

**SYNERGISING RESOURCES  
*MENSINERGIKAN SUMBER***

*laporan tahunan*  
annual report 2000



**KINTA  
KELLAS**  
PUBLIC LIMITED COMPANY

Malaysia Registered No. 990925-H  
UK Registered No. 214532  
[www.kkellas.com.my](http://www.kkellas.com.my)



## cover rationale

Kinta Kellas is all poised to forge ahead in the world of project management, of which the KLIA is testimony of our track record. Having consolidated our strengths, we are **synergising all our resources** into one fully-energised focal point: Integrating future technology to our time-tested experience, world-class professionalism, highly-trained human resources and exemplary fundamentals.

## rational kulit

Kinta Kellas sentiasa bersedia untuk terus mara ke depan dalam dunia pengurusan projek di mana KLIA menjadi bukti rekod prestasi syarikat kami. Setelah menggabungkan semua kekuatan, kami kini **mensinergikan kesemua sumber** kepada satu titik tumpuan yang telah diberikan tenaga penuh: Menyepadukan teknologi masa depan pada pengalaman kami yang telah diuji masa, profesionalisme taraf dunia, sumber manusia yang cukup terlatih serta asas yang dapat dijadikan teladan.



*An architectural masterpiece in its own right, the National Sports Complex in Bukit Jalil, Kuala Lumpur, was project managed by the Kinta Kellas Group.*

*Above: The National Stadium with a 100,000 seating capacity was the venue for the opening ceremony of the 1998 Commonwealth Games.*

*Below: The impressive 3,700-seat National Aquatic Centre.*

## contents

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3	Corporate Profile
3	Corporate Mission
4	Notice of Annual General Meeting
6	Corporate Structure
7	Corporate Information
8	Biodata of the Board of Directors
10	Audit Committee
12	Chairman's Statement
16	Operations Review
30	Five-Year Group Financial Profile
32	Financial Highlights
33	Value Added Statement
34	Financial Calendar
35	Share Performance Chart
36	Statistics of Shareholdings
38	List of Properties
39	Financial Statements
	Form of Proxy

*epitomise quality, thoroughness and timeliness*



*Above: The futuristic and user-friendly interior departure hall of KL International Airport.*

## corporate profile

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**Kinta Kellas plc** (Kinta Kellas) was incorporated in 1926. The Company was founded on tin. In 1989, the Company embarked on a different corporate direction and provided project management consultancy services for large transportation infrastructure development. The Company brings together some 22 subsidiaries and one associated company under one corporate umbrella. Kinta Kellas is listed on the Kuala Lumpur Stock Exchange and the London Stock Exchange.

## corporate mission

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**To** deliver a highly professional total project management service with emphasis on quality, thoroughness and timeliness.

**To** participate in the implementation of large infrastructure and transportation projects and therefore contribute to nationbuilding.

**To** conceive, plan and bring to fruition infrastructure and transportation projects that can become significant catalysts for socio-economic development and the enhancement of the quality of life.

# notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Seventy-Fourth Annual General Meeting of the Company will be held at Nusantara 2, Level 2, Sheraton Imperial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on 16 May 2001 at 11.00 a.m. for the following purposes:

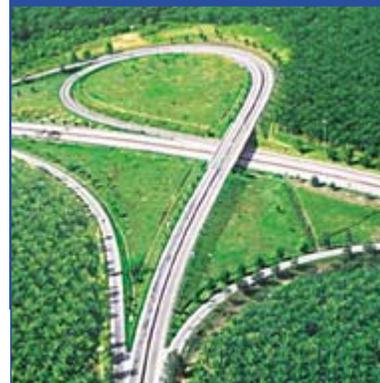
## Agenda

- |                                    |   |
|------------------------------------|---|
| Resolution 1                       | 1) To receive and adopt the Audited Accounts for the year ended 31 December 2000 and the Directors' and Auditors' reports thereon.  |
| Resolution 2                       | 2) To approve Directors' fee.   |
| Resolution 3(a)<br>Resolution 3(b) | 3) To re-elect Directors:<br>In accordance with Article 101 of the Company's Articles of Association, the following Directors shall retire and, being eligible offer themselves for the re-election:<br>a. YBhg Dato' Zaidan bin Haji Othman<br>b. Dr Ismail bin Abdul Rashid |
| Resolution 4                       | 4) To re-appoint Auditors and to fix their remuneration.  |
| Resolution 5                       | 5) To transact any other ordinary business of the Company for which due notice has been given.  |

By Order of The Board

**ZAHARI AB. WAHAB**  
Secretary

Kuala Lumpur  
27 April 2001

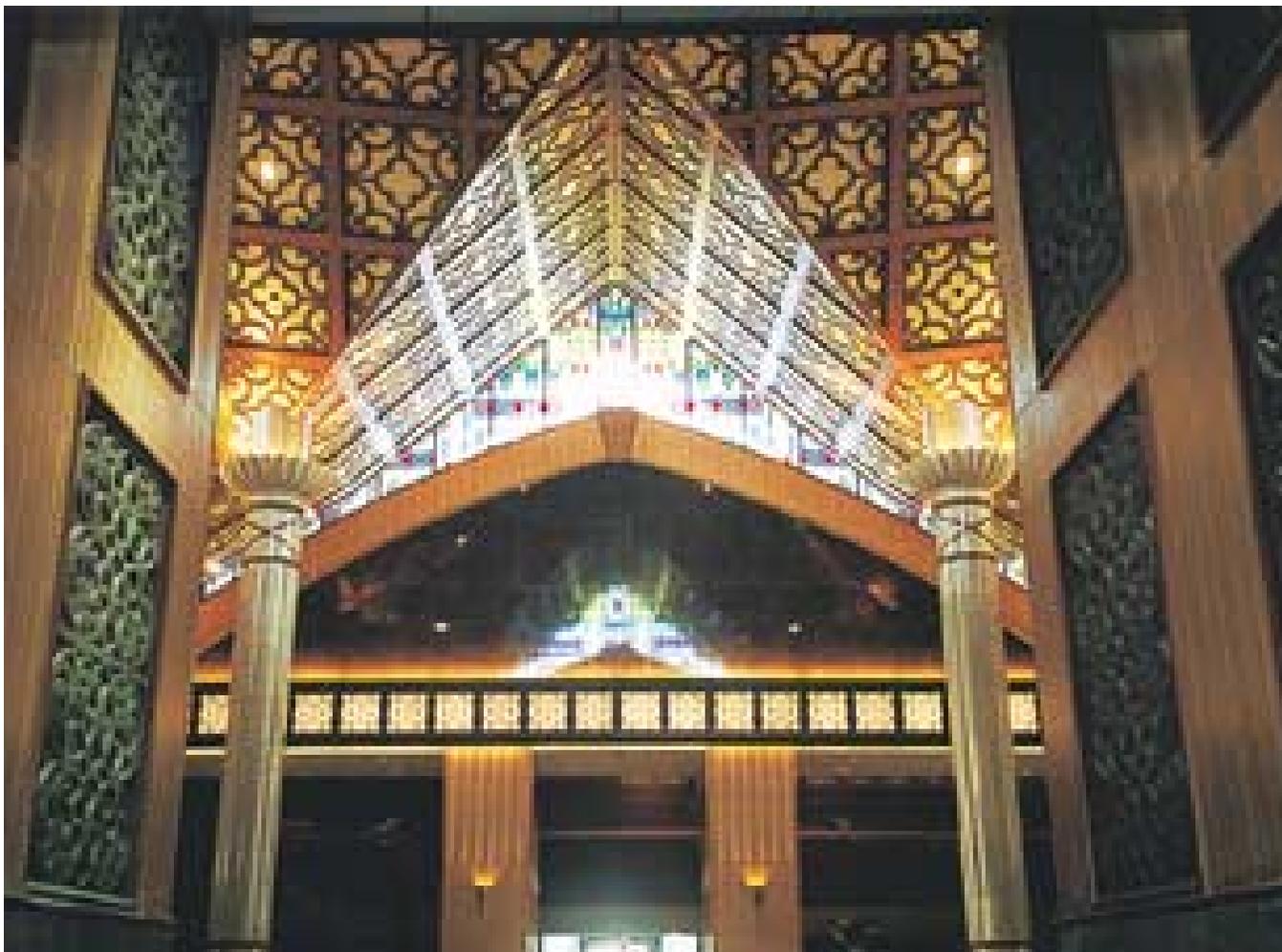


*Above: Another completed mega project in Malaysia managed by the Group: The two-kilometre mammoth Malaysia-Singapore Second Crossing.*

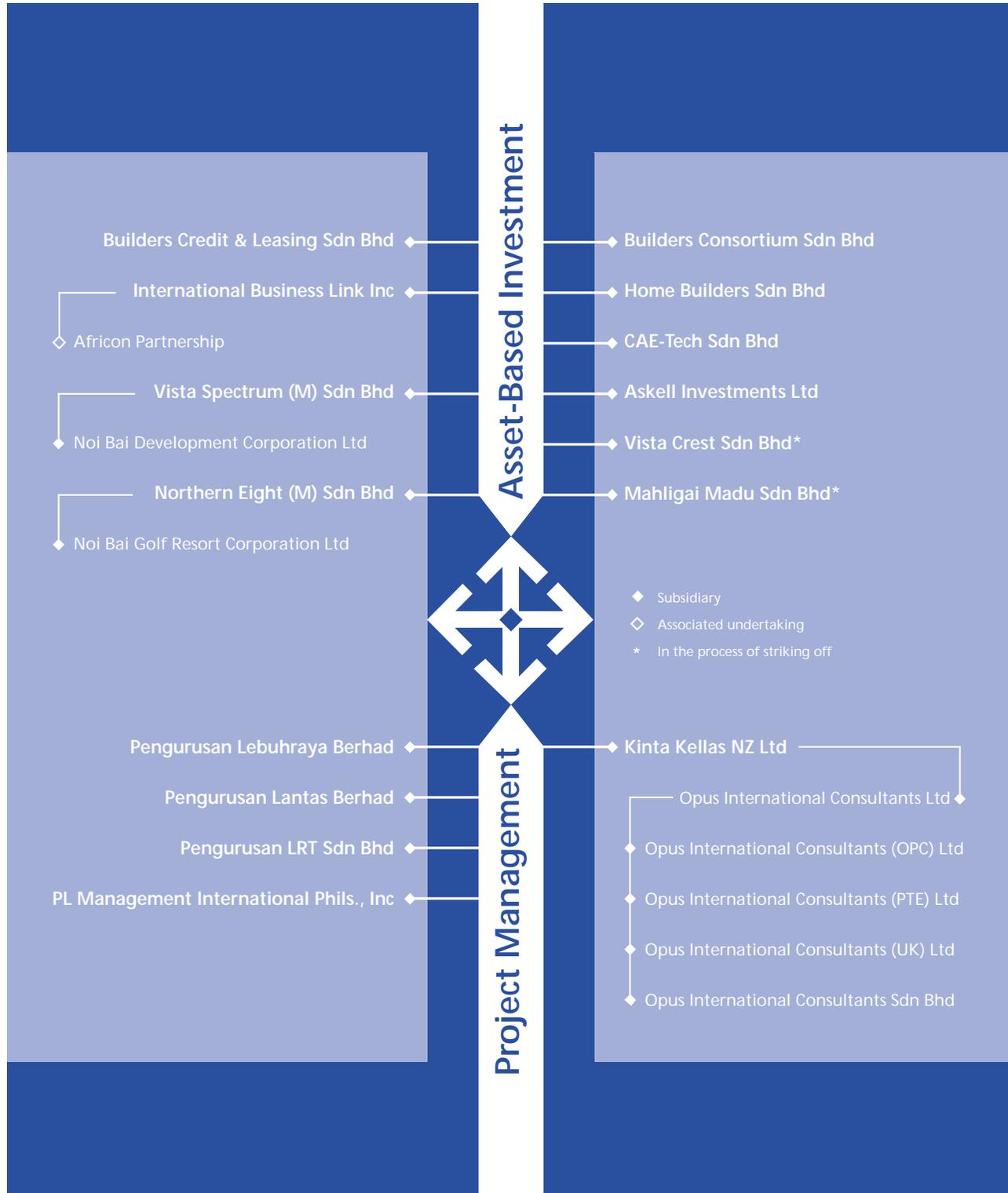
*Below: Aerial view of the North-South Expressway.*

## Notes

- a) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
- b) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or signed by an officer or attorney duly authorised.
- c) The instrument appointing a proxy must be deposited with the Company's Malaysian Share Registrars, Panama Resources Sdn Bhd, No 23, Jalan Sri Hartamas 7, Sri Hartamas, 50480 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed to hold the meeting or at any adjournment thereof.



*Left: The aesthetic craftsmanship in the VVIP Complex, KL International Airport.*



## Board of Directors

### Chairman

YM Tengku Tan Sri Dato' Seri Ahmad  
Rithauddeen bin Tengku Ismail

### Executive Vice-Chairman

YBhg Dato' Zaidan bin Haji Othman

### Executive Director

YBhg Dato' David Frederick Wilson

### Group Managing Director

Mr Lim Weng Ho

### Directors

YBhg Tan Sri Halim bin Saad  
YBhg Dato' Syed Md Amin  
bin Syed Jan Aljeffri  
Dr Ismail bin Abdul Rashid

## Secretary

En Zahari Ab. Wahab

## Company Registration No.

990925-H (Malaysia)  
214532 (UK)

## Registered Office in England

Balfour House  
390/398, High Road  
Ilford, Essex IG1 1NQ  
England  
Tel : (020) 8639 2000  
Fax : (020) 8658 3430

## Registered Office in Malaysia

6th Floor, Menara 2, Faber Towers  
Jalan Desa Bahagia  
Taman Desa  
58100 Kuala Lumpur  
Malaysia  
Tel : 03 7627 2788  
Fax : 03 7625 6201

## Principal Registrars in England

Capita IRG plc  
Balfour House  
390/398, High Road  
Ilford, Essex IG1 1NQ  
England  
Tel : (020) 8639 2000  
Fax : (020) 8658 3430

## Registrars in Malaysia

Panama Resources Sdn Bhd  
No 23, Jalan Sri Hartamas 7  
Sri Hartamas  
50480 Kuala Lumpur  
Malaysia  
Tel : 03 6201 1120  
Fax : 03 6201 3121

## Auditors

Ernst & Young

## Principal Bankers

Bumiputra-Commerce Bank Berhad  
Standard Chartered Bank Malaysia Berhad

## Stock Exchange Listings

The Kuala Lumpur Stock Exchange  
London Stock Exchange

YM Tengku Tan Sri Dato' Seri  
Ahmad Rithauddeen bin Tengku Ismail  
*Chairman*

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YM Tengku was appointed Chairman of the Company on 1 December 1990, after a long and illustrious career with the Government. A former Cabinet Minister, YM Tengku served the Government for 20 years before retiring in 1990 as Minister of Defence. Trained as an Advocate and Solicitor, YM Tengku holds a Bachelor of Law from the University of Nottingham, United Kingdom and is a Barrister-at-Law from Lincoln's Inn. Apart from serving on the Boards of Road Builder (M) Holdings Berhad and Oriental Holdings Berhad as Chairman and Director respectively, YM Tengku is also the Pro-Chancellor of Universiti Kebangsaan Malaysia, Chairman of Renong Overseas Corporation Sdn Bhd, Executive Chairman of IRAT Holdings Sdn Bhd, Chairman of Yayasan Amal of Inti College, Yang Di Pertua Koperasi Sri Nilam (which YM Tengku founded in 1972), Chairman of Nottingham University in Malaysia Sdn Bhd, and former Co-Chairman of the Malaysia-Thai Joint Authority.

YBhg Dato' Zaidan bin Haji Othman  
*Executive Vice-Chairman*

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Appointed to the Board on 6 July 1990 and became the Executive Vice-Chairman on 15 December 1994. YBhg Dato' Zaidan holds a Diploma in Civil and Structural Engineering (BTC), a Postgraduate Diploma in Highway and Traffic Engineering from Durham University, England and a Master of Science (Engineering) from Northwestern University, United States of America. YBhg Dato' Zaidan served a total of 25 years with the Malaysian Highway Authority and the Public Works Department Malaysia before retiring in April 1988 as Deputy Director-General of the Public Works Department. YBhg Dato' Zaidan also sits on the Boards of George Kent (Malaysia) Berhad and TIME Engineering Berhad.

YBhg Dato' David Frederick Wilson  
*Executive Director*

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YBhg Dato' Wilson was appointed to the Board on 12 January 1999. He is a graduate of Cambridge University, United Kingdom, and is a Fellow of the Institution of Civil Engineers (United Kingdom) and the Institution of Highways and Transportation (United Kingdom). Before coming to Malaysia in 1980, YBhg Dato' Wilson worked on infrastructure and development projects in the United Kingdom, Africa, Central America, the Caribbean and the Middle East. In 1986, he joined United Engineers (Malaysia) Berhad and held the position of Managing Director of Kinta Kellas from 1990 to 1994 during which he was responsible for the management of the construction of the North-South Expressway. In 1995, YBhg Dato' Wilson was appointed Managing Director of Renong Overseas Corporation Sdn Bhd and as Managing Director of Crest Petroleum Berhad from March 1998 to January 2001. In December 1998, the Renong Group embarked on a management restructuring exercise and YBhg Dato' Wilson was appointed the President of the Construction and Engineering Division. He is currently also Executive Vice-Chairman of TIME Engineering Berhad, Executive Director of EPE Power Corporation Berhad and Executive Director of Crest Petroleum Berhad.

**Mr. Lim Weng Ho**  
*Group Managing Director*

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A Fellow of the Royal Institution of Chartered Surveyors, United Kingdom, Mr. Lim was appointed Group Managing Director of Kinta Kellas on 1 January 1998. A founding Director of Hashim & Lim Sdn Bhd, a Quantity Survey Consultants Practice, he served in that capacity from 1972 to 1987. His wide exposure to the Renong Group's diversified operations began in July 1987 when he was taken on board Pengurusan Lebuhraya Berhad as a Contract Advisor. Subsequently, on 15 May 1992, he was transferred to Projek Lebuhraya Utara-Selatan Berhad as the Works Monitoring Manager. This was followed by a period as Chief Operating Officer of Projek Usahasama Transit Ringan Automatik Sdn Bhd, a position he held from 1 August 1994 till 31 December 1997.

**YBhg Tan Sri Dato' Seri Halim bin Saad**  
*Director*

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Appointed to the Board on 6 July 1990, YBhg Tan Sri Halim Saad received his Bachelor's Degree in Commerce and Administration from Victoria University of Wellington, New Zealand. Currently the Executive Chairman of Renong Berhad, YBhg Tan Sri Halim is also the Executive Vice-Chairman of United Engineers (Malaysia) Berhad, Faber Group Berhad and Projek Lebuhraya Utara-Selatan Berhad. In addition, he also holds directorships in Camerlin Group Berhad, Keretapi Tanah Melayu Berhad, TIME dotCom Berhad and in several private limited companies.

