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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-First Annual General Meeting of Malayan Flour Mills Berhad will be held at the Theatre, Ground Floor, Bangunan MIDF, 195A, Jalan Tun Razak, 50400 Kuala Lumpur on Wednesday, 30th May, 2001 at 9.30 a.m. for the following purposes:-

1. To receive and adopt the Audited Accounts for the year ended 31st December, 2000 and the Directors' and Auditors' Reports thereon.
2. To sanction the payment of a first and final dividend.
3. To re-elect a retiring Director.
4. To consider and if thought fit, pass the following motions:-
 - (a) "That pursuant to Section 129 (6) of the Companies Act, 1965, Mr Teh Liang Teik be re-appointed as a Director of the Company to hold office until the next Annual General Meeting";
 - (b) "That pursuant to Section 129 (6) of the Companies Act, 1965, Tun Dato' Haji Omar Yoke Lin Ong be re-appointed as a Director of the Company to hold office until the next Annual General Meeting";
 - (c) "That pursuant to Section 129 (6) of the Companies Act, 1965, Datuk Setia Raja, Tan Sri Datuk Seri Hamzah Bin Abu Samah be re-appointed as a Director of the Company to hold office until the next Annual General Meeting"; and
 - (d) "That pursuant to Section 129 (6) of the Companies Act, 1965, Mr Lee Soon Lee be re-appointed as a Director of the Company to hold office until the next Annual General Meeting".
5. To consider and if thought fit, pass the following motion:-

"That the sum of RM122,500 being the Directors' fees payable for the year ended 31st December, 2000, be paid to the Directors and be divided amongst them in such manner as the Board of Directors may decide."
6. To re-appoint Auditors and to authorise the Directors to fix their remuneration.
7. To transact any other business of which due notice shall have been given.

By Order of the Board

Wong Chee Wing (MIA 3919)

Mah Wai Mun (MAICSA 7009729)

Joint Secretaries

Kuala Lumpur

15th May, 2001

Notes:-

1. A member of the Company entitled to attend and vote at the general meeting is entitled to appoint a proxy, who unless he/she is a member must be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies in a particular case, to attend and to vote in his/her stead. The instrument appointing a proxy must be duly deposited at the Registered Office of the Company, 10th Floor, Wisma MCA, Jalan Ampang, 50450 Kuala Lumpur, not less than 48 hours before the time for holding the meeting or any adjournment thereof.
2. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holding to be represented by each proxy.

Notice of Closure of Book

NOTICE IS HEREBY GIVEN that the Register of Members of the Company will be closed from 1st June, 2001 to 4th June, 2001, both dates inclusive, for the purpose of preparing dividend warrants. If approved by members at the Forty-First Annual General Meeting on 30th May, 2001, the first and final dividend of 10 sen tax exempt per share in respect of the financial year ended 31st December, 2000 will be paid on 9th June, 2001. The entitlement date for dividend payment is on 31st May, 2001.

FURTHER NOTICE IS HEREBY GIVEN that a Depositor shall qualify for dividend entitlement only in respect of:-

- (a) Shares deposited into the Depositor's securities account before 12.30 p.m. on 29th May, 2001 (in respect of shares which are exempted from mandatory deposit);
- (b) Shares transferred into the Depositor's securities account before 12.30 p.m. on 31st May, 2001 in respect of ordinary transfers; and
- (c) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No. 2) Act, 1998 which came into force on 1st November, 1998, all shares not deposited with Malaysian Central Depository Sdn Bhd by 12.30 p.m. on 1st December, 1998 and not exempted from Mandatory Deposit, have been transferred to the Minister of Finance ("MOF"). Accordingly, the dividend for such undeposited shares will be paid to MOF.

By Order of the Board

Wong Chee Wing (MIA 3919)
Mah Wai Mun (MAICSA 7009729)
Joint Secretaries

Kuala Lumpur
15th May, 2001

Corporate Information

CHAIRMAN & MANAGING DIRECTOR

Teh Liang Teik

DEPUTY MANAGING DIRECTOR

Teh Wee Kok

DIRECTORS

Lee Soon Lee *J.M.K*

Tun Dato' Haji Omar Yoke Lin Ong
S.S.M., P.M.N., S.P.M.S., S.P.D.K., Hon.Ph.D (Malaya)

Datuk Setia Raja, Tan Sri Datuk
Seri Hamzah Bin Abu Samah
*P.M.N., S.S.A.P., S.I.M.P., S.M.K., S.P.D.K.,
S.P.M.S., Hon.K.C.V.O. (England)*

Teh Wee Chye

Dato' Hj Shaharuddin Bin Hj Haron
D.P.C.M., J.S.M., P.C.M., K.M.N.

AUDIT COMMITTEE

Lee Soon Lee

(Chairman and Independent Non-Executive Director)

Datuk Setia Raja, Tan Sri Datuk Seri
Hamzah Bin Abu Samah
(Independent Non-Executive Director)

Dato' Hj Shaharuddin Bin Hj Haron
(Independent Non-Executive Director)

Teh Wee Kok *(Executive Director)*

Teh Wee Chye *(Executive Director)*

SECRETARIES

Wong Chee Wing *(MIA 3919)*

Mah Wai Mun *(MAICSA 7009729)*

REGISTERED OFFICE & HEAD OFFICE

10th Floor, Wisma MCA
Jalan Ampang, 50450 Kuala Lumpur
Tel. No. 03-2161 9055
Fax No. 03-2161 0502

REGISTRARS

Malaysian Share Registration Services Sdn Bhd
7th Floor, Exchange Square
Bukit Kewangan, 50200 Kuala Lumpur
Tel. No. 03-206 8099
Fax No. 03-206 3736

FACTORIES

Jalan David Sung, Batu Undan
32200 Lumut, Dindings
Perak Darul Ridzuan

Lot 133, Jalan Pukal
Pasir Gudang Industrial Estate
81700 Pasir Gudang, Johor Darul Takzim

BRANCHES

CENTRAL

10th Floor, Wisma MCA, Jalan Ampang
50450 Kuala Lumpur

NORTH

4557, Jalan Heng Choon Thian
12000 Butterworth, Pulau Pinang

PERAK

9A Jalan Pengkalan Barat, Taman Kar King
Off Jalan Pasir Putih, 31650 Ipoh
Perak Darul Ridzuan

MALACCA

No. 1, Jalan PM3
Taman Perindustrian Merdeka
Batu Berendam, 75300 Melaka

JOHOR

Lot 133, Jalan Pukal, Pasir Gudang
Industrial Estate, 81700 Pasir Gudang
Johor Darul Takzim

EAST

Lot 1763, Kampong Dusun Raja
Jalan Cherang Chempaka, Panji
16100 Kota Bharu, Kelantan Darul Naim

KUANTAN

B-3 Lorong Padang Lalang 14, Jalan Tanjung
Api, 25250 Kuantan, Pahang Darul Makmur

SUBSIDIARIES

Dindings Soya & Multifeeds Sdn Berhad (34884-U)
Syarikat Pengangkutan Lumut Sdn Bhd (51336-M)
Dindings Poultry Processing Sdn Bhd (144808-P)
Dindings Broiler Breeder Farm Sdn Bhd (172600-T)
MFM Feedmill Sdn Bhd (172615-X)
MFM Broiler Breeder Farm Sdn Bhd (172596-X)
Dindings Poultry Development Centre Sdn Bhd (180044-A)
Semakin Dinamik Sdn Bhd (185533-V)
Muda Fibre Manufacturing Sdn Bhd (48785-V)
Vimaflour Ltd
Accord Hotel Sdn Bhd (133043-U)
MFM Property Sdn Bhd (176691-P)
MFM International Ltd
Mekong Flour Mills Ltd

PRINCIPAL BANKERS

Malayan Banking Berhad (3813-K)
Standard Chartered Bank Malaysia Berhad (115793-P)
Bank Islam Malaysia Berhad (98127-X)
HSBC Bank Malaysia Berhad (127776-V)
Alliance Bank Malaysia Berhad (88103-W)
Hong Leong Bank Berhad (97141-X)
RHB Sakura Merchant Bankers Berhad (19663-P)
RHB Bank Berhad (130-M)
United Overseas Bank (Malaysia) Bhd (271809-K)
Citibank Berhad (297089-M)

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange
- Main Board

SOLICITORS

Isharidah, Ho, Chong & Menon
Skrine & Co.

