

A N N U A L R E P O R T
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MBM RESOURCES BERHAD

(Incorporated in Malaysia)
(Co. No. 284496-V)



CORPORATE INFORMATION



MBM RESOURCES BERHAD

(Incorporated in Malaysia)
(Co. No. 284496-V)

BOARD OF DIRECTORS

Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin
(Chairman)

Tan Sri Dato' Abdul Aziz bin Abdul Rahman

Dato' Yap Lim Sen

Dato' Abdul Rahim bin Abdul Halim

Dato' Abdul Aziz bin Ahmad

Dato' Lee Lam Thye

Wong Leong Thean

Looi Kum Pak

Shamshir bin Ghazali

Tuan Haji Mohd Razali bin Haji Bidin

Dato' Mohd Ridzuan bin Abdul Halim
(appointed on 1 January 2001)

Low Hin Choong
(alternate to Dato' Yap Lim Sen, appointed on 18 July 2000)

Wong Wei Khin
(alternate to Wong Leong Thean, appointed on 18 July 2000)

COMPANY SECRETARIES

Shahrizat binti Othman *(MAICSA 0764744)*

Zaharah binti Ibrahim *(MAICSA 7012004)*

REGISTERED OFFICE

Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur
Tel: (603) 2166 5007
Fax: (603) 2166 5006

CORPORATE OFFICE

Unit 50-4-5, Wisma UOA Damansara
50 Jalan Dungun
50490 Kuala Lumpur
Tel: (603) 253 3230 / 253 3260
Fax: (603) 253 3251

PRINCIPAL BANKERS

HSBC Bank (Malaysia) Berhad
Citibank Berhad
Bumiputra Commerce Bank Berhad

AUDITORS

Arthur Andersen & Co.
Public Accountants

SHARE REGISTRAR

AAJ Registration Services Sdn. Bhd.
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange
Main Board

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MBM RESOURCES BERHAD

(Incorporated in Malaysia)
(Co. No. 284496-V)

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NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held on Friday, 18 May 2001 at 9th Floor, Ballroom No. 2 & 3, The Legend Hotel, 100 Putra Place, Jalan Putra, 50300 Kuala Lumpur at 3.00 p.m.

AGENDA

1. To receive, consider and adopt the Audited Accounts for the year ended 31 December 2000 together with the Reports of the Directors and Auditors therein. Resolution 1
2. To approve the declaration of the final dividend of 8.0 sen less tax in respect of the year ended 31 December 2000. Resolution 2
3. To re-elect the following Directors retiring by rotation pursuant to Article 80 of the Articles of Association of the Company:
 - i. Dato' Lee Lam Thye Resolution 3
 - ii. Shamshir bin Ghazali Resolution 4
4. To re-elect Dato' Mohd Ridzuan bin Abdul Halim who retires by casual vacancy pursuant to Article 87 of the Articles of Association of the Company. Resolution 5
5. To pass the following resolution pursuant to Section 129 of the Companies Act, 1965:

"That Tuan Haji Mohd Razali bin Bidin, a director who retires in accordance with Section 129 of the Companies Act, 1965, and is eligible for re-election, be hereby re-appointed as the Director of the Company". Resolution 6
6. To appoint the following persons as Directors of the Company pursuant to Article 82 of the Articles of Association of the Company:
 - i. Low Hin Choong Resolution 7
 - ii. Aqil bin Tan Sri Dato' Ahmad Azizuddin Resolution 8
 - iii. Wong Fay Lee Resolution 9
 - iv. Looi Kok Loon Resolution 10
7. To approve the Directors' fees for the year ended 31 December 2000. Resolution 11
8. To appoint Messrs. Arthur Andersen & Co. as the Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 12
9. To transact any other business of which due notice has been given.

By Order of the Board
MBM RESOURCES BERHAD

Shahrizat bt Othman (MAICSA No.: 0764744)
Zaharah bt Ibrahim (MAICSA No.: 7012004)
Company Secretaries

Kuala Lumpur
26 April 2001

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company, Suite 15-03, 15th Floor, Wisma UOA II, 21 Jalan Pinang, 50450 Kuala Lumpur, at least forty eight hours before the time appointed for holding the Meeting.

NOTICE OF BOOK CLOSURE

NOTICE IS HEREBY GIVEN that the dividend, if approved, will be paid on 31 May 2001. The Register of Members will be closed from 21 to 22 May 2001, both dates inclusive, to determine shareholders' entitlement to the said dividend.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred at the Depositor's Securities Account before 12.30 p.m. on 21 May 2001 in respect of ordinary transfers; and
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

MED-BUMIKAR MARA SDN BHD
(Company No. 8321 - V)

Registered Office:
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

27 April 2001

The Secretary
MBM Resources Berhad
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

**Notice of Intention for Election of Director at the
Annual General Meeting to be held on 18 May 2001**

We hereby nominate Mr. Low Hin Choong to be elected as a Director at the forthcoming Annual General Meeting of MBM Resources Berhad to be held on 18 May 2001.

His consent to be nominated is attached.

Yours faithfully,

Dato' Mohamed bin Hamzah
Authorised Representative of
Med-Bumikar MARA Sdn Bhd (8321 - V)

Low Hin Choong
65, Jalan SS 26/3
Taman Mayang Jaya
47301 Petaling Jaya

27 April 2001

MBM Resources Berhad
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

**Nomination as Director of
MBM Resources Berhad**

I hereby consent to be nominated as a Director of MBM Resources Berhad.

Yours faithfully,

Low Hin Choong
I/C No.: 610625-08-5955

MED-BUMIKAR MARA SDN BHD
(Company No. 8321 - V)

Registered Office:
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

27 April 2001

The Secretary
MBM Resources Berhad
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

**Notice of Intention for Election of Director at the
Annual General Meeting to be held on 18 May 2001**

We hereby nominate Encik Aqil bin Tan Sri Dato' Ahmad Azizuddin to be elected as a Director at the forthcoming Annual General Meeting of MBM Resources Berhad to be held on 18 May 2001.

His consent to be nominated is attached.

Yours faithfully,

Dato' Mohamed bin Hamzah
Authorised Representative of
Med-Bumikar MARA Sdn Bhd (8321 - V)

Aqil bin Tan Sri Dato' Ahmad Azizuddin
2, Jalan SS 7/7
47301 Petaling Jaya

27 April 2001

MBM Resources Berhad
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

**Nomination as Director of
MBM Resources Berhad**

I hereby consent to be nominated as a Director of MBM Resources Berhad.

Yours faithfully,

Aqil bin Tan Sri Dato' Ahmad Azizuddin
I/C No.: 590424-08-5611

MED-BUMIKAR MARA SDN BHD
(Company No. 8321 - V)

Registered Office:
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

27 April 2001

The Secretary
MBM Resources Berhad
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

**Notice of Intention for Election of Director at the
Annual General Meeting to be held on 18 May 2001**

We hereby nominate Ms. Wong Fay Lee to be elected as a Director at the forthcoming Annual General Meeting of MBM Resources Berhad to be held on 18 May 2001.

His consent to be nominated is attached.

Yours faithfully,

Dato' Mohamed bin Hamzah
Authorised Representative of
Med-Bumikar MARA Sdn Bhd (8321 - V)

Wong Fay Lee
No. 1 Jelutong Villas
Lorong Jelutong
Damansara Heights
50490 Kuala Lumpur

27 April 2001

MBM Resources Berhad
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

**Nomination as Director of
MBM Resources Berhad**

I hereby consent to be nominated as a Director of MBM Resources Berhad.

Yours faithfully,

Wong Fay Lee
I/C No.: 630811-08-6108

MED-BUMIKAR MARA SDN BHD
(Company No. 8321 - V)

Registered Office:
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

27 April 2001

The Secretary
MBM Resources Berhad
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

**Notice of Intention for Election of Director at the
Annual General Meeting to be held on 18 May 2001**

We hereby nominate Mr. Looi Kok Loon to be elected as a Director at the forthcoming Annual General Meeting of MBM Resources Berhad to be held on 18 May 2001.

His consent to be nominated is attached.

Yours faithfully,

Dato' Mohamed bin Hamzah
Authorised Representative of
Med-Bumikar MARA Sdn Bhd (8321 - V)

