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notice of annual general meeting

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of the Company will be held at Conference Room, Level 3, Eastin Hotel, No 13, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan on Friday, 22 December, 2000 at 11.00 a.m. for the following purposes :

AGENDA

1. To receive and adopt the accounts for the year ended 30 June, 2000 and the reports of the Directors and Auditors thereon.

Resolution 1
2. To re-elect the following Directors who retire in accordance with Article 134 of the Company's Articles of Association and, being eligible, offer themselves for re-election :

(i) Dato' Tan Hua Choon
(ii) Mr Thor Poh Seng

Resolution 2
Resolution 3
3. To approve the Directors' fees for the year ended 30 June, 2000.

Resolution 4
4. To re-appoint Messrs Arthur Andersen & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 5
5. To transact any other ordinary business of which due notice has been given.

By Order of the Board

WONG YAN YAN
Company Secretary

Petaling Jaya
6 December, 2000

Note :
A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. The form of proxy must be deposited at the Company's Registered Office or at its Registrars' office, Panama Resources Sdn Bhd, 23, Jalan Sri Hartamas 7, Sri Hartamas, 50480 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.

corporate information

Board of Directors

Dato' Tan Hua Choon
Mr Ong Bing Yap
Mr Thor Poh Seng
Ms Lim Lai Sam

Audit Committee

Mr Thor Poh Seng
Mr Ong Bing Yap
Ms Lim Lai Sam

Company Secretary

Ms Wong Yan Yan

Registered Office

Lot 2 Jalan 222
Section 51A
46100 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7956 1711
Fax : 03-7956 8968

Share Registrars

Panama Resources Sdn Bhd
23 Jalan Sri Hartamas 7
Sri Hartamas
50480 Kuala Lumpur

Bankers

Aseambankers Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Perwira Affin Merchant Bank Berhad
RHB Bank Berhad
HSBC Bank Malaysia Berhad

Auditors

Authur Andersen & Co

Stock Exchange

The Main Board of Kuala Lumpur Stock Exchange

chairman's statement

On behalf of the Board of Directors of FCW Holdings Berhad ("FCW" or "the Company"), I am pleased to present to you the Annual Report and Audited Accounts of the Company and the Group for the year ended 30 June, 2000.

Review of Results

During the financial year under review, the Group recorded a turnover of RM147.0 million, representing a decline of 42.7% as compared to RM256.5 million in 1999. The lower turnover was a result of the Board's cautious stance on the Group's orders for telecommunications products particularly mobile phones as the industry was getting very competitive with thinning margins, and the fact that the Group needed to compete with various parties not on a level platform. At the same time, the Group registered a pre-tax loss of RM46.2 million as compared to a pre-tax loss of RM24.1 million in the previous year. The loss incurred was attributed to the substantial provisions for doubtful debts and stock obsolescence made during the financial year, low profit margins arising from intense competition in the telecommunications industry and increase in the share of losses in the cables associates. Since the last financial year, your new Board has made additional provisions of RM11.7 million and RM8.1 million for bad and doubtful debts and stocks respectively. The large provisions made were deemed necessary as bad debts were between one and more than three years old whereas stocks comprised mainly handphones of models which were already obsolete. The poor performance of the associate companies was due to depressed market in the cables industry.

Prospects

The Board of Directors expects the performance of the telecommunications subsidiaries to improve in tandem with the developments and progress in the telecommunications industry as well as the economy. The cables industry is also expected to gradually improve as orders are trickling in. The Group will explore and pursue new business opportunities and diversification into other areas, which can contribute positively to the future earnings of the Group in the long term.

Significant Event

During the financial year ended 30 June, 2000, a subsidiary of the Company disposed of its entire shareholding of 30% equity interest in Dyna Plastics Sdn Bhd ("Dyna Plastics") representing 3,000,000 ordinary shares of RM1.00 each for a total cash consideration of RM7.5 million and RM500,000 nominal amount of 5% irredeemable convertible unsecured loan stocks 1999/2002 for a total cash consideration of RM500,000 ("the Disposal"). The Disposal enabled the Group to streamline its core activities and to realise some return on its investment in Dyna Plastics.

Acknowledgement & Appreciation

On behalf of the Board, I would like to take this opportunity to thank all our staff and Management of the Group for their continued commitment, contribution and dedication to the Group. My sincere appreciation also goes to our valued customers, dealers, partners in our associate companies, principals and shareholders for their continuing support and confidence in the growth of the Group.

DATO' TAN HUA CHOON
CHAIRMAN

audit committee

The Audit Committee of the Company was established by a resolution of the Board on 17 February, 1994. The present Committee comprises the following Directors :

Chairman :

Mr Thor Poh Seng
(Independent Non-Executive Director)

Members :

Mr Ong Bing Yap

Ms Lim Lai Sam
(Independent Non-Executive Director)

The terms of reference of the Committee are as follows :

MEMBERSHIP

The Committee shall be appointed by the Board from among its members and shall consist of not less than three members, the majority of which shall not be executive directors of the Company or related corporations or any person having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgement in carrying out the functions of the Committee.

The members of the Committee shall elect a Chairman who shall not be an executive director of the Company or any related corporations.

MEETINGS

Meetings shall be held not less than two times a year. The quorum for a meeting of the Committee shall be two members. The external auditors may request a meeting of the Committee if they consider it necessary. The Secretary of the Company shall be the Secretary of the Committee.