AUDITORS

Folks DFK & Co.

Audit Committee

MEMBERS OF THE COMMITTEE

<i>Chairman & Independent Non-Executive Director</i>	Lee Soon Lee
<i>Independent Non-Executive Director</i>	Datuk Setia Raja, Tan Sri Datuk Seri Hamzah Bin Abu Samah
<i>Independent Non-Executive Director</i>	Dato' Hj Shaharuddin Bin Hj Haron
<i>Executive Director</i>	Teh Wee Kok
<i>Executive Director</i>	Teh Wee Chye
<i>Secretaries</i>	Wong Chee Wing Mah Wai Mun

TERMS OF REFERENCE

- a) Review with the External Auditors, their audit plan, their evaluation of internal accounting controls and their reports on the audit and on the financial statements;
- b) Review with the External Auditors the accounting policies and reporting requirements;
- c) Review the assistance given by the company's officers to the External Auditors;
- d) Review the quarterly and annual financial statements before submission to the Board for approval;
- e) Recommend the appointment and remuneration of the External Auditors;
- f) Any special functions and reviews that the Audit Committee deems proper; and
- g) Any other functions that may be agreed from time to time between the Audit Committee and the Board.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present our Company's Annual Report and Accounts for the year ended 31st December, 2000.



REVIEW OF RESULTS AND CORPORATE DEVELOPMENT

The Company registered a turnover of RM175.5 million for the year under review, a decrease of 4.8% as compared with the previous year. The Group recorded a decrease in its turnover to RM583.9 million, down by 0.8% from RM588.4 million in the previous year. The Company recorded a decrease in profit before taxation of RM29.4 million against RM34.6 million, a decrease of RM5.2 million as compared with the same period last year. The Group's profit before taxation decreased by RM24.5 million from RM58.5 million to RM34.0 million for the year under review.

Due to the continued depressed stock market condition resulting in the share price of the Company trading at below its net tangible assets per share, the Board had decided and had accordingly applied for a further deferment on the implementation of the Special Issue of 16,000,000 new ordinary shares of RM1.00 each to approved Bumiputra investors. The Ministry of International Trade and Industry ("MITI") had approved a further extension to 30th June, 2001 and an announcement to this effect had been made to the Kuala Lumpur Stock Exchange. The Board would review the situation in the light of the prevailing market conditions.

On 28th February, 2000, the Company had made a final early redemption of the Bonds of RM40.0 million from internally generated funds resulting in substantial savings in bonds interest and related expenses, the positive impact had been reflected in the accounts for the year under review. With this early redemption made, the Company has no long term loan repayment obligations other than the normal trade financing. Both the gearing ratio and earnings per share of the Company have also improved as a result of the early redemption.

During the year, the Company had announced to the Kuala Lumpur Stock Exchange on its proposed investment of USD20.0 million in Southern region of Vietnam for a new flour and feedmill on a wholly-owned basis to complement the Company's present operations in North Vietnam. The proposed investment is to be made through its wholly-owned subsidiary, MFM International Ltd, an offshore company incorporated in the British Virgin Islands. At the same time, the Company had also announced the incorporation of a wholly-owned subsidiary of MFM International Ltd in the Socialist Republic of Vietnam under the name of Mekong Flour Mills Ltd, with an initial legal capital of USD1,000.

MFM International Ltd had been granted an Investment Licence by the Ministry of Planning and Investment of the Socialist Republic of Vietnam to establish Mekong Flour Mills Ltd

to undertake flour and feed milling in South Vietnam. Applications in relation to the proposal have been submitted to the relevant authorities by our Merchant Bankers for approvals. The Company shall convene an Extraordinary General Meeting to seek your approval on the investment once all regulatory clearances have been obtained.

The rationale for the proposed investment is that the Company, via its 70% owned subsidiary Vimaflour Ltd in North Vietnam has tapped the flour market in the Northern Region of Vietnam. The plant is currently operating at full capacity and the Board believes that the proposed investment in South Vietnam shall further compliment the Company's present venture in North Vietnam.

The Board had on 8th January, 2001 made a further announcement that the Company had received approval from Bank Negara Malaysia on its proposed remittance of USD12.4 million, being the equity funding for the investment in South Vietnam.

On 6th November, 2000, the Company announced that it had obtained approval from Bank Negara Malaysia to remit USD3.5 million to Vimaflour Ltd, being its entitlement to the 70% of the Rights Issue of the overseas subsidiary. The Rights Issue will be funded from the Company's internally generated funds.

SUBSIDIARIES

All the subsidiaries in the Group made positive but reduced contribution to the Group's profitability for the year under review, except those engaged in the poultry integration activity. The feeds activity contributed 30.8% and 15.2% in the Group's turnover and profit respectively. The poultry integration activity contributed 24.6% in turnover but made a negative contribution of 3.6% to the Group's profitability. The transport activity contributed 1.2% in turnover and 0.3% in Group's pretax profit. The polypropylene activity contributed 1.7% and 2.9% towards the Group's turnover and profit respectively.

Vimaflour Ltd made a contribution of 12.4% and 2.5% in both the Group's turnover and profit respectively. The contribution from the overseas subsidiary was reduced due to the intense price competition experienced during the year and the provision for unrealised loss on exchange on foreign currency denominated loans. The plant nevertheless is currently operating at full capacity.

PROSPECTS

It is too early to assess the full impact of the slowdown in the US economy on the Malaysian economy. The Board of Directors expects year 2001 to be another challenging year. The growth of the Group's profitability is dependent upon the country's continued economic recovery and aggregate consumer spending. The Board is cautiously optimistic that barring a major change in the operating environment, the Group's financial performance for the year ending 31st December, 2001 may be maintained through a continuous process of cost efficiency measures, rationalisation of the plant set-up to achieve greater operational efficiency and tight credit control measures adopted.

DIVIDENDS

The Board has recommended a first and final dividend of 10 sen tax exempt per ordinary share payable on 9th June, 2001 to shareholders appearing on the Register of Members as at 5.00 p.m. on 31st May, 2001 subject to the approval of shareholders at the forthcoming Annual General Meeting.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to express our appreciation to the Management and staff at all levels for their commitment, dedication, support, hard work and invaluable contribution to the growth of the Company and the Group. I would also like to express my sincere appreciation to all our customers, shareholders, suppliers, financiers and regulatory authorities and agencies for their continued support rendered to the Group.

Last but not least, our sincere appreciation to our previous Bondholders and Guarantor Banks for their support and confidence given to the Group during the duration of the Bonds.

TEH LIANG TEIK
Chairman

Kuala Lumpur
15th May, 2001

Group Financial Highlights

Year ended 31st December	1995	1996	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	372,414	501,181	474,748	562,020	588,397	583,939
Operating (loss) / profit before tax	(912)	6,382	7,440	9,941	62,574	35,477
Share of profit in associated companies	688	450	-	-	-	-
Exceptional items	(434)	24,173	10,262	1,779	(4,049)	(1,500)
(Loss) / Profit before taxation	(658)	31,005	17,702	11,720	58,525	33,977
Taxation	744	(4,383)	(2,897)	(8,719)	764	(9,893)
Profit after taxation	86	26,622	14,805	3,001	59,289	24,084
Minority Interests	(1,298)	1,547	123	3,389	(5,742)	(1,770)
(Loss) / Profit attributable to shareholders	(1,212)	28,169	14,928	6,390	53,547	22,314
Issued Share Capital (RM'000)	84,000	84,011	84,015	84,015	84,015	84,015
Shareholders' Fund (RM'000)	185,224	207,019	226,025	225,331	261,867	275,124
Net tangible assets per share (sen)	219	242	249	253	312	327
Earnings per share (sen)	(1.44)	33.53	17.77	7.61	63.74	26.56
Gross dividends (%) - taxable	10					
Gross dividends (%) - tax exempt		7	7	3	10	10

Financial Statements



Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Company and of the Group for the year ended 31st December, 2000 and the auditors' report thereon.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to carry on the business of milling and selling wheat flour together with its allied products. The principal activities of the subsidiary companies are detailed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the year.

