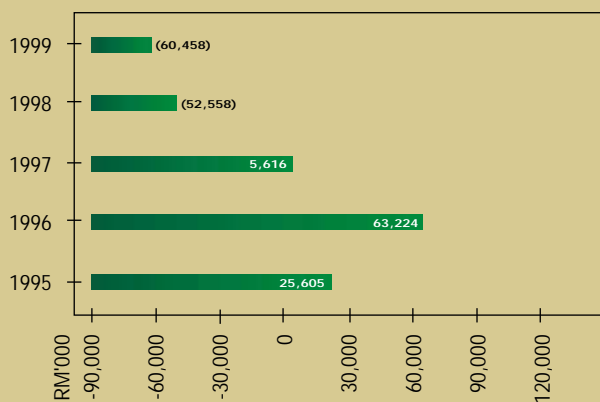


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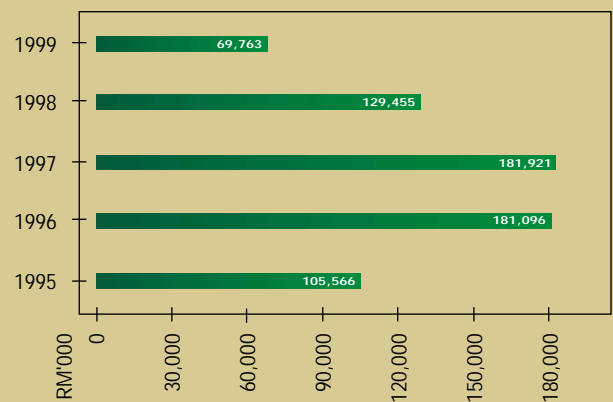


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**Profit/(Loss) Before Tax**



**Shareholders' Fund**



# notice of ANNUAL GENERAL meeting

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of the Company will be held at Sri Merbau of Allson Klana Resort, PT 4388 Jalan Penghulu Cantik, Taman Tasik, 70100 Seremban, Negeri Sembilan Darul Khusus on Friday, the 16th day of June 2000 at 10.00 a.m. for the purpose of transacting the following business:

1. To receive and adopt the Audited Accounts for the year ended 31st December 1999 together with the Reports of the Directors and Auditors thereon. *(Resolution 1)*

2. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:

i. Mr. Chew Loy Chee

*(Resolution 2)*

ii. Mr. Lim Hong Liang

*(Resolution 3)*

3. To re-appoint BDO Binder as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Resolution 4)*

4. To transact any other ordinary business of which due notice shall have been given.

By order of the Board,

TAN KIM CHIN  
Secretary

Seremban.  
29th May 2000

## Notes:

1. A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. However, in accordance with Section 149(1)(b) of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is a qualified legal practitioner, an approved company auditor or a person appointed by the Registrar of Companies.
2. The Form of Proxy must be deposited at the Registered Office of the Company, (Tingkat 2, 19, 20 & 21 Jalan Kong Sang, 70000 Seremban, Negeri Sembilan Darul Khusus) not less than 48 hours before the time appointed for holding the Meeting.



# corporate INFORMATION

## Board of Directors

Tan Sri Dato' Haji Yahya Abdul Wahab,  
PSM, DPMJ, JSM  
*Chairman*

Chew Loy Chee  
*Deputy Chairman*

Tan Chon Sing @ Tan Kim Tieng

Gan Teck Chong @ Gan Kwan Chong

Lim Hong Liang

Wong Yew Fai

Kan Ah Chun

## Audit Committee

Tan Sri Dato' Haji Yahya Abdul Wahab,  
PSM, DPMJ, JSM  
*Chairman*

Tan Chon Sing @ Tan Kim Tieng  
*Executive Director*

Wong Yew Fai  
*Independent Non-Executive Director*

## Secretary

Tan Kim Chin (3620 MIA)

## Auditors

BDO Binder  
Public Accountants (AF 0206)

## Solicitors

Fahrol, Pretam & Co.  
Tan Chim Kwai, Goh & Co.  
Tan, Goh & Associates

## Group Principal Bankers

HSBC Bank Malaysia Berhad  
Malayan Banking Berhad  
Bumiputra-Commerce Bank Berhad  
United Overseas Bank (Malaysia) Berhad  
Arab Malaysian Bank Berhad  
RHB Bank Berhad  
Amanah Merchant Bank Berhad  
OCBC Bank (Malaysia) Berhad  
Standard Chartered Bank Malaysia Berhad  
Public Bank Berhad  
Oriental Bank Berhad  
Bank Utama Malaysia Berhad  
Commerce International Merchant Bankers Berhad  
Hong Leong Bank Berhad  
Arab Malaysian Merchant Bank Berhad  
Deutsche Bank (M) Berhad

## Registrar

Sectrars Services Sdn. Bhd.  
No 28-2  
Jalan Tun Sambanthan 3  
Brickfields  
50470 Kuala Lumpur