Looi Kok Loon
3, Lorong Kemaris Satu
Bukit Bandaraya
59100 Kuala Lumpur

27 April 2001

MBM Resources Berhad
Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

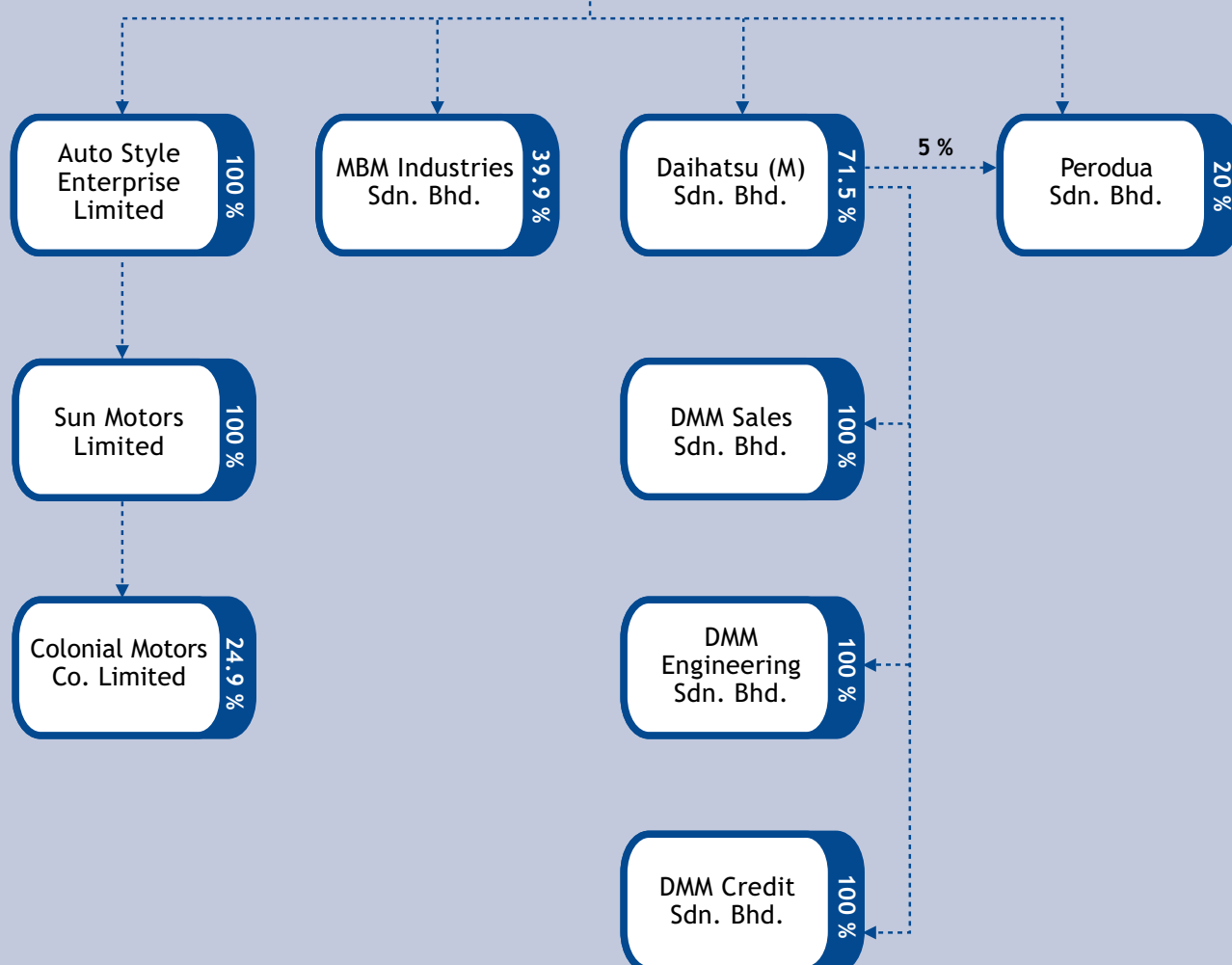
**Nomination as Director of
MBM Resources Berhad**

I hereby consent to be nominated as a Director of MBM Resources Berhad.

Yours faithfully,

Looi Kok Loon
I/C No.: 670120-10-6241

as at 31 March 2000

MBM RESOURCES BERHADIncorporated in Malaysia
Co. No. 284496-V

The Audit Committee comprises three Directors namely:

Tuan Haji Mohd Razali bin Haji Bidin	- <i>Chairman and Independent Non-Executive Director</i>
Dato' Lee Lam Thye	- <i>Independent Non-Executive Director</i>
Shamshir bin Ghazali	- <i>Executive Director</i>

TERMS OF REFERENCE

Membership

The Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than 3 members of whom a majority shall not be:

- executive directors of the Company or any related corporation;
- a spouse, parent, brother, sister, son or adopted son or daughter or adopted daughter of an executive director of the Company or any related corporation; or
- any person having relationship which would interfere with the exercise of independent judgement in carrying out the functions of an Audit Committee.

The members of the Audit Committee shall elect a Chairman from amongst their number who is not an executive director or employee of the Company or any related corporation.

Meetings

A quorum shall be 2 members, one of whom shall be the Chairman of the Audit Committee.

Meetings shall be held not less than 3 times a year. One meeting shall be held prior to the annual financial statements being presented to the Board for approval. Additional meetings may be held at the discretion of the Committee or at the request of the external auditor. The external auditor has the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Audit Committee.

The Company Secretary shall be Secretary of the Audit Committee.

Authority

The Committee is authorised by the Board to investigate any activity within its term of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any requests made by the Committee.

Duties and Functions

The duties of the Committee shall be as follows:

- review with the external auditor, the nature and scope of the audit;
- review with the external auditor, his evaluation of the internal accounting control;
- review with the external auditor, the audit report;
- review the assistance given by the Company's officers to the external auditor;
- review the scope and results of the internal audit procedures;
- review with the management and external auditor the half-year and annual financial statements before the submission to the Board;
- review related party transactions that may arise within the Company or the Group;
- consider the appointment of the external auditor, the audit fee, and any questions of resignation or dismissal;
- undertake such other responsibilities as agreed to by the Committee and the Board; and
- prepare periodic reports to the Board summarising the work performed in fulfilling the Audit Committee's primary responsibilities.

Report Procedures

The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

FINANCIAL RESULTS

The Malaysian economy expanded by an impressive 8.5% in the year 2000 (1999: 5.8%) and this was reflected in the parallel surge in demand for consumer durables, especially for motor vehicles. The motor vehicle industry grew by 19.0% in the year 2000 (1999: 76.1%) with a total of 343,173 motor vehicles sold (1999: 288,457).

Against this backdrop, MBM Resources Berhad (MBMR) registered yet another year of encouraging results on the back of improved turnover and significant contribution from newly-acquired associate, Perusahaan Otomobil Kedua Sdn. Bhd. (Perodua), for the financial year ended 31 December 2000. During the year under review, MBMR's turnover surged by 20.6% to RM549.3 million (1999: RM455.3 million) but operating profit eased by 22.7% to RM24.4 million (1999: RM31.6 million) due to some unrealised foreign exchange translation losses as well as the absence of significant writeback of stock provisions by Daihatsu (M) Sdn. Bhd. during the year 1999 as compared to year 2000.

The lower operating profits, however, were more-than-compensated by the sharp increase in contribution from associate Perodua, which led to a 72.4% surge in profit before tax of RM57.8 million (1999: RM33.5 million). Likewise, profit after tax and minority interests increased to RM37.4 million (1999: RM23.5 million), thus representing a 59.1% increment, which could have been considerably higher if 1999 was not declared a tax-free year. I would like to highlight that the profit after tax of RM37.4 million for the financial year ended 31 December 2000 is 15.1% higher than the forecast contained in the circular to shareholders dated 29 February 2000 concerning the proposed acquisition of 20% equity interest in Perodua.

In view of MBMR's commendable results and as part of our continued commitment to maximise shareholder returns, the Board of Directors is pleased to recommend a final dividend of 8% per share, less 28% tax, to be approved at the forthcoming Annual General Meeting (AGM). The interim dividend and final dividend, if approved, represent a total gross dividend of 18%, less 28% tax, for the financial year ended 31 December 2000 (1999: 8.5% per share, less 28% tax), or a 9.5 percentage-point increase in total gross dividend per share, less 28% tax.

SIGNIFICANT CORPORATE DEVELOPMENTS

At the Extraordinary General Meeting held on 15 March 2000, MBMR shareholders approved management's proposal to acquire 28 million ordinary shares in Perodua (representing a 20% equity interest in Perodua) from MBMR's holding company, Med-Bumikar Mara Sdn. Bhd., for a purchase consideration of RM160 million to be satisfied by the issuance of 64 million new MBMR ordinary shares at an issue price of RM2.50 per share. Following the shareholders approval, the 64 million new MBMR shares were listed and quoted on the KLSE Main Board on 1 September 2000, thus expanding MBMR's paid-up share capital to RM139 million from RM75 million.

The acquisition of the additional 20% equity interest in Perodua, which is consistent with management's continued commitment to maximise shareholder value, has increased MBMR's effective equity interest in Perodua to 23.6% from 3.6%, thereby making Perodua as associate of MBMR.

REVIEW OF OPERATIONS: SUBSIDIARY

Daihatsu (M) Sdn. Bhd. (DMSB), which owns the largest Perodua dealership network in the country, is the sole distributor of Daihatsu motor vehicles in Malaysia. The number of Daihatsu and Perodua vehicles sold during the year were 2,973 units (1999: 2,621 units) and 10,602 units (1999: 9,217 units) respectively, or a year-on-year growth rate of 13.4% and 15.0% respectively, amid the improved demand for motor vehicles and ample liquidity in the financial system. Although this drove DMSB's turnover higher by 25.2% to RM556.6 million (1999: RM444.4 million), profit after tax deteriorated by 13.6% to RM25.5 million (1999: RM29.5 million) as a result of the distortionary impact arising from the significant writeback of stock provisions in 1999 and the same year being a tax-free year.



The Colonial Motor Company Limited (CMC) is the largest Ford dealer in New Zealand. For the six months ended 31 December 2000, trading profit before tax of NZ\$5.1 million was almost similar to the previous comparable period of NZ\$5.2 million on revenue of NZ\$166.9 million (1999: NZ\$145.2 million). CMC's exposure to the South Island, and provincial New Zealand in general, contributed to the increase in revenue in addition to the buoyant performance in the heavy truck industry as well as the increase in vehicle prices, which was driven by exchange rate fluctuations. Operating profit after tax for the second half of 2000, however, slipped by 53.8% to NZ\$2.0 million (1999: NZ\$4.4 million) due to the absence of "non-recurring unusual items" arising from property sales (1999: NZ\$0.6 million) as well as associate Auckland Auto Collection Ltd's less-than-inspiring performance during the period under review.