**YBhg Dato' Syed Md Amin bin Syed Jan Aljeffri**  
*Director*

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YBhg Dato' Syed Md Amin was appointed a Director on 24 September 1999. YBhg Dato' Syed Md Amin is an economics graduate majoring in Accounting from University Malaya and a Chartered Accountant from the Canadian Institute of Chartered Accountants. YBhg Dato' Syed Md Amin is an associate of the Malaysian Institute of Taxation, a member of the Malaysian Institute of Accountants (MIA), a member of the Malaysian Association of Certified Public Accountants and the Institute of Certified Public Accountants of Singapore. YBhg Dato' Syed Md Amin is presently the President of the Malay Chamber of Commerce, Kuala Lumpur and a Vice-President of the Malay Chamber of Commerce, Malaysia. YBhg Dato' Syed Md Amin holds several directorships including United Engineers (Malaysia) Berhad, EPE Power Corporation Berhad, KUB Malaysia Berhad, Crest Petroleum Berhad, Intria Berhad and several private limited companies including his own Aljeffri Group of Companies.

**Dr Ismail bin Abdul Rashid**  
*Director*

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A Medical Doctor by training, Dr Ismail became a Director of the Company in October 1989. Prior to this, he was the Managing Director of United Engineers (Malaysia) Berhad from 1983 to 1986 and Acting Managing Director of TIME Engineering Berhad from 1991 to 1992. Concurrently, he also sits on the Board of TIME Engineering Berhad, TIME dotCom Berhad, Lum Chang Holdings Limited and Intra-Oil Supplies Berhad.

Composition of the Audit Committee and designation of the independent non-executive directors are as follows:

YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail  
*Chairman*  
*(Independent non-executive)*

YBhg Dato' Zaidan bin Haji Othman  
*Executive Vice-Chairman*

YBhg Dato' Syed Md Amin bin Syed Jan Aljeffri  
*Director*  
*(Independent non-executive)*

Dr Ismail bin Abdul Rashid  
*Director*  
*(Independent non-executive)*

Terms of reference of Audit Committee comprise mainly of composition, objectives, duties and responsibilities of the Audit Committee.

### 1. Composition

The Board shall elect an Audit Committee, comprising at least three and not more than five directors, independent of senior management and operating executives and unencumbered by any relationships that might, in the opinion of the Board of Directors, be considered a conflict of interest.

All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Audit Committee cease to be a Director of the Company, his membership in the Audit Committee would cease forthwith.

Membership on the Audit Committee will be rotated amongst all the non-executive directors of the Company such that each non-executive director will serve a period of three years on the Audit Committee.

### 2. Objectives

The primary objectives of the Audit Committee are to:

- i. Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the Company's accounting policies and internal controls, financial reporting practices and business ethic policies.
- ii. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors, internal auditors and financial management.
- iii. Undertake such additional duties as may be appropriate and necessary to assist the Board. However, whether or not the Audit Committee should undertake one or more of the additional duties rests on the Board's viewpoint on corporate needs and the environment in which the Company operates.

### 3. Duties and Responsibilities

In fulfilling its primary objectives, the Audit Committee will need to undertake the following duties and responsibilities:

### 3.1 Evaluate the Standards of Internal Control and Financial Reporting

- i. Hold specific discussions with Senior Corporate Management to discuss the overall adequacy of the internal control system.
- ii. Meet with the internal and external auditors concerning any comments they may have with respect to improving control.
- iii. Consider the nature and disposition of the relevant comments appearing in the reports prepared by the internal auditor and in the external auditor's management letter.

### 3.2 Review of the Annual Financial Statements

- i. Meet with management and the external auditors to discuss the annual financial statements and the results of the audit before recommending approval by the Board.
- ii. Review the nature and resolution of any significant accounting and auditing problems encountered during the examination, the nature of any significant adjustments, reclassification, or additional disclosures proposed by the external auditors that are currently significant or may become significant in the future, the adequacy and impact of any changes in accounting policies or principles during the year, reasons for major fluctuations in financial statements balances for the current year compared to prior years, etc.

### 3.3 Oversee All Matters Relating to External and Internal Audit

- i. Avail to the external and internal auditors a private, confidential audience at any time they desire and request it through the Committee Chairman, with or without the prior knowledge of the management.
- ii. Assist the Board on the annual appointment of the external auditors, negotiate on the annual audit fee and/or additional audit fee and evaluate the basis of billings, if requested.
- iii. Review the annual audit plan with the external auditors.

- iv. Oversee the internal audit department by reviewing the audit plan, performance and findings of the internal auditors and monitor the implementation of the plan so that sufficient internal audit coverage is accorded.

### 3.4 Additional Duties and Responsibilities

- i. Act upon the Board of Directors' request to investigate and report on any issues or concerns with regards to the management of the Company.
- ii. Review the Company's business ethics code, the method of monitoring compliance with the code and the disposition of reported exceptions.
- iii. Review executive expenses, policies on sensitive payments, compliance with certain Government regulations, assess the performance of financial management, etc.

## 4. Meetings and Minutes

A minimum of four meetings a year should be planned, although additional meetings may be called at any time at the Chairman's discretion. As agenda shall be sent to all members of the Committee and any persons that may be required to attend. The quorum for each meeting shall be two members.

In addition to the Committee members, the head of internal audit will normally be in attendance at the meetings. Representatives of the external auditors are to be in attendance at meetings where matters relating to the audit of the statutory accounts and/or the external auditors are to be discussed.

The Chief Operating Officer and/or other appropriate officers may be invited to attend, except for those portions of the meetings where their presence is considered inappropriate, as determined by the Committee Chairman.

Minutes of each meeting shall be kept and distributed to each member of the Committee and also to the members of the Board. The Committee Chairman shall report on each meeting to the Board. The Secretary to the Audit Committee shall be the Company Secretary.

*chairman's statement*



*Architectural splendour of  
KL International Airport.*

*poise for challenging **opportunities***

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Accounts of the Company and of the Group for the financial year ended 31 December 2000.

## Financial Performance

The lower turnover for the financial year under review has resulted in a lower operating profit. However, the Group recorded a profit before taxation of RM43.5 million, an increase of 203% from the previous year. The substantial increase in profit was mainly attributable to the gain arising from the disposal of Redeemable Convertible Bonds which was partially offset by provisions for diminution in the value of investments, impairment in the value of goodwill, and foreign exchange losses.

## Review of Operations

The year 2000 was a year of continued consolidation for the Group. Staff strength for the Malaysian operations was maintained at a level which did not exceed the rationalised manpower of 461 achieved in the year 1999 as a result of continuing initiatives to optimise resources. A similar strategy was adopted for the New Zealand operations where the average manpower size was reduced from 1148 to 1089.

The settlement of the Group's term loan and accrued interest totally of US\$36.6 million through the disposal of Redeemable Convertible Bonds was completed on 5 June 2000. The Group also repaid the two instalments of RM9.1 million in respect of the term loan obtained previously by Noi Bai Development Corporation Ltd., a subsidiary undertaking, from drawdowns on a supplementary loan facility. In addition, an instalment of RM4.6 million due on 1 January 2001, was pre-paid prior to the year-end and the Group continued to service interest of RM4.2 million from internally generated funds. A revolving credit facility of RM15 million with a local bank was renewed and RM12 million has been repaid as at 31 December 2000. Our debt recovery efforts during the year managed to secure commitments from debtors to repay by period instalments, and resulted in debt recoveries totalling RM9.5 million for the year from debts brought forward from previous financial years.

We were able to capitalise on our strengths and resources to improve and enhance overall operations and we successfully secured new projects in the year under review including the Sapangar Bay Naval Base project, the Universiti Industri Selangor project and the TIME Group Network Expansion Programme project in Malaysia.

Project management and technical consultancy services remained the core activities for the Group and we continued to provide our expertise to notable projects in Malaysia such as the Cyberjaya project, Flagship Zone Development project, the Electrified Double Track project between Rawang and Ipoh, and the Single Session Schools project in the Federal Territories of Kuala Lumpur and Putrajaya, Selangor and Negeri Sembilan. The Electrified Double Track project between Sentul and Batu Caves which was to commence originally in the year 2001, has been rescheduled and tender activities are expected to commence in the first half of year 2001.

The Group's wholly-owned subsidiary undertaking, Opus International Consultants Limited, a New Zealand based engineering and technical consultancy company, recorded some notable achievements in the year 2000 such as the Candy's bend project and the US\$50 million Project PJK. The Candy's Bend project is located in the Southern Alps of New Zealand, and is widely acknowledged as one of the most challenging highway projects in New Zealand, whilst Project PJK is the largest single highway contract awarded in New Zealand. The international activities of the company included the provision of maintenance management and technical advisory services to three major expressway companies in Malaysia, namely *Projek Lebuhraya Utara-Selatan Bhd (PLUS)*, *Expressway Lingkaran Tengah Sdn Bhd (ELITE)* and *Linkedua (Malaysia) Berhad (LINKEDUA)*.

### Future Outlook

The Group is actively seeking opportunities to participate in new infrastructure development and road maintenance works to increase project management and technical consultancy revenues. Marketing activities are being revived in anticipation of a recovery in market demand for industrial lots in the Noi Bai Industrial Zone in Vietnam. We expect the Group to achieve a satisfactory financial performance in the financial year ending 31 December 2001.

### Dividends

The Board has decided not to recommend the payment of a dividend for the year ended 31 December 2000. In the immediate future, the Group intends to use its funds to develop its principal businesses.

### Board of Directors

There were no changes to the Board of Directors and I take this opportunity to extend my sincere gratitude, on behalf of the Group, to each and every one of them for their invaluable stewardship of the company.



*Above: One of the completed contemporary designed intelligent buildings in Cyberjaya.*

*Below: The double track and electrification of railway line will ensure that rail transportation remains an attractive and viable point*

## Appreciation

I would like to thank our public and private sector clients who have supported us and given us opportunities to participate in their projects. I must also thank all the Government agencies and local authorities, our business associates and our bankers for their kind assistance and co-operation which were extended to us throughout the year. To the management and staff, my appreciation to all of you for your dedication and commitment in executing your duties.

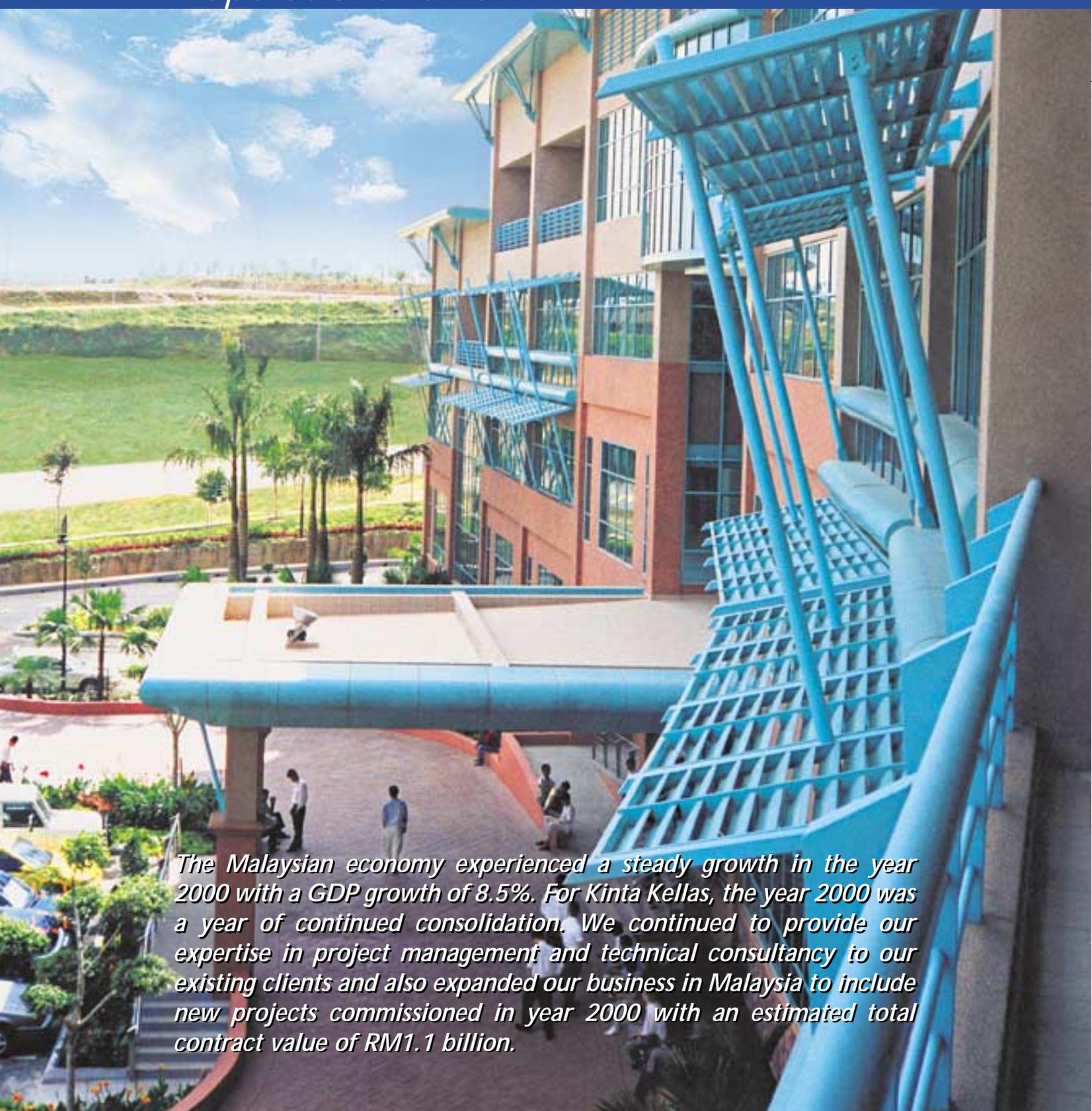
Last but not least, to all our valued shareholders, thank you for the support and the trust you have given us. For the year 2001, we will continue to strive to improve on the financial performance achieved in the year under review.

**Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail**  
Chairman



*Left: An artist's impression of the new base for the Royal Malaysian Navy at Sapangar, Sabah.*

## *operations review*



*The Malaysian economy experienced a steady growth in the year 2000 with a GDP growth of 8.5%. For Kinta Kellas, the year 2000 was a year of continued consolidation. We continued to provide our expertise in project management and technical consultancy to our existing clients and also expanded our business in Malaysia to include new projects commissioned in year 2000 with an estimated total contract value of RM1.1 billion.*

*advance with future* **technology**

## Cyberjaya Flagship Zone Development

Kinta Kellas continues to provide project management and marketing support expertise for the Flagship Zone (FZ) which has been earmarked as the prime phase in the development of Malaysia's premier intelligent city, Cyberjaya.

The FZ, which was officially opened by the Prime Minister in July 1999, is planned as a high-tech development integrating the sophisticated needs of the 21<sup>st</sup> century life-style with the latest multimedia technology. Located strategically within the Multimedia Super Corridor (MSC), the FZ spreads over 2,890 hectares and will be entirely developed by year 2011. The development concept aims to blend a green and eco-friendly environment with the latest information technology infrastructure and facilities. The FZ will be the test bed for the seven flagship applications of the MSC.



*Far left: Entrance to one of the intelligent office blocks in Century Square, Cyberjaya Flagship Zone.*

*Left: A view of the elegantly designed Bridge A of Cyberjaya.*

In the year 2000, construction activities in the FZ were focused on infrastructure development. The Group project managed and completed 19 kilometres of roads and bridges, 18 kilometres of water reticulation and mains, a 34 million-litre reservoir, 6 kilometres of main drains and 12 kilometres of sewerage gravity mains. Other infrastructure works which comprise 11 kilometres of roads, 8 kilometres of water reticulation, 19 kilometres of drains, 13 kilometres of sewerage mains and four units of temporary communal sewerage treatment plants are progressing according to schedule.

To date, facilities such as the Multimedia University, which commenced operations in June 1999 with the registration of its first intake of students, and Cyberview Gardens, a development consisting of 60 apartment units and eight office blocks, have been completed. Other notable completed facilities are the Multimedia Development Corporation (MDC) office, Perhentian Cyberjaya (the public transport terminal), MSC Central Incubator, Century Square Phase 1, Street Mall and 36 units of D'Melur 'smart apartments'.

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### Electrified Double Track Project Between Rawang And Ipoh

Kinta Kellas is a party to a consortium providing project management consultancy services to the Government of Malaysia on the Electrified Double Track project between Rawang and Ipoh.

Keretapi Tanah Melayu Berhad (KTMB) currently provides freight and passenger services on the existing 180 kilometre Rawang-Ipoh route. However, the single track network does not allow for much flexibility in train schedules, whilst operational requirements have also exceeded the current track capacity. Thus, in line with the Malaysian Government's policy to enhance economic growth and to ensure that rail transportation remains an attractive and viable option, the project for the double tracking and electrification of the railway line for the Rawang-Ipoh route was approved for implementation.

The project is to be implemented on a design and build basis and is divided into two packages covering infrastructure and systems. The systems package consists of electrification, signalling, communications, automatic fare collection components and the supply of track materials and machinery. The infrastructure package

comprises the construction of a new track and the rehabilitation of the existing track from Rawang to Ipoh. The package also calls for the construction of eight new stations, four halts, two freight stations, an Electric Multiple Unit (EMU) depot and the upgrading of the existing Ipoh station. A total of 87 existing steel railway bridges will be demolished and replaced with pre-stressed concrete bridges. A further 25 existing level crossings will be closed and replaced with overpasses, while 17 road bridges which do not meet the structure gauge requirements will be replaced. The route alignment will generally be confined within the existing railway reserve, except for certain locations for which the land acquisition exercise is currently underway, to accommodate the new track's design speed of 160 kilometre per hour and an operating speed of 120 kilometre per hour.

Kinta Kellas assisted KTMB and the Government in the evaluation of technical proposals and commercial negotiations with the contractors. The infrastructure contract commenced on 17 July 2000 whilst the systems contract commenced on 10 January 2001.

Currently, the infrastructure works are at the design stage and preliminary construction works have commenced at a number of sites along the railway route. The entire project is expected to be completed in the last quarter of 2004.



*Left: The expansion and modernisation of KTMB's rail network is currently moving on fast track.*

### Total Expressway Maintenance Management System (TEMAN)

The Total Expressway Maintenance Management System (TEMAN) is an integrated system to facilitate the processing, analysis and dissemination of information for the maintenance of the North-South Expressway, New Klang Valley Expressway and the Federal Highway Route II which are operated by PLUS in Malaysia. As an information-based system, TEMAN will play a critical role in supporting PLUS's maintenance activities and decision making processes.

TEMAN which is a modular system consisting of various application and support sub-systems on a common database platform, has been developed in phases.

Work on the TEMAN project began in the year 1998. Under TEMAN Phase 1, the Group developed four application and two support sub-systems comprising :-

- \* Pavement Maintenance Management System (PMMS)
- \* Expressway Slope Maintenance Management System (ESMaS)
- \* Bridge Maintenance Management System (BMMS)
- \* Drainage Maintenance Management System (DMMS)
- \* Maintenance Record
- \* General Reference

Each application sub-system comprises basic modules such as inventory, condition assessment and query or reporting. For the PMMS and ESMaS, specific sub-system modules such as pavement analysis and aerial photo assessment are included. The application sub-systems also incorporate a Geographical Information System (GIS) functionality for the management of spatial data or maps. This informative electronic map display provides a graphic visualisation of the inventories and their condition.

The Group's services for TEMAN Phase 1 were completed in July 2000.



