixed terms of repayment.

Amounts owing to subsidiaries are unsecured, bear interest rates ranging from 4.2% to 9.75% (1999: Nil%) per annum, with no fixed terms of repayment.

The Group's equity interests in the subsidiary companies, their respective principal activities and countries of incorporation are set out below:

Name of company	Principal activities		ctive interest 1999 %
Incorporated in Malaysia			
Doe Industries Sdn. Bhd	Manufacture and trading of water taps and other plumbing accessories	100.0	100.0
C.I. Building Industries Sdn. Bhd.	Investment holding	100.0	100.0
C.I. Quarrying & Marketing Sdn. Bhd.	Granite quarrying	100.0	100.0
C.I. Quarries Sdn. Bhd.	Granite quarrying and manufacture of bitumen hot premix for road surfacing	100.0	100.0
C.I. Readymix Sdn. Bhd.	Production and sale of readymix concrete	90.1	90.1

10 SUBSIDIARY COMPANIES (CONTINUED)

Name of company	Principal activities	Effec equity i 2000 %	
Incorporated in Malaysia			
C.I. Damansara Quarry Sdn. Bhd.	Granite quarrying and manufacture of bitumen hot premix for road surfacing	65.0	65.0
C.I. Construction Sdn. Bhd.	Building, civil and infrastructure contractors	100.0	
C.I. Management Sdn. Bhd.	Management services	100.0	-
C.I. Development Sdn. Bhd.	Dormant	100.0	-
C.I. Enterprise Sdn. Bhd.	Investment holding	100.0	-
C.I. Properties Sdn. Bhd.	Dormant	100.0	-
Hwee Ann Credit & Leasing Sdn. Bhd.	Hire purchase finance, leasing and money lending	59.9	-
Hwee Ann Enterprises Sdn. Bhd.	Insurance agent	59.9	-
Hwee Ann Development Sdn Bhd	Property rental	55.9	-
Capital Aim Sdn. Bhd.	Investment holding	100.0	-
Mutual Prospect Sdn. Bhd.	Quarry proprietors and operators	100.0	-
C.I. Quarries (Nilai) Sdn. Bhd. (Formerly known as Nilai Granite Industries Sdn. Bhd.)	Granite quarrying	100.0	-
Incorporated in the Republic of Singapore			
#* HIPL Holdings Pte. Ltd.	Agents for import and export of building materials and investment holding	-	100.0
#* Highway International Private Limited	Manufacture of asphalt premix for road and runway pavements, road rehabilitation and bituminous products	-	100.0

* Subsidiary companies not audited by PricewaterhouseCoopers, Malaysia.
Subsidiary companies disposed of on 25 October 1999 (see note 29(a) to the financial statements).
11 GOODWILL

	Group RM′000
As at 1.7.1998 and 30.6.1999	11,654
Arising from acquisition of subsidiary companies (Note 22)	23,777
Goodwill written off	(13,988)
As at 30.6.2000	21,443

12 INVENTORIES

	Group 2000 1999 RM′000 RM′000	
At cost		
Finished goods/trading inventories	2,336	3,140
Work-in-progress	1,148	914
Raw materials and consumable stores	2,820	3,259
	6,304	7,313

13 DEBTORS

	Gr 2000 RM′000	oup 1999 RM′000	Com 2000 RM′000	pany 1999 RM′000
Trade debtors	94,122	55,681	-	-
Other debtors and prepayments	182,212	112,183	175,979	80
Amounts due from former holding company	-	1,583	-	110
Amounts due to former related companies	-	75,769	-	55,862
	276,334	245,216	175,979	56,052
Less: Provisions	(6,817)	(8,088)	-	-
	269,517	237,128	175,979	56,052

Included in other debtors and prepayments is RM175,000,000 (1999: Nil) paid to third parties being part payment towards the aggregate amount payable for the acquisition of Mawar Seroja Sdn Bhd as disclosed in Note 29(c) to the financial statements.