DUTIES

- To review the effectiveness of management information and other systems of control within the Group;
- To review the quarterly and annual financial statements prior to them being submitted to the Board;
- To review the scope and audit programmes of the auditors and any material findings arising from the audits;
- To review the accounting policies adopted and any changes in accounting principle or practices;
- To review the compliance with accounting standards, legal and stock exchange requirements; and
- To recommend the appointment of the external auditors and the level of their fees.

financial statements

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The directors hereby submit their report together with the audited accounts of the Company and of the Group for the financial year ended 30 June, 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, providing management services and trading of telecommunications equipment.

The principal activities of the subsidiaries are described in Note 10 to the accounts.

There were no significant changes in these principal activities during the financial year.

RESULTS	Group RM'000	Company RM'000
Loss from ordinary operations	(46,844)	(757)
Minority interests	294	-
Net loss for the year	(46,550)	(757)

DIVIDENDS

On 28 December, 1999, the Company paid a final dividend of 0.20% less taxation amounting to RM133,756 in respect of the previous financial year.

The directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statement of changes in equity.

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that 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.

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

CURRENT ASSETS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business their values as shown in the accounting records of the Company and of the Group have been written down to an amount which they might be expected so to realise.

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

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 Company and of the Group misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

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

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 the accounts of the Company or of the Group which would render any amount stated in the accounts misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the Company and of the Group during 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 Company or of the Group for the financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 27 to the accounts.

SUBSEQUENT EVENTS

The subsequent events are as disclosed in Note 28 to the accounts.

DIRECTORS

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

- Dato' Tan Hua Choon
- Thor Poh Seng
- Lim Lai Sam
- Ong Bing Yap (appointed on 1 November, 1999)
- Dato' Nik Kamaruddin Ismail (resigned on 1 December, 1999)
- Dato' Kamaruddin Ahmad (resigned on 25 November, 1999)
- Hj. Shaari Abdul Karim (resigned on 25 November, 1999)
- Wong Kok Kheong (resigned on 8 May, 2000)

In accordance with the Company's Articles of Association, Dato' Tan Hua Choon and Thor Poh Seng retire under Article 134 at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS’ BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the accounts or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or its subsidiaries a party to any arrangements whose object is to enable directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS’ INTERESTS

According to the register of directors’ shareholding, the interests of directors in office at the end of the financial year in shares in the Company or its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM0.50 Each			
	1 July, 1999/date of appointment	Bought	Sold	30 June, 2000
THE COMPANY				
Dato’ Tan Hua Choon - Direct	15,605,000	-	-	15,605,000
- Indirect	33,269,000	-	-	33,269,000
Ong Bing Yap	25,000	-	25,000	-

By virtue of their interests in the shares of FCW Holdings Berhad, Dato’ Tan Hua Choon and Ong Bing Yap are deemed interested in the shares of its subsidiaries and other related companies during the financial year to the extent that FCW Holdings Berhad has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

NUMBER OF EMPLOYEES AND REGISTERED OFFICE

The number of employees of the Group as at 30 June, 2000 was 196 (1999 : 256). The registered office of the Company is located at Lot 2, Jalan 222, Section 51A, 46100 Petaling Jaya, Selangor Darul Ehsan.

AUDITORS

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

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

DATO’ TAN HUA CHOON

ONG BING YAP

Petaling Jaya
13 October, 2000

statementby directors

We, DATO’ TAN HUA CHOON and ONG BING YAP, being two of the directors of FCW HOLDINGS BERHAD, do hereby state that, in the opinion of the directors, the accompanying balance sheets of the Company and of the Group as at 30 June, 2000 and the statements of changes in equity, income and cash flow statements of the Company and of the Group for the year then ended, together with the notes thereto, give a true and fair view of the state of affairs of the Company and of the Group as at 30 June, 2000 and of the results and cash flows of the Company and of the Group for the year then ended, and have been properly drawn up in accordance with applicable approved accounting standards in Malaysia.

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

DATO’ TAN HUA CHOON

ONG BING YAP

Petaling Jaya
13 October, 2000

statutorydeclaration

I, REGINA FANG MEI LENG, the officer primarily responsible for the financial management of FCW HOLDINGS BERHAD, do solemnly and sincerely declare that the accompanying balance sheets of the Company and of the Group as at 30 June, 2000 and the statements of changes in equity, income and cash flow statements of the Company and of the Group for the year then ended, together with the notes thereto are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed REGINA FANG MEI LENG)
at Petaling Jaya in Selangor Darul Ehsan)
on 13 October, 2000) REGINA FANG MEI LENG

Before me:

B036

KOK THIAM TET

Commissioner for Oaths
Petaling Jaya

To the Shareholders of
FCW HOLDINGS BERHAD

We have audited the accounts of FCW HOLDINGS BERHAD (the Company) and the consolidated accounts of FCW HOLDINGS BERHAD AND ITS SUBSIDIARIES (the Group) as at 30 June, 2000. These accounts are the responsibility of the Company's directors. Our responsibility is to express an opinion on these accounts based on our audit.

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

In our opinion,

- (a) the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 30 June, 2000 and of the results and cash flows of the Company and of the Group for the year then ended, and have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the accounts and auditors' reports of all the subsidiaries of which we have not acted as auditors, as indicated in Note 10 to the accounts, being accounts that have been included in the consolidated accounts.

We are satisfied that the accounts of the subsidiaries 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 these purposes.

The audit reports on the accounts of the subsidiaries were not subject to any qualification or any adverse comment made under subsection (3) of Section 174 of the Act.