*Above: Specially designated Touch 'n Go and SmartTAG lanes provide motorists with a speedy drive-through option.*

*Below: The overhead bridge restaurants along the NSE entice commuters with a wide selection of food.*

## Central Contracts Agency

The Central Contracts Agency (CCA) was established in the year 2000 as a result of the restructuring exercise by the related Renong Group to re-assign companies into industry clusters for greater realisation of synergies and the sharing of resources. Kinta Kellas has been assigned to take on the CCA and its core task is to provide project management services with special emphasis on contracts administration and construction management for expressway heavy maintenance and structural overlay works. In line with this, CCA has signed a five-year project management agreement with each of the three expressway concession companies (PLUS, ELITE and LINKEDUA) commencing in the year 2000. The formation of CCA has allowed these companies to focus on their core operational activities and enhance their services to the road users.

CCA handles contracts which include pavement rehabilitation, slope rehabilitation, upgrading of drainage systems, structural repairs, toll plazas/rest areas upgrading and toll lane extensions. In the year 2000, CCA provided such project management services on contracts valued at approximately RM80 million in total. As part of its future development plans, the agency expects to extend its services to other asset-based companies operating transportation infrastructures.

## Tanjong Tokong Land Reclamation Project

Kinta Kellas provides project management resources to manage the land reclamation, primary infrastructure and other associated works for the Tanjong Tokong Land Reclamation project which has been recently revived. The project is a mixed development comprising a range of facilities and attractions such as business parks, fisherman's wharf, hotels, condominiums, waterfront housing, marinas, a convention centre, waterfront promenade and a theme park which when completed will be a prestigious landmark for the Malaysian island state of Penang.

The project is a unique integrated development designed to be environmentally friendly, encompassing an area of 980 acres of reclaimed land off the coast of Tanjong Tokong and Gurney Drive. The project entails the creation of a headland, the extension of existing land at Tanjong Tokong and the construction of four islands interlinked by bridges and a circular primary road distribution network.

Construction works re-commenced in late 1999 upon the execution of the Development Agreement that paved the way for the construction of Phase 1 to begin. Phase 1 consists of the headland extension to the existing Tanjong Tokong land area and entails the reclamation of approximately 240 acres of land. For the year under review, the Group continued to provide technical and project management services for the development.

The entire development is targeted to be completed in phases over a period of 22 years. The construction schedule will be based on market demand and the future growth of Penang as a tourism centre in Malaysia.

### Labuan Landscaping And Beautification Project

Kinta Kellas continues to provide support to its strategic partner to project-manage the Labuan landscaping and beautification project in Labuan, the Malaysian offshore financial centre. The project which involves the enhancement of six sites identified by the Labuan Development Authority (LDA) includes a botanical garden, housing estate, beach front areas, potential tourist areas and protocol roads. These activities represent the first phase of the project. The Group has commenced work on seven of eight packages and the entire Phase 1 is scheduled for completion by the end of year 2001.

### Sungai Petani Hospital, Kedah

The Sungai Petani Hospital in Kedah is one of the projects to be implemented under the Seventh Malaysia Plan to ensure that Malaysians have access to quality health care services. The hospital is being constructed in the new township of Bandar Aman Jaya in Sungai Petani, Kedah. Kinta Kellas was appointed as the Technical Support Consultant for TH Universal Builders Sdn Bhd and Bina Darulaman Berhad, a joint venture entity entrusted to design, build, equip, commission and maintain the hospital complex. To date, the Group has provided technical audit services to the joint venture for the pre-award stage comprising the formulation and implementation of the project quality plan.

The hospital complex, which is to be constructed over an area of 40 acres, will have a 498-bed capacity when completed. It will provide facilities such as outpatient and inpatient services, diagnostic and treatment services and medical and non-medical support services. Other facilities include quarters and hostels for staff accommodation, nurses' college, students' hostel and public amenities. The project with a development cost of RM450 million is scheduled for completion in early 2004.



*Two of the completed Labuan landscaping and beautification packages.*

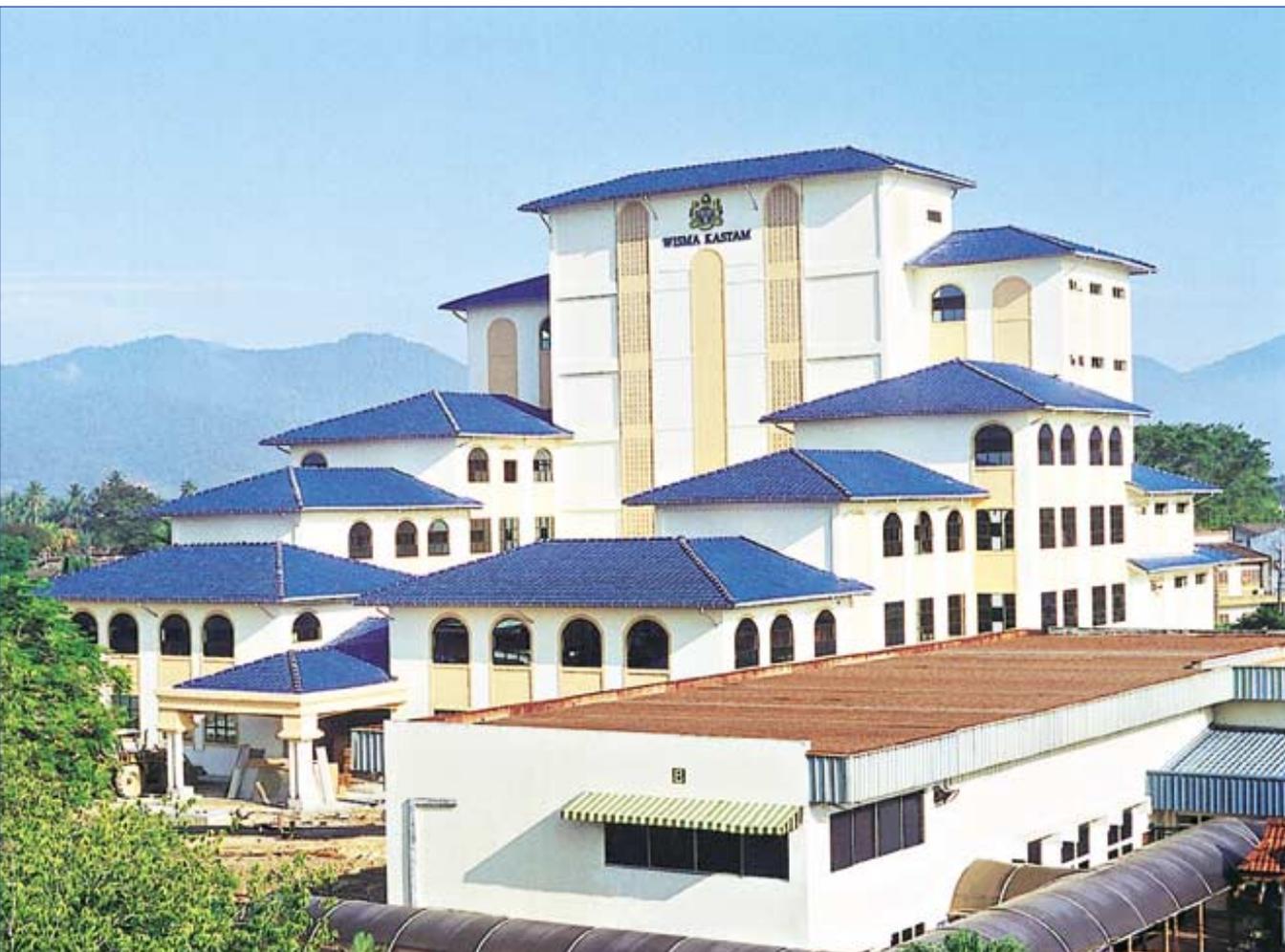
*Above: Landscaping at areas around the Labuan Airport creates a tranquil and beautiful surrounding to be enjoyed by all.*

*Below: The 'Blue Marlin', Labuan's latest landmark.*

### Customs Office Complex, Ipoh, Perak

The customs office complex in Ipoh, Perak is the new Perak state headquarters for the Malaysian Royal Customs and Excise Department. The six-storey building occupies a gross floor area of 5,689 square metres and the complex will ultimately house all staff and officers of the Ipoh Customs Office under one roof. The project has been awarded at a negotiated contract price of RM14.8 million with a construction period of 20 months.

Kinta Kellas provides technical support to the project management consultant appointed to manage the project. In the year 2000, 83% of the project had been completed. The remaining works are internal furnishing works, installation of mechanical and electrical equipment and fittings and external works. The completion and commissioning of the entire complex is scheduled for May 2001.



*Left: An angle view of the Ipoh Customs Office.*

### Single Session Schools Project For The Central Zone

The Group supports its strategic partner with technical and project management services to manage the Single Session Schools project in the Central Zone area for the Malaysian Ministry of Education. This zone covers the states of Selangor, Negeri Sembilan and the Federal Territories of Kuala Lumpur and Putrajaya. The project is part of the Ministry's plan to implement a single session programme for all schools in Malaysia. To ensure that the plan is successful, some 54 new schools are being constructed based on a design and build concept for the Central Zone of the peninsula. The new schools comprise 33 primary schools, 15 secondary schools, four fully residential religious schools and two fully residential 'smart schools'.

In the year 2000, the Group's activities for the project covered the management of the pre-contract and post-contract activities of the construction works. The construction period for the schools varies between 15 months and 18 months and the scheduled completion for construction of all of the schools is September 2001.



*Right: An artist's impression of a new single session school project.*

## The Naval Base At Teluk Sapangar, Sabah

Kinta Kellas provides technical support to the project management consultant appointed to manage the development of a naval base at Teluk Sapangar in Sabah.

The new naval base is to be located about 15 kilometres northwest of Kota Kinabalu in Sabah, Malaysia. The development is to provide extensive facilities and equipment for the naval operations of the Royal Malaysian Navy (RMN). The project is to be designed and built to cater for RMN's immediate and future needs in accordance with the Government's requirements specified by the Malaysian Ministry of Defence.

The project is to be implemented in two work packages on a design and build basis and is expected to be completed within three years from commencement in the second quarter of 2001.

## TIME Group Network Expansion Programme

During the year 2000, Kinta Kellas renewed its activities in the telecommunications industry following its appointment as the project manager to manage the implementation of the network expansion programme for the TIME Group of companies in Malaysia. This expansion programme is in line with the TIME Group's plan to develop and expand its subscriber base for fixed lines and mobile phones. Kinta Kellas's involvement covers a full range of project management services comprising project planning, technical support, contracts administration and construction management.

The initial project management services began on 1 November 2000 and full services have commenced in January 2001.



*Above: An artist's impression of the administration office block for the new naval base, Sapangar.*

*Below: Towards delivering excellence in telecommunication services, Kinta Kellas plays a vital role in the TIME Group Network Expansion Programme.*

### Universiti Industri Selangor

For the year 2001, Kinta Kellas, in association with other parties, provided project management services for the development of the Universiti Industri Selangor (UNISEL) in Selangor, Malaysia. UNISEL was established to be a catalyst to promote a synergistic relationship between academic and industrial sectors. The university is planned as a centre of higher learning for specialised courses in industry and research and development activities to serve the needs of the industrial sector.

The proposed development of the UNISEL main campus comprises the construction of an administration building, a central lecture theatre, a sports complex, a mosque, a hotel, students accommodation, staff housing, faculty buildings, and an industrial research and development centre. The project is expected to be completed by early 2004.

As the project manager, the Group is involved in project planning and design management, procurement and contracts management and construction management. Construction works have commenced in early April 2001.



*Right: An artist's impression of a bird's eyeview of the proposed UNISEL campus.*

## Noi Bai Industrial Zone (Phase 1)

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The Noi Bai Industrial Zone (NBIZ) Phase 1, which is a joint-venture with Hanoi Industrial Construction Company of the Socialist Republic of Vietnam, is a development of a 100-hectare industrial area in Hanoi, Vietnam. Kinta Kellas is the project developer, operator and project manager for the development.

Three companies, Nippon Carbide Industries, Sumitomo Metal and Zamil Steel set up their operations and factories in the development area in the year 1999. However, market demand for the industrial lots was weak during year 2000 as a result of the recent Asian economic downturn and no further sales have been made.

The Vietnamese Government has improved the infrastructure facilities in the vicinity of the NBIZ with the construction of a 3.9 kilometre link road from the NBIZ to the Airport-Hanoi Expressway which was completed in the year 2000. This has improved linkages between the NBIZ and Hanoi and substantially reduced the distance, hence enhancing the overall marketability of the NBIZ.

## Opus International Consultants Limited

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During the year 2000, Opus continued to achieve significant success in the three market sectors in which the company is active; highways, buildings and water.

The New Zealand highway Network Maintenance Management (NMM) market comprises state highways administered by Transit NZ and local roads administered by local authorities. In the state highway sector, Opus holds 14 out of 21 current outsourced contracts having won three of the eight contracts tendered in the year 2000. In the year 1999, Opus has been successful in bids for five of the nine outsourced local authority contracts awarded bringing its share to 10 of the 30 current outsourced contracts.

*Above: The Noi Bai Industrial Zone will help to boost Vietnam's economy.*

*Below: The new Auckland Central Remand Prison, designed to complement the inner city, commercial location.*

Significant progress has been made during the year with the construction of a number of Opus-designed high profile highway projects. These include the Candy's Bend project on SH73 in the Southern Alps of New Zealand which is widely acknowledged as one of the most challenging highway projects in New Zealand. The project includes creative structural solutions to widen a single lane road on a rock bench in vertical terrain to a two-lane highway while also providing protection against falling rock.

Also, the US\$50 million Project PJK, designed by Opus, is the largest single highway contract awarded in New Zealand and includes 8.1 kilometres of expressway and seven bridges. This three-year project, built to relieve traffic pressure on key routes to Tauranga, New Zealand's fastest growing city, includes a number of innovative elements such as lightweight polystyrene blocks incorporated in the road embankment.

In the greater Auckland area, Opus continues to be involved in a wide range of projects targeted at reducing congestion on the motorway network including widening of the existing motorways.



*Right: Innovative road widening solution in mountainous terrain, Candy's Bend, Southern Alps, New Zealand.*



In the international market, Opus, as consultant to the joint venture company RoadCare, has won two 10-year PSM (Performance Specified Maintenance) contracts from Main Roads Western Australia covering over 4,600 kilometres of the network. This has enhanced the company's significant international highway track record which now also includes the super-agency contract from the United Kingdom Highways Agency for the maintenance management of the Area 6 contract (Lincolnshire highway network), and the North-South Expressway and connecting links in Malaysia for PLUS, ELITE and LINKEDUA.

During the year, a number of notable building projects designed by Opus have been completed. The US\$20 million, 275-cell, state-of-the-art Auckland Central Remand Prison was successfully completed on a fast-track programme and opened to wide acclaim, including selection by the American Institute of Architects Committee in their Justice Facilities Review 1999-2000 which showcases the world's best prisons and justice facilities. The first phase of the US\$24 million Information Services Building at Otago University was also opened during the year 2000.

Opus secured a contract to manage the maintenance of a 600 site network of broadcasting facilities across Australia for TVNZ-Australia. Opus is also managing the upgrade of the ANZ Banking Group's substantial property portfolio throughout New Zealand and the Pacific Islands.

In the water market, Opus has completed the design of the Waihi Beach sewerage reticulation project which replaces ageing infrastructure and meets the Year 2001 consent requirements. This scheme, worth around US\$9 million, relieves the seasonal pressure on Waihi whose population more than trebles over the summer holiday period. Opus has also continued to develop innovative solutions to water and wastewater challenges. For example, a low cost upgrade to oxidation ponds in Auckland has allowed Manukau Water to renew their Year 2001 consents where nitrogen reduction has been achieved without the need to add a conventional activated sludge plant to the treatment works.

*Above: The Wellington Wastewater plant, a US\$80M Design Build Finance Operate (DBFO) facility.*

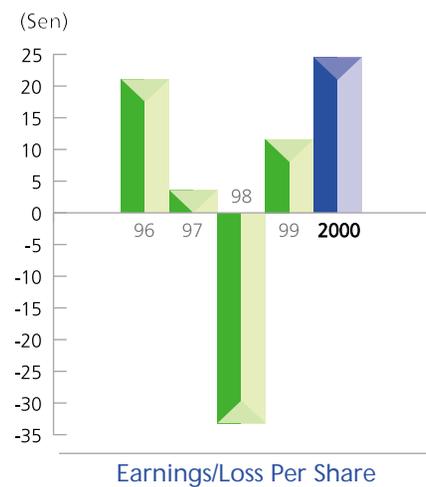
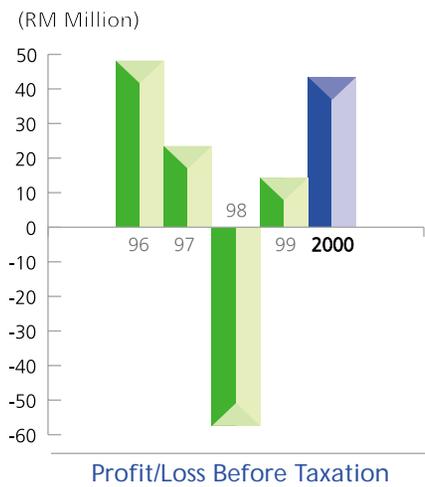
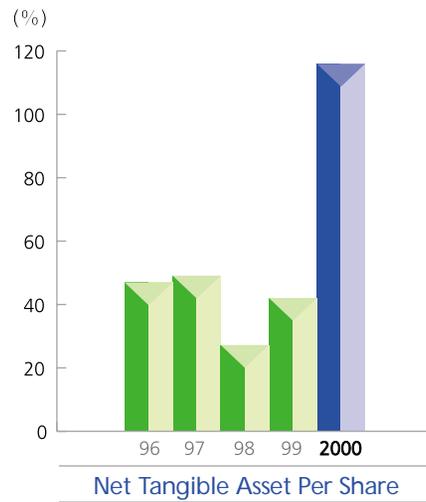
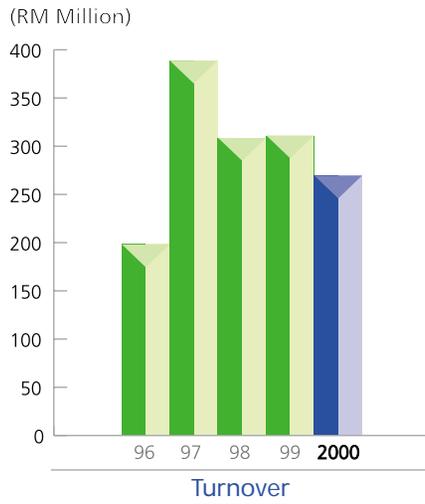
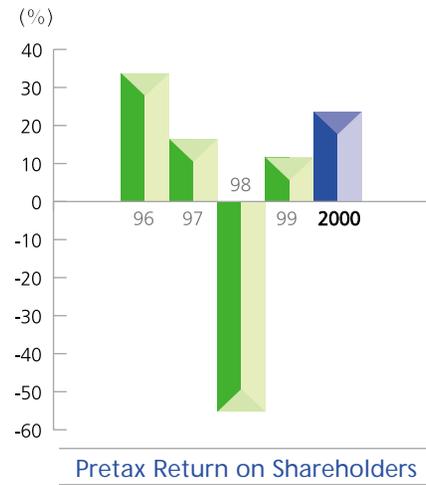
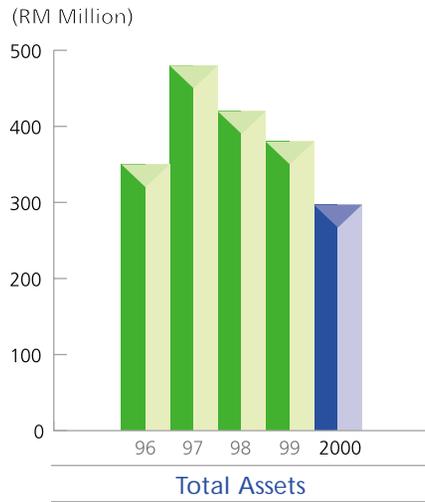
*Below: Award-winning refurbishment of the St. James Theatre in Wellington.*