REVIEW OF OPERATIONS: ASSOCIATES

Perodua's turnover rose by 24.7% to RM3.2 billion (1999: RM2.5 billion) with a total of 102,384 units of Perodua vehicles sold (1999: 86,938 units). Besides the improved turnover, other positives include significant localisation savings, lower royalty for Kancil vehicles, some sales tax adjustments and sales incentive writebacks. However, despite the improved turnover, cost savings and adjustments, profit before taxation for the year 2000 slipped by 26.0% to RM129.2 million (1999: RM174.6 million) amid the adverse impact of the Japanese yen's appreciation vis-à-vis the Malaysian ringgit during the year, the higher overhead costs and some export losses. As a result, profit after tax decreased by 32.9% to RM114.9 million (1999: RM171.3 million).

MBM Industries Sdn. Bhd. is engaged in the manufacturing of precision stamping parts for the electrical and electronics industries. During the year under review, profit before tax spiked by 84.7% to RM1.9 million (1999: RM1.0 million) on the back of a 4.1% improvement in turnover, which stood at RM40.2 million (1999: RM38.6 million).

Although there is some uncertainty over the near-term economic outlook, we expect demand for motor vehicles, especially Perodua vehicles, to remain resilient in 2001 amid the anticipated sustained demand for entry-level motor vehicles and continued facilitative monetary policy environment. These factors, coupled with MBMR's consistent prudent management, will help ensure that MBMR continues to perform reasonably well in 2001 barring any unforeseen circumstances.

OUTLOOK FOR 2001

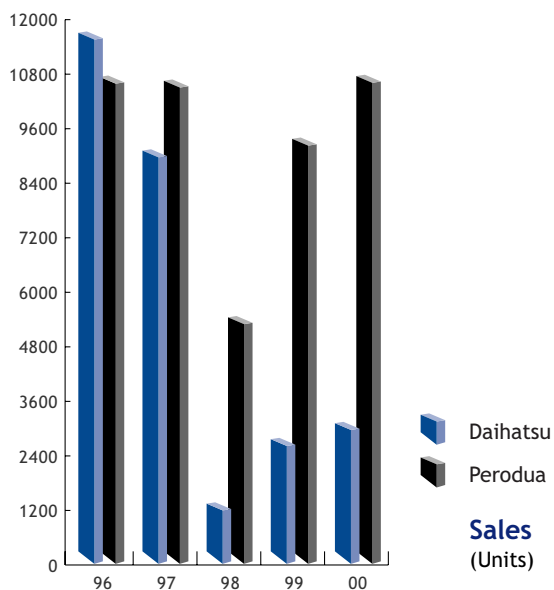
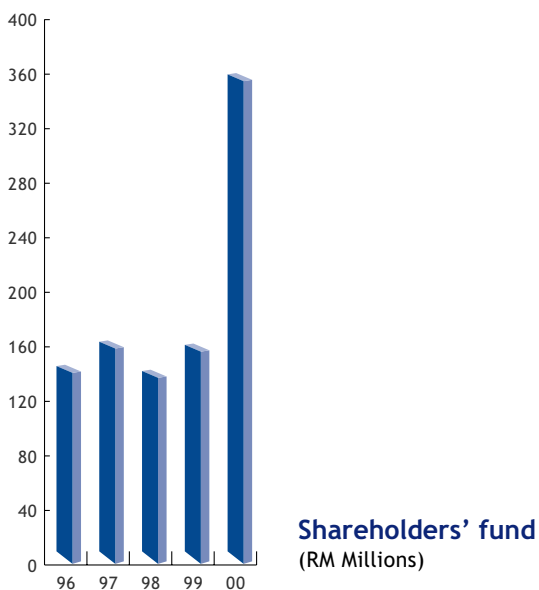
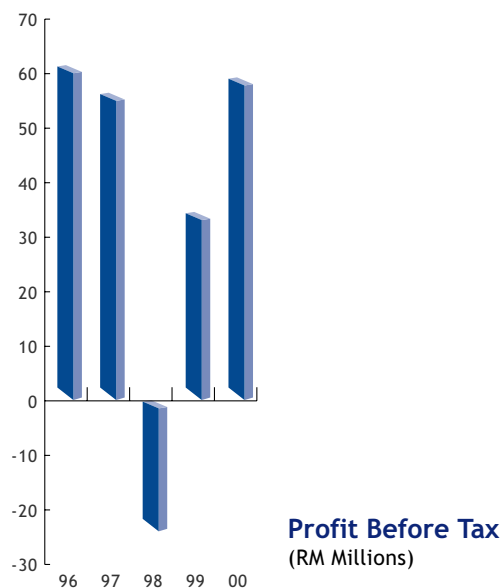
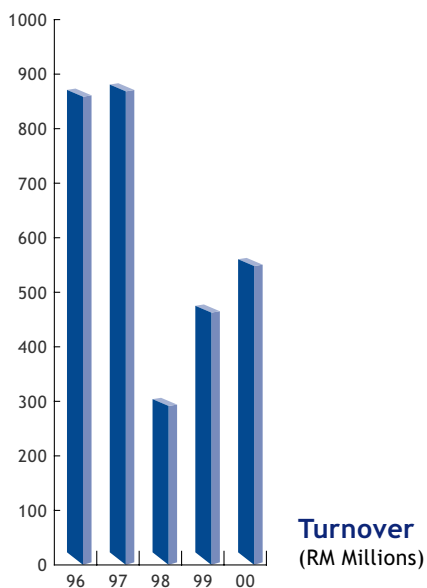
Several senior directors will be leaving the Board of Directors at the forthcoming AGM. Dato' Yap Lim Sen has tendered his resignation while Mr Looi Kum Pak, Mr Wong Leong Thean and myself, who are due for retirement, will not be seeking re-election. Therefore, I would like to take this opportunity to extend my sincere gratitude and deep appreciation for their guidance and immense contribution to the Company over the past few years.

ACKNOWLEDGEMENT

I would also like to extend a warm welcome to my successor, Dato' Mohd Ridzuan Abdul Halim, and the other newly elected directors. I have utmost confidence that the newly elected and incumbent directors would work hand-in-glove to take MBMR to the next level.

On behalf of the Board of Directors, I wish to convey my appreciation to the management and staff of MBMR for their continued dedication, support and hard work. Last but not least, I also wish to thank the shareholders and our valued clients, dealers and suppliers for their continued support and commitment.

Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin
CHAIRMAN



	1996	1997	1998	1999	2000
Turnover (RM Millions)	851.0	860.2	283.6	455.3	549.3
Profit/(Loss) Before Tax (RM Millions)	60.1	54.9	(21.6)	33.5	57.8
Shareholder's Funds (RM Millions)	140.7	158.7	137.1	155.5	354.0
Net Tangible Assets Per Share (RM)	1.87	2.11	1.83	2.07	2.62
Earnings Per Share (RM)	0.37	0.31	(0.25)	0.31	0.30
Gross Dividend (Sen)	8.0	8.0	5.0	8.5	18.0
Sales					
Daihatsu (Units)	11,559	8,955	1,202	2,621	2,973
Perodua (Units)	10,582	10,503	5,287	9,217	10,602

FINANCIAL STATEMENTS



MBM RESOURCES BERHAD

(Incorporated in Malaysia)
(Co. No. 284496-V)

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The directors hereby submit their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associated companies are described in Notes 12 and 13 to the financial statements respectively.

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

RESULTS

	Group RM	Company RM
Net profit for the year	37,390,397	6,746,166

DIVIDENDS

The Company paid a final dividend of 8.5% less taxation in respect of the financial year ended 31 December 1999 amounting to RM4,590,000 on 10 July 2000.

The Company paid an interim dividend of 10% less taxation in respect of the financial year ended 31 December 2000 amounting to RM10,008,000 on 9 October 2000.

The directors recommend a final dividend of 8% less taxation, amounting to RM8,006,400 in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in Statements of Changes in Equity.

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

SIGNIFICANT EVENTS

In the previous financial year, the Company entered into a sale and purchase agreement ("the agreement") with its holding company, Med-Bumikar Mara Sdn. Bhd., to acquire 28,000,000 ordinary shares of RM1 each, representing a 20% equity interest in Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua") for a purchase consideration of RM160,000,000. The approvals from the relevant authorities were obtained by the Company on 9 November 1999, 17 December 1999 and 8 February 2000 respectively. The Company's effective interest in Perodua after completion of the agreement on 1 April 2000, increased from 3.6% to 23.6%, thereby making Perodua an associate of the Company.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up share capital from RM75,000,000 to RM139,000,000 via the issuance of 64,000,000 new ordinary shares of RM1.00 par value at an issue price of RM2.50 each to satisfy the purchase consideration of RM160,000,000 in respect of the acquisition of a 20% interest in Perodua as disclosed in Note 29 to the financial statements.

DIRECTORS

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

Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin
 Tan Sri Dato' Abdul Aziz bin Abdul Rahman
 Dato' Yap Lim Sen
 Dato' Abdul Rahim bin Abdul Halim
 Dato' Abdul Aziz bin Ahmad
 Dato' Lee Lam Thye
 Wong Leong Thean
 Looi Kum Pak
 Shamshir bin Ghazali
 Tuan Haji Mohd Razali bin Haji Bidin
 Dato' Mohd Ridzuan bin Abdul Halim (appointed on 1 January 2001)
 Low Hin Choong (alternate to Dato' Yap Lim Sen, appointed on 18 July 2000)
 Wong Wei Khin (alternate to Wong Leong Thean, appointed on 18 July 2000)

In accordance with the Company's Articles of Association, Wong Leong Thean, Dato' Lee Lam Thye, Dato' Mohd Ridzuan bin Abdul Halim and Shamshir bin Ghazali retire at the forthcoming Annual General Meeting. Dato' Lee Lam Thye, Dato' Mohd Ridzuan bin Abdul Halim and Shamshir bin Ghazali, being eligible, offer themselves for re-election. Wong Leong Thean does not intend to seek re-election.

Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin, Dato' Abdul Aziz bin Ahmad, Tuan Haji Mohd Razali bin Haji Bidin and Looi Kum Pak retire pursuant to Section 129 of the Companies Act, 1965. A resolution is being proposed for the re-appointment of Tuan Haji Mohd Razali bin Haji Bidin as director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company. Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin, Dato' Abdul Aziz bin Ahmad and Looi Kum Pak do not intend to seek re-appointment.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiaries is a party with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Notes 20 and 21 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 Each			
	1 January 2000	Bought	Sold	31 December 2000
The Company				
Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin	37,000	-	-	37,000
Dato' Yap Lim Sen	10,000	90,000	-	100,000
Tuan Haji Mohd Razali bin Haji Bidin	40,000	-	-	40,000
Ultimate Holding Company - MBM Ventures Sdn. Bhd.				
Dato' Abdul Rahim bin Abdul Halim	4,262,144	-	-	4,262,144
Ultimate Holding Company - MBM Ventures Sdn. Bhd.				
Wong Leong Thean	1,732,322	-	-	1,732,322
Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin - indirect	13,463,170	-	-	13,463,170
Holding Company - Med-Bumikar Mara Sdn. Bhd.				
Dato' Abdul Rahim bin Abdul Halim	892,500	-	-	892,500
Wong Leong Thean	639,023	-	-	639,023
Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin - indirect	1,917,071	-	-	1,917,071

By virtue of his interest in shares in the ultimate holding company, Tan Sri Dato' Haji Ahmad Azizuddin bin Haji Zainal Abidin is also deemed to have interest in shares in the Company and all of its subsidiaries to the extent the ultimate holding company has an interest.

Other than as stated above, none of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

AUDIT COMMITTEE

The members of the audit committee are:

Tuan Haji Mohd Razali bin Haji Bidin (Chairman/Independent Non-Executive Director)
 Dato' Lee Lam Thye (Independent Non-Executive Director)
 Shamshir bin Ghazali (Executive Director)

The functions of the audit committee are to review the accounting policies, internal controls and annual financial statements of the Company and its subsidiaries on behalf of the Board of Directors.

In performing its functions, the committee reviewed the overall scope of both internal and statutory audits. It met with both the Group's internal and statutory auditors to discuss the results of their evaluation of the system of internal accounting controls of the Company and its subsidiaries. The audit committee also reviewed the assistance given by the Company's and its subsidiaries' officers to the auditors.

The committee reviewed the financial statements of the Company and the consolidated financial statements of the Group as well as the auditors' report thereon.

NUMBER OF EMPLOYEES AND PRINCIPAL PLACE OF BUSINESS

The number of employees in the Company and in the Group at the end of the year were 12 (1999: 12) and 276 (1999: 265) respectively. The principal place of business of the Company is located at Unit No. 50-04-05, Wisma UOA Damansara, 50, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur.

ULTIMATE HOLDING COMPANY

The directors regard MBM Ventures Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

AUDITORS

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

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

DATO' ABDUL RAHIM BIN ABDUL HALIM

SHAMSHIR BIN GHAZALI

Kuala Lumpur
 2 April 2001



We, DATO' ABDUL RAHIM BIN ABDUL HALIM and SHAMSHIR BIN GHAZALI, being two of the directors of MBM RESOURCES BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 19 to 46 give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and cash flows of the Group and of the Company for the year then ended, and have been properly drawn up in accordance with applicable approved accounting standards in Malaysia.

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

DATO' ABDUL RAHIM BIN ABDUL HALIM

SHAMSHIR BIN GHAZALI

Kuala Lumpur
2 April 2001

STATUTORY DECLARATION

I, SHAMSHIR BIN GHAZALI, the director primarily responsible for the financial management of MBM RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 19 to 46 are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)	
the abovenamed SHAMSHIR BIN)	
GHAZALI at Kuala Lumpur in)	
Wilayah Persekutuan on 2 April 2001)	SHAMSHIR BIN GHAZALI

Before me:

SHAHAR ALAM ABU KASSIM (W 105)
Commissioner for Oaths

to the Shareholders of MBM RESOURCES BERHAD

We have audited the financial statements set out on pages 19 to 46. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion,

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia and give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

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

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

ARTHUR ANDERSEN & CO.
No. AF 0103
Public Accountants

ADRIAN TSEN KENG YAM
No. 1314/05/02(J)
Partner of the Firm

2 April 2001



CONSOLIDATED BALANCE SHEET

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31 December 2000

	Note	2000 RM	1999 RM
CURRENT ASSETS			
Cash and short term deposits	3	91,395,600	83,658,546
Trade debtors	4	47,799,786	48,314,150
Other debtors	5	9,954,242	11,769,176
Stocks	6	39,508,022	18,369,692
Due from an associated company		9,588	2,106
		188,667,238	162,113,670
CURRENT LIABILITIES			
Short term borrowings	7	23,869,673	5,538,078
Trade creditors	8	40,339,633	39,175,699
Other creditors		32,089,025	21,333,509
Due to related companies	9	451,334	397,935
Taxation		6,231,750	894,405
Proposed dividends		8,006,400	4,590,000
		110,987,815	71,929,626
NET CURRENT ASSETS		77,679,423	90,184,044
HIRE PURCHASE DEBTORS	10	21,392,310	25,610,291
FIXED ASSETS	11	67,986,053	61,880,916
INVESTMENT IN ASSOCIATED COMPANIES	13	256,398,327	53,844,014
OTHER INVESTMENTS	14	-	7,000,000
LONG TERM LOANS	15	(10,000,000)	(39,384,310)
MINORITY INTEREST		(49,767,114)	(43,599,383)
		363,688,999	155,535,572
REPRESENTED BY:			
Share capital	16	139,000,000	75,000,000
Reserves		214,968,641	70,275,110
Shareholders' funds		353,968,641	145,275,110
Net reserves arising on consolidation	17	9,720,358	10,260,462
		363,688,999	155,535,572

The accompanying notes are an integral part of this balance sheet.



CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2000

	Note	2000 RM	1999 RM
Revenue	18	549,262,226	455,286,454
Other operating income	19	19,055,154	34,752,728
Changes in stocks		17,812,436	(40,949,543)
Stocks purchased		(496,477,537)	(359,996,262)
Transportation costs		(2,477,628)	(596,872)
Staff costs	20	(9,123,768)	(8,442,448)
Depreciation		(2,071,673)	(2,475,226)
Rental expenses		(581,472)	(1,249,435)
Other operating expenses	21	(50,992,773)	(44,759,713)
Profit from operations		24,404,965	31,569,683
Finance costs, net	22	(1,862,852)	(3,186,905)
Share of profits of associated companies		35,232,430	5,135,664
Profit before taxation		57,774,543	33,518,442
Taxation	23	(11,685,615)	(1,627,125)
Net profit from ordinary activities		46,088,928	31,891,317
Minority interests		(8,698,531)	(8,384,226)
Net profit for the year		37,390,397	23,507,091
Earnings per share	25	0.30	0.31

The accompanying notes are an integral part of this statement.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2000

	Share capital RM	Non-distributable Share premium RM	Translation reserve RM	Distributable Retained profits RM	Total RM
At 1-1-1999	75,000,000	12,720,320	(42,180)	38,641,435	126,319,575
Currency translation differences	-	-	38,444	-	38,444
Net profit for the year	-	-	-	23,507,091	23,507,091
Dividends (Note 24)	-	-	-	(4,590,000)	(4,590,000)
At 31-12-1999	75,000,000	12,720,320	(3,736)	57,558,526	145,275,110
Currency translation differences	-	-	(189,207)	-	(189,207)
Issued during the year (Note 16)	64,000,000	95,187,541	-	-	159,187,541
Share of profits of a company prior to becoming an associated company	-	-	-	30,319,200	30,319,200
Net profit for the year	-	-	-	37,390,397	37,390,397
Dividends (Note 24)	-	-	-	(18,014,400)	(18,014,400)
At 31-12-2000	139,000,000	107,907,861	(192,943)	107,253,723	353,968,641

The accompanying notes are an integral part of this statement.



CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and minority interest	57,774,543	33,518,442
Adjustments for:		
Share of profit of associated companies	(35,232,430)	(5,135,664)
Amortisation of net reserve arising on consolidation	(540,104)	(540,104)
Amortisation of goodwill arising on acquisition of an associated company	981,611	-
Depreciation	2,071,673	2,475,226
Gain on disposal of fixed assets	(112,395)	(296,774)
Gain on disposal of associates	(69,704)	-
Provision for slow moving stocks	177,637	1,385,866
Stocks written off	656,602	1,858,068
Provision for doubtful debts	2,117,352	474,694
Writeback of provision for doubtful debts	(50,929)	-
Writeback of stocks written off in prior year	(8,784,885)	(23,058,352)
Interest expense	3,656,746	6,023,571
Interest income	(1,838,158)	(1,762,678)
Unrealised foreign exchange loss	4,739,989	489,348
Gain on disposal of a subsidiary	-	(307,589)
Operating profit before working capital changes	25,547,548	15,124,054
Decrease in debtors	6,293,827	10,540,566
(Increase)/decrease in stocks	(12,583,900)	59,832,748
Net changes in related companies balances	53,399	(3,494,181)
Increase in due from associated companies	(7,482)	(2,106)
Increase/(decrease) in creditors	9,864,314	(3,005,365)
Cash generated from operations	29,167,706	78,995,716
Interest paid	(4,132,411)	(5,281,481)
Taxes paid	(2,369,459)	(5,008,609)
Net cash generated from operating activities	22,665,836	68,705,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of a subsidiary, net of cash disposed *	-	1,764,917
Proceeds from share buyback by an associated company	3,764,030	-
Repayment of other long term obligation	-	(20,709,805)
Dividends received	13,996,619	2,600,740
Interest received	1,838,158	1,762,678
Expenses incurred on issuance of shares	(812,459)	-



	2000 RM	1999 RM
Purchase of fixed assets	(8,239,395)	(4,717,826)
Proceeds from disposal of fixed assets	174,980	742,819
Net cash generated from/(used in) investing activities	10,721,933	(18,556,477)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(14,598,000)	(2,700,000)
Repayment of term loans	(11,512,310)	(615,690)
Net cash used in financing activities	(26,110,310)	(3,315,690)
Net increase in cash and cash equivalents	7,277,459	46,833,459
Cash and cash equivalents at 1 January	82,920,468	36,087,009
Cash and cash equivalents at 31 December	90,197,927	82,920,468
Cash and cash equivalents comprise:		
Cash and short term deposits	91,395,600	83,658,546
Bank overdrafts	(1,197,673)	(738,078)
	90,197,927	82,920,468

* Net effect of disposal of a subsidiary:

Fixed assets	9,178,362
Current assets	18,358,462
Current liabilities	(8,169,429)
Net assets	19,367,395
Amount retained as investment in an associated company	(12,835,544)
Net assets disposed	6,531,851
Gain on disposal of a subsidiary	307,589
Disposal consideration	6,839,440
Less : Cash and bank balances	(5,140,894)
Add : Short term borrowings	66,371
	1,764,917

The accompanying notes are an integral part of this statement.

31 December 2000

	Note	2000 RM	1999 RM
CURRENT ASSETS			
Cash and short term deposits	3	5,586,683	4,544,244
Other debtors	5	1,722,857	435,290
Due from subsidiaries		34,028,812	37,501,251
Due from an associated company		9,588	2,106
		41,347,940	42,482,891
CURRENT LIABILITIES			
Other creditors		173,310	149,652
Proposed dividend		8,006,400	4,590,000
Due to related companies	9	451,334	378,425
Taxation		1,755,000	-
		10,386,044	5,118,077
NET CURRENT ASSETS		30,961,896	37,364,814
FIXED ASSETS	11	185,165	262,940
INVESTMENT IN SUBSIDIARIES	12	54,486,656	54,486,656
INVESTMENT IN ASSOCIATED COMPANIES	13	167,843,111	13,443,111
		253,476,828	105,557,521
SHAREHOLDERS' FUNDS			
Share capital	16	139,000,000	75,000,000
Reserves		114,476,828	30,557,521
		253,476,828	105,557,521

The accompanying notes are an integral part of this balance sheet.



INCOME STATEMENT

for the year ended 31 December 2000

	Note	2000 RM	1999 RM
Revenue	18	12,267,583	7,389,400
Staff costs	20	(769,808)	(562,865)
Depreciation		(91,352)	(94,377)
Other operating expenses	21	(3,037,829)	(429,822)
Profit from operations		8,368,594	6,302,336
Finance income, net	22	132,572	64,742
Profit before taxation		8,501,166	6,367,078
Taxation	23	(1,755,000)	-
Net profit for the year		6,746,166	6,367,078

The accompanying notes are an integral part of this statement.



STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2000

	Share capital RM	Non- distributable Share premium RM	Distributable Retained profits RM	Total RM
At 1-1-1999	75,000,000	12,720,320	16,060,123	103,780,443
Net profit for the year	-	-	6,367,078	6,367,078
Dividends (Note 24)	-	-	(4,590,000)	(4,590,000)
At 31-12-1999	75,000,000	12,720,320	17,837,201	105,557,521
Issued during the year (Note 16)	64,000,000	95,187,541	-	159,187,541
Net profit for the year	-	-	6,746,166	6,746,166
Dividends (Note 24)	-	-	(18,014,400)	(18,014,400)
At 31-12-2000	139,000,000	107,907,861	6,568,967	253,476,828

The accompanying notes are an integral part of this statement.



CASH FLOW STATEMENT

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for the year ended 31 December 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,501,166	6,367,078
Adjustment for:		
Depreciation	91,352	94,377
Loss on disposal of fixed assets	-	5,503
Interest income	(132,572)	(64,742)
Provision for doubtful debts	2,500,057	-
Operating profit before working capital changes	10,960,003	6,402,216
(Increase)/decrease in debtors	(1,687,568)	1,987
Decrease/(increase) in due from subsidiaries	1,372,382	(3,699,135)
Increase in due from associated company	(7,482)	(2,106)
Decrease in creditors	23,658	(975,552)
Net changes in related companies balances	72,909	(4,456,449)
Cash generated from/(used in) operations	10,733,902	(2,729,039)
Interest received	132,572	64,742
Net cash generated from/(used in) operating activities	10,866,474	(2,664,297)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of fixed assets	-	26,000
Proceeds from disposal of investment	-	6,839,440
Dividends received	5,600,000	-
Purchase of fixed assets	(13,576)	-
Expenses incurred on issuance of shares	(812,459)	-
Net cash generated from investing activities	4,773,965	6,865,440
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid representing net cash used in financing activity	(14,598,000)	(2,700,000)
Net increase in cash and cash equivalents	1,042,439	1,501,143
Cash and cash equivalents at 1 January	4,544,244	3,043,101
Cash and cash equivalents at 31 December	5,586,683	4,544,244
Cash and cash equivalents comprise:		
Cash and bank balances	4,586,899	278,285
Bankers acceptance	999,784	4,265,959
	5,586,683	4,544,244

The accompanying notes are an integral part of this statement.



31 December 2000

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associated companies are described in Notes 12 and 13 respectively.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and comply with applicable approved accounting standards in Malaysia.

(b) Basis of Consolidation

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

The excess of the purchase price over the fair value of the net assets of subsidiaries at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation. Goodwill or reserve arising on consolidation is amortised over 25 years.

(c) Revenue Recognition

- (i) Dividend income is recognised on receivable basis.
- (ii) Sales are recognised net of discounts when transfer of risks and rewards has been completed.
- (iii) Interest income on hire purchase transactions are recognised on the sum of digits method.

Interest income is recognised on an accrual basis. When an account becomes non-performing, interest is suspended until it is realised on a cash basis. Hire purchase accounts are deemed to be non-performing where repayments are in arrears for more than six months.

(d) Currency Conversion and Translation

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

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the balance sheet and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are taken to reserves.

The exchange rate at balance sheet date used is as follow:

	2000	1999
New Zealand Dollar	1.67	1.95



(e) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Freehold land and construction-in-progress are not depreciated. Long term and short term leasehold land is depreciated over the period of the lease. Depreciation of other fixed assets is provided on a straight line basis calculated over the following estimated useful lives:

Long term leasehold land	Over 99 years
Short term leasehold land	Over 44 to 48 years
Buildings	2%
Renovations and leasehold improvements	10% - 20%
Plant and machinery	10% - 33 1/3%
Furniture, fixtures, fittings and office equipment	8% - 20%
Motor vehicles	10% - 20%

(f) Stocks

Stocks are stated at the lower of cost (determined on the first-in, first-out basis) and net realisable value. Cost includes cost of purchase, direct labour, direct charges and variable overheads.

(g) Deferred Taxation

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

(h) Investments

Investment in subsidiaries, associated companies and other long term investment are stated at cost less provision for any permanent diminution in value.

(i) Associated Companies

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

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

(j) Cash And Cash Equivalents

Cash and cash equivalents include cash on hand and in banks and short term deposits, net of outstanding bank overdrafts.

3. CASH AND SHORT TERM DEPOSITS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Cash and bank balances	37,010,703	31,191,202	4,568,899	278,285
Bankers acceptances	999,784	4,265,959	999,784	4,265,959
Fixed deposits with licensed banks	53,385,113	48,201,385	-	-
	91,395,600	83,658,546	5,586,683	4,544,244

Included in the fixed deposits of the Group is an amount of RM210,000 (1999: RM210,000) which have been pledged as security for credit facilities granted to certain subsidiaries.

4. TRADE DEBTORS

	Group	
	2000 RM	1999 RM
Trade debtors	33,696,417	28,534,506
Hire purchase receivables due within 12 months (Note 10)	14,593,483	20,268,803
	48,289,900	48,803,309
Less : Provision for doubtful debts	(490,114)	(489,159)
	47,799,786	48,314,150

5. OTHER DEBTORS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Other debtors	12,159,008	12,394,756	2,122,857	435,290
Less : Provision for doubtful debts	(2,204,766)	(625,580)	(400,000)	-
	9,954,242	11,769,176	1,722,857	435,290

6. STOCKS

	2000 RM	Group 1999 RM
Raw materials	18,523,962	8,158,678
Finished goods	20,460,363	9,725,063
Consumables and spares	2,087,200	1,871,817
	41,071,525	19,755,558
Less : Provision for slow moving stocks	(1,563,503)	(1,385,866)
	39,508,022	18,369,692

7. SHORT TERM BORROWINGS

	2000 RM	Group 1999 RM
Bank overdrafts	1,197,673	738,078
Term loans repayable within 12 months (Note 16)	22,672,000	4,800,000
	23,869,673	5,538,078

The bank overdrafts of the Group are unsecured and bear interest of between 6.7% to 6.9% (1999: 6.7% to 8.7%) per annum.