RESULTS

	Group RM	Company RM
Net profit for the year	22,313,753	21,226,873
Retained profit brought forward		
As previously stated	114,969,144	143,187,030
Prior year adjustments	(8,553,744)	-
As restated	106,415,400	143,187,030
Profit available for appropriation	128,729,153	164,413,903
Dividend	(8,401,461)	(8,401,461)
Retained profit carried forward	120,327,692	156,012,442

RESERVES AND PROVISIONS

There were no material transfers made to or from reserves or provisions accounts during the year other than those disclosed in the financial statements.

DIVIDENDS

Dividends paid, declared or proposed since the end of the Company's previous financial year were as follows:-

- (a) In respect of the year ended 31st December, 1999, as proposed in the Directors' Report for that year, a first and final dividend of :-
- | | |
|---|--------------------|
| 10 sen per ordinary share, tax exempt, paid on
10th June, 2000 | <u>RM8,401,461</u> |
|---|--------------------|
- (b) In respect of the year ended 31st December, 2000, proposed first and final dividend of :-
- | | |
|---------------------------------------|--------------------|
| 10 sen per ordinary share, tax exempt | <u>RM8,401,461</u> |
|---------------------------------------|--------------------|

DIRECTORS

The Directors in office since the date of the last Directors' Report on 28th April, 2000 are as follows :-

Teh Liang Teik
Teh Wee Kok
Lee Soon Lee
Tun Dato' Haji Omar Yoke Lin Ong
Datuk Setia Raja, Tan Sri Datuk Seri Hamzah Bin Abu Samah
Teh Wee Chye
Dato' Hj Shaharuddin Bin Hj Haron

Pursuant to Section 129(6) of the Companies Act, 1965, Teh Liang Teik, Lee Soon Lee, Tun Dato' Haji Omar Yoke Lin Ong and Datuk Setia Raja, Tan Sri Datuk Seri Hamzah Bin Abu Samah retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

In accordance with Article 110 of the Company's Articles of Association, Teh Wee Chye retires from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

The following represents the interests of Directors in shares and warrants in the Company and shares in its subsidiaries registered in the names of the Directors or in the names of companies in which the Directors have an interest :-

SHAREHOLDINGS IN THE COMPANY

Directors	Registered in the name of	Number of ordinary shares of RM1.00 each			
		Balance at 1-1-2000	Acquired	Disposed	Balance at 31-12-2000
Teh Liang Teik	Teh Liang Teik	2,908,800	-	-	2,908,800
Teh Wee Kok	Teh Wee Kok	1,589,600	-	-	1,589,600
Lee Soon Lee	Lee Soon Lee	6,000	-	-	6,000
Teh Wee Chye	Teh Wee Chye	6,500	-	-	6,500
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Thye Nam Loong Holdings Sdn Bhd	26,100,754	-	-	26,100,754
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Thye Nam Loong Sdn Bhd	417,600	-	-	417,600
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Thye Nam Loong Shipping Sdn Bhd	574,800	-	-	574,800
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Suai Timber Products Sdn Bhd	531,600	-	-	531,600
Teh Wee Chye	Essence Lane Sdn Bhd	2,233,729	-	-	2,233,729

INTEREST IN WARRANTS OF THE COMPANY

Directors	Registered in the name of	Number of warrants of the Company			
		Balance at 1-1-2000	Acquired	Disposed	Balance at 31-12-2000
Teh Liang Teik	Teh Liang Teik	1,454,400	-	-	1,454,400
Teh Wee Kok	Teh Wee Kok	47,400	-	-	47,400
Lee Soon Lee	Lee Soon Lee	3,000	-	-	3,000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Thye Nam Loong Holdings Sdn Bhd	13,185,377	-	-	13,185,377
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Thye Nam Loong Sdn Bhd	208,800	-	-	208,800
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Thye Nam Loong Shipping Sdn Bhd	287,400	-	-	287,400
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Suai Timber Products Sdn Bhd	265,800	-	-	265,800
Teh Wee Chye	Essence Lane Sdn Bhd	1,120,114	-	-	1,120,114

**SHAREHOLDINGS IN SUBSIDIARY COMPANY,
DINDINGS SOYA & MULTIFEEDS SDN BERHAD**

Directors	Registered in the name of	Number of ordinary shares of RM1.00 each			
		Balance at 1-1-2000	Acquired	Disposed	Balance at 31-12-2000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Malayan Flour Mills Berhad	21,250,000	-	-	21,250,000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Thye Nam Loong Holdings Sdn Bhd	2,500,000	-	-	2,500,000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Thye Nam Loong Sdn Bhd	1,666,667	18,333	-	1,685,000

**SHAREHOLDINGS IN SUBSIDIARY COMPANY,
DINDINGS POULTRY PROCESSING SDN BHD**

Directors	Registered in the name of	Number of ordinary shares of RM1.00 each			
		Balance at 1-1-2000	Acquired	Disposed	Balance at 31-12-2000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Malayan Flour Mills Berhad	33,103,000	-	-	33,103,000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Dindings Soya & Multifeeds Sdn Berhad	12,857,000	-	-	12,857,000

**SHAREHOLDINGS IN SUBSIDIARY COMPANY,
MUDA FIBRE MANUFACTURING SDN BHD**

Directors	Registered in the name of	Number of ordinary shares of RM1.00 each			
		Balance at 1-1-2000	Acquired	Disposed	Balance at 31-12-2000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Malayan Flour Mills Berhad	6,000,001	-	-	6,000,001
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Thye Nam Loong Holdings Sdn Bhd	1,000,000	-	-	1,000,000

**SHAREHOLDINGS IN SUBSIDIARY COMPANY,
MFM INTERNATIONAL LTD (INCORPORATED IN BRITISH VIRGIN ISLANDS)**

Directors	Registered in the name of	Number of ordinary shares of USD1.00 each			
		Balance at 1-1-2000	Acquired	Disposed	Balance at 31-12-2000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Malayan Flour Mills Berhad	-	1,000	-	1,000

**INTERESTS IN INDIRECT SUBSIDIARY COMPANY,
MEKONG FLOUR MILLS LTD (INCORPORATED IN VIETNAM)**

Directors	Registered in the name of	Interests in capital denominated in Vietnamese Dong (VND)			
		Balance at 1-1-2000 VND'000	Acquired VND'000	Disposed VND'000	Balance at 31-12-2000 VND'000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	MFM International Ltd (wholly owned by Malayan Flour Mills Berhad)	-	14,365	-	14,365

**INTERESTS IN SUBSIDIARY COMPANY,
VIMAFLOUR LTD (INCORPORATED IN VIETNAM)**

Directors	Registered in the name of	Interests in capital denominated in Vietnamese Dong (VND)			
		Balance at 1-1-2000 VND'000	Acquired VND'000	Disposed VND'000	Balance at 31-12-2000 VND'000
Teh Liang Teik, Teh Wee Kok & Teh Wee Chye	Malayan Flour Mills Berhad	114,095,104	-	-	114,095,104

By virtue of their shareholdings in the Company, Teh Liang Teik, Teh Wee Kok and Teh Wee Chye are also deemed to be interested in the shares of all the other subsidiaries not listed above, being wholly owned subsidiaries of the Company and for which there were no movements in their interests in the shares held during the year.