## five-year group financial profile

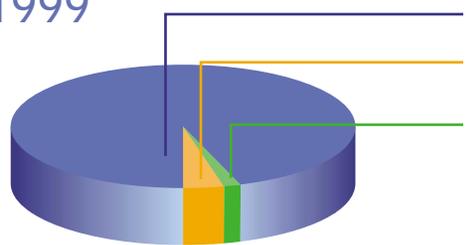
	31/12/1996 RM'000 As restated	31/12/1997 RM'000 As restated	31/12/1998 RM'000 As restated	31/12/1999 RM'000	31/12/2000 RM'000
<b>Group Balance Sheet</b>					
Fixed assets	29,056	37,851	24,867	16,622	14,281
Investments	68,809	82,473	78,098	79,897	20,139
Development properties	56,339	33,996	23,720	15,294	15,294
Goodwill on consolidation	68,362	64,918	60,274	56,830	29,998
Licences and similar rights	–	–	534	346	158
Deferred expenditure	67	25	–	–	–
Current assets	128,025	269,967	235,891	226,255	214,141
Creditors: amount falling due within one year	(86,359)	(141,531)	(265,963)	(220,208)	(61,367)
Creditors: amount falling due after more than one year	(109,820)	(185,641)	(41,629)	(41,313)	(41,313)
Provision for liabilities and charges	(2,709)	(5,996)	(5,692)	(7,994)	(7,683)
	151,770	156,062	110,100	125,729	183,648
Financed by:					
Called up share capital	197,175	197,175	197,175	197,175	197,175
Profit and loss account	(54,321)	(54,437)	(93,246)	(73,343)	(13,527)
Minority interest	8,916	13,324	6,171	1,897	–
	151,770	156,062	110,100	125,729	183,648

	31/12/1996 RM'000 As restated	31/12/1997 RM'000 As restated	31/12/1998 RM'000 As restated	31/12/1999 RM'000 As restated	31/12/2000 RM'000
<b>Group profit and loss account</b>					
Turnover	198,395	388,759	308,611	310,725	269,521
Operating expenses	(157,772)	(346,549)	(356,565)	(297,895)	(310,268)
Income from interest in an associated undertaking	2,355	3,535	5,150	3,309	2,192
Operating profit/(loss)	42,978	45,745	(42,804)	16,139	(38,555)
Gain on disposal of fixed assets	725	1,108	286	425	104
Gain on disposal of fixed assets investment	-	-	-	-	88,203
Dividend income	5,285	3,077	4,418	1,404	1,609
Interest income	1,343	1,491	1,675	5,588	1,442
Other Income	99	429	481	221	-
Write-back/(provision) for diminution in value of investments	1,834	(14,631)	742	3,160	(3,935)
Interest payable	(4,048)	(13,713)	(22,232)	(12,583)	(5,410)
Profit/(loss) before taxation	48,216	23,506	(57,434)	14,354	43,458
Taxation	(14,827)	(18,007)	(2,028)	(259)	(6,455)
Profit/(loss) after taxation	33,389	5,499	(59,462)	14,095	37,003
Minority interest	-	206	6,895	4,274	1,897
Proposed dividend less Malaysian income tax	(7,761)	-	-	-	-
Transfer to/(from) reserves	25,628	5,705	(52,567)	18,369	38,900
<b>Performance Ratios</b>					
Earning/(loss) per share, basic and diluted					
- Gross before taxation (sen)	30.44	14.84	(36.26)	9.06	27.44
- Net of taxation (sen)	21.08	3.60	(33.19)	11.60	24.56
Pretax return/(loss) on shareholders' funds (%)					
	33.75	16.47	(55.26)	11.59	23.66
Pretax return/(loss) on total assets (%)					
	12.75	4.80	(13.57)	3.63	14.78
Net tangible asset per share (sen)					
	46.99	49.11	27.22	42.08	96.90

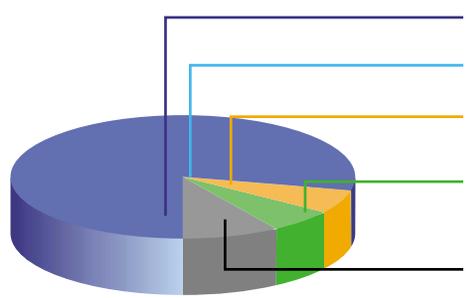
# financial highlights



1999

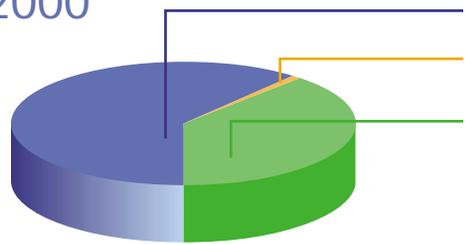


Operations	191,417	94.6%
Share of profit in an associated undertaking	3,309	1.6%
Other income	7,638	3.8%
<b>Total</b>	<b>202,364</b>	<b>100.0%</b>

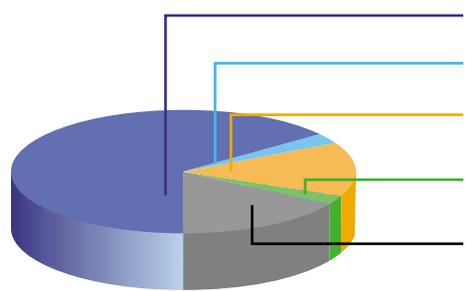


Employees	158,648	78.4%
Government	259	0.1%
Depreciation and amortisation	12,505	6.2%
Interest on borrowings	12,583	6.2%
Retained profit	18,369	9.1%
<b>Total</b>	<b>202,364</b>	<b>100.0%</b>

2000



Operations	121,672	56.5%
Share of profit in an associated undertaking	2,192	1.0%
Other income	91,358	42.5%
<b>Total</b>	<b>215,222</b>	<b>100.0%</b>



Employees	154,633	71.8%
Government	6,455	3.0%
Depreciation and amortisation	9,824	4.6%
Interest on borrowings	5,410	2.5%
Retained profit	38,900	18.1%
<b>Total</b>	<b>215,222</b>	<b>100.0%</b>

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### 29 February 2000

Announcement of the Quarterly Report On Consolidated Results for the financial year ended 31 December 1999.

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### 27 April 2000

Announcement of the variation of audited results of the Group from preliminary announcement of unaudited results for the year ended 31 December 1999.

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### 25 May 2000

Announcement of the Quarterly Report On Consolidated Results for the financial quarter ended 31 March 2000.

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### 2 June 2000

Announcement of the approval given by the shareholders of Kinta Kellas Public Limited Company ("Kinta Kellas") at its Extraordinary General Meeting held on 2 June 2000 on the proposed divestment by Builders Credit & Leasing Sdn Bhd. , a wholly-owned subsidiary undertaking of Kinta Kellas, of RM132,500,000 Initial Principal Amount Redeemable Convertible Secured Dual-Coupon Bonds due 2005/2006 issued by Projek Lebuhraya Utara-Selatan Berhad, to Danaharta Managers (L) Ltd. ("DMLL") as full and final settlement of a term loan amounting to USD36,574,449.16 including interest accrued, as at 5 November 1999, owing by Askill Investments Ltd. , a wholly-owned subsidiary undertaking of Kinta Kellas, to DMLL.

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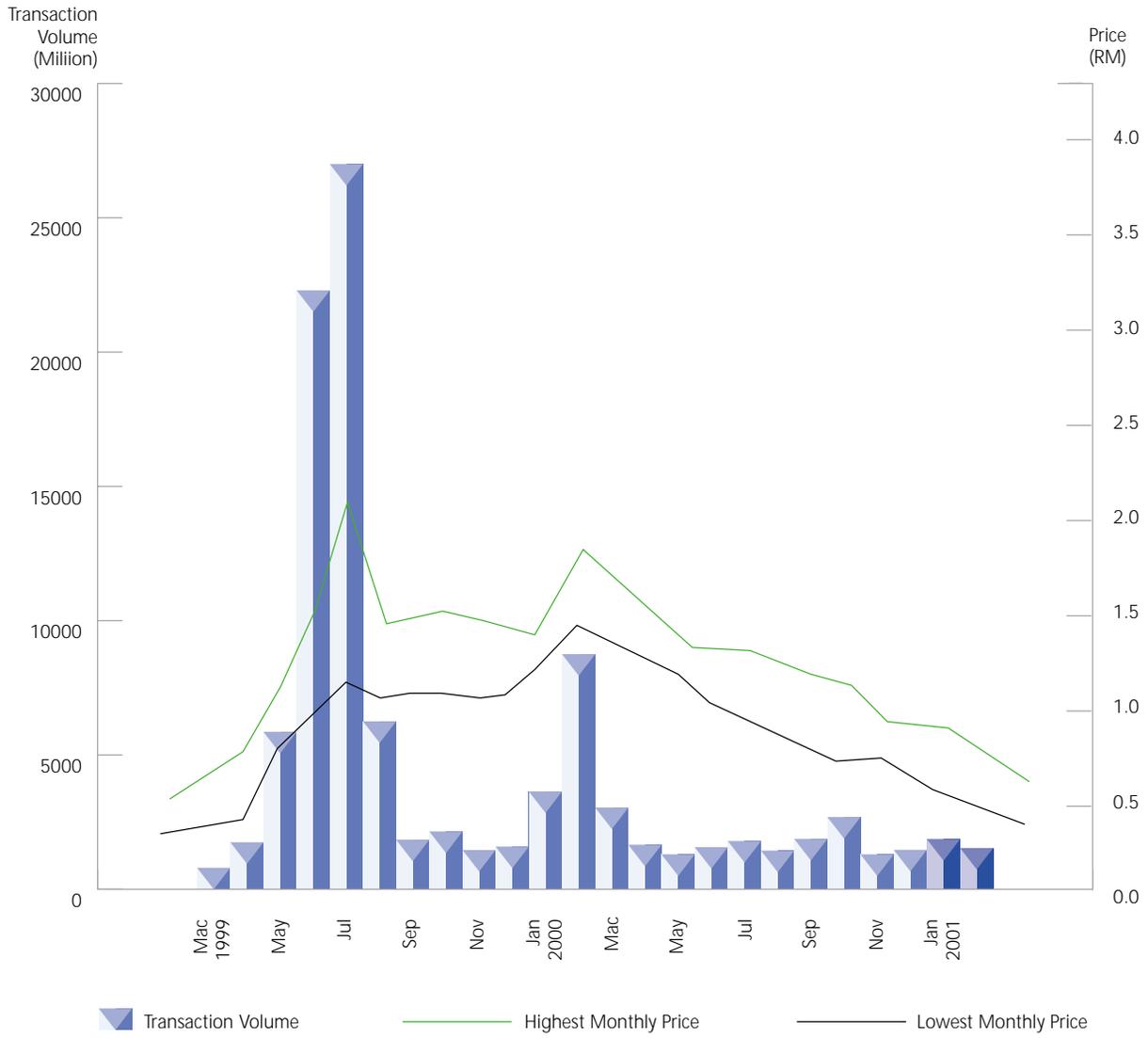
### 28 August 2000

Announcement of the Quarterly Report On Consolidated Results For the financial quarter ended 30 June 2000.

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### 27 November 2000

Announcement of the Quarterly Report On Consolidated Results for the financial quarter ended 30 September 2000.



Authorised Share Capital	£50,000,000
Paid-up Share Capital	£39,598,900
Class of Shares	Ordinary Shares of 25p each
Voting Right	1 vote per ordinary share

Statement of	No. of	%	No. of	%
Size of Shareholdings	Shareholders		Ordinary Shares	
1 – 499	65	0.62	6,775	0.01
500 – 5,000	8,696	82.05	18,359,363	11.59
5,001 – 10,000	1,066	10.06	8,872,976	5.60
10,001 – 100,000	718	6.77	17,560,386	11.09
100,001 – 1,000,000	50	0.47	11,709,500	7.39
Above 1,000,000	3	0.03	101,886,600	64.32
<b>Total</b>	<b>10,598</b>	<b>100.00</b>	<b>158,395,600</b>	<b>100.00</b>

Location of Shareholders	No. of	%	No. of	%
	Shareholders		Ordinary Shares	
Malaysia	10,463	98.72	157,004,656	99.12
Singapore	95	0.90	667,548	0.42
United Kingdom	15	0.14	59,760	0.04
Other foreign countries	25	0.24	663,636	0.42
<b>Total</b>	<b>10,598</b>	<b>100.00</b>	<b>158,395,600</b>	<b>100.00</b>

Type of Shareholders	No. of	%	No. of	%
	Shareholders		Ordinary Shares	
Malaysian – Individual	8,997	84.89	36,137,102	22.81
– Nominees companies	1,285	12.12	14,120,863	8.92
– Other companies	181	1.71	106,746,691	67.39
Singaporean	95	0.90	667,548	0.42
British	15	0.14	59,760	0.04
Other foreigners	25	0.24	663,636	0.42
<b>Total</b>	<b>10,598</b>	<b>100.00</b>	<b>158,395,600</b>	<b>100.00</b>

## Statement on Twenty Largest Shareholders as at 20 March 2001

	Shareholders	Shareholdings	%
1	Universal Trustee (Malaysia) Berhad (United Engineers (Malaysia) Berhad)	98,795,600	62.37
2	Employees Provident Fund Board	1,985,000	1.25
3	Southern Nominees (Tempatan) Sdn Bhd (Pledged Securities Account - Saw Guan Keat Sdn Bhd)	1,106,000	0.70
4	Southern Nominees (Tempatan) Sdn Bhd (Pledged Securities Account - Saw Guan Keat)	835,000	0.53
5	Bank Kerjasama Rakyat Malaysia Berhad (As Beneficial Owner)	694,000	0.44
6	Arab-Malaysian Finance Berhad (Pledge Securities Account For Ta Kin Yan (Smart))	669,000	0.42
7	HSBC Nominees (Asing) Sdn Bhd (Credit Suisse First Boston Zurich - Credit Suisse)	500,000	0.32
8	HSBC Nominees (Asing) Sdn Bhd (HSBC SG For Habacus Trading Co Pte Ltd)	500,000	0.32
9	Arab-Malaysian Nominees (Tempatan) Sdn Bhd (Arab Malaysian Trustee Bhd for Pacific Pearl Fund)	487,000	0.31
10	Malaysia Focus Investment Fund Limited (C/o Meridian Trust Company Ltd)	450,000	0.28
11	HDM Nominees (Tempatan) Sdn Bhd (Lum Chang Securities Pte Ltd For Ang Hooi Kuan)	416,000	0.26
12	Perbadanan Kemajuan Iktisad Negeri Kelantan	389,000	0.25
13	Distinct Master Sdn Bhd	359,000	0.23
14	Amanah Saham Mara Berhad	324,000	0.20
15	Lembaga Tabung Haji	257,000	0.16
16	Ong Yeok Kuan	250,000	0.15
17	Sia Kwee Mow @ Sia Hok Chai	245,000	0.15
18	Bank Kerjasama Rakyat Malaysia Berhad (As Beneficial Owner)	231,000	0.15
19	Permodalan Nasional Berhad	225,000	0.14
20	MIMB Nominees (Tempatan) Sendirian Berhad (MIMB Aberdeen For Pertubuhan Keselamatan Sosial)	225,000	0.14
	<b>Total No of Shares</b>	<b>108,942,600</b>	<b>68.77</b>

## Statement on Substantial Shareholders as at 20 March 2001

United Engineers (Malaysia) Berhad (Held through Universal Trustee (Malaysia) Berhad)	98,795,600	62.37
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Location

	Description	Purpose	Tenure	Age of the Properties	Area (Sq Metres)	Net Book Value As at 31/12/2000 RM'000
Port Road, Whangarei New Zealand	Land & building	Laboratory	Freehold	18 years	1,760 s.m.	372
37, Bedfore Ave, Wanganui New Zealand	Land & building	Laboratory	Freehold	28 years	2,610 s.m.	150
Noi Bai Industrial Zone Quang Tien, Soc Son District Hanoi, Vietnam	Building	Office Building	Leasehold (50 years to 4/2044)	6 years	600 s.m.	6,265



## contents

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40	Directors' Report
46	Statement of Directors' Responsibilities in Respect of the Accounts
47	Auditors' Report to the Shareholders of Kinta Kellas Public Limited Company
49	Principal Accounting Policies
54	Profit and Loss Accounts
55	Statement of Total Recognised Gains and Losses
56	Reconciliation of Group Shareholders' Funds
57	Balance Sheets
58	Cash Flow Statements
59	Notes to the Accounts

*Two of the several notable projects managed by the Group.*

*Above: Putra LRT, the world's longest fully automated driverless rail system, connects people to the city.*

*Below: A scenic green view of the 848-kilometre North-South Expressway (NSE).*

The Directors are pleased to present their report and the audited accounts of the Group and of the Company for the year ended 31 December 2000.

### Principal Activities

The Company is principally an investment holding company and provides administrative support to its subsidiary undertakings.

The Group is engaged in the following principal activities through its subsidiary undertakings:-

- project management services;
- investment holding;
- property development;
- management of property and land development projects;
- technical management support services;
- computer aided design and drafting services;
- roading infrastructure and other related design work; and
- civil and building design related work.

There have been no significant changes in the nature of these activities during the year.

### Results and Dividends

The Group profit after taxation and minority interest, attributable to shareholders of the Company for the year ended 31 December 2000 amounted to RM38,899,671.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2000.

### Review of the Business

2000 was a year of continued consolidation for the Group. Average staff strength for the Malaysian operations was maintained at a level which did not exceed the rationalised manpower of 461 achieved in 1999 as a result of continuing initiatives to optimise resources. A similar strategy was adopted for the New Zealand operations where the average manpower size was reduced from 1,148 to 1,089.

During the year, the Group divested its Redeemable Convertible Bonds ("RCBs") to Danaharta Managers (L) Ltd ("DMLL") as full and final settlement of the USD35.4 million term loan and accrued interest, totalling USD36.6 million (RM142.6 million). The divestment was completed on 5 June 2000 and resulted in an exceptional gain of RM88.2 million.

The Group also repaid the two instalments of RM9.1 million in respect of the term loan obtained previously by Noi Bai Development Corporation Ltd., a subsidiary undertaking, from drawdowns on a supplementary loan facility. In addition, an instalment of RM4.6 million due on 1 January 2001, was pre-paid by Kinta Kellas plc prior to the year end and the Group continued to service interest of RM4.2 million from internally generated funds.