8. TRADE CREDITORS

Included in trade creditors of the Group is an amount of RM20,674,933 (1999: RM22,093,598) due to Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua"), an associated company.

9. DUE TO RELATED COMPANIES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Due to holding company	451,334	378,425	451,334	378,425
Due to a fellow subsidiary	-	19,510	-	-
	451,334	397,935	451,334	378,425

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

10. HIRE PURCHASE DEBTORS

	Group	
	2000 RM'000	1999 RM'000
Future minimum receipts are as follows:		
Receivable within one year	18,917,847	23,290,150
Receivable between one and five years	25,245,843	31,189,598
After five years	2,442,915	3,012,599
	46,606,605	57,492,347
Less : Unearned interest and interest-in-suspense	(8,154,169)	(8,366,900)
Provision for doubtful debts	(2,466,643)	(3,246,353)
	35,985,793	45,879,094
Representing hire purchase debtors:		
Due within 12 months included in trade debtors (Note 4)	14,593,483	20,268,803
Due after 12 months	21,392,310	25,610,291
	35,985,793	45,879,094

11. FIXED ASSETS

Group	*Land and buildings RM	Plant and machinery RM	Renovation, leasehold improvements, furniture, fixtures, fittings, office equipment and motor vehicles RM	Construction- in-progress RM	Total RM
Cost					
Beginning of year	57,899,863	4,491,396	9,744,704	7,185,523	79,321,486
Additions	2,166,289	248,815	1,363,868	4,460,423	8,239,395
Disposals	-	-	(417,856)	-	(417,856)
End of year	60,066,152	4,740,211	10,690,716	11,645,946	87,143,025
Accumulated Depreciation					
Beginning of year	5,115,598	4,491,396	7,833,576	-	17,440,570
Additions	854,900	180,249	1,036,524	-	2,071,673
Disposals	-	-	(355,271)	-	(355,271)
End of year	5,970,498	4,671,645	8,514,829	-	19,156,972
Net Book Value					
At 31 December 2000	54,095,654	68,566	2,175,887	11,645,946	67,986,053
At 31 December 1999	52,784,265	-	1,911,128	7,185,523	61,880,916
Depreciation charge for 1999	906,159	2,106,020	1,463,047	-	4,475,226

* LAND AND BUILDINGS

Group	Freehold land RM	Long term leasehold land RM	Short term leasehold land RM	Buildings RM	Total RM
Cost					
Beginning of year	7,006,967	12,909,073	2,580,000	35,403,823	57,899,863
Additions	33,454	-	-	2,132,835	2,166,289
End of year	7,040,421	12,909,073	2,580,000	37,536,658	60,066,152
Accumulated Depreciation					
Beginning of year	-	1,023,735	631,818	3,460,045	5,115,598
Additions	-	130,395	63,182	661,323	854,900
End of year	-	1,154,130	695,000	4,121,368	5,970,498
Net Book Value					
At 31 December 2000	7,040,421	11,754,943	1,885,000	33,415,290	54,095,654
At 31 December 1999	7,006,967	11,885,338	1,948,182	31,943,778	52,784,265
Depreciation charge for 1999	-	130,395	63,182	712,582	906,159

Company	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Total RM
Cost					
Beginning of year	19,559	85,467	345,130	63,688	513,844
Additions	13,577	-	-	-	13,577
End of year	33,136	85,467	345,130	63,688	527,421
Accumulated Depreciation					
Beginning of year	14,437	26,165	192,931	17,371	250,904
Additions	5,753	10,256	69,026	6,317	91,352
End of year	20,190	36,421	261,957	23,688	342,256
Net Book Value					
At 31 December 2000	12,946	49,046	83,173	40,000	185,165
At 31 December 1999	5,122	59,302	152,199	46,317	262,940
Depreciation charge for 1999	6,180	12,854	69,027	6,316	94,377

Included in the cost of fixed assets are fully depreciated assets which are still in use as follows:

	Group	
	2000 RM	1999 RM
Plant and machinery	4,396,544	4,385,404
Renovation, leasehold improvements, furniture, fixtures, fittings, office equipment and motor vehicles	7,222,141	6,073,190

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2000	1999
	RM	RM
Unquoted shares, at cost	54,486,656	54,486,656

The subsidiaries are:

Name of Company	Effective Interests		Principal Activities
	2000 %	1999 %	
Incorporated in Malaysia			
Daihatsu (Malaysia) Sdn. Bhd.	71.5	71.5	Trading of motor vehicles, spare parts and provision of related motor repair services
DMM Engineering Sdn. Bhd.	71.5	71.5	Repair and touching-up, construction of vehicle body parts for sale and providing handling services and distribution of speedboats, wet jets, caravan, spare parts, trucks and buses
DMM Sales Sdn. Bhd.	71.5	71.5	Marketing and distribution of motor vehicles, related spare parts and other related activities
DMM Credit Sdn. Bhd.	71.5	71.5	Provision of hire purchase and lease financing facilities
DMM Assembly Services Sdn. Bhd.	71.5	71.5	Dormant
Incorporated in the British Virgin Islands			
Auto Style Enterprise Limited	100	100	Investment holding
Sun Motors Limited	100	100	Investment holding

13. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
At cost:				
Unquoted shares in Malaysia	174,843,111	13,443,111	167,843,111	13,443,111
Quoted shares outside Malaysia	30,967,628	39,794,793	-	-
Group's share of post acquisition profits	21,744,717	606,110	-	-
Group's share of profits of a company prior to becoming an associated company	30,319,200	-	-	-
Group's share of foreign exchange fluctuation reserve	(494,718)	-	-	-
	257,379,938	53,844,014	167,843,111	13,443,111
Goodwill amortised	(981,611)	-	-	-
	256,398,327	53,844,014	167,843,111	13,443,111
At market value:				
Quoted shares outside Malaysia	30,784,446	39,609,570	-	-

	Group	
	2000 RM	1999 RM
Represented by:		
Share of net tangible assets	242,768,349	45,922,320
Goodwill on acquisition	14,611,589	7,921,694
	257,379,938	53,844,014
Goodwill amortised	(981,611)	-
	256,398,327	53,844,014

The associated companies are:

Name of Company	Financial Year End	Effective Interests		Principal Activities
		2000 %	1999 %	
<u>Incorporated in Malaysia</u> Associate of the Company				
MBM Industries Sdn. Bhd.	31 December	39.9	39.9	Investment holding
Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	31 December	23.6	3.6	Manufacture and assembly of motor vehicles
<u>Incorporated in New Zealand</u> Associate of Sun Motors Limited				
The Colonial Motor Company Limited	30 June	24.9	24.9	Property investment and motor trade related activities

As disclosed in Note 29, the Company's effective interest in Perodua after completion of the sale and purchase agreement on 1 April 2000 increased from 3.6% to 23.6%, thereby making Perodua an associate of the Company. As a result of this, the amount of RM7,000,000 representing the cost of investment in Perodua prior to 1 April 2000 has been reclassified accordingly from other investment (Note 14) to investment in associated companies during the current financial year.

14. OTHER INVESTMENT

	Group	
	2000 RM	1999 RM
Unquoted shares, at cost	-	7,000,000

15. LONG TERM LOANS

	Group	
	2000 RM	1999 RM
Repayable in full on 27 March 2000 bearing interest at 12% per annum ("Term Loan I")	-	4,800,000
Repayable in full on 8 April 2001 bearing interest at 9.75% per annum ("Term Loan II")	20,000,000	20,000,000



	2000 RM	Group 1999 RM
Repayable in full on 10 November 2001 bearing interest at 0.75% + Bank's cost of fund ("Term Loan III")	2,672,000	9,384,310
Repayable in full on 28 August 2002 bearing interest at 9% per annum ("Term Loan IV")	10,000,000	10,000,000
	32,672,000	44,184,310
Repayment due within 12 months (included in short term borrowings)	(22,672,000)	(4,800,000)
	10,000,000	39,384,310

All the term loans are secured by a letter of credit issued by a licensed financial institution. Term Loan III which is repayable in full on 10 November 2001 is secured by a fixed and floating charge over the assets of a subsidiary of the Company. Term Loan III was partially repaid during the current financial year.

16. SHARE CAPITAL

	2000 RM	1999 RM
Ordinary shares of RM1 each:		
Authorised:	200,000,000	200,000,000
Issued and fully paid:		
At 1 January	75,000,000	75,000,000
Issued during the year	64,000,000	-
At 31 December	139,000,000	75,000,000
Share premium:		
At 1 January	12,720,320	12,720,320
Issue of 64,000,000 new ordinary shares at a premium of RM1.50 per share	96,000,000	-
Expenses incurred on issuance of shares	(812,459)	-
At 31 December	107,907,861	12,720,320

During the financial year, the Company increased its issued and paid-up share capital from RM75,000,000 to RM139,000,000 via the issuance of 64,000,000 new ordinary shares of RM1.00 par value at an issue price of RM2.50 each to satisfy the purchase consideration of RM160,000,000 in respect of the acquisition of a 20% interest in Perodua as disclosed in Note 29.