Arthur Andersen & Co.
No. AF 0103
Public Accountants

Abraham Verghese a/I T.V. Abraham
No. 1664/10/02(I)
Partner of the Firm

Kuala Lumpur
13 October, 2000

		Group		Company	
	Note	2000	1999	2000	1999
		RM'000	RM'000	RM'000	RM'000
CURRENT ASSETS					
Cash and bank balances		2,651	4,180	35	16
Deposits with licensed banks		1,529	2,273	-	-
Trade debtors	3	34,559	33,939	-	8
Other debtors	4	6,396	38,119	730	5,725
Stocks and contracts work-in-progress	5	20,415	42,908	-	-
Due from associated companies		1,149	856	-	-
Due from subsidiaries		-	-	31,339	7,664
		66,699	122,275	32,104	13,413
CURRENT LIABILITIES					
Short term borrowings	6	19,048	8,833	9,528	3,000
Trade creditors and bills payable	7	44,312	74,637	-	-
Other creditors		4,456	10,673	201	191
Taxation		795	1,135	258	279
Proposed dividends		-	134	-	134
Due to subsidiaries	8	-	-	26,608	13,540
		68,611	95,412	36,595	17,144
NET CURRENT (LIABILITIES)/ASSETS		(1,912)	26,863	(4,491)	(3,731)
FIXED ASSETS	9	14,067	13,650	3	-
INVESTMENT IN SUBSIDIARIES	10	-	-	201,447	201,447
INVESTMENT IN ASSOCIATED COMPANIES	11	95,802	99,419	-	-
OTHER INVESTMENTS	12	5	5	-	-
INTANGIBLE ASSETS	13	69,042	72,657	-	-
DEFERRED EXPENDITURES	14	228	9	-	-
DEFERRED TAXATION	15	-	(178)	-	-
MINORITY INTERESTS		(707)	(1,002)	-	-
		176,525	211,423	196,959	197,716
SHAREHOLDERS' FUNDS					
Share capital	16	92,886	92,886	92,886	92,886
Reserve		83,639	118,537	104,073	104,830
		176,525	211,423	196,959	197,716

The accompanying notes are an integral part of these balance sheets.

consolidated statement of changes in equity
for the year ended 30 June, 2000

	Share capital	Share premium	Capital reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
			(Note 17)		
At 1 July, 1998	92,886	28,720	2,900	110,405	234,911
Net loss for the year	-	-	-	(23,354)	(23,354)
Dividend (Note 23)	-	-	-	(134)	(134)
At 1 July, 1999	92,886	28,720	2,900	86,917	211,423
Share of surplus arising from revaluation of freehold land, long term leasehold land and buildings in an associated company of a subsidiary	-	-	11,652	-	11,652
Net loss for the year	-	-	-	(46,550)	(46,550)
At 30 June, 2000	92,886	28,720	14,552	40,367	176,525

statement of changes in equity
for the year ended 30 June, 2000

	Share capital	Share premium	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000
At 1 July, 1998	92,886	28,720	83,071	204,677
Net loss for the year	-	-	(6,827)	(6,827)
Dividends (Note 23)	-	-	(134)	(134)
At 1 July, 1999	92,886	28,720	76,110	197,716
Net loss for the year	-	-	(757)	(757)
At 30 June, 2000	92,886	28,720	75,353	196,959

The accompanying notes are an integral part of these statements.

income statement
for the year ended 30 June, 2000

	Note	Group		Company	
		2000	1999	2000	1999
		RM'000	RM'000	RM'000	RM'000
Revenue	18	147,027	256,506	-	-
Other operating income		5,217	2,818	96	96
Changes in stocks of finished goods		(9,779)	10,543	-	-
Purchases and other trading expenses		(145,749)	(251,455)	-	-
Staff costs	19	(6,953)	(7,413)	(292)	(123)
Depreciation		(1,294)	(796)	(1)	-
Other operating expenses	20	(21,865)	(17,261)	(450)	(6,491)
Loss from operations		(33,396)	(7,058)	(647)	(6,518)
Finance costs, net	21	(1,525)	(3,929)	(110)	(309)
Share of losses of associated companies		(11,297)	(13,093)	-	-
Loss before taxation		(46,218)	(24,080)	(757)	(6,827)
Taxation	22	(626)	683	-	-
Loss from ordinary activities		(46,844)	(23,397)	(757)	(6,827)
Minority interests		294	43	-	-
Net loss for the year		(46,550)	(23,354)	(757)	(6,827)
Basic loss per share	24	(25.1) sen	(12.6) sen		

The accompanying notes are an integral part of these statements.

consolidated cash flow statement
for the year ended 30 June, 2000

	2000 RM'000	1999 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(46,218)	(24,080)
Adjustment for items not involving movement of cash:		
Depreciation	1,293	796
Goodwill written off	-	469
Stocks written down	8,124	718
Fixed assets written off	154	13
Accrual of rebates written off	732	-
Amortisation of goodwill	3,615	3,507
Amortisation of deferred expenditure	67	-
Contract work-in-progress written off	-	29
Unrealised loss on foreign exchange	11	-
Intangible assets written off	-	3
Provision for doubtful debts	12,301	334
Bad debts written off	62	6,080
Share of associated company loss	11,297	13,093
Interest expense	2,720	3,675
Gain on disposal of fixed asset	(60)	-
Gain on disposal of an associated company	(4,836)	-
Interest income	(532)	(193)
Operating (loss)/profit before working capital changes	(11,270)	4,444
Decrease/(increase) in debtors	20,345	(15,041)
Decrease/(increase) in stocks and contracts work-in-progress	14,368	(11,460)
(Decrease)/increase in creditors and bills payable	(39,103)	39,435
Increase in deferred expenditures	(288)	(1)
Decrease in due from associated companies	(262)	(604)
Cash (used in)/generated from operations	(16,210)	16,773
Interest received	532	193
Interest paid	(2,534)	(3,675)
Tax paid	(482)	(820)
Net cash (used in)/generated from operating activities	(18,694)	12,471