### Review of the Business-cont'd

A revolving credit facility of RM15 million with a local bank was renewed during the year and RM12 million had been repaid as at 31 December 2000, also from internally generated funds.

The Group's debt recovery efforts during the year managed to secure commitments from debtors to repay by periodic instalments, and resulted in debt recoveries totalling RM9.5 million for the year from debts brought forward from previous financial years.

The Group was able to capitalise on its strengths and resources to improve and enhance overall operations, and successfully secured new projects in the year under review including the Sapangar Bay Naval Base project, the Universiti Industri Selangor project and the TIME Group Network Expansion Programme project, in Malaysia.

Project management and technical consultancy services remained the core activities for the Group, and the Group continued to provide its expertise to notable projects in Malaysia such as the Cyberjaya Project, the Electrified Double Track Project between Rawang and Ipoh, and the Single Session Schools Project in Wilayah Persekutuan, Selangor and Negeri Sembilan. The Electrified Double Track Project between Sentul and Batu Caves, which was to commence originally in 2000, has been rescheduled and tender activities are expected to commence in the first half of 2001.

The Group's wholly-owned subsidiary undertaking, Opus International Consultants Limited, a New Zealand based engineering and technical consultancy company, recorded some notable achievements in 2000 such as the Candy's Bend project and the US\$50 million Project PJK. The Candy's Bend project is located in the Southern Alps of New Zealand and is widely acknowledged as one of the most challenging highway projects in New Zealand whilst Project PJK is the largest single highway contract in New Zealand. The international activities of the company included the provision of maintenance management and technical advisory services to three major expressway companies in Malaysia, namely Project Lebuhraya Utara-Selatan Bhd. (PLUS), Expressway Lingkaran Tengah Sdn. Bhd. (ELITE) and Linkedua (Malaysia) Bhd. (LINKEDUA).

In conjunction with a long-term review of the activities of Opus International Consultants Limited, the Board determined that it would be appropriate to recognise an impairment in the carrying value of the Group's unamortised goodwill relating to this investment. An amount of RM24,156,000 has therefore been recognised as impairment in value of goodwill during the year in this respect.

Sluggish market conditions severely curtailed sales of industrial lots in Vietnam, and the Group recognised a further provision for write-down of these properties during the year, of RM5,117,000.

### Future Developments

The Group is actively seeking opportunities to participate in new infrastructure development and road maintenance works to increase project management and technical consultancy revenues. Marketing activities are being revived in anticipation of a recovery in market demand for industrial lots in the Noi Bai Industrial Zone in Vietnam. We expect the Group to achieve a satisfactory financial performance in the financial year ending 31 December 2001.

## directors' report

### Directors of the Company

The names of the Directors of the Company in office since the date of the last report and at the date of this report are :

YM Tengku Tan Sri Dato' Seri Ahmad Rithauddeen bin Tengku Ismail

YBhg Tan Sri Halim bin Saad

YBhg Dato' Zaidan bin Haji Othman

YBhg Dato' David Frederick Wilson

YBhg Dato' Syed Md Amin bin Syed Jan Aljeffri

Dr Ismail bin Abdul Rashid

Lim Weng Ho

In accordance with the Company's Articles of Association, Dr Ismail bin Abdul Rashid and YBhg Dato' Zaidan bin Haji Othman retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Dr Ismail bin Abdul Rashid is a non-executive Director while YBhg Dato' Zaidan bin Haji Othman is an executive Director who has a contract of service with a subsidiary undertaking.

### Directors' Interests

Neither at the end of the year, nor at any time during the year, did there subsist any arrangement to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares and share options in, or debentures of, the Company or any other body corporate.

No Director of the Company has since the end of the previous financial year 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 shown in the accounts) by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for YBhg Tan Sri Halim bin Saad who may be deemed to derive benefits by virtue of those transactions, contracts and agreements for the provision of management services and other businesses between the companies in the Group and companies in which he is deemed to have an interest, as disclosed in the analysis of significant related party transactions included in Note 1 to the accounts.

### Shareholdings

	Number of Ordinary shares of RM0.50 each			As at 31.12.00
	As at 1.1.00	Acquired	Disposed	
YBhg Tan Sri Halim bin Saad				
• Renong Berhad** (ordinary shares of RM0.50 each)	372,012,351	-	-	372,012,351

\*\* As at 31 December 2000, Renong Berhad held 309,798,506 ordinary shares of RM0.50 each, representing 37.94% in the equity of United Engineers (Malaysia) Berhad ("UEM"), the ultimate parent undertaking of Kinta Kellas plc.

No other Directors in office at the end of the financial year held any shares in the Company or shares and share options in, or debentures of, its subsidiary undertakings during the year.

## Substantial Shareholdings

As at 20 March 2001, the only party holding 3 per cent or more of the issued share capital of the Company was:

Name	Number of Ordinary Shares held or beneficially interested in	% of Issued Capital
United Engineers (Malaysia) Berhad (held through nominees)	98,795,600	62.37

Details of transactions between the Group and UEM are disclosed in the analysis of significant related party transactions included in Note 1 to the accounts.

No other person has notified an interest in the ordinary shares of the Company required to be disclosed to the Company in accordance with Sections 198 to 208 of the Companies Act 1985.

## Significant Events Subsequent to Year End

### (a) Employee Share Option Plan ("ESOP")

On 31 December 2000, the Company announced that Opus International Consultants Limited. ("OPUS"), a wholly-owned subsidiary undertaking, proposed to implement an ESOP for the employees of OPUS and its subsidiary undertakings.

The Proposed ESOP is conditional upon approvals being obtained from the following:

- (i) New Zealand Securities Commission, for specific exemption from compliance with various disclosure and other requirements in respect of the prospectus for the Proposed ESOP;
- (ii) Shareholders of the Company at an Extraordinary General Meeting; and
- (iii) Any other relevant authorities.

### (b) On 14 February 2001, the Company announced that the Singapore Stock Exchange ("SSE") has approved its application to delist from the Main Board of the SSE with effect from 20 February 2001.

## Creditor Payment Policy and Practice

It is the Group's policy that payments to suppliers are made in accordance with terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2000, the Group had an average of 32 days purchases outstanding in trade creditors.

### Derivatives and Other Financial Instruments

The Group's principal financial instruments, other than derivatives, consist of bank loans, cash and short-term deposits. The main purpose of these financial instruments is to finance the Group's operations and investments. The Group has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The magnitude of these risks are detailed in Note 21 to the accounts. The Board reviews and agrees policies for managing each of these risks as and when they arise.

### Interest Rate Risk

The Group borrows in desired currencies at floating interest rates. The Group did not enter into any interest rate swaps.

With the disposal of the Redeemable Convertible Bonds as disclosed in 'Review of the Business', the Group no longer receives interest (1999: 9.4%) on fixed rate financial assets.

### Liquidity Risk

The Group's objective is to maintain a balance of funding and flexibility through the use of overdraft, short term loans and long term loans.

The Group's policy is to arrange for short term loans and overdraft as working capital and long term loans to finance investments.

During the year, the Group completed the divestment of a financial asset, i.e. the Redeemable Convertible Bonds, to discharge the Group from its USD35.4 million term loan financial liability upon maturity. Thus, the gearing of the Group has reduced significantly.

### Foreign Currency Risk

As and when the Group undertakes significant transactions denominated in foreign currencies, with continuing exposure over the applicable periods of settlement, the Group evaluates its exposure and the necessity to hedge such exposure, as well as the availability and cost of such hedging instruments.

As a result of the significant investments in New Zealand, Vietnam and South Africa, the Group's balance sheet can be significantly affected by the movements in the respective functional currencies of the investees against the Malaysian Ringgit. Note 1 to the accounts provides information on, inter alia, the Group's turnover, operating profit and net assets employed, by geographical area. The information applicable to the Group's investment in South Africa is reflected by the information referred to in respect of the associated undertaking.

### Foreign Currency Risk-cont'd

The Group does not anticipate further significant foreign currency risk in respect of its US Dollar obligations as the exchange rate of the Malaysian Ringgit has been pegged to the US Dollar at RM3.80 to USD1.00 since September 1998 following the implementation of selective exchange controls by the Government of Malaysia. The settlement of the USD35.4 million term loan in the year has reduced that extent of foreign currency risk, leaving USD13.1 million (RM45.9 million) loan outstanding in US Dollars in respect of investments in Vietnam. Transactions in Vietnam, which are primarily in respect of property development, are denominated in US Dollars.

However, as the USD35.4 million term loan settled during the year had originally been obtained by a New Zealand subsidiary undertaking, Askill Investments Ltd ("Askill"), and as its settlement had been financed by the divestment of the Redeemable Convertible Bonds held by a Malaysian subsidiary undertaking, Builders Credit & Leasing Sdn Bhd ("BCL"), Askill's continuing liability to BCL, denominated in New Zealand Dollars, for which no hedge has been entered into, represents a continuing foreign currency risk to BCL.

The Group also has transactional currency exposures from sales in foreign currency and from operations in foreign countries. The Group's New Zealand operations uses forward foreign currency contracts to eliminate such risks.

### Auditors

The auditors, Ernst & Young of the United Kingdom, have expressed their willingness to continue in office. A resolution to re-appoint Ernst & Young as the company's auditors will be put forward at the forthcoming Annual General Meeting. Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the Directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

On Behalf of The Board

**Dato' Zaidan bin Haji Othman**

Director

**Lim Weng Ho**

Director

23 April 2001

Kuala Lumpur, Malaysia

# statement of directors'

responsibilities in respect of the accounts

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Company and the Group for that period. In preparing those accounts, the Directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Going Concern

The Directors are also required under Company Law to prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business. The Directors believe that it is appropriate for the accounts to be prepared on the going concern basis.

## Exemption from the Provisions of the Combined Code

The London Stock Exchange has confirmed that, in view of the primary listing of the Company being on the Kuala Lumpur Stock Exchange, the Company is permitted to comply with the Listing Rules in respect of an overseas company, and accordingly is not required to disclose a Statement on Compliance with the Combined Code. The Directors affirm their belief, nevertheless, that the Group's operations are guided by a high standard of corporate governance.

We have audited the accounts on pages 49 to 92 which have been prepared under the historical cost convention and the accounting policies set out on pages 49 to 53.

### Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the annual report. As described on page 46, this includes responsibility for preparing the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all information and explanations we require for our audit, or if the information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Group is not disclosed.

We read the other information contained in the annual report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

### Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

# auditors' report

to the shareholders of kinta kellas public limited company

## Opinion

In our opinion the accounts give a true and fair view of the state of the affairs of the Company and of the Group as at 31 December 2000 and of the profit of the Company and of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Ernst & Young**

Registered Auditor

London, England

23 April 2001

### i Basis of Preparation of the Financial Statements

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. In the preparation of the accounts in accordance with accounting standards applicable in the United Kingdom, the accounts are also presented in all material respects in accordance with accounting standards issued by the Malaysian Accounting Standards Board (“MASB”), upon the following additional disclosures being incorporated:-

- (i) Note iii – Disclosure of method used in determination of goodwill arising from the acquisition of a foreign entity on page 50;
- (ii) Note viii - Disclosure on foreign exchange rates applied in the preparation of the consolidated accounts on page 51;
- (iii) Company Profit and Loss Account on page 54;
- (iv) Company Statement of Total Recognised Gains and Losses on page 55;
- (v) Company Cash Flow Statement on page 58;
- (vi) Note 2 - Disclosures of doubtful debts and realised and unrealised exchange differences taken to the profit and loss account on page 64;
- (vii) Note 10 - Analysis of carrying amount of assets in the course of construction on page 70;
- (viii) Note 12(b) - Analysis of development properties held for sale on page 78; and
- (ix) Note 13(d) - Analysis of consultancy contracts on page 80.

### ii Basis of Consolidation

The Group accounts consolidate the accounts of Kinta Kellas plc and all its subsidiary undertakings drawn up to 31 December each year except for International Business Link, Inc., a subsidiary undertaking which has a financial year end of 30 June. The Group accounts therefore consolidate the interim accounts of International Business Link, Inc. to 31 December each year.

The financial year end of this subsidiary has been so determined as it primarily holds the investment in Africon Partnership, whose financial year end is 30 June.

The results of subsidiary undertakings acquired or disposed of are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal.

Undertakings, other than subsidiary undertakings, in which the Group has a participating interest and exercises significant influence are treated as associated undertakings. The Group accounts include the appropriate share of the associated undertakings’ results and reserves based on accounts to 31 December.

### iii Goodwill

Goodwill, arising from the purchase of subsidiary and associated undertakings, represents the excess of purchase consideration over the proportionate fair value of the assets acquired.

Any goodwill arising on the acquisition of a foreign entity and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign entity are treated as non-monetary foreign currency items, which are reported using the exchange rate at the date of the transaction.

Positive goodwill arising is capitalised and amortised to the profit and loss account on a straight line basis over a period not exceeding twenty years, and reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill arising on acquisitions prior to 31 December 1997 was set off against reserves, and has not been reinstated on implementation of FRS 10.

If a subsidiary undertaking, associated undertaking or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves, is taken into account in determining the profit or loss on sale or closure.

### iv Intangible Assets

Intangible assets, other than goodwill, acquired separately from a business are capitalised at cost and amortised on a straight line basis over their estimated useful lives, not exceeding twenty years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### v Tangible Fixed Assets

#### i) **Assets in the course of construction**

Assets in the course of construction include all expenditure directly related to development, and are stated at cost. Provision is made against expenditure from which no future benefit is likely to arise.

Finance costs incurred during the construction of tangible fixed assets are capitalised up to a period when substantially all the activities that are necessary to get the tangible fixed assets for use, are completed.

Costs relating to completed portions of property intended to be sold are described as development properties held for sale and classified as current assets.

## v Tangible Fixed Assets-cont'd

### ii) Depreciation

Freehold land is not depreciated. Depreciation is calculated to write off the cost of all other tangible fixed assets on a straight line basis over the estimated useful lives of the assets concerned. The annual rates of depreciation are:-

Leasehold land and buildings	2.0% - 2.5%
Furniture, fittings and equipment	15% - 20%
Motor vehicles	18% - 20%
Computers	33%
Plant and machinery	5% - 50%

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

## vi Investments

- (a) Investments in shares in corporations, other than subsidiary and associated undertakings, held for long-term purposes are stated at cost less provision for permanent diminution in value.
- (b) Investments held as current assets are stated at the lower of cost and market value at the balance sheet date, with adjustments arising taken to the profit and loss account.

## vii Subsidiary Undertakings

Investments in subsidiary undertakings are initially stated at cost in the balance sheet of the Company and reviewed for impairment at the end of the first full financial year following their acquisition and in other periods if events or changes in circumstances indicate that their carrying value may not be recoverable.

## viii Foreign Currencies

The accounting records of the Company are maintained in Ringgit Malaysia. The accounts of the Company and of the Group are presented in Ringgit Malaysia, which is the local currency.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Outstanding monetary balances at the balance sheet date denominated in foreign currencies are retranslated at the rate of exchange ruling at that date. Exchange rate differences arising therefrom are dealt with in the profit and loss account.

For consolidation purposes, the accounts of overseas subsidiary undertakings are translated at the rates of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against group equity investments in foreign enterprises, which are taken directly to reserves together with the exchange difference on the net investments in these enterprises.

## principal accounting policies

### viii Foreign Currencies-cont'd

In the preparation of the consolidated accounts, the following exchange rates were applied:

	2000	1999
United States Dollar (USD)	<b>RM3.80 to USD1.00</b>	RM3.80 to USD1.00
New Zealand Dollar (NZD)	<b>RM1.67 to NZD1.00</b>	RM1.98 to NZD1.00
Philippines Peso (PP)	<b>RM0.08 to PP1.00</b>	RM0.11 to PP1.00
South African Rand (Rand)	<b>RM0.50 to Rand1.00</b>	RM0.62 to Rand1.00

### ix Stocks-Development Properties

Development properties include all expenditure directly related to development together with an appropriate portion of other indirect expenses, and are stated at the lower of cost and net realisable value.

### x Revenue and Profit Recognition

#### i) Revenue

Fees on project management services and technical management support services are recognised in proportion to time expended and when no significant uncertainty exists regarding the fees that will be derived from the projects.

Turnover on service and construction contracts is calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract.

Interest income (including interest derived from bonds), is recognised on the accrual basis.

Dividend income from subsidiary undertakings is included in the profit and loss account of the Company when declared or proposed. Dividend income on other investments is recognised upon receipt.

#### ii) Profit

Profits on service and construction contracts are recognised as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

#### xi Deferred Taxation

Deferred taxation is provided for using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated that the timing differences will reverse. Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

#### xii Vested Service Entitlements

The liability for employees' compensation for future leave is accrued in relation to service rendered by employees and relates to rights which have been vested. These are computed based on pre-tax discount rates in arriving at their present values. Their tax effects are accounted for in accordance with the accounting policy on deferred taxation. The effects on unwinding of the discount are charged as interest expense in the profit and loss account.

#### xiii Leasing Commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### xiv Derivative and Other Financial Instruments

When the Group uses forward foreign currency contracts to reduce exposure to foreign exchange rates, the rates under such contracts are used to record the hedged item. As a result, gains and losses are offset against the foreign exchange gains and losses on the related financial assets and liabilities, or where the instrument is used to hedge a committed, or probable future transaction, are deferred until the transaction occurs.

The criteria for forward foreign currency contracts are:

- the instrument must be related to a foreign currency asset or liability that is probable and whose characteristics have been identified;
- it must involve the same currency as the hedged item; and
- it must reduce the risk of foreign currency exchange movements on the Group's operations.

# profit and loss accounts

for the year ended 31 december 2000

	Notes	Group		Company	
		31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
<b>Turnover</b>	1	269,521	310,725	17,561	11,555
Cost of sales		(136,544)	(144,961)	(2,510)	(3,485)
Gross profit		132,977	165,764	15,051	8,070
Distribution costs		(203)	(138)	(175)	(111)
Administrative expenses		(173,521)	(152,796)	(14,761)	(21,193)
<b>Operating (loss)/profit ongoing</b>	2	(40,747)	12,830	115	(13,234)
Share of operating profit in associated undertaking		2,192	3,309	-	-
<b>Total operating (loss)/profit:</b>		(38,555)	16,139	115	(13,234)
Exceptional items:					
Gain on disposal of fixed assets		104	425	-	10
Gain on disposal of fixed asset investment		88,203	-	-	-
	3	88,307	425	-	10
<b>Profit/(loss) on ordinary activities before investment income, interest and taxation</b>		49,752	16,564	115	(13,224)
Income from investments (unlisted)					
Group undertakings		-	4,151	-	-
Third parties		1,609	1,404	-	-
Bank interest receivable and similar income		1,442	1,658	508	608
(Provision)/write-back of provision for diminution in value of investments		(3,935)	3,160	-	(200)
		(884)	10,373	508	408
Interest payable and similar charges					
Group/Company	4	(5,031)	(12,200)	-	-
Associated undertaking		(379)	(383)	-	-
		(5,410)	(12,583)	-	-
<b>Profit/(loss) on ordinary activities before taxation</b>	1	43,458	14,354	623	(12,816)
Taxation on profit on ordinary activities	7	(6,455)	(259)	-	(924)
<b>Profit/(loss) on ordinary activities after taxation</b>		37,003	14,095	623	(13,740)
Minority interests (entirely equity)		1,897	4,274	-	-
Transfer to/(from) reserves	23	38,900	18,369	623	(13,740)
Earnings per share (sen), basic and diluted	8	24.56	11.60	-	-

The annexed notes form an integral part of the accounts.