14 BANK DEPOSITS

	Gr 2000 RM′000	oup 1999 RM′000
Deposits with licensed banks	620	23,889
Deposits with other licensed financial institutions	-	150
	620	24,039

15 CREDITORS

	Group		Company	
	2000 RM′000	1999 RM′000	2000 RM′000	1999 RM′000
Trade creditors	24,568	24,171	-	-
Hire purchase creditors (Note 16)	113	-	108	-
Other creditors and accruals	8,434	12,317	2,394	1,631
Amounts due to former related companies	-	62	-	-
	33,115	36,550	2,502	1,631

16 HIRE PURCHASE CREDITORS

	Gr 2000 RM′000	oup 1999 RM′000	Com 2000 RM′000	pany 1999 RM′000
Payable within 12 months	140	-	133	-
Payable within 1 - 2 years	133	-	133	-
Payable within 2 - 5 years	261	-	261	-
	534	-	527	-
Interest-in-suspense	(110)	-	(108)	-
	424	-	419	-
Representing hire purchase liabilities:				
Current (Note 15)	113	-	108	-
Long term	311	-	311	-
	424	-	419	-

17 SHORT-TERM BORROWINGS (UNSECURED)

	Group		Company	
	2000 RM′000	1999 RM′000	2000 RM′000	1999 RM′000
Bank overdrafts (Note 24)	1,913	1,142	-	-
Bankers acceptance	7,561	2,150	-	-
Short-term loan	7,018	11,000	5,000	11,000
	16,492	14,292	5,000	11,000

Short-term borrowings carry interest rates ranging from 6.4% to 8.05% (1999: 3.4% to 14.2%) per annum.

18 SHARE CAPITAL

	Group and Company 2000 1999 RM'000 RM'000	
Authorised:		
100,000,000 ordinary shares of RM1 each	100,000	100,000
Issued and fully paid:		
57,377,835 ordinary shares of RM1 each	57,378	57,378

19 RETAINED EARNINGS

The Company has sufficient tax exempt income and tax credits under Section 108 of the Income Tax Act, 1967 to frank approximately RM12,761,000 (1999: RM12,382,000) and RM20,913,000 (1999: RM27,200,000) respectively of its retained earnings as at 30 June 2000 if paid out as dividends. The tax exempt income is subject to agreement by the Inland Revenue Board.

20 DEFERRED TAXATION

	Group	
	2000 RM′000	1999 RM′000
At 1 July	1,035	5,427
Acquisition of subsidiary companies (Note 22)	83	-
Disposal of subsidiary companies (Note 23)	-	(5,313)
Charge for the year (Note 7)	-	921
At 30 June	1,118	1,035
Deferred tax provided for in the financial statements comprise the tax effects of:		
Excess of capital allowances over book depreciation	1,117	1,034
Other short-term timing differences	1	1
	1,118	1,035

21 DIVIDENDS

	Gro 2000 RM'000	up 1999 RM′000	Com 2000 RM'000	pany 1999 RM′000
Interim dividend NIL (1999: 13 sen gross per share, less tax at 28%)		5,371		5,371
Proposed final dividend of 2 sen gross per share, less tax at 28% (1999: 5 sen gross per share, less tax at 28%)	826	2,066	826	2,066
	826	7,437	826	7,437

22 ACQUISITION OF SUBSIDIARY COMPANIES

During the year, the Group acquired 59.9% equity interest in Hwee Ann Credit & Leasing Sdn. Bhd. and 100% equity interest in Capital Aim Sdn. Bhd. (see Note 29(b) to the financial statements)

The effects of these acquisitions on the financial results of the Group during the year are as follows:

	Group 2000 RM′000
Revenue	2,957
Operating costs	(1,136)
Profit from operations	1,821
Finance cost	(3)
Profit before taxation	1,818
Taxation	(1)
Net profit attributable to shareholders	1,817

The effect of these acquisitions on the financial position at the year end is as follows:

	Group 2000 RM′000
Property, plant and equipment	5,583
Goodwill	20,777
Capital reserves	(3,074)
Inventories	514
Debtors	50,866
Deposits, bank and cash balances	265
Creditors	(1,530)
Taxation	(364)
Deferred taxation	(83)
Minority interest	(3,607)
Net assets acquired at 30 June 2000	69,347