Other than as disclosed, no other Directors in office at the end of the financial year held any interest in shares and warrants of the Company and shares in its subsidiary companies.

As at the end of the financial year and during the year, there did not subsist any arrangement to which the Company was a party, whereby the Directors or their nominees might 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 benefits (other than those disclosed as Directors' fees and emoluments in the financial statements) by reasons of a contract made by the Company or a related corporation with any Directors or with a firm of which a Director is a member or with a company in which the Director has a substantial financial interest other than by virtue of transactions entered into in the ordinary course of business and transactions as detailed in Note 22 to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Company and the Group were made out, the Directors took reasonable steps:-
 - (i) to satisfy themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) As at the date of this report, the Directors are not aware of any circumstances:-
 - (i) which would render the amount written off for bad debts and provision made for doubtful debts in the Company and the Group inadequate to any substantial extent;
 - (ii) which would render the values of current assets in the financial statements of the Company and the Group misleading;
 - (iii) which would have arisen which render adherence to the existing method of valuation of assets and liabilities of the Company and the Group misleading or inappropriate; and
 - (iv) not otherwise dealt with in this report or the financial statements of the Company and the Group which would render any amount stated in the financial statements misleading.
- (c) As at the date of this report, there does not exist:-
 - (i) 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; and
 - (ii) any contingent liability in respect of the Company and the Group which has arisen since the end of the financial year.

(d) In the opinion of the Directors:-

- (i) no contingent or other liabilities have become enforceable or are likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Company and of the Group to meet their obligations when they fall due;
- (ii) the results of the Company's and the Group's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the effects of exceptional items as stated in Note 3 to the financial statements; and
- (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company or of the Group for the financial year in which this report is made.

AUDITORS

The auditors, Messrs. Folks DFK & Co. have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Directors,

TEH LIANG TEIK
Director

LEE SOON LEE
Director

Kuala Lumpur
30th April, 2001

Consolidated Income Statement For The Year Ended 31st December, 2000

	Notes	2000 RM	1999 RM
REVENUE			
Sales of goods	2 (m)	576,977,310	582,002,550
Services		6,961,665	6,394,650
		<u>583,938,975</u>	<u>588,397,200</u>
COST OF SALES			
Cost of inventories sold		(486,551,733)	(464,687,261)
Cost of services		(6,904,427)	(6,925,589)
		<u>(493,456,160)</u>	<u>(471,612,850)</u>
GROSS PROFIT		90,482,815	116,784,350
OTHER OPERATING INCOME		6,306,988	10,113,720
SELLING & DISTRIBUTION EXPENSES		(31,317,136)	(29,886,345)
ADMINISTRATION EXPENSES		(24,005,994)	(23,531,480)
OTHER OPERATING EXPENSES		<u>(3,189,993)</u>	<u>(4,645,276)</u>
OPERATING PROFIT		38,276,680	68,834,969
FINANCE COSTS		<u>(4,299,828)</u>	<u>(10,309,945)</u>
PROFIT BEFORE TAXATION	3	33,976,852	58,525,024
TAXATION	5	<u>(9,892,751)</u>	<u>763,640</u>
PROFIT AFTER TAXATION		24,084,101	59,288,664
MINORITY INTEREST		<u>(1,770,348)</u>	<u>(5,741,682)</u>
NET PROFIT FOR THE YEAR		<u>22,313,753</u>	<u>53,546,982</u>
EARNINGS PER SHARE (SEN) - BASIC	6	<u>26.56</u>	<u>63.74</u>
DIVIDEND PER SHARE (TAX EXEMPT)	7	<u>10 sen</u>	<u>10 sen</u>

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

Consolidated Balance Sheet

As At 31st December, 2000

	Notes	2000 RM	1999 RM
SHARE CAPITAL	8	84,014,606	84,014,606
RESERVES	9	191,109,776	177,852,673
TOTAL CAPITAL AND RESERVES		275,124,382	261,867,279
MINORITY INTERESTS		29,616,860	28,989,223
LONG TERM AND DEFERRED LIABILITIES			
Deferred taxation	10 (a)	2,751,000	3,727,000
Retirement benefits	10 (b)	208,961	213,040
Term loans	10 (c)	-	28,540,944
Hire purchase creditors	10 (d)	-	68,576
		307,701,203	323,406,062
Represented by :-			
PROPERTY, PLANT AND EQUIPMENT	11	225,665,713	239,694,843
INVESTMENTS	13	11,646,424	11,727,164
CURRENT ASSETS			
Inventories	14	135,223,775	103,186,965
Trade and other receivables	15	102,299,571	86,624,331
Deposits, cash and bank balances	16	51,721,913	87,239,690
		289,245,259	277,050,986
CURRENT LIABILITIES			
Trade and other payables	17	38,224,774	32,097,893
5% Redeemable Bank Guaranteed Bonds 1995/2000	18	-	40,000,000
Bank borrowings	19	167,906,751	121,126,241
Taxation		4,323,207	3,441,336
Proposed dividend		8,401,461	8,401,461
		218,856,193	205,066,931
NET CURRENT ASSETS		70,389,066	71,984,055
		307,701,203	323,406,062

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

Consolidated Statement Of Changes In Equity

For The Year Ended 31st December, 2000

	Notes	Share capital RM	Share premium RM	Capital reserves RM	Exchange translation differences RM	Retained profit RM	Total RM
Balance at 31-12-1998							
- as previously reported		84,014,606	41,686,650	26,369,308	2,443,549	70,817,322	225,331,435
- prior year adjustments	20	-	-	-	716,179	(9,547,443)	(8,831,264)
- as restated		84,014,606	41,686,650	26,369,308	3,159,728	61,269,879	216,500,171
Currency translation gain not recognised in the income statement (restated)	20	-	-	-	221,587	-	221,587
Net profit for the year (restated)	20	-	-	-	-	53,546,982	53,546,982
Dividend	7	-	-	-	-	(8,401,461)	(8,401,461)
Balance at 31-12-1999		84,014,606	41,686,650	26,369,308	3,381,315	106,415,400	261,867,279
Currency translation loss not recognised in the income statement		-	-	-	(655,189)	-	(655,189)
Net profit for the year		-	-	-	-	22,313,753	22,313,753
Dividend	7	-	-	-	-	(8,401,461)	(8,401,461)
Balance at 31-12-2000		84,014,606	41,686,650	26,369,308	2,726,126	120,327,692	275,124,382

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

Consolidated Cash Flow Statement

For The Year Ended 31st December, 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	33,976,852	58,525,024
Adjustments for :-		
Provision for retirement benefits	24,350	40,150
Depreciation	21,369,075	21,824,384
Annual bonds expenses	131,969	1,250,647
Interest expenses	4,167,859	9,059,298
(Gain)/Loss on disposal of property, plant and equipment	(165,906)	6,078
Property, plant and equipment written off	50,347	86,656
Write-down in value of property, plant and equipment	1,500,000	4,049,301
Provision for doubtful debts	2,785,552	2,352,326
Provision for diminution in value of investment	87,740	-
Bad debts written off	424,469	209,700
Unrealised loss on foreign exchange	1,534,189	520,336
Interest income	(2,356,139)	(3,243,237)
Operating profit before working capital changes	63,530,357	94,680,663
Increase in trade and other receivables	(18,641,020)	(1,610,480)
Increase in inventories	(32,613,315)	(7,175,175)
Increase/(Decrease) in trade and other payables	6,495,508	(5,056,177)
Cash generated from operations	18,771,530	80,838,831
Taxation paid	(10,547,035)	(4,413,507)
Interest received	2,356,139	3,243,237
Interest paid	(4,167,859)	(9,059,298)
Annual bonds expenses paid	(131,969)	(1,250,647)
Retirement benefits paid	(28,429)	(2,410)
Net cash from operating activities	6,252,377	69,356,206