	2000 RM'000	1999 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Pager Communications Sdn. Bhd. net of cash acquired*	-	(13)
Investment in associated companies	(50)	(512)
Purchase of fixed assets	(1,923)	(347)
Proceed from disposal of fixed assets	117	-
Proceed from disposal of an associated company	8,196	-
Net cash generated from/(used in) investing activities	6,340	(872)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in short term borrowings	9,628	(7,200)
Dividends paid	(134)	(167)
Payment to hire purchase creditors	-	(2)
Net cash generated from/(used in) financing activities	9,494	(7,369)
Net (decrease)/increase in cash and cash equivalent	(2,860)	4,230
Cash and cash equivalents at 1 July	6,120	1,890
Cash and cash equivalents at 30 June	3,260	6,120
Cash and cash equivalents comprise:		
Cash and bank balances	2,651	4,180
Deposits with licensed banks	1,529	2,273
Bank overdrafts	(920)	(333)
	3,260	6,120

*Summary of the acquisition of Pager Communications Sdn. Bhd.:

	1999 RM'000
Cash and bank balances	33
Trade and other debtors	76
Stocks	25
Trade and other creditors	(641)
Fixed assets	84
Goodwill	469
Total purchase consideration	46
Less : Cash	(33)
Cash flow on acquisition net of cash acquired	13

The accompanying notes are an integral part of this statement.

	2000 RM'000	1999 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(757)	(6,827)
Adjustment for items not involving the movement of cash:		
Depreciation	1	-
Bad debts written off	8	6,009
Interest expense	556	799
Interest income	(446)	(490)
Operating loss before working capital changes	(638)	(509)
Decrease in debtors	4,995	1
Decrease in creditors	(1)	(88)
(Decrease)/increase in related companies balances	(10,607)	3,834
Cash (used in)/generated from operations	(6,251)	3,238
Interest received	446	490
Interest paid	(545)	(799)
Taxation paid	(21)	(15)
Net cash (used in)/ generated from operating activities	(6,371)	2,914
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of fixed asset representing net cash used in investing activity	(4)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(repayment) of short term borrowings	6,528	(3,000)
Dividend (paid)/received	(134)	78
Net cash generated from/(used in) financing activities	6,394	(2,922)
Net increase/(decrease) in cash and bank balances	19	(8)
Cash and bank balances at 1 July	16	24
Cash and bank balances at 30 June	35	16

The accompanying notes are an integral part of this statement.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, providing management services and trading of telecommunications equipment.

The principal activities of the subsidiaries are described in Note 10 to the accounts.

There were no significant changes in these principal activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts are prepared under the historical cost convention and comply with applicable approved accounting standards in Malaysia.

(b) Revenue Recognition

Income and costs on contracts work-in-progress are recognised on the percentage of completion method determined on the proportion of progress billings to date against total contract value where the outcome of the projects can be reliably estimated. All anticipated losses on contracts are fully provided for.

(c) Basis of Consolidation

The consolidated accounts include the accounts of the Company and all its subsidiaries made up to the end of the financial year. Companies acquired or disposed during the year are included in the consolidated accounts from the date of acquisition or to the date of disposal. Intragroup transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

The excess of the purchase price over the fair value of the assets of subsidiaries at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation. Goodwill or reserve arising on consolidation is amortised to the income statement over a period of 25 years unless there is a permanent diminution in the value of the goodwill in which case the related goodwill will be fully written down and taken to the income statement.

(d) Associated Companies

The Group treats as associated companies those companies in which the Group has a long term equity interest of between 20 and 50 percent and where it exercises significant influence through management participation.

The Group's share of profits less losses of associated companies is included in the consolidated income statement based on management accounts to 30 June and the Group's interest in associated companies is stated at cost plus the Group's share of post-acquisition retained profits and reserves.

(e) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Freehold land of the Group has not been revalued since it was purchased in 1996. The directors have not adopted a policy of regular revaluation of such an asset. As permitted under the transitional provisions of International Accounting Standards (IAS) No. 16 (Revised): Property, Plant and Equipment adopted by the Malaysian Accounting Standards Board, this asset is stated at cost.

Freehold land is not depreciated. Depreciation of other fixed assets is provided on a straight line basis over the following estimated useful lives:

Long term leasehold buildings	1% - 1.47%
Plant, machinery and equipment	5% - 33 1/3%
Furniture, fittings, office equipment and motor vehicles	7 1/2% - 33 1/3%

(f) Stocks

- (i) Stocks comprise purchased accessories, telecommunications equipment and related spares. Stocks are stated at the lower of cost and net realisable value, determined on a weighted average basis.
- (ii) Contracts work-in-progress represents unbilled costs as at financial year end. Cost comprises material, subcontract works and attributable overheads. Contracts work-in-progress is stated at cost plus attributable profit less progress billing.

(g) Deferred Taxation

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future.

(h) Deferred Expenditures

Intangible assets of the Group comprise preliminary and pre-operating expenses incurred by certain subsidiaries which will be amortised over 2 years from date of commencement of operations.