22 ACQUISITION OF SUBSIDIARY COMPANIES (CONTINUED)

	Group 2000 RM′000
Details of net assets acquired, goodwill and cash flow arising from the acquisitions are as follows:	
Property, plant and equipment	5,859
Inventories	283
Debtors	4,221
Creditors	(3,611)
Taxation	(163)
Minority interest	(3,112)
Deposits, bank and cash balances	5,703
Deferred taxation (Note 20)	(83)
Fair value of net assets acquired	9,097
Goodwill (Note 11)	23,777
Capital reserve	(3,074)
Total purchase consideration discharged by cash	29,800
Cash and cash equivalents in subsidiaries acquired	(5,703)
Cash outflow on acquisition	24,097

23 DISPOSAL OF SUBSIDIARY COMPANIES

On 25 October 1999, C.I. Holdings Berhad disposed of certain subsidiary companies (see Note 29(a) to the financial statements)

The effect of the disposal on the results of the Group for the current period to the date of disposal was as follows:

	4 months ended 25.10.1999 RM'000	Year ended 30.6.1999 RM'000
Revenue	17,157	86,772
Operating costs	(16,059)	(72,877)
Profit on disposal of subsidiary	13,415	-
Profit from operations	14,513	13,895
Finance costs	(2,232)	438
Profit before taxation	12,281	14,333
Taxation	-	(3,840)
Profit attributable to shareholders	12,281	10,493

The assets and liabilities disposed are as follows:

	Group 2000 1999 RM′000 RM′00	
Property, plant and equipment	14,939	110,832
Associated companies	-	1,474
Inventories	783	13,982
Debtors	27,538	22,397
Cash and bank deposits	19,016	13,766
Minority interests	-	(39,876)
Payables	(14,215)	(20,689)
Deferred taxation (Note 20)	-	(5,313)
Net assets disposed	48,061	96,573
Profit on disposal	13,415	21,427
Total proceeds from disposal	61,476	118,000
Represented by amount due from other debtor	-	(106,200)
Proceeds from disposal - paid in cash	61,476	11,800
Less: Cash and cash equivalents in subsidiaries disposed	(19,016)	(13,766)
Net cash flow on disposal	42,460	(1,966)

24 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

	Group		Company	
	2000 RM′000	1999 RM′000	2000 RM′000	1999 RM′000
Deposits with licensed financial institutions	620	24,039	-	-
Cash and bank balances	2,692	6,714	353	2,241
Short-term borrowings (Note 17)	(1,913)	(1,142)	-	-
	1,399	29,611	353	2,241

25 CONTINGENT LIABILITIES - UNSECURED

	Company	
	2000 RM′000	1999 RM′000
Guarantees for bank overdrafts and other credit		
facilities of subsidiary companies	240,500	-

26 CAPITAL COMMITMENTS

	Group	
	2000 RM′000	¹⁹⁹⁹ RM′000
Authorised and contracted for	891	-
Authorised but not contracted for	961	12,484

27 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

Significant related party transactions and balances which comprise primarily transactions and balances with subsidiaries are disclosed in Notes 4,5,6,10,13 and 15. The Company entered into transactions with its related parties in the normal course of business on agreed terms and prices.

28 SEGMENTAL INFORMATION

The analysis of results and assets employed by geographical location are as follows:

	Turnover		(Loss)/profit before taxation		Gross assets employed	
	2000 RM′000	1999 RM′000	2000 RM′000	1999 RM′000	2000 RM′000	1999 RM′000
Malaysia	113,103	162,970	(8,232)	34,155	348,587	278,980
Singapore	17,157	86,771	1,135	14,309	-	72,455
	130,260	249,741	(7,097)	48,464	348,587	351,435

The analysis of results and assets employed by activity are as follows:

	Turnover 2000 1999		(Loss)/profit before taxation 2000 1999		Gross assets employed 2000 1999	
	RM'000	RM′000	RM′000	RM′000	RM'000	RM′000
Manufacture and sale of building						
and construction related products	125,529	249,741	(8,032)	48,464	298,372	351,435
Financing activities	4,731	-	935	-	50,215	-
	130,260	249,741	(7,097)	48,464	348,587	351,435

29 SIGNIFICANT EVENTS

- (a) On 1 July 1999, C.I. Building Industries Sdn. Bhd. (formerly known as Hume Redland Industries Sdn. Bhd.), a wholly owned subsidiary of the Company entered into a Conditional Shares Sale Agreement with Malenia Pte. Ltd. to dispose of 2,000,000 ordinary shares of SGD1.00 each representing the entire issued and paid-up share capital of HIPL Holdings Pte. Ltd. (formerly known as Hume Redland Trading (S) Pte. Ltd.) for a total cash consideration of SGD27,500,000. The proposed disposal was completed on 25 October 1999.
- (b) On 24 August 1999, the Company acquired 2,399,971 ordinary shares of RM1.00 each representing 59.9% equity interest in Hwee Ann Credit & Leasing Sdn Bhd for a total cash consideration of RM4,799,942. On that day the Company via its wholly owned subsidiary C.I. Quarries Sdn Bhd entered into a conditional Sale and Purchase agreement to acquire 250,001 ordinary shares of RM1.00 each representing 100% equity interest in Capital Aim Sdn Bhd for a cash consideration of RM25 million. The acquisition of Capital Aim Sdn Bhd was completed on 23 February 2000.
- (c) On 28 October 1999, the Company entered into a conditional Sale and Purchase agreement with Punca Ibarat Sdn Bhd for the proposed acquisition of 100% equity interest in Mawar Seroja Sdn Bhd ('Mawar'), for an aggregate amount of RM450 million. Mawar is the beneficial owner of 57 million ordinary shares of RM1.00 each in KFC Holdings (Malaysia) Bhd ('KFC') representing 29.69% of the total issued and paid-up capital of KFC. In conjunction with this proposed acquisition, the Company announced a proposed bonus issue, a proposed bonds with warrant issue and a proposed restricted offer for sale of warrants. The proposed acquisition and the proposed issuance of bonus shares, bonds with warrants and the proposed restricted offer for sale of warrants are subject to regulatory approvals.

30 SUBSEQUENT EVENTS

- (a) On 27 September 2000, C.I. Building Industries Sdn Bhd entered into a Share Sale Agreement with YTL Cement Bhd to dispose of 6,306,306 ordinary shares of RM1.00 each representing 90.09% of the equity interest of C.I. Readymix Sdn Bhd for a total consideration of RM14,864,850. The disposal of C.I. Readymix Sdn Bhd is subject to the approval of the Foreign Investment Committee.
- (b) On 27 September 2000, C.I. Quarries Sdn Bhd, C.I. Quarries (Nilai) Sdn Bhd (formerly known as Nilai Granite Industries Sdn Bhd) and C.I. Quarrying & Marketing Sdn Bhd (collectively known herein as the 'Quarry Companies')entered into a Sale and Purchase Agreement with Batu Tiga Quarry Sdn Bhd ('BTQ') for the sale of quarry equipment for a total cash consideration of RM4 million. On that date, the Quarry Companies entered into separate arrangements with BTQ wherein BTQ is engaged to carry out quarry operations on behalf of the Quarry Companies.
- (c) On 27 September 2000, the Company by way of a supplemental agreement with Punca Ibarat Sdn Bhd completed the acquisition of Mawar mentioned in Note 29(c). Following the completion of the acquisition, KFC became an associated company of the Company.

31 COMPARATIVE FIGURES

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

	RM'000
(a) Property, plant and equipment as previously reported	
as at 30 June 1999	62,866
Reclassified from other debtors	1,721
As restated	64,587
(b) Capital reserves as previously reported as at 30 June 1999	39,325
Reclassified to goodwill	11,654
As restated	50,979

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Statement by Directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Seri Abdul Ghani bin Abdul Aziz and Mr Ting Yew Tong, two of the Directors of C.I. Holdings Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 16 to 45 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2000 and of the results and cashflows of the Group and of the Company for the year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia.