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

	2000 RM	1999 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	441,349	233,116
Purchase of investments	(7,000)	-
Purchase of property, plant and equipment (Note 21(a))	(11,100,363)	(7,448,939)
Net cash used in investing activities	(10,666,014)	(7,215,823)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase liabilities	(433,804)	(782,648)
Redemption of bonds	(40,000,000)	(60,000,000)
Term loans repaid	(8,424,155)	(6,726,952)
Bonds redemption fund - withdrawal	-	15,589,663
Dividends paid to shareholders of the company	(8,401,461)	(2,520,438)
Dividends paid to minority shareholders of subsidiary companies	(861,917)	(86,400)
Increase in bank borrowings	27,225,408	23,821,252
Net cash used in financing activities	(30,895,929)	(30,705,523)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(35,309,566)	31,434,860
Cash and cash equivalents at beginning of year	87,239,690	55,720,762
Foreign exchange differences on opening balances	(208,211)	84,068
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 16)	51,721,913	87,239,690

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

Income Statement

For The Year Ended 31st December, 2000

	Notes	2000 RM	1999 RM
REVENUE	2 (m)	175,502,385	184,430,348
COST OF SALES		(134,895,751)	(137,250,080)
GROSS PROFIT		40,606,634	47,180,268
OTHER OPERATING INCOME		6,762,560	10,055,643
SELLING AND DISTRIBUTION EXPENSES		(10,047,747)	(9,432,293)
ADMINISTRATION EXPENSES		(7,392,336)	(7,588,641)
OPERATING PROFIT		29,929,111	40,214,977
FINANCE COSTS		(552,638)	(5,602,219)
PROFIT BEFORE TAXATION	3	29,376,473	34,612,758
TAXATION	5	(8,149,600)	578,024
NET PROFIT FOR THE YEAR		21,226,873	35,190,782
EARNINGS PER SHARE (SEN) - BASIC	6	25.27	41.89
DIVIDEND PER SHARE (TAX EXEMPT)	7	10 sen	10 sen

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

Balance Sheet

As At 31st December, 2000

	Notes	2000 RM	1999 RM
SHARE CAPITAL	8	84,014,606	84,014,606
RESERVES	9	224,068,400	211,242,988
TOTAL CAPITAL AND RESERVES		308,083,006	295,257,594
LONG TERM AND DEFERRED LIABILITIES			
Deferred taxation	10 (a)	1,600,000	1,900,000
Hire purchase creditors	10 (d)	-	9,585
		309,683,006	297,167,179
Represented by :-			
PROPERTY, PLANT AND EQUIPMENT	11	76,400,393	78,069,910
SUBSIDIARY COMPANIES	12	169,887,013	163,069,388
INVESTMENTS	13	8,839,424	8,927,164
CURRENT ASSETS			
Inventories	14	46,816,537	42,744,683
Trade and other receivables	15	43,474,691	30,869,933
Deposits, cash and bank balances	16	29,555,709	70,610,622
		119,846,937	144,225,238
CURRENT LIABILITIES			
Trade and other payables	17	8,325,280	6,365,724
5% Redeemable Bank Guaranteed Bonds 1995/2000	18	-	40,000,000
Bank borrowings	19	46,517,108	39,000,000
Taxation		2,046,912	3,357,336
Proposed dividend		8,401,461	8,401,461
		65,290,761	97,124,521
NET CURRENT ASSETS		54,556,176	47,100,717
		309,683,006	297,167,179

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

Statement Of Changes In Equity

For The Year Ended 31st December, 2000

	Notes	Share capital RM	Share premium RM	Capital reserves RM	Retained profit RM	Total RM
Balance at 31-12-1998		84,014,606	41,686,650	26,369,308	116,397,709	268,468,273
Net profit for the year		-	-	-	35,190,782	35,190,782
Dividend	7	-	-	-	(8,401,461)	(8,401,461)
Balance at 31-12-1999		84,014,606	41,686,650	26,369,308	143,187,030	295,257,594
Net profit for the year		-	-	-	21,226,873	21,226,873
Dividend	7	-	-	-	(8,401,461)	(8,401,461)
Balance at 31-12-2000		84,014,606	41,686,650	26,369,308	156,012,442	308,083,006

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

Cash Flow Statement

For The Year Ended 31st December, 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	29,376,473	34,612,758
Adjustments for :-		
Depreciation	5,459,823	5,567,730
Annual bonds expenses	131,969	1,250,647
Interest expenses	420,669	4,351,572
Gain on disposal of property, plant and equipment	(18,886)	(43,618)
Provision for doubtful debts	500,000	500,000
Bad debts written off	-	209,700
Provision for diminution in value of investment	87,740	-
Dividend income	(1,362,500)	(1,362,500)
Interest income	(1,731,237)	(4,003,810)
Operating profit before working capital changes	32,864,051	41,082,479
(Increase) /Decrease in subsidiary companies' balances	(6,729,825)	34,779,147
Increase in inventories	(4,071,854)	(8,139,900)
Increase in trade and other receivables	(13,104,758)	(2,578,818)
Increase/(Decrease) in trade and other payables	2,093,719	(2,981,556)
Cash generated from operations	11,051,333	62,161,352
Dividend from subsidiary companies	1,278,500	129,600
Interest received	1,731,237	4,003,810
Interest paid	(420,669)	(4,351,572)
Taxation paid	(9,760,024)	(3,130,240)
Annual bonds expenses paid	(131,969)	(1,250,647)
Net cash from operating activities	3,748,408	57,562,303

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

	2000 RM	1999 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	19,783	72,000
Purchase of property, plant and equipment (Note 21(a))	(3,791,203)	(2,212,646)
Subscription of shares in subsidiary companies (Note 21(b))	(3,800)	(1,200,000)
Net cash used in investing activities	(3,775,220)	(3,340,646)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase liabilities	(143,748)	(223,589)
Redemption of bonds	(40,000,000)	(60,000,000)
Bonds redemption fund - withdrawal	-	15,589,663
Dividends paid to shareholders of the company	(8,401,461)	(2,520,438)
Bank borrowings	7,517,108	18,213,729
Net cash used in financing activities	(41,028,101)	(28,940,635)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(41,054,913)	25,281,022
Cash and cash equivalents at beginning of year	70,610,622	45,329,600
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 16)	29,555,709	70,610,622

The annexed notes form an integral part of, and should be read in conjunction with, this statement.

Notes To The Financial Statements

As At 31st December, 2000

1. GENERAL INFORMATION

Malayan Flour Mills Berhad is a public company limited by shares, listed on the Main Board of the Kuala Lumpur Stock Exchange.

Its registered office and principal place of business is located at 10th Floor, Wisma MCA, Jalan Ampang, 50450 Kuala Lumpur.

The principal activities of the Company are to carry on the business of milling and selling wheat flour together with its allied products. The principal activities of the subsidiary companies are detailed in Note 12 below.

2. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous year other than as disclosed in Note 2(l) below.

(a) Basis of accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of certain properties and comply with applicable approved Accounting Standards of the Malaysian Accounting Standards Board (MASB).

(b) Basis of consolidation

The consolidated financial statements are drawn up based on the acquisition method and include the financial statements of the Company and all its subsidiaries made up to the balance sheet date. The results of subsidiary companies acquired or disposed off during the year are included in the consolidated income statement from the effective date of acquisition or to the date of disposal. At the date of acquisition, the fair values of the net assets of the subsidiary companies are determined and the fair values are reflected in the consolidated financial statements.

Inter-company transactions are eliminated on consolidation.

(c) Goodwill and reserve on consolidation

The excess of the cost of acquisition of subsidiary companies over the fair values of the net assets acquired is taken up as goodwill on consolidation.

Where the fair values of net assets acquired exceeds the cost of acquisition, the surplus arising is taken up as reserve on consolidation.

Goodwill on consolidation is amortised or written off based on reviews by the Directors.

(d) Investments

Investments in subsidiaries and other investments are stated at cost and are only written down when the Directors consider that there is a permanent diminution in the value of the investments.

(e) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation except for certain properties which are carried at their 1983 valuation less accumulated depreciation.