# statement of total recognised gains and losses

for the year ended 31 december 2000

	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000 As restated	31.12.00 RM'000	31.12.99 RM'000
Profit/(Loss) for the financial year excluding share of profits of associated undertaking	<b>37,087</b>	15,443	<b>623</b>	(13,740)
Share of associated undertaking's profit for the year	<b>1,813</b>	2,926	-	-
Profit/(Loss) for the financial year attributable to members of the parent undertaking	<b>38,900</b>	18,369	<b>623</b>	(13,740)
Currency translation differences on foreign currency net investments				
- Subsidiary undertakings	<b>16,496</b>	398	-	-
- Associated undertaking	<b>4,420</b>	1,136	-	-
	<b>20,916</b>	1,534	-	-
Total recognised gains and losses relating to the year recognised since the last annual report	<b>59,816</b>	19,903	<b>623</b>	(13,740)

# reconciliation of group shareholders' funds

for the year ended 31 december 2000

	Group	
	2000	1999
	RM'000	RM'000
Total recognised gains and losses for the year	<b>59,816</b>	19,903
Net change in shareholders' funds	<b>59,816</b>	19,903
Opening shareholders' funds		
At beginning of year, as restated (1999: originally RM98,101 before prior year adjustments of RM5,828)	<b>123,832</b>	103,929
Closing shareholders' funds	<b>183,648</b>	123,832

	Notes	Group		Company	
		31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
<b>Assets employed:</b>					
<b>Fixed assets</b>					
Intangible fixed assets	9	30,156	57,176	-	-
Tangible fixed assets	10	29,575	31,916	210	415
Investments	11	20,139	79,897	211,449	204,472
		<b>79,870</b>	<b>168,989</b>	<b>211,659</b>	<b>204,887</b>
<b>Current assets</b>					
Stocks	12	26,388	31,517	-	-
Debtors - due within one year	13	102,970	124,321	3,092	3,156
- due after one year	13	45,726	8,477	-	-
Investments	14	10,154	13,886	-	-
Cash at bank and in hand	15	28,903	48,054	106	7,040
		<b>214,141</b>	<b>226,255</b>	<b>3,198</b>	<b>10,196</b>
<b>Creditors – amounts falling due within one year</b>	16	<b>(61,367)</b>	<b>(220,208)</b>	<b>(1,005)</b>	<b>(1,854)</b>
<b>Net current assets</b>		<b>152,774</b>	<b>6,047</b>	<b>2,193</b>	<b>8,342</b>
<b>Total assets less current liabilities</b>		<b>232,644</b>	<b>175,036</b>	<b>213,852</b>	<b>213,229</b>
<b>Creditors – amounts falling due after more than one year</b>	17	<b>(41,313)</b>	<b>(41,313)</b>	<b>-</b>	<b>-</b>
<b>Provision for liabilities and charges</b>	20	<b>(7,683)</b>	<b>(7,994)</b>	<b>-</b>	<b>-</b>
		<b>183,648</b>	<b>125,729</b>	<b>213,852</b>	<b>213,229</b>
<b>Minority interests (entirely equity)</b>		<b>-</b>	<b>(1,897)</b>	<b>-</b>	<b>-</b>
		<b>183,648</b>	<b>123,832</b>	<b>213,852</b>	<b>213,229</b>
<b>Financed by:</b>					
<b>Capital and reserves</b>					
Called up share capital	22	197,175	197,175	197,175	197,175
Profit and Loss Account	23	(13,527)	(73,343)	16,677	16,054
Shareholders' funds (entirely equity)		<b>183,648</b>	<b>123,832</b>	<b>213,852</b>	<b>213,229</b>

The annexed notes form an integral part of the accounts.

The financial statements on pages 54 to 92, together with the accounting policies on pages 49 to 53 were approved by the Board of Directors on 23 April 2001.

Dato' Zaidan bin Haji Othman

Lim Weng Ho

# cash flow statements

for the year ended 31 december 2000

	Notes	Group		Company	
		31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
<b>Net cash inflow/(outflow) from operating activities</b>	24(a)	<b>4,005</b>	<b>29,534</b>	<b>(13,425)</b>	<b>(1,113)</b>
<b>Dividends from associated undertaking</b>		<b>2,402</b>	<b>4,120</b>	<b>-</b>	<b>-</b>
<b>Returns on investments and servicing of finance</b>					
Bank interest received and similar income		1,442	1,742	5,747	5,273
Interest paid		(4,893)	(12,287)	-	-
Dividend received		1,406	1,264	-	-
		(2,045)	(9,281)	5,747	5,273
<b>Taxation</b>					
Malaysian corporation taxation paid		(2,365)	(12,117)	-	(924)
Tax refund		791	-	791	-
		(1,574)	(12,117)	791	(924)
<b>Capital expenditure and financial investment</b>					
Receipts from sales of tangible fixed assets		810	1,509	-	127
Receipts from sales of investments		-	24	-	-
Payments to acquire tangible fixed assets		(4,904)	(1,812)	(47)	(75)
Cash on deposit with a financial institution to secure borrowings of associated undertaking	15	(327)	(1,037)	-	-
		(4,421)	(1,316)	(47)	52
<b>Acquisitions and disposals</b>					
Payments to acquire intangible fixed assets		(829)	-	-	-
<b>Management of liquid resources</b>					
Decrease/(Increase) in deposits with financial institutions		21,475	(11,707)	5,951	(2,901)
<b>Financing</b>					
Short-term loans		-	4,377	-	-
Repayment of short-term loans		(11,000)	(1,000)	-	-
Repayment of long-term loans		(4,555)	-	-	-
Repayment to lease creditors		-	(208)	-	-
		(15,555)	3,169	-	-
<b>Increase/(Decrease) in cash</b>	24(c)	<b>3,458</b>	<b>2,402</b>	<b>(983)</b>	<b>387</b>

The annexed notes form an integral part of the accounts.

1. Analyses of Turnover, Profit, Net Assets and Related Party Transactions  
Turnover during the year was derived entirely from continuing operations.

**Area of Activity**

Turnover	Total Revenue		Intra-group Revenue		Revenue from Third Parties	
	31.12.00	31.12.99	31.12.00	31.12.99	31.12.00	31.12.99
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>						
Project management services	54,462	88,773	-	-	54,462	88,773
Technical management support services	6,505	7,911	-	-	6,505	7,911
Roading infrastructure and other design related work, and civil and building design related work	209,245	213,927	1,090	368	208,155	213,559
Management fees	1,814	2,871	1,814	2,871	-	-
<b>Rendering of services</b>	<b>272,026</b>	<b>313,482</b>	<b>2,904</b>	<b>3,239</b>	<b>269,122</b>	<b>310,243</b>
Investment holding						
<b>Interest</b>	<b>5,834</b>	<b>5,314</b>	<b>5,689</b>	<b>5,086</b>	<b>145</b>	<b>228</b>
<b>Dividend</b>	<b>10,000</b>	<b>3,411</b>	<b>10,000</b>	<b>3,411</b>	<b>-</b>	<b>-</b>
	<b>15,834</b>	<b>8,725</b>	<b>15,689</b>	<b>8,497</b>	<b>145</b>	<b>228</b>
Property development	254	254	-	-	254	254
<b>Group turnover</b>	<b>288,114</b>	<b>322,461</b>	<b>18,593</b>	<b>11,736</b>	<b>269,521</b>	<b>310,725</b>
					<b>31.12.00</b>	<b>31.12.99</b>
					<b>RM'000</b>	<b>RM'000</b>
<b>Company</b>						
<b>Intra-group</b>						
Interest					5,689	5,086
Dividends					10,000	3,411
Services					1,814	2,871
					<b>17,503</b>	<b>11,368</b>
<b>Third Parties</b>						
Interest					58	187
					<b>17,561</b>	<b>11,555</b>

In the previous year, management fees of RM2,871,000 which had been entirely intra-group, had been included within turnover from investment holding. The current year's presentation states such management fees as part of turnover from the rendering of services, and the comparatives have accordingly been reclassified.

# notes to the accounts

for the year ended 31 december 2000

## 1. Analyses of Turnover, Profit, Net Assets and Related Party Transactions—cont'd

### Area of Activity-cont'd

	31.12.00	31.12.99
	RM'000	RM'000
<b>Profit/(Loss)</b>		
<b>Group</b>		
Project management services	23,149	40,664
Technical management support services	1,429	(4,471)
Roading infrastructure and other related design work, and civil and building design related work	5,844	5,449
Investment holding	(65,436)	(11,454)
Property development	(5,757)	(17,354)
Computer aided design and drafting services	24	(4)
	<hr/>	<hr/>
Continuing operations	(40,747)	12,830
Income from interest in an associated undertaking	2,192	3,309
	<hr/>	<hr/>
Total operating (loss)/profit	(38,555)	16,139
Exceptional items	88,307	425
Net interest and income from investments	(6,294)	(2,210)
	<hr/>	<hr/>
Profit on ordinary activities before taxation	43,458	14,354
	<hr/>	<hr/>
<b>Net Assets Employed</b>		
<b>Group</b>		
Project management services	104,880	98,308
Technical management support services	(505)	3,948
Roading infrastructure and other related design work, and civil and building design related work	45,337	68,730
Investment holding	4,456	36,970
Property development	35,780	49,754
Computer aided design and drafting services	154	127
	<hr/>	<hr/>
Unallocated net liabilities	(24,375)	(155,388)
	<hr/>	<hr/>
Share of net assets of associated undertaking	17,921	23,280
	<hr/>	<hr/>
Minority interest	–	(1,897)
Total net assets	183,648	123,832
	<hr/>	<hr/>

Unallocated net liabilities comprise short term and long term borrowings, net of current asset investments and fixed deposits.

## 1. Analyses of Turnover, Profit, Net Assets and Related Party Transactions—cont'd Geographical Area

	Malaysia RM'000	New Zealand RM'000	Vietnam RM'000	Philippines RM'000	United Kingdom RM'000	Total RM'000
2000						
<b>Turnover</b>						
<b>Group</b>						
Turnover by origin:						
Continuing operations:						
Total revenue	89,413	179,086	254	–	19,361	288,114
Intra-group revenue	(17,503)	–	–	–	(1,090)	(18,593)
Revenue from third parties	71,910	179,086	254	–	18,271	269,521
<b>Operating Profit/(loss)</b>						
<b>Group</b>						
Continuing operations:						
	6,252	(41,274)	(5,741)	85	(69)	(40,747)
Share of operating profit of associated undertaking						2,192
Total operating loss						(38,555)
Exceptional item						88,307
Net interest and income from investments						(6,294)
Profit on ordinary activities before taxation						43,458
<b>Net Assets Employed</b>						
<b>Group</b>						
Continuing operations:						
Net assets	107,089	47,667	34,395	45	906	190,102
Unallocated net liabilities						(24,375)
						165,727
Share of net assets of associated undertaking						17,921
						183,648
Minority interest						–
Total net assets						183,648

Turnover by destination is not materially different from turnover by origin

1. Analyses of Turnover, Profit, Net Assets and Related Party Transactions—cont'd  
Geographical Area-cont'd

1999	Malaysia RM'000	New Zealand RM'000	Vietnam RM'000	Philippines RM'000	United Kingdom RM'000	Total RM'000
<b>Turnover</b>						
<b>Group</b>						
Turnover by origin:						
Continuing operations:						
Total revenue	108,035	202,254	254	205	11,713	322,461
Intra-group revenue	(11,368)	-	-	-	(368)	(11,736)
Revenue from third parties	96,667	202,254	254	205	11,345	310,725
<b>Operating Profit/(loss)</b>						
<b>Group</b>						
Continuing operations:						
	23,356	(33)	(10,846)	(139)	492	12,830
Share of operating profit of associated undertaking						3,309
Total operating profit						16,139
Exceptional item						425
Net interest and income from investments						(2,210)
Profit on ordinary activities before taxation						14,354
<b>Net Assets Employed</b>						
<b>Group</b>						
Continuing operations:						
Net assets	139,270	69,182	48,354	203	828	257,837
Unallocated net liabilities						(155,388)
Share of net assets of associated undertaking						102,449
Minority interest						23,280
Total net assets						125,729
						(1,897)
Total net assets						123,832

1. Analyses of Turnover, Profit, Net Assets and Related Party Transactions—cont'd  
**Analysis of significant related party transactions**

	<b>31.12.00</b>	31.12.99
<b>Group</b>	<b>RM'000</b>	RM'000
(i) Group undertakings		
- Fees receivable from parent undertaking for project management services	15,021	11,492
- Project management fees receivable from fellow subsidiary undertakings on significant contracts	21,972	30,750
- Interest income receivable from a fellow subsidiary undertaking	-	4,151
(ii) Project management fees receivable from related parties +	12,763	32,434
(iii) Technical management and support service fees receivable from related parties +	<u>-</u>	<u>50</u>

+ These transactions constitute transactions in which YBhg Tan Sri Halim bin Saad is deemed to have an interest by virtue of his interest in Renong Bhd, a significant shareholder of the parent undertaking, as defined in Note 13. The outstanding balances at 31 December 2000 in respect of such transactions have been reflected in Note 13.

## 2. Operating (Loss)/Profit

This is stated after charging/ (crediting):	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
<b>Group</b>				
Auditors' remuneration				
- charge for the year				
- audit	606	438	18	18
- other services	614	117	-	-
Depreciation of owned fixed assets	5,781	8,873	252	488
Amortisation of intangible fixed assets	188	188	-	-
Amortisation of goodwill	3,855	3,444	-	-
Provision for impairment in value of goodwill (Note 3)	24,156	-	-	-
Provision for impairment in value of assets in the course of construction	-	8,426	-	-
Provision for write down in development property (Note 3)	5,117	752	-	-
Operating lease rentals				
- land & buildings	10,122	10,586	399	564
- motor vehicles	5,724	5,389	35	-
- equipment	2,091	1,346	117	25
(Write-back)/provision for doubtful debts	(651)	21,840	10,792	-
Realised loss on foreign exchange	18,636	-	-	-
Unrealised loss on foreign exchange	14,656	3,619	2,066	-
Unrealised gain on foreign exchange	(2,145)	(1,450)	-	-

## 3. Exceptional Items

	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
Gain on disposal of tangible fixed assets	104	425	-	10
Gain on disposal of fixed asset investments	88,203	-	-	-
	<b>88,307</b>	425	-	10

No material tax charge arises on these exceptional items. There is no share of minority interests in respect of these exceptional items.

An exceptional impairment in value of goodwill amounting to RM24,156,000 has been included in Administrative Expenses in arriving at operating loss for the year (Note 2).

An exceptional provision for write down in development property amounting to RM5,117,000 has been included in Administrative Expenses in arriving at operating loss for the year (Note 2).

## 4. Interest Payable and Similar Charges

	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
Interest charges on bank borrowings	4,893	11,933	-	-
Unwinding of discount on provision for employee entitlements	138	267	-	-
	<b>5,031</b>	<b>12,200</b>	<b>-</b>	<b>-</b>

## 5. Directors' Remuneration

	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
<b>The amounts paid to directors were as follows:</b>				
Directors' emoluments	2,039	1,508	544	398
Highest paid Director	473	360	433	314

## 6. Staff Costs

	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
Wages and salaries	141,765	138,357	1,933	1,750
Contributions to a statutory employees' provident fund	10,244	10,317	280	157
Social security costs	226	380	13	12
Employees' service entitlements	877	1,444	-	-
Severance costs	1,521	8,150	-	403
	<b>154,633</b>	<b>158,648</b>	<b>2,226</b>	<b>2,322</b>
<b>Average number of employees during the year</b>	2000	1999	2000	1999
	Average		Average	
Project management	475	543	-	-
Engineering Consultancy	850	814	-	-
Property development	1	1	-	-
Administration	224	251	48	48
	<b>1,550</b>	<b>1,609</b>	<b>48</b>	<b>48</b>

## 7. Taxation on Profit on Ordinary Activities

	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
<b>Group</b>				
In Malaysia				
- Current taxation	6,264	-	-	924
- Deferred taxation – capital allowances	-	(245)	-	-
Overseas				
- Current taxation	121	3	-	-
- Deferred taxation – timing differences on unrealised foreign currency exchange differences	74	-	-	-
Group taxation	6,459	(242)	-	924
(Over)/under provision in respect of prior years	(4)	501	-	-
	6,455	259	-	924

There is no taxation charge in respect of the associated undertaking. The group is not subject to taxation in United Kingdom

## 8. Earnings per Share

The calculation of earnings per share is based on the Group profit after taxation and minority interests, of RM38,899,671 (31.12.99: RM18,369,457) and the weighted average number of ordinary shares in issue during the year amounting to 158,395,600 (31.12.99: 158,395,600). There are no potential dilutive shares and therefore, the diluted earnings per share is the same as basic earnings per share.

## 9. Intangible Fixed Assets

Group	Licences and similar		Total RM'000
	Goodwill RM'000 (Note a)	rights RM'000 (Note b)	
Cost:			
At 1 January 2000	68,936	636	69,572
Additions	829	-	829
At 31 December 2000	69,765	636	70,401
Amortisation:			
At 1 January 2000	12,106	290	12,396
Annual amortisation	3,505	188	3,693
Impairment in carrying value - (Note c)	24,156	-	24,156
	27,661	188	27,849
At 31 December 2000	39,767	478	40,245
Net book value at 31 December 2000	29,998	158	30,156
Net book value at 31 December 1999	56,830	346	57,176

## Note (a)

Goodwill is being amortised in equal annual instalments over the estimated economic life of 20 years, subject to impairment adjustments recognised as required.

Additions during the year relate to purchased goodwill in an acquisition of business from the New Zealand authorities by a subsidiary undertaking and is amortised over the contract period of 5 years.

## Note (b)

This comprises mainly an acquisition of rights by a subsidiary undertaking to operate a professional services business contract for a period of three years without taking over any assets and liabilities, and is amortised over the period of the contract.

## Note (c)

This relates to goodwill in respect of the investment in the subsidiary undertaking, Opus International Consultants Limited. During the year, the Directors performed an impairment review on the carrying amount of the goodwill in accordance with FRS 11 'Impairment of Fixed Assets and Goodwill', and as a result, an amount of RM24,156,000 has been provided in the profit and loss account during the year.

For the purpose of calculating the impairment provision, forecast cash flows have been discounted using a rate of 13%, which takes account of the risk associated with the relevant unit.