Other deferred expenditures represent rental of trunk radio system used in a project secured during the financial year and will be amortised over 5 years.

(i) Investments

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

(j) Currency Conversion and Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling at that date. All exchange differences are taken to the income statement.

3. TRADE DEBTORS

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Trade debtors	49,058	36,785	-	8
Provision for doubtful debts	(14,499)	(2,846)	-	-
	34,559	33,939	-	8

4. OTHER DEBTORS

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Other debtors	7,123	38,230	730	5,725
Provision for doubtful debts	(727)	(111)	-	-
	6,396	38,119	730	5,725

5. STOCKS AND CONTRACTS WORK-IN-PROGRESS

	Group	
	2000	1999
	RM'000	RM'000
Finished goods	17,637	42,076
Contracts work-in-progress	2,778	832
	20,415	42,908

Detail of the contracts work-in-progress are as follows:

	Group	
	2000	1999
	RM'000	RM'000
Work-in-progress	11,740	35,897
Add: Attributable profits	1,136	3,147
	12,876	39,044
Less: Progress billings	(10,098)	(38,212)
	2,778	832

Included in the above carrying amounts are:

	Group	
	2000	1999
	RM'000	RM'000
Stocks stated at their respective net realisable value	7,914	6,722

6. SHORT TERM BORROWINGS

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Bank overdraft	920	333	-	-
Revolving credit	18,128	8,500	9,528	3,000
	19,048	8,833	9,528	3,000

The short term borrowings of the Group bear interest of between 4.45% to 8.79% (1999 : 3.80% to 15.86%) per annum.

7. TRADE CREDITORS AND BILLS PAYABLE

Included in trade creditors and bills payable of the Group are bankers acceptance amounting to RM10,559,000 (1999 : RM22,358,000) which are unsecured and bear interest of between 3.65% to 5.45% (1999 : 4.40% to 9.50%) per annum.

8. DUE TO SUBSIDIARIES

The amounts due to subsidiaries are unsecured, interest free and have no fixed terms of repayment.

9. FIXED ASSETS

	Freehold land	Leasehold land and buildings	Plant, machinery and equipment	Furniture, fittings, office equipment and motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Cost					
At 1 July, 1999	6,888	4,928	1,961	4,953	18,730
Additions	-	-	1,553	370	1,923
Disposals	-	-	-	(249)	(249)
Write offs	-	-	(358)	(180)	(538)
At 30 June, 2000	6,888	4,928	3,156	4,894	19,866
Accumulated Depreciation					
At 1 July, 1999	-	388	1,547	3,145	5,080
Additions	-	71	621	601	1,293
Disposals	-	-	-	(190)	(190)
Write offs	-	-	(316)	(68)	(384)
At 30 June, 2000	-	459	1,852	3,488	5,799
Net Book Value					
At 30 June, 2000	6,888	4,469	1,304	1,406	14,067
At 30 June, 1999	6,888	4,540	414	1,808	13,650
Depreciation charged for 1999	-	72	128	596	796

Company	Computer equipment
	RM'000
Cost	
Additions/At 30 June, 2000	4
Accumulated Depreciation	
Additions/At 30 June, 2000	1
Net Book Value	
At 30 June, 2000	3

Included in the fixed assets are fully depreciated assets as follows:

	Group	
	2000	1999
	RM'000	RM'000
Cost of fully depreciated assets	2,867	2,241

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2000	1999
	RM'000	RM'000
Unquoted shares, at cost	201,447	201,447

The subsidiaries, all of which are incorporated in Malaysia, are:

Name of Companies	Paid-up Capital	Effective Interests		Principal Activities
	RM	2000	1999	
		%	%	
FCW Industries Sdn. Bhd.	68,198,400	100	100	Investment holding, provision of management services and trading in telecommunications equipment
Subsidiaries of FCW Industries Sdn. Bhd.:				
FCW Enterprise Sdn. Bhd.	8,000,000	100	100	Property investment
FCW Housing & Realty Development Sdn. Bhd.	5,000,000	100	100	Property development - dormant
Federal Telecommunications Sdn. Bhd.	5,000,000	100	100	Distribution of telecommunications equipment and turnkey contracting
Indah Nominees Sdn. Bhd.	2	100	100	Investment holding - dormant
Malco Metal Sdn. Berhad	2	100	100	Trading of metal and alloyed metal products - ceased operations
Teco Electrical Motor Machinery Mfg. Sdn. Berhad	2	100	100	Providing management services - dormant
United Malaysian Steel Mills Berhad	3,000,000	77	77	Manufacture and trading of steel products - ceased operation
Pioneer Multimedia Sdn. Bhd.	2	100	100	Trading of telecommunications equipment
Subsidiaries of Federal Telecommunications Sdn. Bhd.:				
FT Radiosystems Sdn. Bhd.	1,000,000	100	100	Distribution and servicing of telecommunications equipment
FT Communications Sdn. Bhd.	100,000	100	100	Supply of telecommunications products
Sun Moon Star (M) Sdn. Bhd.	2	100	100	Supply of telecommunications products - dormant
FT Cellular Systems Sdn. Bhd.	2	100	100	Provision of marketing and related services
Pedomon Jitu Sdn. Bhd. *	451,550	89.8	89.8	Trading of telecommunications equipment

Name of Companies	Paid-up Capital	Effective Interests		Principal Activities
		2000	1999	
	RM	%	%	
Subsidiaries of FT Radiosystems Sdn. Bhd.:				
Pager Communications Sdn. Bhd.*	150,000	100	100	Operation of paging service - ceased operations
Ultra Matrix Sdn. Bhd.	80,000	100	100	Investment holding
Plusnet Communications Sdn. Bhd.	2	100	100	Retailing of telecommunications products
Cometron Sdn. Bhd.	120,004	68	68	Sale and hire of telecommunications equipment and electronic goods and the provision of paging services
Digiphonic Sistem Sdn. Bhd.	1,000,000	55	55	Trading of electronic telecommunications equipment
Subsidiary of Digiphonic Sistem Sdn. Bhd.:				
Digiphonic Servis Sdn. Bhd.	50,000	55	55	Servicing of electronic telecommunications equipment

* Audited by firms of auditors other than Arthur Andersen & Co.