## Registered Office

Tingkat 2, 19, 20 & 21  
Jalan Kong Sang  
70000 Seremban  
Negeri Sembilan Darul Khusus  
Tel: 06-7623131

## Stock Exchange Listing

Kuala Lumpur Stock Exchange Main Board

# audit COMMITTEE

## Composition of Members

Tan Sri Dato' Haji Yahya Abdul Wahab,  
PSM, DPMJ, JSM  
*Chairman, Independent Non-Executive Director*

Tan Chon Sing @ Tan Kim Tieng  
*Executive Director*

Wong Yew Fai  
*Independent Non-Executive Director*

## Terms of Reference

### Objectives

The objectives of the Committee is to assist the Board of Directors in fulfilling its responsibilities especially on the following:-

- To oversee and appraise the quality of the audits conducted both by the Company's external auditors.
- To determine the adequacy of the Company's administrative, operating and accounting controls.
- To maintain open lines of communications among the Board, the Company's employees and external auditors and to exchange views and information.
- To undertake any such duties and responsibilities as may be required by the Board.

### Duties

The duties of the Committee shall be:-

- To review the half-year and annual financial statements before submission to the Board.
- To identify and direct any special projects of investigations deemed necessary.
- To undertake any such duties and responsibilities as may be required by the Board.
- To discuss problems and reservations arising from the interim and final audits, and any matters the

auditor may wish to discuss (in the absence of management where necessary).

- To keep under review the effectiveness of internal control system, and in particular review the external auditor's management letter and management's response

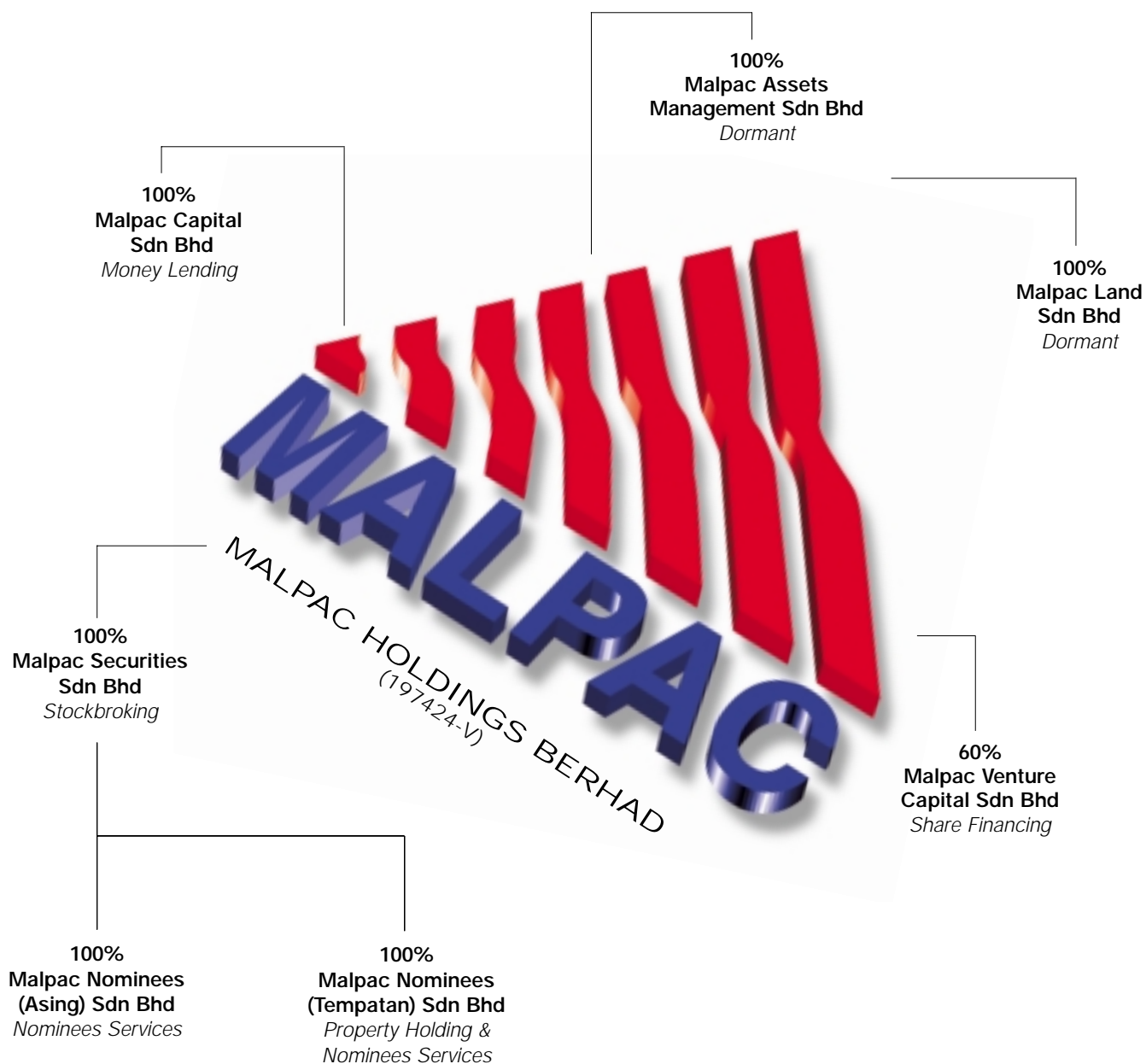
### Authority

The Committee is authorised by the Board to investigate any activities within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

### Meetings

The Committee will meet at least three times in a year. A quorum shall consist of a majority of committee members.