## 10. Tangible Fixed Assets

	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
(a) Fixed assets	14,281	16,622	210	415
(b) Assets in the course of construction	15,294	15,294	-	-
	<b>29,575</b>	<b>31,916</b>	<b>210</b>	<b>415</b>

## (a) Fixed Assets

Group	Freehold	Leasehold	Plant and	Furniture,	Total
	land	land		machinery	
	and Buildings	and Buildings		equipment	
	RM'000	RM'000	RM'000	motor	
				vehicles	
				and	
				computers	
				RM'000	RM'000
Cost:					
At 1 January 2000	627	6,840	6,553	50,262	64,282
Exchange Adjustment	(98)	-	(1,022)	(2,919)	(4,039)
Additions	-	-	529	4,375	4,904
Write off	-	-	-	(2,178)	(2,178)
Disposals	-	-	(166)	(3,708)	(3,874)
At 31 December 2000	529	6,840	5,894	45,832	59,095
Accumulated depreciation:					
At 1 January 2000	4	413	5,646	41,597	47,660
Exchange adjustment	(1)	-	(930)	(2,350)	(3,281)
Provided during the year	4	162	561	5,054	5,781
Write off	-	-	-	(2,176)	(2,176)
Disposals	-	-	(186)	(2,984)	(3,170)
At 31 December 2000	7	575	5,091	39,141	44,814
Net Book Value at					
31 December 2000	522	6,265	803	6,691	14,281
Net Book Value at					
31 December 1999	623	6,427	907	8,665	16,622

## 10. Tangible Fixed Assets-cont'd

## (a) Fixed Assets-cont'd

Company	Furniture, fittings equipment motor vehicles and computers RM'000
Cost:	
At 1 January 2000	4,576
Additions	47
Write off	(217)
	<hr/>
At 31 December 2000	4,406
Accumulated depreciation:	
At 1 January 2000	4,161
Provided during the year	252
Write off	(217)
	<hr/>
At 31 December 2000	4,196
Net book value at 31 December 2000	<hr/> <u>210</u>
Net book value at 31 December 1999	<hr/> <u>415</u>

## (b) Assets in the Course of Construction

	31.12.00 RM'000	31.12.99 RM'000
At 1 January / 31 December	33,464	33,464
Provision for impairment in value of assets in the course of construction:		
At 1 January	(18,170)	(9,744)
Provision during the year	-	(8,426)
At 31 December	<hr/> <u>(18,170)</u>	<hr/> <u>(18,170)</u>
Net book value	<hr/> <u>15,294</u>	<hr/> <u>15,294</u>

Assets in the course of construction represent the construction of the property under development in Hanoi, Vietnam and are stated at cost less provision for impairment. Portions of the property developed and held for sale are classified as current assets (Note 12).

The provision for impairment in value of assets in the course of construction was based on their net realisable values.

## 10. Tangible Fixed Assets-cont'd

## (b) Assets in the Course of Construction-cont'd

The components of assets in the course of construction are as follows:-

	<b>31.12.00</b>	31.12.99
	<b>RM'000</b>	RM'000
Leasehold land	<b>6,783</b>	6,783
Development expenditure	<b>8,511</b>	8,511
	<b>15,294</b>	15,294

No interest expense and depreciation were capitalised during the year. The construction of this asset has been temporarily suspended.

	<b>31.12.00</b>	31.12.99
	<b>RM'000</b>	RM'000
Interest expense capitalised to date	<b>1,836</b>	1,836

## 11. Fixed Asset Investments

	Note	31.12.00 RM'000	31.12.99 RM'000
<b>Group</b>			
Unlisted Shares in fellow subsidiaries, at cost			
At 1 January		2,218	52,488
Converted into bonds during the year		-	(50,248)
Disposals during the year		-	(22)
At 31 December		2,218	2,218
Unlisted Bonds in fellow subsidiary, at cost			
At 1 January		54,399	-
Converted from unlisted shares during the year		-	50,248
Accretion of interest		-	4,151
Disposals during the year	(a)	(54,399)	-
At 31 December		-	54,399
Associated undertaking	(b)	17,921	23,280
		<u>20,139</u>	<u>79,897</u>

- (a) During the year, the Group divested its Redeemable Convertible Bonds ("RCBs") held, to Danaharta Managers (L) Ltd ("DMLL") as full and final settlement of the USD35.4 million term loan and accrued interest, totaling to USD36.6 million (RM142.6 million). The divestment was completed on 5 June 2000 and resulted in an exceptional gain of RM88.2 million.
- (b) 29% interest in Africon Partnership, a partnership which operates in the Republic of South Africa and provides professional engineering services, held through a subsidiary undertaking.

Africon Partnership holds 100% equity interest in Africon Engineering International (Pty) Ltd., a company incorporated in the Republic of South Africa, which in turn has interests in several companies and partnerships.

	1.1.00 RM'000	Movement RM'000	31.12.00 RM'000
Cost of Investment	16,186	-	16,186
Exchange adjustment	(2,947)	(4,420)	(7,367)
Share of profits retained in an associated undertaking	6,653	(589)	6,064
Carrying value of investment	19,892	(5,009)	14,883
Ammortisation of goodwill	-	(350)	(350)
	19,892	(5,359)	14,533
Loan	3,388	-	3,388
	<u>23,280</u>	<u>(5,359)</u>	<u>17,921</u>

### 11. Fixed Asset Investments-cont'd

In 1998, the Group executed a deed of suretyship to secure a RAND10 million loan (RM6.5 million) granted to Africon Partnership, by which the Group is required to deposit its share of profits receivable from the partnership in each financial year with the lender up to the maximum amount of RAND3.6million (RM1.8 million). The amount deposited with the lender as at the year end is the equivalent of approximately RM2.5 million, as disclosed in Note 15 to the accounts.

The financial information, based on management accounts, on the Group's share in turnover and net assets of the associated undertaking for the year ended and as at 31 December 2000, which relates to Africon Partnership, is as follows:-

	31.12.00 RM'000	31.12.99 RM'000
Share of turnover	50,215	51,737
Share of assets		
Share of fixed assets	3,498	5,029
Share of current assets	12,107	15,649
	15,605	20,678
Share of liabilities		
Liabilities due within one year or less	(5,928)	(6,015)
Liabilities due after more than one year	(1,794)	(1,771)
	(7,722)	(7,786)
Share of net assets	7,883	12,892

The analysis of the Group's share of net assets in the Africon Partnership is as follows:

	31.12.00 RM'000	31.12.99 RM'000
Share of net assets	7,883	12,892
Goodwill		
At cost	7,000	7,000
Accumulated amortisation	(350)	-
	6,650	7,000
Carrying value	14,533	19,892

No prior period adjustment is being effected in respect of the amortisation charge as it does not have a material effect on the accounts of the Group.

## 11. Fixed Asset Investments-cont'd

	Note	31.12.00 RM'000	31.12.99 RM'000
<b>Company</b>			
<b>Unlisted shares in subsidiary undertakings:</b>			
At cost:			
At 1 January/31 December		211,242	211,242
Provision for impairment in value of investment:			
At 1 January		(47,690)	(47,490)
Provision during the year		-	(200)
At 31 December		(47,690)	(47,690)
Net Book Value		163,552	163,552
Amounts due from subsidiary undertakings:			
At 1 January		40,420	51,349
Advances during the year		36,780	8,082
	a	77,200	59,431
Provision for doubtful recovery		(29,803)	(19,011)
		47,397	40,420
At 31 December		210,949	203,972
<b>Other undertakings:-</b>			
Unlisted shares - at cost		500	500
		211,449	204,472

(a) Amounts due from subsidiary undertakings are presented with investments in subsidiary undertakings as such amounts represent long-term intercompany balances.

# notes to the accounts

## 11. Fixed Asset Investments-cont'd

The investments are as follows:-

Name of company	Activity	Group's interest in ordinary shares		Country of incorporation
		2000 %	1999 %	
<b>Subsidiary undertakings:</b>				
Pengurusan Lebuhraya Berhad	Management of the planning, design and construction of infrastructure projects	100	100	Malaysia
Home Builders Sdn. Bhd.	Property development	100	100	Malaysia
Builders Consortium Sdn. Bhd.	Management of the planning, design and implementation of property and land development projects	100	100	Malaysia
Builders Credit & Leasing Sdn. Bhd.	Investment holding	100	100	Malaysia
Pengurusan Lantas Bhd.	Provision of technical management of the planning, design and construction of projects	100	100	Malaysia
Pengurusan LRT Sdn. Bhd.	Management of the planning, design and construction of projects	100	100	Malaysia
CAE-Tech Sdn. Bhd.	Provision of computer aided design and drafting services	100	100	Malaysia
Vista Spectrum (M) Sdn. Bhd.	Investment holding	100	100	Malaysia
Northern Eight (M) Sdn. Bhd.	Investment holding	100	100	Malaysia
Vista Crest Sdn. Bhd. ++	Dormant	100	100	Malaysia
Mahligai Madu Sdn. Bhd. ++	Dormant	100	100	Malaysia
Noi Bai Development Corporation Limited+	Build and operate the Noi Bai Industrial Zone in Hanoi, Vietnam.	70	70	Vietnam
Noi Bai Golf Resort Corporation Limited+	Build and operate an international standard golf course and other ancillary facilities comprising villas, hotels, apartments and sporting facilities in Hanoi, Vietnam.	70	70	Vietnam

## 11. Fixed Asset Investments-cont'd

Name of company	Activity	Group's interest in ordinary shares		Country of incorporation
		2000 %	1999 %	
<b>Subsidiary undertakings-cont'd:</b>				
International Business Link, Inc.	Investment holding	100	100	The British Virgin Islands
Kinta Kellas NZ Ltd.	Investment holding	100	100	New Zealand
Askell Investments Ltd.	Provision of finance	100	100	New Zealand
Opus International Consultants Ltd.+	Roading infrastructure and other related design work and civil and building design related work	100	100	New Zealand
Opus International Consultants (OPC) Ltd +	Dormant	100	100	New Zealand
Opus International Consultants (Pte.) Ltd+	Engineering consultancy services	100	100	Singapore
Opus International Consultants (UK) Ltd +	Engineering consultancy services	100	100	United Kingdom
Opus International Consultants Sdn.Bhd.+	Engineering consultancy services	100	100	Malaysia
PL Management International Phils., Inc.	Dormant	100	100	Philippines
<b>Significant associated undertaking:</b>				
Africon Partnership+	Provision of Professional engineering services	29	29	Republic of South Africa

+ held by subsidiary undertakings

++ Two Malaysian subsidiary undertakings, Vista Crest Sdn Bhd and Mahligai Madu Sdn Bhd, are in the process of being struck off from the records of the Malaysian Registrar of Companies as there are no intentions to commence business.

## 11. Fixed Asset Investments-cont'd

The legal capital contributions and effective equity interests in the Vietnamese subsidiary undertakings as at 31 December 2000 and upon full intended legal contribution are as follows:

	<b>Noi Bai Development Corporation Limited</b>		
	<b>Legal capital</b>	<b>Effective equity Interest</b>	
	RM'000	2000 %	1999 %
As at 1 January/31 December 2000	20,433	70	70
Legal capital upon full contribution	20,433	70	70

	<b>Noi Bai Golf Resort Corporation Limited</b>		
	<b>Legal capital</b>	<b>Effective equity Interest</b>	
	RM'000	2000 %	1999 %
<b>Contribution at cost</b>			
As at 1 January/31 December 2000	7,921	70	70
<b>Legal capital upon full contribution</b>			
As at 1 January/31 December 2000	13,300	70	70

Under the Foreign Investment Laws of Vietnam and the charter of the Vietnamese companies, the shareholders may contribute capital in instalments. The outstanding legal capital contribution commitments of the Group as at the balance sheet date are disclosed in Note 26 to the accounts.

## 11. Fixed Asset Investments-cont'd

The profits of the Vietnamese companies are to be shared between the respective parties as follows:

No of years from date of issuance of Investment Licence	Subsidiary undertakings %	Other shareholders %
<b>Noi Bai Development Corporation Limited</b>		
1st to 50th	70	30

The duration of the Licence will be 50 years from the date of issuance of the Investment Licence, 12 April 1994. At the end of the tenure, all fixed assets of Noi Bai Development Corporation Limited will be transferred to the Vietnamese Government.

No of years from date of issuance of Investment Licence	Subsidiary undertakings %	Other shareholders %
<b>Noi Bai Golf Resort Corporation Limited</b>		
1st to 10th	70	30
11th to 20th	60	40
21st to 30th	50	50

The duration of the Licence will be 30 years (unless an extension is granted by the Vietnamese Authority) from the date of issuance of the Investment Licence, 9 June 1994. After that date, the total assets of Noi Bai Golf Resort Corporation Limited will be shared equally among the shareholders.

The golf resort development undertaken by this subsidiary undertaking has been suspended, and by the terms of the investment venture, the Government of Vietnam is to provide an alternative site for development, representing a value comparable to the previous site, including development expenditure incurred but aborted. Pending the fulfilment of that obligation, the Group has recognised appropriate adjustments to its investment in the project.

## notes to the accounts

## 12. Stocks

<b>Group</b>	<b>31.12.00</b>	31.12.99
	RM'000	RM'000
Stocks comprise the following:-		
(a) Raw materials	56	68
(b) Development properties held for sale	26,332	31,449
	<u>26,388</u>	<u>31,517</u>

The components of development properties held for sale are as follows:-

	<b>31.12.00</b>	31.12.99
	RM'000	RM'000
At cost:		
Leasehold land	6,650	6,650
Development expenditure	41,951	41,951
	<u>48,601</u>	<u>48,601</u>
Provision for write down in value of development property	(22,269)	(17,152)
	<u>26,332</u>	<u>31,449</u>

## 13. Debtors

2000

Group

	Trade debtors RM'000 (Note a)	Amounts owed by group undertakings + RM'000 (Note b)	Amounts owed by related parties ++ RM'000 (Note c)	Amounts owed by customers on consultancy contracts RM'000 (Note d)	Other debtors RM'000	Total RM'000
Gross amounts	26,390	74,168	24,125	34,720	15,778	175,181
Less: Provision for doubtful debts	-	(15,987)	(10,105)	(393)	-	(26,485)
	<u>26,390</u>	<u>58,181</u>	<u>14,020</u>	<u>34,327</u>	<u>15,778</u>	<u>148,696</u>
Amount due after one year						
Gross amounts	8,200	33,163	15,346	-	-	56,709
Less: Provision for doubtful debts	-	(5,583)	(5,400)	-	-	(10,983)
	<u>8,200</u>	<u>27,580</u>	<u>9,946</u>	<u>-</u>	<u>-</u>	<u>45,726</u>
Amount due within one year	<u>18,190</u>	<u>30,601</u>	<u>4,074</u>	<u>34,327</u>	<u>15,778</u>	<u>102,970</u>

## 13. Debtors-cont'd

+ Group undertakings comprise parent undertaking and subsidiary undertakings of the parent undertaking.

++ Related parties comprise a significant shareholder of the parent undertaking and its subsidiary and associated undertakings.

1999

## Group

	Trade debtors RM'000 (Note a)	Amounts owed by group undertakings + RM'000	Amounts owed by related parties ++ RM'000	Amounts owed by customers on consultancy contracts RM'000 (Note d)	Other debtors RM'000	Total RM'000
Gross amounts	15,118	65,722	26,717	40,925	11,452	159,934
Less: Provision for doubtful debts	-	(15,987)	(11,033)	(116)	-	(27,136)
	15,118	49,735	15,684	40,809	11,452	132,798
Amount due after one year						
Gross amounts	8,477	-	-	-	-	8,477
Less: Provision for doubtful debts	-	-	-	-	-	-
	8,477	-	-	-	-	8,477
Amount due within one year	6,641	49,735	15,684	40,809	11,452	124,321

Note (a)

The amount due after one year relates to accrued income receivable on a sub-lease contract.

## 13. Debtors-cont'd

## Note (b)

The amount due after one year relates to an undertaking which had undertaken a financial restructuring scheme. In conjunction with a financial restructuring scheme of the group undertaking, the Group has entered into a conditional agreement with the group undertaking which contemplates a piece of land to be disposed of, or dealt with in any other manner deemed fit, by the group undertaking as settlement of the amount owed to the Group within six years from the agreement date. The finalisation of the settlement agreement is subject to the completion of certain conditions precedent set out therein. The Directors are of the view that the conditions precedent will be fulfilled as contemplated in the agreement, and that the group undertaking will be able to settle at least the net amount in accordance with the agreement. The amount owed by the group undertaking is non interest-bearing.

## Note (c)

The amount due after one year relates to an undertaking known to be facing liquidity constraints. The Directors are of the view that the related party will ultimately be able to settle at least the net amount. However uncertainty remains over the extent of the recoverability within the next 12 months. The amount owed by the group undertaking is non interest-bearing.

## Note (d)

The amounts owed by and to customers on consultancy contracts are analysed as follows:-

	31.12.00 RM'000	31.12.99 RM'000
Aggregate costs incurred to date	300,621	265,949
Add: Attributable profits	281,083	252,737
	<u>581,704</u>	<u>518,686</u>
Less: Progress billings	(548,432)	(478,826)
	<u>33,272</u>	<u>39,860</u>
Contract revenue recognised on consultancy contracts in the year	<u>208,155</u>	<u>213,559</u>
Contract costs recognised on consultancy contracts in the year	<u>105,285</u>	<u>105,956</u>
Amounts owed by customers on consultancy contracts	<u>34,327</u>	<u>40,809</u>
Amounts owed to customers on consultancy contracts (Note 16)	<u>1,055</u>	<u>949</u>
	31.12.00	31.12.99
<b>Company</b>	<b>RM'000</b>	<b>RM'000</b>
Amounts owed by group undertakings +	-	16
Amounts owed by related parties ++	18	24
Other debtors	3,074	3,116
	<u>3,092</u>	<u>3,156</u>

## 14. Current Asset Investments

<b>Group</b>	<b>31.12.00</b>	<b>31.12.99</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Unit trust funds in Malaysia:</b>		
At the lower of cost and market value	<u>10,154</u>	<u>13,886</u>

## 15. Cash At Bank and In Hand

Included in cash at bank and in hand of the Group is a deposit by a subsidiary undertaking amounting to RM2,523,573 (1999: RM2,197,097) placed with a financial institution as suretyship to secure a loan granted to an associated undertaking, as disclosed in Note 11 to the accounts.

## 16. Creditors - Amounts Falling Due Within One Year

<b>Group</b>	<b>31.12.00</b>	<b>31.12.99</b>
	<b>RM'000</b>	<b>RM'000</b>
Current instalments due on loans (secured) (Note 18)	7,555	149,492
Current instalments due on loans (unsecured) (Note 18)	-	14,000
	7,555	163,492
Bank overdraft (secured) (Note 18)	4,627	4,583
Trade creditors	9,333	14,466
Amounts owed to group undertakings+	32	7,135
Amounts owed to related parties++	11	10
Amounts owed to customers on consultancy contracts (Note 13(d))	1,055	949
Corporation tax	4,807	-
Other creditors	33,947	29,573
	<u>61,367</u>	<u>220,208</u>
	<b>31.12.00</b>	<b>31.12.99</b>
<b>Company</b>	<b>RM'000</b>	<b>RM'000</b>
Amounts owed to Group undertakings+	3	3
Amounts owed to related parties++	3	3
Other creditors	999	1,848
	<u>1,005</u>	<u>1,854</u>

Details of security in respect of the borrowings, where relevant, are set out in Note 18.

+ Group undertakings comprise parent undertaking and subsidiary undertakings of the parent undertaking.

++ Related parties comprise a significant shareholder of the parent undertaking and its subsidiary and associated undertakings.