11. INVESTMENT IN ASSOCIATED COMPANIES

	Group	
	2000 RM'000	1999 RM'000
Unquoted shares, at cost	38,033	41,710
Provision for diminution in value	-	(727)
	38,033	40,983
Group's share of profits	57,769	57,936
	95,802	98,919
5% Irredeemable Convertible Unsecured Loan Stocks 1999/2002 ("ICULS") at nominal value	-	500
	95,802	99,419
Represented by:		
Share of net tangible assets	93,228	96,845
Goodwill on acquisition	4,139	4,139
Premium on acquisition	(1,565)	(1,565)
	95,802	99,419

The ICULS in the previous year were convertible into fully paid ordinary shares of an associated company at any time during the 3 years following the date of issue, on the basis of RM3.00 nominal value of ICULS for one fully paid ordinary share of RM1.00 each at a premium of RM2.00 each. The ICULS were disposed during the year.

The associated companies, all of which are incorporated in Malaysia and held by the Company through FCW Industries Sdn. Bhd., are:

Name of Companies	Effective Interests		Finanacial Year End	Principal Activities
	2000 %	1999 %		
Federal Power Sdn. Bhd.	30	30	31 December	Manufacture and sale of power cables and electrical conductors
Fujikura Federal Cables Sdn. Bhd.	42.54	42.54	31 March	Manufacture and marketing of power, telecommunications cables and wires
CMRS Paging Sdn. Bhd.	-	49	30 June	Operation of paging services
Dyna Plastics Sdn. Bhd.	-	30	30 June	Manufacture and sale of plastic lithium ion batteries and related accessories
Widenet Technology Sdn. Bhd.	40	40	30 June	Trunk radio system operator
Widenet Communications Sdn. Bhd.	50	-	30 June	Trading and rental of telecommunications products

The associated companies, CMRS Paging Sdn. Bhd. and Dyna Plastics Sdn. Bhd., both of which are incorporated in Malaysia, were disposed during the financial year.

12. OTHER INVESTMENTS

	Group	
	2000 RM'000	1999 RM'000
Quoted investments in Malaysia	10	10
Less: Provision for diminution in value of quoted investments	(5)	(5)
	5	5
Market value of quoted investments in Malaysia	9	11

13. INTANGIBLE ASSETS

	Group	
	2000 RM'000	1999 RM'000
Goodwill arising on consolidation	93,026	93,026
Reserve arising on consolidation	(2,672)	(2,672)
Less: Amortisation	(21,312)	(17,697)
	69,042	72,657

14. DEFERRED EXPENDITURES

	Group	
	2000	1999
	RM'000	RM'000
Preliminary expenses	1	2
Pre-operating expenses	8	13
Less: Intangible assets written off	-	(6)
	9	9
Deferred expenditure	286	-
Less: Amortisation	(67)	-
	228	9

15. DEFERRED TAXATION

	Group	
	2000	1999
	RM'000	RM'000
At 1 July	178	205
Transfer to income statement	(178)	(27)
At 30 June	-	178

Deferred taxation in the prior year was in respect of the timing differences between depreciation and corresponding capital allowances.

16. SHARE CAPITAL

	Group and Company	
	2000	1999
	RM'000	RM'000
Ordinary shares of RM0.50 each:		
Authorised	300,000	300,000
Issued and fully paid	92,886	92,886

17. CAPITAL RESERVES

The capital reserves of the Group consist of the following:

	2000	1999
	RM'000	RM'000
Capitalisation of earnings for bonus issue by subsidiaries	2,900	2,900
Share of surplus arising from revaluation of freehold land, long term leasehold land and buildings in an associated company of a subsidiary	11,652	-
	14,552	2,900

18. REVENUE

Revenue of the Group consist of the following:

	2000	1999
	RM'000	RM'000
Sales, hire and servicing of telecommunications equipment and electronic goods	146,835	256,304
Service fee income from provision of paging services	192	202
	147,027	256,506

19. STAFF COSTS

Included in staff costs are:

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration*	545	530	184	120

* The estimated monetary value of benefit not included in the above received by directors of subsidiaries were RM5,433 (1999 : RM6,100) respectively.