17. NET RESERVES ARISING ON CONSOLIDATION

	Group	
	2000 RM	1999 RM
Reserves arising on consolidation	13,515,104	13,515,104
Goodwill arising on consolidation	(12,518)	(12,518)
	13,502,586	13,502,586
Less : Cumulative amortisation	(3,782,228)	(3,242,124)
	9,720,358	10,260,462

18. REVENUE

Revenue of the Group and the Company consist of the following:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Gross dividends from:				
- subsidiaries	-	-	8,067,583	7,150,000
- associated company	-	-	4,200,000	239,400
Sales of goods and services net of discounts	543,966,217	447,794,108	-	-
Interest income from hire purchase arrangements	5,296,009	7,492,346	-	-
	549,262,226	455,286,454	12,267,583	7,389,400

Included in the net value of sales of goods and services net of discounts are excise duties and sales tax on motor vehicles amounting to RM11,419,000 (1999: RM11,302,000)

19. OTHER OPERATING INCOME

Included in other operating income are the following:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Gain on disposal of fixed assets	112,395	296,774	-	-
Gain on disposal of associated companies	69,704	-	-	-
Dividend income	1,750,000	700,000	-	-
Bad debts recovered	1,001,249	-	-	-
Writeback of provision for doubtful debts	50,929	-	-	-
Writeback of stocks written off in prior year	8,784,885	23,058,352	-	-
Gain on disposal of investment in subsidiaries	-	307,589	-	-
Amortisation of net reserve arising on consolidation	540,104	540,104	-	-
Rental income	401,395	612,661	-	-

20. STAFF COSTS

Included in staff costs of the Group and the Company are:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Directors' salaries	738,990	901,817	472,990	205,650

21. OTHER OPERATING EXPENSES

Included in other operating expenses are the following:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Auditors' remuneration				
- current year	88,000	82,000	14,000	12,000
- others	-	80,000	-	80,000
Fees paid to directors of the Group/Company	236,667	260,000	110,000	110,000
Provision for slow moving stocks	177,637	1,385,866	-	-
Stocks written off	656,602	1,858,068	-	-
Realised foreign exchange loss	-	87,103	-	-
Unrealised foreign exchange loss	4,739,989	489,348	-	-
Loss on disposal of fixed assets	-	-	-	5,503
Amortisation of goodwill arising on acquisition of an associate	981,611	-	-	-
Provision for doubtful debts	2,117,352	474,694	2,500,057	-

22. FINANCE COSTS, NET

Included in finance costs, net, are the following:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Interest expenses	(3,656,746)	(6,023,571)	-	-
Interest income	1,838,158	1,762,678	132,572	64,742

23. TAXATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Current year's provision	5,988,411	-	1,755,000	-
Share of taxation of associated companies	5,697,204	1,627,125	-	-
	11,685,615	1,627,125	1,755,000	-

The effective tax rate on the Group's profit is lower than the statutory tax rate because of tax exempt dividend income.

The Company has tax exempt income under Section 22(6) of the Investment Incentives Act, 1968 to frank the payment of dividends of approximately RM2,233,000 (1999: RM2,233,000), subject to agreement with the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and sufficient tax exempt income to frank the payment of dividends out of its entire retained profits as at 31 December 2000, subject to agreement with the Inland Revenue Board.

24. DIVIDENDS

	Group and Company		Dividend per share	
	2000 RM	1999 RM	2000 Sen	1999 Sen
Ordinary interim dividend of 10% less 28% taxation	10,008,000	-	7.2	-
Ordinary final dividend of 8% less 28% taxation	8,006,400	4,590,000	5.8	6.1
	18,014,400	4,590,000		

25. EARNINGS PER SHARE/PROFORMA EARNINGS PER SHARE

The earnings per share is calculated by dividing the Group earnings of RM37,390,397 (1999: RM23,507,091) by the weighted average number of ordinary shares of 123,000,000 (1999: 75,000,000).

The computation for the weighted average number of ordinary shares assumes that the additional 64,000,000 new ordinary shares, as disclosed in Note 16, were issued immediately upon the completion of the agreement disclosed in Note 29.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2000 RM	Group 1999 RM
Sales to Med-Bumikar Mara Sdn. Bhd., the holding company	(880,100)	(342,000)
Purchases from Daihatsu Motor Co. Ltd. and/or its subsidiaries and associated companies	102,205,101	10,239,000
Purchases from Perodua, an associated company and/or its subsidiaries	332,930,246	250,016,000
Charges from Perodua, an associated company	6,934,609	13,297,000

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

27. CAPITAL COMMITMENTS

	2000 RM	Group 1999 RM
Approved and contracted for	-	4,353,000

28. SEGMENTAL REPORTING

	Revenue		Profit before taxation		Total assets employed	
	2000 RM	1999 RM	2000 RM	1999 RM	2000 RM	1999 RM
Analysis by geographical location:						
Malaysia	561,529,809	462,675,854	35,309,235	36,721,681	558,843,790	360,116,197
New Zealand	2,446,619	2,361,340	2,038,531	2,295,483	63,716,430	73,765,343
	563,976,428	465,037,194	37,347,766	39,017,164	622,560,220	433,881,540
Group's share of associated companies results	-	-	35,232,430	5,135,664	-	-
	563,976,428	465,037,194	72,580,196	44,152,828	622,560,220	433,881,540
Consolidation adjustments	(14,714,202)	(9,750,740)	(14,805,653)	(10,634,386)	(88,116,292)	(123,432,649)
	549,262,226	455,286,454	57,774,543	33,518,442	534,443,928	310,448,891
Analysis by activities:						
Investment holding	14,714,202	9,750,740	5,882,261	10,201,587	352,724,995	184,008,200
Distribution of motor vehicles and related activities	549,262,226	444,407,121	31,465,505	29,513,674	269,835,225	249,873,340
Manufacturing	-	10,879,333	-	(698,097)	-	-
	563,976,428	465,037,194	37,347,766	39,017,164	622,560,220	433,881,540
Group's share of associated companies results	-	-	35,232,430	5,135,664	-	-
	563,976,428	465,037,194	72,580,196	44,152,828	622,560,220	433,881,540
Consolidation adjustments	(14,714,202)	(9,750,740)	(14,805,653)	(10,634,386)	(88,116,292)	(123,432,649)
	549,262,226	455,286,454	57,774,543	33,518,442	534,443,928	310,448,891

29. SIGNIFICANT EVENT

In the previous financial year, the Company entered into a sale and purchase agreement ("the agreement") with its holding company, Med-Bumikar Mara Sdn. Bhd., to acquire 28,000,000 ordinary shares of RM1 each, representing a 20% equity interest in Perodua for a purchase consideration of RM160,000,000. The approvals from the relevant authorities were obtained by the Company on 9 November 1999, 17 December 1999 and 8 February 2000 respectively. The Company's effective interest in Perodua after completion of the agreement on 1 April 2000, increased from 3.6% to 23.6%, thereby making Perodua an associate of the Company.

30. HOLDING AND ULTIMATE HOLDING COMPANIES

The holding and ultimate holding companies are Med-Bumikar Mara Sdn. Bhd. and MBM Ventures Sdn. Bhd. respectively, both of which are incorporated in Malaysia.

31. COMPARATIVE FIGURES

The presentation of financial statements for the current year has been changed to adopt the format as prescribed by Malaysian Accounting Standards Board Standard 1: Presentation of Financial Statements. Comparative figures have been reclassified to conform with current year's presentation, where necessary.

32. CURRENCY

All amounts are stated in Ringgit Malaysia, unless otherwise stated.

LIST OF PROPERTIES

Location	Land area (built-up area) sq metre	Description of property and existing use	Approx. age of building	Tenure	Book value as at 31.12.00 (RM '000)
Proprietor: Daihatsu (Malaysia) Sdn Bhd					
Lot 2B, Jalan Keluli Section 15, 40000 Shah Alam Selangor Darul Ehsan	9,821	Industrial land used as vehicle storage yard	-	Leasehold (expiring on 26.1.2087)	1,122
Lot 1, Lorong 51A/227C 46100 Petaling Jaya Selangor Darul Ehsan	1,677 (674)	Industrial land building used as workshop	9	Leasehold (expiring on 13.3.2074)	1,455
B-317, Blue Lagoon Port Dickson Negeri Sembilan Darul Khusus	(78)	2-bedroom condominium used for leisure and recreation	8	Freehold	152
Lot 1, Jalan Keluli Section 15, 40000 Shah Alam Selangor Darul Ehsan	11,294 (4,860)	Industrial land with building used as showroom, workshop and office	12	Leasehold (expiring on 12.1.2086)	6,978
Lot 2A, Jalan Keluli Section 15, 40000 Shah Alam Selangor Darul Ehsan	14,928 (4,608)	Industrial land with building used as body building, workshop and store	8	Leasehold (expiring on 26.1.2087)	5,199
Lot 68-G, 68-1, Lot 69-G, 69-1 Selayang Baru Selangor Darul Ehsan	(944)	2 units of Ground & 1st Floor of shop office building	-	Freehold	1,054
Apartment 401, Block 2 Jalan SS18/47, 40000 Shah Alam Selangor Darul Ehsan	(66)	3-bedroom apartment used as accomodation for employees when attending training	8	Leasehold (expiring on 29.7.2096)	37
20, Jalan 54, Desa Jaya Kepong, 52100 Kuala Lumpur	270 (1,080)	4-storey shop lot used as showroom and workshop	7	Leasehold (expiring on 8.3.2081)	676
47, Jalan Tun Abdul Razak 30100 Ipoh Perak Darul Ridzuan	3,728 (750)	Land with double-storey building used as showroom and workshop	19	Freehold	1,862
32, Jalan Tun Razak 80200 Johor Bahru Johor Darul Takzim	4,805 (939)	Land with building used as showroom and workshop	6	Leasehold (expiring on 21.12.2030)	1,909