The Company does not adopt a policy of revaluation and has applied the transitional provisions issued by the Malaysian Accounting Standards Board upon adoption of the International Accounting Standard No. 16 (Revised) whereby the previous revaluation of certain properties in 1983 less accumulated depreciation may be retained as the carrying amount with continuity in the depreciation policy.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net recoverable amount. The carrying amount of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its estimated recoverable amount and is charged to income statement immediately. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

Freehold land is not amortised. Leasehold land is amortised over the period of the lease. All other property, plant and equipment are depreciated on the straight line basis so as to write off the cost or valuation of the assets over their estimated useful lives.

The principal annual rates used are :

Buildings	2 - 10%
Jetty	2%
Plant, machinery, fixtures and equipment	5 - 25%
Motor vehicles and boats	10 - 20%

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. For finished goods and semi-processed goods, cost consists of materials, direct labour and an appropriate proportion of production overheads.

In previous years, the cost of inventories of a foreign subsidiary was determined based on the first-in, first-out basis. This has been changed to the weighted average cost basis to conform with the Group's method of cost determination. The effect of the change is not material.

(g) Bad and doubtful debts

Bad debts are written off as and when ascertained and provision is made for any debts considered to be doubtful of collection.

(h) Deferred taxation

Provision is made using the liability method for taxation which is deferred due to timing differences except where such differences are not expected to reverse in the foreseeable future. Where timing differences result in a debit balance, this is recognised only where there is a reasonable certainty of realisation.

(i) Retirement benefits

A subsidiary operates an unfunded defined benefit scheme for unionised employees in accordance with the terms of the collective agreement. The benefits are payable upon attaining the age of retirement, death or permanent disablement in respect of employees who have served continuously for a period of five or more years. The amount payable is calculated based on a scale of benefits that increases with the length of service. The provision in respect of the retirement benefit scheme is determined by an independent actuarial valuation in December 2000 using the Attained Age Method.

(j) Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at rates ruling on transaction dates or where settlement has not been made at balance sheet date, at rates of exchange approximating those ruling at that date. Gains or losses in exchange are recognised in the income statement.

For consolidation purposes, financial statements in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. The translation differences arising therefrom are taken to reserves.

The closing rates as at balance sheet date used for principal foreign currency translations are as follows:

	2000	1999
	RM	RM
1 Singapore Dollar (SGD)	2.19	2.28
1 United States Dollar (USD)	3.80	3.80
1000 Vietnamese Dong (VND)	0.26	0.27

(k) Assets under hire purchase

Assets under hire purchase are capitalised as plant and equipment based on the principal sum of the hire purchase and the corresponding obligations are taken up as hire purchase creditors.

The interest element is charged to income statement over the period of the hire purchase arrangements.

(l) Preliminary and pre-operating expenditure

Previously, preliminary and pre-operating expenditure were deferred and were written off in the year of commencement of operations or amortised over an appropriate period based on reviews by the Directors.

With effect from 1st January, 2000 the Group has adopted the policy to write off the preliminary and pre-operating expenditure as an expense as and when incurred, representing a change in accounting policy. The change in accounting policy is to comply with Malaysian Accounting Standards Board's Standard No. 1 - Presentation of Financial Statements. The change has been accounted for retrospectively and the comparative financial statements have been restated. The effects of the change on the financial statements for the current and comparative years are disclosed in Note 20 to the financial statements.

(m) Revenue

Revenue from sale of goods and services are recognised upon delivery of goods or performance of services, net of rebates and returns.

Rental income is recognised on an accrual basis over the period of tenancy.

Jetty income is recognised based on the length of stay of vessel and at contractual rates.

Group revenue are stated net of all intra-group transactions.

(n) Cash and cash equivalents

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

3. PROFIT BEFORE TAXATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Profit before taxation is stated after charging :-				
Auditors' remuneration	152,147	197,103	34,000	34,000
Depreciation	21,369,075	21,824,384	5,459,823	5,567,730
Directors' emoluments	1,730,338	1,710,041	1,175,781	1,152,849
Directors' fees	179,000	213,923	122,500	135,000
Interest expenses	3,756,445	4,640,078	58,050	3,425
Rental of premises	1,241,081	1,845,208	383,777	375,229
Retirement benefits	24,350	40,150	-	-
Bad debts written off	424,469	209,700	-	209,700
Annual bonds expenses	131,969	1,250,647	131,969	1,250,647
Bonds interest	323,288	4,289,269	323,288	4,289,269
Provision for doubtful debts	2,785,552	2,352,326	500,000	500,000
Provision for diminution in value of quoted investment	87,740	-	87,740	-
Pre-operating expenditure written off	1,007,961	-	-	-
Property, plant and equipment written off	50,347	86,656	-	-
Hire purchase interest	88,126	129,951	39,331	58,878
Loss on disposal of property, plant and equipment	-	76,500	-	-
Loss on foreign exchange - realised	235,220	-	-	-
- unrealised	1,534,189	520,336	-	-
Exceptional item - write-down in value of plant and equipment	1,500,000	4,049,301	-	-
Estimated value of benefits- in-kind of Directors	38,150	39,950	38,150	39,950
and crediting:-				
Dividends from subsidiary companies				
- tax exempt	-	-	1,362,500	1,062,500
- non-tax exempt	-	-	-	300,000
Gain on disposal of property, plant and equipment	165,906	70,422	18,886	43,618
Interest income	2,356,139	3,243,237	1,731,237	4,003,810
Jetty income	1,204,865	1,792,477	1,204,865	1,792,477
Rental income	825,200	935,470	1,714,683	1,806,443

4. EMPLOYEES INFORMATION

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Staff costs	41,240,060	39,488,113	12,480,514	11,725,356

The number of employees of the Group and the Company at end of the financial year were 1,942 (1999 : 1,910) and 374 (1999 : 393) respectively.

5. TAXATION

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Malaysian income taxation :				
- current year	(10,872,300)	-	(8,500,000)	(50,400)
- overprovision in prior years	3,549	294,640	50,400	428,424
	(10,868,751)	294,640	(8,449,600)	378,024
Transfer from deferred taxation	976,000	469,000	300,000	200,000
	(9,892,751)	763,640	(8,149,600)	578,024

- (a) The effective tax charge for the year of the Group is higher than that based on the statutory tax rate mainly due to the absence of group relief for losses incurred by certain subsidiary companies.
- (b) The following are estimated unabsorbed tax losses and unutilised capital allowances, the effects of which are not included in the financial statements and which are available for set-off against future taxable income :-

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Unabsorbed tax losses	32,104,000	32,104,000	-	-
Unutilised capital allowances	40,891,000	39,492,000	-	-
	72,995,000	71,596,000	-	-
Estimated tax effect at 28% thereon	20,439,000	20,047,000	-	-

6. EARNINGS PER SHARE

The calculation of the basic and fully diluted earnings per share for the current and comparative year have been made in accordance with applicable approved Accounting Standards MASB 13 which supersedes Malaysian Accounting Standard (MAS) No. 1.

(a) Basic

The basic earnings per share is calculated on the Group's profit after taxation and minority interest of RM22,313,753 (1999 : RM53,546,982) and the Company's profit after taxation of RM21,226,873 (1999 : RM35,190,782) and is based on the issued share capital of 84,014,606 (1999 : 84,014,606) ordinary shares.

The comparative Group's earnings per share was previously stated as 62.55 sen. This has been restated due to the restatement of profit arising from change of accounting policy as disclosed in Note 20 to the financial statements.

(b) Diluted

The number of convertible warrants issued by the Company for the years ended 31st December, 1999 and 31st December, 2000 were both 41,985,394 (see Note 8.2). The warrants confer the right to the holders to subscribe to one ordinary share of RM1.00 each for every warrant held at the exercise price of RM3.39. The average transacted price of the ordinary share for 1999 was RM1.60 per share and for 2000 was RM2.78 per share.