20. OTHER OPERATING EXPENSES

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Other operating expenses are:				
After charging:				
Audit fee:				
- Current	113	96	12	10
- Overprovision in previous years	-	-	2	2
Fees paid to:				
- directors of the Company	46	51	46	51
- directors of the subsidiaries	15	15	-	-
Depreciation	1,293	796	1	-
Rental of office premises	774	591	-	-
Fixed assets written off	154	13	-	-
Contract work-in-progress written off	-	29	-	-
Amortisation of goodwill	3,615	3,507	-	-
Amortisation of deferred expenditure	67	-	-	-
Provision for doubtful debts	12,301	334	-	-
Stocks written down	8,124	718	-	-
Goodwill written off	-	469	-	-
Intangible assets written off	-	3	-	-
Bad debts written off	62	6,080	8	6,009

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
and crediting:				
Management charges receivable from a subsidiary	-	-	96	96
Rental and service income	73	73	-	-
Gain on disposal of an associated company	4,836	-	-	-
Gain on disposal of fixed assets	60	-	-	-
Gain on foreign exchange	271	1,472	-	-

21. FINANCE COSTS

Included in finance costs of the Group and the Company are interest expense of RM2,720,000 (1999 : RM3,675,000) and RM556,000 (1999 : RM799,000) respectively; and interest income of RM532,000 (1999 : RM193,000) and RM446,000 (1999 : RM490,000) respectively.

22. TAXATION

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Current year's provision	13	-	-	-
Taxation underprovided in prior year	127	509	-	-
Transferred from deferred taxation (Note 15)	(178)	(27)	-	-
Share of taxation of associated companies and joint venture company	664	(1,165)	-	-
	626	(683)	-	-

The current year tax charge of the Group is in respect of interest income earned by subsidiaries.

There is no tax charge for the Company's current financial year as the Company is in a tax loss position.

As at 30 June, 2000, the Company has tax losses of approximately RM6,177,500 (1999 : RM5,589,500) which can be used to offset future taxable profits subject to agreement with Inland Revenue Board.

As at 30 June, 2000, the Company has a potential deferred tax benefit of approximately RM1,728,700 (1999 : RM1,565,000), arising from tax losses carried forward, the effects of which are not included in the accounts as there is no assurance beyond any reasonable doubt that future taxable income will be sufficient to allow the benefit to be realised.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt balance to frank the payment of dividend.

23. DIVIDENDS

	Amount		Dividend per share	
	2000	1999	2000	1999
	RM'000	RM'000	sen	sen
Group and Company				
Ordinary final dividends of 0.20% less 28% taxation	-	134	-	0.07

24. BASIC LOSS PER SHARE

The basic loss per share is calculated based on the Group's loss after minority interest of RM46,550,000 (1999 : RM23,354,000) and the number of ordinary shares in issue during the year of 185,772,800 (1999 : 185,772,800).

25. CAPITAL COMMITMENT

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Capital expenditure:				
Approved and contracted for	460	-	-	-

26. CONTINGENT LIABILITIES

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Corporate guarantee of unsecured credit facilities to subsidiaries	-	-	101,000	111,000

27. SIGNIFICANT EVENTS

During the financial year,

- A subsidiary, FCW Industries Sdn. Bhd., acquired the entire shareholding of 100% equity interest in Pioneer Multimedia Sdn. Bhd. representing 2 ordinary shares of RM1.00 each from Digiphonic Sistem Sdn. Bhd., another subsidiary, for a total cash consideration of RM2.00. See note (c).
- A subsidiary, FT Radiosystems Sdn. Bhd.:
 - acquired 50,000 ordinary shares of RM1.00 each representing 50% equity in Widenet Communications Sdn. Bhd. at par for a total cash consideration of RM50,000.
 - disposed of its entire shareholding of 49% equity interest in CMRS Paging Sdn. Bhd. representing 196,000 ordinary shares of RM1.00 for a total cash consideration of RM196,000.
- A subsidiary, Digiphonic Sistem Sdn. Bhd., acquired and disposed of its entire shareholding of 100% equity interest in Pioneer Multimedia Sdn. Bhd. representing 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00 to FCW Industries Sdn. Bhd., another subsidiary.
- A subsidiary, Ultra Matrix Sdn. Bhd., disposed of its entire shareholding of 30% equity interest in Dyna Plastics Sdn. Bhd. representing 3,000,000 ordinary shares of RM1.00 each for a total cash consideration of RM7,500,000 and RM500,000 nominal amount of 5% irredeemable convertible unsecured loan stocks 1999/ 2002 for a total cash consideration of RM500,000.

28. SUBSEQUENT EVENTS

Subsequent to the financial year, the Company has:

- served a notice of voluntary takeover offer for the entire shareholding of 100% equity interest in Sin Heng Chan (Malaya) Bhd. representing 18,994,375 shares of RM1.00 each and the remaining share options granted under Sin Heng Chan's employees share option scheme (ESOS) ("SHC Shares"). The offer will be satisfied through the issuance of the Company's shares of RM0.50 each at a proposed issue price of RM1.25, on the basis of three (3) new FCW shares for every one (1) SHC share ("Proposed Offer").

- (ii) proposed to implement a restricted issue of new FCW shares ("Proposed Restricted Issue") to a director who is a substantial shareholder of the Company at a proposed issue price of RM1.25 each on the basis of one new FCW share for every two (2) new FCW shares to be issued as consideration for acceptance of the above Proposed Offer.

The Proposed Offer and Proposed Restricted Issue are inter-conditional and subject to the approval of the relevant authorities.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Associated Companies				
Sales	285	39	-	-
Purchases	2	9	-	1
Management fees received	40	-	-	-
Rental and service charges	73	73	-	-

The directors are of the opinion that the transactions have been entered into in the normal course of business and have been established on a negotiated basis.

30. SEGMENTAL REPORTING

No segmental reporting has been prepared as the Group's activities are predominantly in the telecommunications industry in Malaysia.