Location	Land area (built-up area) sq metre	Description of property and existing use	Approx. age of building	Tenure	Book value as at 31.12.00 (RM '000)
Lot No. 20, Sedco Industrial Estate Jalan Kelembong, Inanam 88450, Kota Kinabalu, Sabah	4,309	Industrial land with building used as workshop	7	Leasehold (expiring on 31.12.2034)	1,200
Lot 1A, Jalan Keluli Section 15, 40000 Shah Alam Selangor Darul Ehsan	440	Commercial land with building used as showroom	5	Leasehold (expiring on 12.1.2086)	476
Lot 27, 28 and 29, Selayang Baru Selangor Darul Ehsan	(1,131)	3 units of 1 1/2-storey terrace factory	-	Freehold	1,045
1, Jalan Memanda 7/1 Ampang Triangle Off Jalan Ampang 68000 Kuala Lumpur	304 (1,331)	Corner 4 1/2-storey shop lot used as showroom	5	Freehold	1,928
11A, Level 11 Genting View Resort Genting Highlands, Bentong Pahang Darul Makmur	(92)	3-bedroom apartment used for leisure and recreation	8	Freehold	176
2, Jalan 19/36 45300 Petaling Jaya Selangor Darul Ehsan	(966)	Land with 4-storey corner shophouse	4	Freehold	2,890
Lot 6165A, Bukit Beruntung Industrial Park Selangor Darul Ehsan	5,681	Industrial land with building	-	Freehold	2,316
3/G10 Ground & First Floor Api Api Centre Kota Kinabalu, Sabah	127 (242)	Showroom	4	Freehold	600
5/G8 Ground & First Floor Api Api Centre Kota Kinabalu, Sabah	127 (242)	Showroom	4	Freehold	821
Lot 2, Jalan Gergaji 15/4 Shah Alam Selangor Darul Ehsan	12,070	Industrial land with building	2	Leasehold (expiring in year 2094)	4,326

Location	Land area (built-up area) sq metre	Description of property and existing use	Approx. age of building	Tenure	Book value as at 31.12.00 (RM '000)
Lot 48 & 57, Bukit Beruntung Industrial Park Selangor Darul Ehsan	8,247	Industrial land with building	-	Freehold	3,533
Units 3, 4, 7 and 8, Level 4 and 5 Block K, Bandar Bukit Beruntung Apartments, Selangor Darul Ehsan	(653)	8 units apartments	-	Freehold	169
Lot 7, 8 and 9 HS (D) 70978, 67686 Bandar Kuala Lumpur	502	Commercial land with building used as showroom	-	Leasehold (expiring on 12.1.2067)	8,734
111, Jalan Laksamana Cheng Ho 75000 Melaka	5,263 (814)	Land with double-storey building used as showroom and workshop	8	Freehold	1,905
Lot 2702, Palm Spring Port Dickson Negeri Sembilan Darul Khusus	834	Bungalow lot	-	Freehold	177
Block SA-01, Signature Offices Mid Valley, Phase 1 Bandar Kuala Lumpur	(3,062)	11-storey office, commercial building (under construction)	-	Leasehold	11,646
Proprietor: DMM Sales Sdn Bhd 1262 Jalan Baru 13700 Perai, Pulau Pinang	10,775	Industrial land with building	2	Freehold	1,761
No 1 Jalan Damai Utama Taman Industri Damaipulus 83000 Batu Pahat, Johor	6,787	Industrial land with building	1	Freehold	1,595

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2001

Authorised Share capital	:	200,000,000
Paid-up & Issued Share Capital	:	139,000,000
Type of Share	:	Ordinary Share of RM1.00 each
No of Shareholders	:	3,584
Voting Rights	:	One vote for every share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 499	15	0.42	1,081	0.00
500 - 5,000	3,020	84.26	5,208,610	3.75
5,001 - 10,000	239	6.67	1,965,408	1.41
10,001 - 100,000	266	7.42	8,475,802	6.10
100,001 - 1,000,000	39	1.09	12,040,724	8.66
Over 1,000,000	5	0.14	111,308,375	80.08
Total	3,584	100.00	139,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

No	Name	Number of Shares Held	%
1	Med Bumikar Mara Sdn.Bhd	102,560,099 a	73.78
2	MBM Ventures Sdn.Bhd	102,560,099 b	73.78
3	Majlis Amanah Rakyat	102,560,099 c	73.78
4	Employees Provident Fund	8,210,000	5.91

Notes

a Include deemed interest by virtue of its shareholding in Central Shore Sdn.Bhd

b Deemed interest by virtue of its shareholding in Med Bumikar Mara Sdn.Bhd

c Deemed interest by virtue of its shareholding in Med Bumikar Mara Sdn.Bhd and MBM Ventures Sdn.Bhd

LIST OF TOP 20 SHAREHOLDERS AS AT 31 MARCH 2001

Name of Shareholders	Shareholdings	Total Shareholdings	% for Substantial Shareholders
1 Med-Bumikar Mara Sdn Bhd	81,732,375		
Public Nominees (Tempatan) Sdn Bhd			
Pledged Securities Account for Med-Bumikar Mara Sdn Bhd	20,000,000	101,732,375	73.19
2 Employees Provident Fund Board		6,269,000	4.51
3 Mayban Nominees (Tempatan) Sdn Bhd			
Mayban Trustees Berhad - Phileo Equityextra Fund	586,000		
Mayban Trustees Berhad	458,000		
for Amanah Saham Bank Islam Tabung Pertama			
for Phileo Asset Mgmt -Perusahaan Otomobil Nasional Berhad	351,000		
for Phileo Asset Mgmt -PhileoAllied Bank	307,000		
Mayban Trustees Berhad - Future Goals Fund	233,000		
Mayban Trustees Berhad - Amanah Saham PAB	200,000		
Mayban Trustees Berhad - Balanced Returns Fund	153,000		
Mayban Trustees Berhad - Amanah Saham Wanita	150,000	2,438,000	1.75
4 AM Nominees (Tempatan) Sdn Bhd			
Employees Provident Fund Board	1,941,000		
Universiti Malaya	142,000	2,083,000	1.50
5 Permodalan Nasional Berhad		1,366,000	0.98
6 Amanah Raya Berhad			
for Arab Malaysian First Fund	925,000		
Tabung Ittikal Arab-Malaysian	266,000	1,191,000	0.86
7 Amanah Raya Nominees (Tempatan) Sdn Bhd			
for Malaysia Progress Fund	602,000		
for Amanah Saham Selangor	400,000	1,002,000	0.72
8 Central Shore Sdn Bhd		827,724	0.60
9 Citicorp Nominees (Tempatan) Sdn Bhd			
for Prudential Assurance Malaysia Berhad		782,000	0.56
10 Universal Trustee (Malaysia) Berhad			
for Mayban Balanced Trust Fund	566,000		
for Pacific Premier Fund	139,000		
for BHLB Pacific Emerging Companies Growth Fund	132,000	837,000	0.60
11 Summit Holdings Sdn Bhd		533,000	0.38
12 Lembaga Tabung Angkatan Tentera		500,000	0.36
13 Lembaga Tabung Haji		573,000	0.41
14 HSBC Nominees (Tempatan) Sdn Bhd			
for HSBC (M) Trustee Bhd - OSK-UOB Small Cap Opportunity Unit	300,000		
for HSBC (M) Trustee Bhd - Amanah Saham Kedah	150,000	450,000	0.32
15 Pacific & Orient Insurance Co Berhad		353,000	0.25
16 Kurnia Insurans (Malaysia) Berhad		336,000	0.24
17 Zaharah binti Nordin		290,000	0.21
18 Bank Kerjasama Rakyat Malaysia Berhad		250,000	0.18
19 Gooi Bak Siang @ Gooi Bak Khim		205,000	0.15
20 John Hancock Life Insurance (Malaysia) Berhad		200,000	0.14
Total		122,218,099	87.93



FORM OF PROXY



MBM RESOURCES BERHAD

(Incorporated in Malaysia)
(Co. No. 284496-V)

I/We.....
of.....
being a member/members of MBM RESOURCES BERHAD, hereby appoint.....
of.....
or failing him/her,.....
of.....
or failing him/her, the Chairman of the Meeting as my proxy/our proxy to vote for me/us on my/our behalf at the Seventh Annual General Meeting of the Company to be held at 9th Floor, Ballroom No. 2 & 3, The Legend Hotel, 100 Putra Place, Jalan Putra, 50300 Kuala Lumpur, on Friday, 18 May 2001 at 3.00 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3		
Ordinary Resolution No. 4		
Ordinary Resolution No. 5		
Ordinary Resolution No. 6		
Ordinary Resolution No. 7		
Ordinary Resolution No. 8		
Ordinary Resolution No. 9		
Ordinary Resolution No. 10		
Ordinary Resolution No. 11		
Ordinary Resolution No. 12		

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

Number of Shares

..... Signed this.....day of.....2001
Signature

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company, Suite 15-03, 15th Floor, Wisma UOA II, 21 Jalan Pinang, 50450 Kuala Lumpur, at least forty eight hours (48) before the time appointed for holding the Meeting.

FOLD THIS FLAP FOR SEALING

Affix Stamp

MBM Resources Berhad

Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

2nd FOLD HERE

1st FOLD HERE