As the exercise price exceeded the fair values (average transacted prices) for 1999 and 2000, the assumed conversion of the warrants to ordinary shares is anti-dilutive for both the years.

Accordingly, the comparative diluted earnings per share of 48.48 sen and 34.65 sen for the Group and Company respectively for the year 1999 which were calculated based on MAS 1 are no longer applicable.

7. DIVIDEND

	Group and Company	
	2000	1999
	RM	RM
Proposed first and final dividend of :		
10 sen per ordinary share, tax exempt		
(1999 : 10 sen per ordinary share, tax exempt)	8,401,461	8,401,461

8. SHARE CAPITAL

		Group and Company	
		2000	1999
		RM	RM
8.1	Share capital		
	Authorised :		
	200,000,000 ordinary shares of RM1.00 each	<u>200,000,000</u>	<u>200,000,000</u>
	Issued and fully paid :		
	84,014,606 ordinary shares of RM1.00 each	<u>84,014,606</u>	<u>84,014,606</u>
8.2	Warrants		
		Group and Company	
		2000	1999
		No.	No.
	At beginning and end of year	<u>41,985,394</u>	<u>41,985,394</u>

A total of 42,000,000 warrants were issued by the Company on 31st July, 1995 in connection with the issue of RM100,000,000 nominal amount of 5% Redeemable Bank Guaranteed Bonds 1995/2000.

The warrants are constituted by a deed poll dated 26th July, 1995 and three supplemental deed poll dated 11th September, 1995, 23rd May, 1997 and 17th August, 1999 respectively.

The warrants are listed on the Main Board of the Kuala Lumpur Stock Exchange and confer the right to holders thereof at any time, not later than the maturity date, to subscribe for one new ordinary share of RM1.00 each in the Company for every warrant held at an exercise price, to be paid in cash, of RM3.39 per share or as adjusted in certain circumstances as set out in the Deeds constituting the warrants.

On 1st March, 1999 the Company obtained approval from the Securities Commission to extend the original maturity date of 30th January, 2000 by another 5 years to 30th January, 2005. This extension was approved by the shareholders and warrant holders of the Company on 5th August, 1999.

9. RESERVES

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Capital Reserves - surplus on revaluation of property, plant and equipment in 1983	26,369,308	26,369,308	26,369,308	26,369,308
Share premium	41,686,650	41,686,650	41,686,650	41,686,650
Exchange translation difference	2,726,126	3,381,315	-	-
Retained profit	120,327,692	106,415,400	156,012,442	143,187,030
	191,109,776	177,852,673	224,068,400	211,242,988

- (i) With the exception of retained profit, all other reserves are not distributable by way of dividends in cash.
- (ii) The Company has estimated Section 108 tax credit under the Malaysian Income Tax Act, 1967 of RM55,658,000 (1999 : RM47,158,000) which, subject to agreement with the Malaysian tax authorities, is available to frank dividend payments of RM143,121,000 (1999 : RM121,263,000) out of its retained profit at year end.
- (iii) The Company has tax exempt income of approximately RM33,118,000 (1999 : RM38,895,000) which, subject to agreement with the Malaysian tax authorities and the availability of profits, is distributable by way of tax exempt dividend.

10. LONG TERM AND DEFERRED LIABILITIES

(a) Deferred taxation

Deferred taxation comprise:-

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
At beginning of year	3,727,000	4,196,000	1,900,000	2,100,000
Transfer to income statement	(976,000)	(469,000)	(300,000)	(200,000)
At end of year	2,751,000	3,727,000	1,600,000	1,900,000

(b) Retirement benefits

The movements in retirement benefits are as follows:-

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
At beginning of year	213,040	175,300	-	-
Provision for the year	24,350	40,150	-	-
Less : Payment	(28,429)	(2,410)	-	-
At the end of year	208,961	213,040	-	-

(c) Term loans

(i) secured

Loan of USD11.0 million
with interest rate at
weighted average rate
of LIBOR + 3.19% per
annum (1999 : 6 month
US dollar LIBOR + 3% to
3.25% per annum)
repayable by semi-annual
instalments
of USD1.5 million

	30,398,742	36,104,122	-	-
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Loan of USD1.0 million
at interest rate of 2.5%
above 1 or 6 month SIBOR
(similar interest rate was
applicable in 1999)
repayable by semi-annual
instalments
of USD165,000

	1,918,785	3,173,264	-	-
	32,317,527	39,277,386	-	-

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
(ii) unsecured				
Loan of VND14,277 million at interest rate within the ceiling rate imposed by the State of Bank of Vietnam (similar interest rate was applicable in 1999) repayable by semi-annual instalments of VND2.4 million	1,854,074	3,220,445	-	-
	34,171,601	42,497,831	-	-
Repayments due within twelve months (included under bank borrowings - Note 19)	(34,171,601)	(13,956,887)	-	-
	-	28,540,944	-	-

The above term loans relate to that of a foreign subsidiary. The secured portion of the term loans are secured by a legal charge on certain plant and equipment of the subsidiary concerned.

An instalment of USD1.5 million, due on 15th December, 2000 was unpaid as of 31st December, 2000. The terms of the loan agreements with the lending financial institution provide that under such circumstances all unpaid amounts are repayable on demand. Accordingly, the outstanding balance of loans as at 31st December, 2000 has been disclosed as a current liability. The subsidiary has requested for an extension of time for the payment of these amounts and concurrently has taken steps to increase the capital base of the company as disclosed under Note 24 (a).

(d) Hire purchase creditors

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Amount repayable after 12 months	-	68,576	-	9,585
Amount repayable within 12 months (included under trade and other payables - Note 17)	207,784	316,012	9,585	143,748
	207,784	384,588	9,585	153,333

11. PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant and equipment of the Group and Company comprised:-

2000 Group	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge RM
At cost :-				
Freehold land	1,715,424	-	1,715,424	-
Leasehold land :				
- Long lease	7,809,161	1,384,563	6,424,598	196,371
- Short lease	9,636,147	2,035,366	7,600,781	321,093
Buildings	154,650,645	42,769,197	111,881,448	5,173,749
Jetty	459,288	15,310	443,978	9,186
Plant, machinery, fixtures and equipment	192,995,819	132,420,216	60,575,603	12,474,387
Motor vehicles and boats	32,265,480	22,089,455	10,176,025	2,591,104
Capital work-in-progress	3,163,497	-	3,163,497	-
At valuation :-				
Freehold land	3,574,151	-	3,574,151	-
Long leasehold land	2,063,492	545,439	1,518,053	24,888
Buildings	23,447,856	8,824,091	14,623,765	456,841
Jetty	6,072,795	2,104,405	3,968,390	121,456
	437,853,755	212,188,042	225,665,713	21,369,075

Company

At cost :-				
Freehold land	98,000	-	98,000	-
Long leasehold land	5,020,437	899,778	4,120,659	152,095
Buildings	46,792,708	10,727,067	36,065,641	914,624
Jetty	459,288	15,310	443,978	9,186
Plant, machinery, fixtures and equipment	60,715,038	50,416,680	10,298,358	2,910,483
Motor vehicles and boats	10,785,109	9,095,711	1,689,398	870,250
At valuation :-				
Freehold land	3,574,151	-	3,574,151	-
Long leasehold land	2,063,492	545,439	1,518,053	24,888
Buildings	23,447,856	8,824,091	14,623,765	456,841
Jetty	6,072,795	2,104,405	3,968,390	121,456
	159,028,874	82,628,481	76,400,393	5,459,823