31. COMPARATIVE FIGURES

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

	As amended	As previously reported
	RM'000	RM'000
Other debtors	38,119	40,396
Other creditors	10,673	12,950
Revenue	256,506	251,128
Purchases and other trading expense	251,455	246,079

32. CURRENCY

All amounts are stated in Ringgit Malaysia unless otherwise stated.

DISTRIBUTION OF SHAREHOLDINGS

As per the register of members as at 6 November, 2000

Size of Holdings	No. of Shareholders	%	No. of RM0.50 Ordinary Shares	% of Issued Capital
1 - 499	534	3.58	84,937	0.05
500 - 5,000	11,619	77.79	24,921,832	13.41
5,001 - 10,000	1,572	10.52	13,166,977	7.09
10,001 - 100,000	1,138	7.62	28,827,719	15.52
100,001 - 1,000,000	59	0.39	16,935,213	9.11
Above 1,000,000	15	0.10	101,836,122	54.82
Total	14,937	100.00	185,772,800	100.00

20 LARGEST SHAREHOLDERS

As per the register of members as at 6 November, 2000

Name of Shareholders	No. of Shares	%
1. Employees Provident Fund Board	15,727,000	8.47
2. Dato' Tan Hua Choon	15,605,000	8.40
3. Datin Poo Choo @ Ong Poo Choi	15,605,000	8.40
4. Tan Han Chuan	10,403,000	5.60
5. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd - Alpha-Grace Sdn Bhd	8,602,967	4.63
6. Tan Ching Ching	7,261,000	3.91
7. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	6,423,816	3.46
8. Lembaga Tabung Haji	5,521,339	2.97
9. Ong Huey Peng	3,645,000	1.96
10. Wong Chee Choon	3,178,000	1.71
11. Ong Har Hong	2,431,000	1.31
12. Cheong Siew Yoong	2,355,000	1.27
13. Chew Boon Seng	2,022,000	1.09
14. Malaysia Nominees (Tempatan) Sendirian Berhad - Pledged Securities Accounts for Dato' Lim Suh Hua @ Lim Yak Hua	2,000,000	1.08
15. Universiti Malaya	1,056,000	.57
16. HSBC Nominees (Tempatan) Sdn Bhd - Amanah Saham Sarawak	1,000,000	.54
17. Low Cheng Peng	973,000	.52
18. Lim Suh Hua @ Lim Yak Hua	841,000	.45
19. Mayfair Finance Corp - Trident Chambers	800,000	.43
20. Lim Eng Huat	603,000	.32
Total	106,053,122	57.09

SUBSTANTIAL SHAREHOLDERS

As per the register of substantial shareholders as at 6 November, 2000

Name of Shareholders	No. of Shares Held or Beneficially Held	%
Employees Provident Fund Board	15,727,000	8.47
Dato' Tan Hua Choon	15,605,000	8.40
Datin Poo Choo @ Ong Poo Choi	15,605,000	8.40
Tan Han Chuan	10,403,000	5.60
Alpha-Grace Sdn Bhd	8,602,967	4.63
Tan Ching Ching	7,261,000	3.91
Amanah Raya Nominees (Tempatan) Sdn Bhd - Sekim Amanah Saham Bumiputera	6,423,816	3.46
Lembaga Tabung Haji	5,521,339	2.97

Location	Tenure	Area	Description	Year of Expiry	Net Book Value (RM)
Jalan 222, Petaling Jaya Selangor Darul Ehsan	Leasehold	28,314 sq feet	Land with office building	2062	4,320,684
Taman Jasa, Batu Caves Kuala Lumpur	Freehold	1,600 sq feet	Shophouse	-	247,900
Mukim Sungai Petani District of Kuala Muda Kedah Darul Aman	Freehold	153,555 sq feet	Vacant land	-	6,787,867



FCW HOLDINGS BERHAD
(3116K)

FORM OF PROXY
(Before completing the form, please see notes)

I/We,
of
being a member of FCW HOLDINGS BERHAD, hereby appoint THE CHAIRMAN OF THE MEETING* or
of
or failing whom
of
as my/our proxy/proxies to vote for me/us and on my/our behalf at the 45th Annual General Meeting of the Company to be held at Conference Room, Level 3, Eastin Hotel, 13, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan on Friday, 22 December, 2000 at 11.00 a.m. or any adjournment thereof.

My/Our proxy shall vote as follows :

AGENDA	RESOLUTION	FOR	AGAINST
Adoption of Accounts and Reports	1		
Re-election of Dato' Tan Hua Choon who retires in accordance with Article 134	2		
Re-election of Mr Thor Poh Seng who retires in accordance with Article 134	3		
Approval of Directors' fees	4		
To re-appoint Messrs Arthur Andersen & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration	5		

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

Number of Shares Held

Signature of Shareholder

* Delete the words "THE CHAIRMAN OF THE MEETING" if you wish to appoint some other person to be your proxy.

- Notes:
- A member entitled to attend and vote is entitled to appoint a proxy or two proxies to attend and vote for him. A proxy need not be a member of the Company.
 - The appointment of two proxies shall be invalid unless the number of shares represented by each is specified.
 - The signature of the instrument appointing the proxy executed outside Malaysia and Singapore shall be attended by a solicitor, notary public, consul or magistrate but the Directors may from time to time waive or modify this requirement either generally or in a particular case or cases.
 - The form of proxy must be lodged at the Company's Registered Office or at its Registrars' office, Panama Resources Sdn Bhd, 23, Jalan Sri Hartamas 7, Sri Hartamas, 50480 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
 - In the case of a corporation, the proxy form must be executed under seal or under the hand of an attorney or officer duly authorised.