## 17. Creditors - Amounts Falling Due After More Than One Year

<b>Group</b>	<b>31.12.00</b>	<b>31.12.99</b>
	<b>RM'000</b>	<b>RM'000</b>
Term loan (Note 18)	<u>41,313</u>	<u>41,313</u>

## 18. Borrowings

**Group**

The following is a summary of the borrowings of the group:-

	Note	31.12.00 RM'000	31.12.99 RM'000
Bank overdraft	(a)	4,627	4,583
Short term loans	(b)	3,000	14,000
Term loans due in one year	(c)	4,555	149,492
Term loan due after one year	(c)	41,313	41,313
		48,868	204,805
		<u>53,495</u>	<u>209,388</u>

- (a) Secured by fixed charge on the assets of a subsidiary undertaking. The average interest rate for the year was 9.38% per annum.
- (b) Secured upon renewal during the year, by corporate guarantee by the Company. The average interest rate for the year was 8.05% per annum.
- (c) Secured by corporate guarantee by the Company. The annual interest rate is at 1.5% over the three month Singapore Inter-Bank Offer Rate, and the average interest rate for the year was 8.28% per annum.

During the year, the Group settled its USD35.4 million term loan, which with accrued interest amounted to USD36.6 million. The settlement consideration was met through divestment of Redeemable Convertible Bonds held, as referred to in Note 11.

All the above borrowings are floating rate financial liabilities.

	31.12.00 RM'000	31.12.99 RM'000
<b>Amounts falling due:</b>		
In one year or less or on demand	12,182	168,075
Between one and two years	9,110	9,110
Between two and five years	25,041	24,878
In more than five years+	7,162	7,325
	41,313	41,313
	<u>53,495</u>	<u>209,388</u>

- + This comprises a USD4.7 million term loan repayable in five equal semi-annual instalments commencing 1 July 2004. The annual interest charged on the loan is at 2% over the Base Lending Rate of the financial institution.

## 19. Obligations Under Leases

Annual commitments under operating leases are as follows:

Group	Land and building		Others	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
Operating leases which expire:				
Within one year	6,863	7,571	4,382	4,513
In two to five years	11,576	18,028	4,799	6,808
In over five years	99	232	-	-
	<b>18,538</b>	<b>25,831</b>	<b>9,181</b>	<b>11,321</b>

## 20. Provision for Liabilities and Charges

Group	Provision for employee entitlements	Deferred Taxation	Others	Total
	RM'000	RM'000 (Note 1)	RM'000 (Note 2)	RM'000
At 1 January	6,694	-	1,300	7,994
Exchange adjustment	(827)	-	-	(827)
Arising during the year	877	74	-	951
Utilised	(573)	-	-	(573)
Increase during the year in the discounted amount arising from the passage of time	138	-	-	138
At 31 December	<b>6,309</b>	<b>74</b>	<b>1,300</b>	<b>7,683</b>

Provision for employee entitlements comprises provisions for long service leave and pre-retirement leave entitlements in respect of eligible employees. The provisions are in respect of such entitlements that have vested, and are made by reference to independent actuarial valuations. The maximum remaining service period applied is 30 years.

### Note 1

Deferred taxation provided in the accounts arises as follows:

Group	31.12.00 RM'000	31.12.99 RM'000
Arising from:-		
Timing differences on foreign currency exchange differences	74	-

### Note 2

Others comprise various items in relation to disputes and other amounts, under negotiation with third parties on contracts entered into.

## 20. Provision for Liabilities and Charges-cont'd

Estimated deferred tax benefits not provided in these accounts are as follows:

<b>Group</b>	<b>31.12.00</b>	<b>31.12.99</b>
	<b>RM'000</b>	<b>RM'000</b>
Arising from:-		
Unrelieved tax losses	<b>16,915</b>	15,191
Capital allowances	<b>1,913</b>	2,470
Other timing differences	<b>6,978</b>	8,103
	<b>25,806</b>	<b>25,764</b>
<b>Company</b>	<b>31.12.00</b>	<b>31.12.99</b>
	<b>RM'000</b>	<b>RM'000</b>
Arising from:-		
Unrelieved tax losses	<b>1,236</b>	-
Capital allowances	<b>225</b>	166
	<b>1,461</b>	<b>166</b>

## 21. Derivatives and Financial Instruments

The section on “Derivatives and Other Financial Instruments” in the Directors’ Report sets out a description of the Board’s practices.

The disclosures (except for currency risk profile) exclude short term debtors and creditors as permitted by Paragraph 6 of FRS 13.

### (a) Interest rate risk profile of financial liabilities and financial assets

The interest rate profile of the financial liabilities of the group as at 31 December was as follows:

	<b>Floating rate financial liabilities RM’000</b>
<b>2000</b>	
Ringgit Malaysia	3,000
New Zealand Dollar	4,627
US Dollar	45,868
Philippine Peso	-
	<u>53,495</u>
	<b>Floating rate financial liabilities RM’000</b>
<b>1999</b>	
Ringgit Malaysia	14,000
New Zealand Dollar	144,965
US Dollar	50,423
Philippine Peso	-
	<u>209,388</u>

The Group has only floating rate financial liabilities which comprise

- (i) New Zealand Dollar denominated bank overdraft that bears interest based on the prime lending rate of the financial institution as disclosed in Note 18;
- (ii) US Dollar denominated term loans that bear interest at rates based on the three month Singapore Inter-Bank Offer Rate as disclosed in Note 18; and
- (iii) Ringgit Malaysia denominated short term loan that bears interest based on the Base Lending Rate of the financial institution as disclosed in Note 18.

## 21. Derivatives and Financial Instruments-cont'd

## (a) Interest rate risk profile of financial liabilities and financial assets-cont'd

The interest rate profile of the financial assets of the group as at 31 December was as follows:-

	Fixed rate financial assets RM'000	Floating rate financial assets RM'000 (Note 1)	Financial assets on which no interest is earned RM'000 (Note 2)	Total RM'000
<b>2000</b>				
Ringgit Malaysia	-	21,339	30,780	52,119
New Zealand Dollar	-	7,276	8,338	15,614
US Dollar	-	-	8,802	8,802
Philippine Peso	-	505	15	520
	-	29,120	47,935	77,055

	Fixed rate financial assets RM'000	Floating rate financial assets RM'000	Financial assets on which no interest is earned RM'000	Total RM'000
<b>1999</b>				
Ringgit Malaysia	54,399	46,834	6,982	108,215
New Zealand Dollar	-	6,619	2,728	9,347
US Dollar	-	-	8,889	8,889
Philippine Peso	-	548	35	583
	54,399	54,001	18,634	127,034

## Note 1

Floating rate financial assets comprise fixed deposits placed with financial institutions, and unit trusts held as current asset investments. The fixed deposits placed with financial institutions are at monthly interest rates.

## Note 2

Financial assets on which no interest is earned mainly comprise amounts due from group undertakings after one year.

Included in the US Dollar financial assets is accrued income due after one year on a sub-lease contract as disclosed in Note 13(a).

## 21. Derivatives and Financial Instruments-cont'd

## (a) Interest rate risk profile of financial liabilities and financial assets-cont'd

The rates on fixed rate financial assets applicable in the previous year were as follows:

	2000	1999
Ringgit Malaysia		
Weighted average interest rate (%)	-	9.4
	-----	-----
Weighted average period for which rate is fixed (years)	-	7
	-----	-----

## (b) Currency risk profile

The table below shows the group's currency exposures, i.e., those transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the group that are not denominated in the operating currency of the operating unit involved.

	Malaysian Ringgit RM'000	New Zealand Dollar RM'000	US Dollar RM'000	Others RM'000	Total RM'000
<b>2000</b>					
Malaysian Ringgit	-	135,495 <sup>+</sup>	-	(22,963) <sup>+</sup>	112,532
New Zealand Dollar	-	-	-	1,170	1,170
US Dollar	(17,904)	-	-	-	(17,904)
Others	-	-	-	-	-
	(17,904)	135,495	-	(21,793)	95,798
	-----	-----	-----	-----	-----

	Malaysian Ringgit RM'000	New Zealand Dollar RM'000	US Dollar RM'000	Others RM'000	Total RM'000
<b>1999</b>					
Malaysian Ringgit	-	-	-	(6,950)	(6,950)
New Zealand Dollar	-	-	(139,497)	405	(139,092)
US Dollar	(8,794)	-	-	-	(8,794)
Others	-	-	-	-	-
	(8,794)	-	(139,497)	(6,545)	(154,836)
	-----	-----	-----	-----	-----

+ These amounts relate to inter-company balances which are denominated in a different currency to the operating currency of the operating unit involved and are included in the table above as they potentially give rise to currency gains and losses recognised in the profit and loss account.

## 21. Derivatives and Financial Instruments-cont'd

**(c) Maturity of financial liabilities**

The maturity profile of the group's financial liabilities at 31 December was as follows:-

	2000	1999
	RM'000	RM'000
In one year or less, or on demand	12,182	168,075
In more than one year but not more than two	9,110	9,110
In more than two years but not more than five	25,041	24,878
In more than five years	7,162	7,325
	<u>53,495</u>	<u>209,388</u>

**(d) Borrowing facilities**

The group has various borrowing facilities available to it. The undrawn committed facilities available at 31 December in respect of which all conditions precedent had been met at the date are as follows:-

	2000	1999
	RM'000	RM'000
Expiring in one year or less	15,746	15,447
Expiring in more than one year but not more than two years	-	-
Expiring in more than two years	-	-
	<u>15,746</u>	<u>15,447</u>

**(e) Fair values of financial assets and financial liabilities**

Set out below is a comparison by category of book values and fair values of all the group's financial assets and financial liabilities as at 31 December:-

	Book value	Fair value	Book value	Fair value
	2000	2000	1999	1999
	RM'000	RM'000	RM'000	RM'000
Primary financial instruments				
Short term borrowings and current portion of long term borrowings	(12,182)	(12,182)	(168,075)	(168,075)
Long term borrowings	(41,313)	(41,313)	(41,313)	(41,313)
Fixed asset investments	2,218	2,218	56,617	142,600
Long term debtors	45,726	36,640 <sup>+</sup>	8,477	8,477
Current asset investments	10,154	10,154	13,886	13,886
Cash and short term deposits	28,903	28,903	48,054	48,054
Derivative financial instruments held to hedge the currency exposure on existing assets and liabilities				
Forward foreign currency contracts	-	757	-	-

## 21. Derivatives and Financial Instruments-cont'd

**(e) Fair values of financial assets and financial liabilities-cont'd**

- + Included in long term debtors is an amount owed by a group undertaking where settlement is anticipated at any point in time within six years from the date of a conditional agreement as disclosed in Note 13(b). The fair values obtained by discounting the expected future cash flows over a period of six years at prevailing interest rate would range from RM17,331,925 to RM25,525,288.

Market values have been used to determine the fair value of forward foreign currency contracts and current asset investments. The fair values of all other items have been determined based on their estimated net realisable values.

**(f) Hedges**

As and when the Group undertakes significant transactions denominated in foreign currencies, with continuing exposure over the applicable periods of settlement, the Group evaluates its exposure and the necessity to hedge such exposure, as well as the availability and cost of such hedging instruments.

Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised.

There are no gains and losses unrecognised or deferred at 31 December 2000 as the forward foreign currency contracts are designated hedges and form the basis of statement of the related monetary assets and liabilities.

1999	Gains RM'000	Losses RM'000	Total RM'000
Gains and losses unrecognised at 31 December 1999	-	-	-
Gains and losses deferred at 31 December 1999	-	-	-
	-	-	-
Of which:			
Gains and losses expected to be recognised in the profit and loss account in 2000	-	-	-
Gains and losses included in the profit and loss account that arose in previous years	1,529	(125)	1,404

## 22. Called Up Share Capital

Group/Company	31.12.00 RM'000	31.12.99 RM'000
Authorised:		
200,000,000 ordinary shares of 25p each	247,400	247,400
Issued and fully paid:		
158,395,600 ordinary shares of 25p each	197,175	197,175

## 23. Movement on Reserves

Group	Profit and Loss Account			Total RM'000
	Goodwill RM'000	Exchange fluctuation RM'000	Profit and Loss RM'000	
At 1 January 2000	(161,787)	9,656	78,788	(73,343)
Profit for the financial year	-	-	38,900	38,900
Currency translation differences on foreign currency net investments	-	20,916	-	20,916
At 31 December 2000	(161,787)	30,572	117,688	(13,527)
			2000 RM'000	1999 RM'000
At 1 January			16,054	29,794
Profit/(loss) for the financial year			623	(13,740)
At 31 December			16,677	16,054

The Company has sufficient Section 108 (Malaysian Income Tax Act 1967) credit at the balance sheet date to distribute all its distributable reserves by way of dividends without incurring further tax liability, subject to the agreement of the tax authorities.

## 24 (a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

Group	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
Operating (loss)/profit	(40,747)	12,830	115	(13,234)
Depreciation and impairment adjustment	29,937	17,299	252	488
Amortisation charges	4,043	3,632	-	-
(Write-back)/Provision for employee entitlements	(523)	881	-	-
Stocks	5,129	756	-	-
Debtors	(15,247)	(19,785)	(25,801)	(7,326)
(Write-back)/provision for doubtful debts	(651)	21,840	10,792	19,011
	(15,898)	2,055	(15,009)	11,685
Creditors	(7,755)	(11,486)	(849)	(52)
Exchange differences	29,819	3,567	2,066	-
Net cash inflow/(outflow) from operating activities	4,005	29,534	(13,425)	(1,113)

## 24 (b) Reconciliation of Net Cash Inflow to Movement in Net Debt

	Group		Company	
	31.12.00 RM'000	31.12.99 RM'000	31.12.00 RM'000	31.12.99 RM'000
Increase/(decrease) in cash per Cash Flow Statement	3,458	2,402	(983)	387
Cash from drawdown of short-term loans	-	(4,377)	-	-
Cash to repay short-term loans	11,000	1,000	-	-
Cash to repay long term loan	4,555	-	-	-
Cash to repay finance lease	-	208	-	-
Cash (outflow)/inflow from deposits with financial institutions	(21,475)	11,707	(5,951)	2,901
Changes in net debt arising from cash flow	(2,462)	10,940	(6,934)	3,288
Exchange differences	(3,724)	(699)	-	-
Settlement of term loan via exchange with a fixed asset investment	142,602	-	-	-
Novation of short-term loans to parent undertaking	-	35,083	-	35,083
Change recognised in market value of liquid current asset investments	(3,732)	3,300	-	-
Movement in net debt	132,684	48,624	(6,934)	38,371
Net debt at 1 January 2000	(149,646)	(198,270)	7,040	(31,331)
Net debt at 31 December 2000 (Note 24(c))	(16,962)	(149,646)	106	7,040

## 24 (c) Analysis of Changes in Net Debt

Group	1.1.00 RM'000	Cash flow RM'000	Other items RM'000	Exchange differences RM'000	31.12.00 RM'000
Cash in hand/bank	7,939	4,217	-	(2,219)	9,937
Bank overdraft	(4,583)	(759)	-	715	(4,627)
	3,356	3,458	-	(1,504)	5,310
Liquid resources (Note 1) - current asset investments - deposits with financial institutions	13,886	-	(3,732)	-	10,154
Loans	37,917	(21,475)	-	-	16,442
	(204,805)	15,555	142,602	(2,220)	(48,868)
	(149,646)	(2,462)	138,870	(3,724)	(16,962)
<b>Company</b>					
Cash in hand/bank	1,079	(983)	-	-	96
Deposits with financial institutions	5,961	(5,951)	-	-	10
	7,040	(6,934)	-	-	106

## Note 1

Liquid resources include:-

- (i) current asset investments that are readily convertible into cash at their carrying amounts or which are traded in an active market. The disposal of such investments would not result in curtailing or disrupting the Group's business; and
- (ii) deposits with financial institutions. The above amount of deposits with financial institutions, of RM16,442,000 (1999: RM37,917,000) does not include the amount of RM2,523,573 (1999: RM2,197,097), which represents a deposit placed with a financial institution as suretyship as disclosed in Note 15.

#### 24 (d) Significant Non-Cash Transaction Undertaken by the Group during the Year

During the year, the Group exchanged its long term investments in Redeemable Convertible Bonds ("RCBs") to discharge the Group's term loan of USD36.6 million (RM142.6 million). Accordingly, this transaction is not reflected in the Group cash flow. Please refer to Note 11(a) to the accounts for results on disposal of the RCBs.

#### 25. Significant Events after Balance Sheet Date

##### (a) Employee Share Option Plan ("ESOP")

On 31 December 2000, the Company announced that Opus International Consultants Limited ("OPUS"), a wholly-owned subsidiary undertaking, proposed to implement an ESOP for the employees of OPUS and its subsidiary undertakings.

The Proposed ESOP is conditional upon approvals being obtained from the following:

- (i) New Zealand Securities Commission, for specific exemption from compliance with various disclosure and other requirements in respect of the prospectus for the Proposed ESOP;
- (ii) Shareholders of the Company at an Extraordinary General Meeting; and
- (iii) Any other relevant authorities

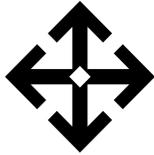
- (b) On 14 February 2001, the Company announced that the Singapore Stock Exchange ("SSE") has approved its application to delist from the Main Board of the SSE with effect from 20 February 2001.

#### 26. Capital Commitments

	2000	1999
	RM'000	RM'000
Approved by the Directors and contracted:-		
- for investments in overseas ventures by subsidiary undertaking	<u>5,379</u>	<u>5,379</u>

#### 27. Parent Undertaking and Controlling Party

The Directors regard United Engineers (Malaysia) Berhad, incorporated in Malaysia as the Company's ultimate parent undertaking and controlling party. United Engineers (Malaysia) Berhad is both the smallest and largest group of which the Company is a member and for which group accounts are prepared. Copies of these accounts are available from 5 Jalan 217, 46700 Petaling Jaya, Selangor Darul Ehsan, Malaysia.



**KINTA  
KELLAS**  
PUBLIC LIMITED COMPANY

Malaysia Registered No. 990925-H  
UK Registered No. 214532  
www.kkellas.com.my

# form of proxy

No of shares held

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

of \_\_\_\_\_

being a member/members of Kinta Kellas Public Limited Company hereby appoint \_\_\_\_\_

\_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the meeting as my/our proxy for me/us on my/our behalf, at the Seventy-fourth Annual General Meeting of the Company to be held at Nusantara 2, Level 2, Sheraton Imperial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on 16 May 2001 at 11.00 a.m. or at any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an 'X' in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	<b>For</b>	<b>Against</b>
<b>Resolution 1</b>		
<b>Resolution 2</b>		
<b>Resolution 3 (a)</b>		
<b>Resolution 3 (b)</b>		
<b>Resolution 4</b>		
<b>Resolution 5</b>		

\_\_\_\_\_  
Signature of Shareholder(s)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2001

**Note:**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company. The instrument appointing such proxies must be deposited with the Company's Malaysian Share Registrars, Panama Resources Sdn Bhd, No 23, Jalan Sri Hartamas 7, Sri Hartamas, 50480 Kuala Lumpur not less than 48 hours before the time appointed to hold the meeting or at any adjournment thereof.

Affix  
Stamp

Share Registrars  
Kinta Kellas Public Limited Company  
C/O Panama Resources Sdn Bhd,  
No 23, Jalan Sri Hartamas 7,  
Sri Hartamas,  
50480 Kuala Lumpur,  
Malaysia.