# corporate STRUCTURE



# chairman's STATEMENT



***“On behalf of the Board of Directors,  
it gives me great pleasure to present to you  
the Annual Report and Accounts of the  
Group and the Company for the year ended  
31st December 1999.”***

## Financial Review

Generally, 1999 was a year of recovery for Malaysian economy. Amidst this volatile and sluggish market condition, the Group is glad to report that our operating profit, improved significantly to RM21.78 million for 1999, compared to RM0.08 million pre-tax operating loss in 1998. The Group's turnover before netting of provision for interest in suspense increased by 19% to RM55.69 million as compared to RM46.74 million in 1998. However, in compliance to the Kuala Lumpur Stock Exchange (KLSE) guidelines with effect from 1st July 1999 on provision for doubtful debts and interest in suspense, the Group made a total provision for doubtful debts and interest in suspense of RM83.45 million for the financial year under review, which resulted in a Group pre-tax loss of RM60.46 million.

Despite the trying year of 1999, the new millennium has started off well with stock market volume increased significantly for the 1st quarter of year 2000. Amidst this favourable market condition, the Group has shown a very good turnaround in profitability for the period due mainly to increase in trading volume and provisions written back. The Group recorded turnover of RM27.88 million and pre-tax operating profit of RM16.94 million for the quarter ended 31st March 2000. In addition, we managed to write back total provision for doubtful debts and interest of suspense of RM73.71 million for the quarter ended 31st March 2000.

## Economic Overview

1999 has been a year of recovery for the Malaysian economy, with our GDP growing by 5.4%, compared



to a contraction of 7.5% in 1998. Strong economic performance, improved corporate earnings, progress in bank restructuring and the low interest rate environment has strengthened investor confidence in the stock market. Reflecting the positive market sentiment, the trading volume at the KLSE improved by 46% to RM85 billion against RM58 billion in 1998. The value of shares traded increased by 61% from RM115 billion in 1998 to RM185 billion in 1999.

The measures taken by the Government in supporting the economic recovery which included fixing of the Ringgit exchange rate, imposition of selective exchange controls and reduction of interest rates have borne fruitful results with improving underlying equity market and broader participation from international investors in our capital market. Corporate earnings are set to stage a stronger turnaround.

The year 2000 kicked off with a good start with the market rising from the early part of the year led by the global interest in technology stocks. The bullish sentiment was further enhanced by the expected reinstatement of KLSE into the indices of Morgan

## chairman's STATEMENT

Stanley Capital International at the end of May 2000 and the recent Bank Negara report of revised GDP growth to a higher figure of 5.8%. We expect market conditions to be much better this year compared to 1999.

### Corporate Development

In line with the recent announcement by the authorities on the consolidation of the stockbroking industry, the Group is in the process of negotiation with a few stockbroking firms with a view to form a merged entity. The objective of the exercise is to establish a stronger, a more well-capitalised and a more efficient set-up that is resilient enough to meet the challenges of a much more competitive market in the relentless trend towards globalisation and liberalisation.





## chairman's STATEMENT



The Group is well aware of other challenges facing the industry which include the lowering of brokerage rates, shortening of settlement period and the implementation of internet trading. Hence, we are constantly in the process of uplifting and broadening our range of services to customers. Greater emphasis is being placed on upgrading of both our hardware and support system to keep up with the fast changing IT environment.

In view of the call by the Authorities for the consolidation and merger of the stockbroking industry, the proposed subscription by Vickers Ballas Ltd. of Singapore as mentioned in our last annual report to subscribe to the enlarged issued and paid-up capital of Malpac Securities Sdn. Bhd. was no longer considered a viable proposition. Hence the proposition was mutually terminated in October 1999.

### Dividend

The Board of Directors does not propose any dividend for the year ended 31st December 1999.

### Year 2000 (Y2K)

All the efforts on ensuring the computer systems and

applications were Y2K compliant paid off with the successful crossover to the new millennium without any hitches.

### Appreciation

Our deepest appreciation for the continued support from our valued customers, bankers, business associates and shareholders.

To the remisiers, management team and staff of the Group, our heartfelt gratitude for their invaluable contributions, untiring dedication and commitment.

Tan Sri Dato' Haji Yahya Abdul Wahab  
PSM, DPMJ, JSM  
*Chairman*