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

DATO' SERI ABDUL GHANI BIN ABDUL AZIZ DIRECTOR MR TING YEW TONG DIRECTOR

Kuala Lumpur

Declaration Pursuant to

SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Lee Peng Khoon, the Officer primarily responsible for the financial management of C.I. Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 16 to 45 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.

LEE PENG KHOON

Subscribed and solemnly declared by the abovenamed Lee Peng Khoon at Kuala Lumpur in Malaysia on

Before me,

COMMISSIONER FOR OATHS

Report of the Auditors to the Members

We have audited the financial statements set out on pages 16 to 45. These financial statements are the responsibility of the Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and of the Company as at 30 June 2000 and of the results and cash flows of the Group and Company for the year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

Our audit reports on the financial statements of the subsidiaries were not subject to any qualifications and did not include any comments made under Section 174(3) of the Act.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)

Public Accountants

ERIC OOI LIP AUN

(No. 1517/6/02 (J))

Partner of the firm

Kuala Lumpur

Other Information

Properties Held By The Group As At 30 June 2000

Tenure	Location	Approximate Area (sq ft)	Approximate Age of Buildings (Year)	Description	Net Book Value (RM'000)
WILAYAH PERS	SEKUTUAN				
Freehold	Industrial land at Lot 1178, 1313-1316, 1318-1319, 1119-1120 Daerah Hulu Langat Mukim of Semenyih	3,789,023	-	Land for quarrying use	26,369
Leasehold 99 years expiring 2083	Land with building at HS (M) 12819 P.T. 1828 Mukim Ampang	1,300	16	2-storey shophouse for rental	134
Freehold	Land with building at Lot 1.87 Ground Floor, Wisma Central, Jalan Ampang, Kuala Lumpur		28	Shoplot for rental	34
Leasehold 99 years expiring 2085	Land with building at HS (D) 50053 P.T. 850 Mukim Petaling	3,136	1	Medium cost apartment for staff accommodation	134
SELANGOR DA	ARUL EHSAN				
Leasehold 99 years expiring 2094	Land with building at HS (D) 4283 P.T. 9560 Mukim Dengkil, Sepang	10,499	2	1 1/2 storey terrace factory for rental	454
NEGERI SEMB	ILAN DARUL KHUSUS				
Leasehold 99 years expiring 2077	Land with buildings at HS(D) 658 P.T. 1342 Senawang Industrial Estate Seremban	130,680	21	Factory for manufacturing of tap wares	2,052
Freehold	Land at HS(D) 14031 P.T. 3272 HS(D) 14032 P.T. 3273, HS(D) 14035 P.T. 3276, HS(D) 14036 P.T. 3277 Mukim Si Rusa, Daerah Port Dickson	, 181,994	-	Bungalow land for future development	1,648
Leasehold 60 years expiring 2053	Quarry land at HS(D) 74836 P.T. 6050 Mukim Labu, Daerah Negeri Sembilan	2,172,599	-	Land for quarrying use	86
Leasehold 99 years expiring 2095	Industrial land at HS (D) 104239 P.T. 13271 Mukim Labu, Daerah Negeri Sembilan	576,299	-	Land for quarrying use	364
JOHOR DARUL					
Freehold	Vacant land at Lot 2799 Mukim of Senai Kulai Johor Bahru	214,533	-	Land for quarrying use	57

ANALYSIS BY SIZE OF HOLDINGS AS AT 17 OCTOBER 2000

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 - 499	11	0.16	1,348	0.00
500 - 5,000	6,038	87.81	11,118,467	19.38
5,001 - 10,000	497	7.23	4,042,500	7.04
10,001 - 100,000	295	4.29	7,268,447	12.67
100,001 - 1,000,000	25	0.36	8,449,573	14.73
OVER 1,000,000	10	0.15	26,497,500	46.18
Total	6,876	100.00	57,377,835	100.00

Class of Shares Voting Rights by show of hand : One vote for every member

: Ordinary Shares of RM1.00 each

Voting Rights by poll : One vote for every share held

SUBSTANTIAL SHAREHOLDERS AS AT 17 OCTOBER 2000

No.	Name	Direct No. of Shares	Indirect No. of Shares
1.	MIDF Sisma Nominees (Tempatan) Sdn. Bhd.	3,245,000 (1)	
2.	Dato' Syed Ibrahim Bin Syed Mohamed	433,000	4,644,000 (2)
3.	Syed Ibrahim Sdn. Bhd.	2,270,000	
4.	Exa Corporate Services Sdn. Bhd.	2,652,000 (3)	
5.	Tan Sri Osman @ Md Daud bin Aroff		2,652,000 (4)
6.	Abd Rashid Bin V.K. Abd Majid	4,000,000 (5)	
7.	Ooi Ah Teik	1,825,000 (6)	
8.	JB Nominees (Tempatan) Sdn. Bhd.	2,832,000 (7)	
9.	Chase Malaysia Nominees (Asing) Sdn. Bhd.	1,191,000 (8)	
10.	HLG Nominee (Tempatan) Sdn. Bhd.	3,685,000 (9)	
11.	Permodalan Nasional Berhad	2,663,000	
12.	Yayasan Pelaburan Bumiputra		2,663,000 (10)
13.	Amanah Raya Berhad Skim Amanah Saham Bumiputera	11,972,000	
14.	Duclos Sdn Bhd	1,266,000	

Notes

- 1. Out of this block of shares, Dato' Ong Joo Theam is the beneficial owner of 1,234,000 ordinary shares comprising 2.15% of the paid-up capital of the Company and Abd Rashid Bin V.K. Abd Majid is the beneficial owner of 2,000,000 ordinary shares comprising 3.49% of the paid-up capital of the Company. The remaining ordinary shares are held in trust for beneficial owners, each of whom has less than 2% of the paid-up capital of the Company.
- 2. Indirect interest through Du Ain Sdn. Bhd., Duclos Sdn. Bhd., Syed Ibrahim Sdn. Bhd. and Leasing Corporation Sdn. Bhd.
- 3. Out of this block of shares, 2,617,000 ordinary shares are held by JB Nominees (Tempatan) Sdn. Bhd.

- 4. Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965.
- 5. Out of this block of shares, 2,000,000 ordinary shares are held by Leasing Corporation Sdn. Bhd. and another 2,000,000 ordinary shares are held by MIDF Sisma Nominees (Tempatan) Sdn. Bhd.
- 6. The entire block of shares is held by HDM Nominees (Tempatan) Sdn. Bhd.
- 7. Out of this block of shares, Exa Corporate Services Sdn. Bhd. is the beneficial owner of 2,617,000 ordinary shares comprising 4.56% of the paid-up capital of the Company. The remaining ordinary shares are held in trust for beneficial owners, each of whom has less than 2% of the paid-up capital of the Company.
- 8. These are ordinary shares held in trust for beneficial owners each of whom has less than 2% of the paid-up capital of the Company.
- 9. Out of this block of shares, Lim Jwo Cheng is the beneficial owner of 3,450,000 ordinary shares comprising 6.01% of the paid-up capital of the Company. The remaining ordinary shares are held in trust for beneficial owners, each of whom has less than 2% of the paid- up capital of the Company.
- 10. Indirect interest through its shareholding of 100% less one share in Permodalan Nasional Berhad by virtue of Section 6A(4) of the Companies Act, 1965.

TWENTY (20) LARGEST SHAREHOLDERS AS AT 17 OCTOBER 2000

No. Name	Shareholdings	Percentage (%)
 Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera 	11,972,000	20.87
2. Permodalan Nasional Berhad	2,663,000	4.64
3. Syed Ibrahim Sdn Bhd	2,270,000	3.96
 MIDF Sisma Nominees (Tempatan) Sdn Bhd MIDF Sisma Holdings Sdn Bhd for Abd Rashid Bin V.K. Abd Majid 	2,000,000	3.49
 Leasing Corporation Sdn Bhd Pledged Securities Account for Abd Rashid bin V.K. Abd Majid 	2,000,000	3.49
6. Duclos Sdn Bhd	1,226,000	2.14
 MIDF Sisma Nominees (Tempatan) Sdn Bhd MIDF Sisma Holdings Sdn Bhd for Dato' Ong Joo Theam 	1,209,000	2.11
 JB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Exa Corporate Services Sdn Bhd 	1,100,000	1.92
9. Du Ain Sdn Bhd	1,057,000	1.84
10. Assets Nominees (Tempatan) Sdn Bhd Hume Industries (Malaysia) Berhad	1,000,500	1.74

TWENTY (20) LARGEST SHAREHOLDERS AS AT 17 OCTOBER 2000 (CONTINUED)

No. Name	No. of shares of RM1.00 each	Percentage (%)
11. Distinct Master Sdn Bhd	1,000,000	1.74
12. JB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Exa Corporate Services Sdn Bhd	954,000	1.66
13. Yates Ventures Limited	874,000	1.52
14. Mohammad Allaudin bin Md. Ali	863,000	1.50
15. Mayban Nominees (Tempatan) Sdn Bhd Pledeged Securities Account for JB Securities Sdn Bhd	800,000	1.39
16. Dato Syed Ibrahim bin Syed Mohamed	433,000	0.75
17. Talasco Insurance Berhad	370,000	0.64
 Ke-Zan Nominees (Tempatan) Sdn Bhd Kim Eng Securities (Private) Limited for Ahmad Fuad bin Md Ali 	288,000	0.50
19. Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Johor	270,000	0.47
20. Lembaga Tabung Haji	217,000	0.38
	32,566,500	56.75



FORM OF PROXY

l/We	of	r I	being a	member/members	of
C.I. ⊦	HOLDINGS BERHAD hereby appoir	nt	of		or

failing him/her, of of alling him/her, the Chairman of the meeting as my/our proxy to attend and to vote for me/us and on my/our behalf at the Twenty-Second Annual General Meeting of the Company, to be held at the Bilik Perdana, 3rd Floor, Wisma Idris, 17, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 27 November, 2000 at 10:00 a.m. and at any adjournment thereof.

No.	Ordinary Resolution	For	Against
1.	To receive and adopt the Audited Accounts for the financial year ended 30 June 2000 together with the Directors' and Auditors' Reports thereon. <i>Resolution 1</i>		
2.	To approve the payment of directors' fees for the year ended 30 June 2000. <i>Resolution 2</i>		
3.	To declare a Final Dividend of 2% less tax at 28% for the year ended 30 June 2000. <i>Resolution 3</i>		
4.	To re-elect Directors who are retiring in accordance with the Company's Articles of Association: i. Puan Sharifatul Hanizah Binti Said Ali ii. Dato' Paduka Hj. Ahmad Basri bin Mohd Akil Resolution 5		
5.	To appoint Auditors and to authorise the Directors to fix their remuneration. A notice of nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed to the Annual Report 2000 and marked as "Annexure A" was received by the Company on 31 October 2000 for the nomination of Messrs Ernst & Young, who have given their consent to act as Auditors of the Company and of the intention to propose the following Ordinary Resolution :- "THAT Messrs Ernst & Young be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs PricewaterhouseCoopers, and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."		
6.	To appoint Tan Sri Dato' (Dr) Abdul Aziz Bin Mohd Zain who is over 70 years of age. <i>Resolution 7</i>		
7.	To consider and if thought fit, pass the Ordinary Resolution to give authority to the Director to allot and issue shares pursuant to Section 132D of the Companies Act, 1965. Resolution 8		

Please indicate with an [X] how you wish your vote to be cast.

Dated this.....day of.....2000.

Number of Ordinary Shares Held

Signature / Common Seal of Member(s)

Notes:

- 1. A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- 2. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of some officer of the corporation duly authorised in that behalf.
- 3. 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.
- 4. The instrument appointing a proxy must be deposited at the Company's registered office at 10th Floor-Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or at any adjournment thereof.