MALAYAN FLOUR MILLS BERHAD (4260-M)
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1999 Group	Cost RM	Accumulated depreciation RM	Net book value RM	Depreciation charge RM
At cost :-				
Freehold land	369,086	-	369,086	-
Leasehold land :				
- Long lease	7,917,441	1,195,127	6,722,314	197,227
- Short lease	9,966,192	1,771,546	8,194,646	332,080
Buildings	153,347,713	37,684,770	115,662,943	4,755,775
Jetty	459,288	6,124	453,164	6,124
Plant, machinery, fixtures and equipment	192,803,206	120,337,202	72,466,004	13,396,317
Motor vehicles and boats	30,862,863	19,810,407	11,052,456	2,533,675
Capital work-in-progress	486,686	-	486,686	-
At valuation :-				
Freehold land	3,574,151	-	3,574,151	-
Long leasehold land	2,063,492	520,551	1,542,941	24,888
Buildings	23,447,856	8,367,250	15,080,606	456,842
Jetty	6,072,795	1,982,949	4,089,846	121,456
	431,370,769	191,675,926	239,694,843	21,824,384

Company

At cost :-

Freehold land	98,000	-	98,000	-
Long leasehold land	5,020,437	747,683	4,272,754	152,095
Buildings	44,576,999	9,812,443	34,764,556	891,523
Jetty	459,288	6,124	453,164	6,124
Plant, machinery, fixtures and equipment	59,718,649	47,514,783	12,203,866	2,844,399
Motor vehicles and boats	10,244,626	8,254,600	1,990,026	1,070,404

At valuation :-

Freehold land	3,574,151	-	3,574,151	-
Long leasehold land	2,063,492	520,551	1,542,941	24,888
Buildings	23,447,856	8,367,250	15,080,606	456,842
Jetty	6,072,795	1,982,949	4,089,846	121,455
	155,276,293	77,206,383	78,069,910	5,567,730

(b) The movements of property, plant & equipment are as follows :-

2000 Group	Balance at 1-1-2000 RM	Additions RM	Disposals RM	Transfer RM	Write-down in value RM	Net exchange differences RM	Balance at 31-12-2000 RM
At cost :-							
Freehold land	369,086	1,346,338	-	-	-	-	1,715,424
Leasehold land :							
- Long lease	7,917,441	-	(108,280)	-	-	-	7,809,161
- Short lease	9,966,192	-	-	-	-	(330,045)	9,636,147
Buildings	153,347,713	2,513,715	(145,628)	1,834	-	(1,066,989)	154,650,645
Jetty	459,288	-	-	-	-	-	459,288
Plant, machinery, fixtures and equipment	192,803,206	2,213,109	(295,845)	650,319	(1,500,000)	(874,970)	192,995,819
Motor vehicles and boats	30,862,863	1,951,664	(262,330)	-	-	(286,717)	32,265,480
Capital work-in -progress	486,686	3,332,537	-	(652,153)	-	(3,573)	3,163,497
At valuation :-							
Freehold land	3,574,151	-	-	-	-	-	3,574,151
Long leasehold land	2,063,492	-	-	-	-	-	2,063,492
Buildings	23,447,856	-	-	-	-	-	23,447,856
Jetty	6,072,795	-	-	-	-	-	6,072,795
	431,370,769	11,357,363	(812,083)	-	(1,500,000)	(2,562,294)	437,853,755

	Balance at 1-1-2000 RM	Charge for the year RM	Deletions RM	Net exchange differences RM	Balance at 31-12-2000 RM
Accumulated depreciation					
Assets at cost :-					
Leasehold land:					
- Long lease	1,195,127	196,371	(6,935)	-	1,384,563
- Short lease	1,771,546	321,093	-	(57,273)	2,035,366
Buildings	37,684,770	5,173,749	(17,716)	(71,606)	42,769,197
Jetty	6,124	9,186	-	-	15,310
Plant, machinery, fixtures and equipment	120,337,202	12,474,387	(218,169)	(173,204)	132,420,216
Motor vehicles and boats	19,810,407	2,591,104	(243,475)	(68,581)	22,089,455
Assets at valuation :-					
Long leasehold land	520,551	24,888	-	-	545,439
Buildings	8,367,250	456,841	-	-	8,824,091
Jetty	1,982,949	121,456	-	-	2,104,405
	191,675,926	21,369,075	(486,295)	(370,664)	212,188,042

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2000 Company	Balance at 1-1-2000 RM	Additions RM	Disposals RM	Balance at 31-12-2000 RM
At cost :-				
Freehold land	98,000	-	-	98,000
Long leasehold land	5,020,437	-	-	5,020,437
Buildings	44,576,999	2,215,709	-	46,792,708
Jetty	459,288	-	-	459,288
Plant, machinery, fixtures and equipment	59,718,649	1,005,865	(9,476)	60,715,038
Motor vehicles and boats	10,244,626	569,629	(29,146)	10,785,109
At valuation :-				
Freehold land	3,574,151	-	-	3,574,151
Long leasehold land	2,063,492	-	-	2,063,492
Buildings	23,447,856	-	-	23,447,856
Jetty	6,072,795	-	-	6,072,795
	155,276,293	3,791,203	(38,622)	159,028,874

	Balance at 1-1-2000 RM	Charge for the year RM	Deletions RM	Balance at 31-12-2000 RM
Accumulated depreciation				
Assets at cost :-				
Long leasehold land	747,683	152,095	-	899,778
Buildings	9,812,443	914,624	-	10,727,067
Jetty	6,124	9,186	-	15,310
Plant, machinery, fixtures and equipment	47,514,783	2,910,483	(8,586)	50,416,680
Motor vehicles and boats	8,254,600	870,250	(29,139)	9,095,711
Assets at valuation :-				
Long leasehold land	520,551	24,888	-	545,439
Buildings	8,367,250	456,841	-	8,824,091
Jetty	1,982,949	121,456	-	2,104,405
	77,206,383	5,459,823	(37,725)	82,628,481

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated In Malaysia)

1999 Group	Balance at 1-1-1999 RM	Additions RM	Disposals RM	Transfer RM	Write-down in value RM	Net exchange differences RM	Balance at 31-12-1999 RM
At cost :-							
Freehold land	369,086	-	-	-	-	-	369,086
Leasehold land :							
- Long lease	7,917,441	-	-	-	-	-	7,917,441
- Short lease	9,791,943	-	-	-	-	174,249	9,966,192
Buildings	151,696,083	1,132,566	(48,201)	4,609	-	562,656	153,347,713
Jetty	-	459,288	-	-	-	-	459,288
Plant, machinery, fixtures and equipment	201,305,539	3,456,797	(1,570,902)	(6,906,452)	(4,049,301)	567,525	192,803,206
Motor vehicles and boats	22,888,655	1,887,168	(1,245,835)	7,314,533	-	18,342	30,862,863
Capital work-in -progress	380,692	513,120	-	(412,690)	-	5,564	486,686
At valuation :-							
Freehold land	3,574,151	-	-	-	-	-	3,574,151
Long leasehold land	2,063,492	-	-	-	-	-	2,063,492
Buildings	23,447,856	-	-	-	-	-	23,447,856
Jetty	6,072,795	-	-	-	-	-	6,072,795
	429,507,733	7,448,939	(2,864,938)	-	(4,049,301)	1,328,336	431,370,769

	Balance at 1-1-1999 RM	Charge for the year RM	Deletions RM	Transfer RM	Net exchange differences RM	Balance at 31-12-1999 RM
Accumulated depreciation						
Assets at cost :-						
Leasehold land:						
- Long lease	997,900	197,227	-	-	-	1,195,127
- Short lease	1,415,029	332,080	-	-	24,437	1,771,546
Buildings	32,907,618	4,755,775	(813)	3,525	18,665	37,684,770
Jetty	-	6,124	-	-	-	6,124
Plant, machinery, fixtures and equipment	109,397,361	13,396,317	(1,367,167)	(1,148,048)	58,739	120,337,202
Motor vehicles and boats	17,294,967	2,533,675	(1,171,108)	1,144,523	8,350	19,810,407
Assets at valuation :-						
Long leasehold land	495,663	24,888	-	-	-	520,551
Buildings	7,910,408	456,842	-	-	-	8,367,250
Jetty	1,861,493	121,456	-	-	-	1,982,949
	172,280,439	21,824,384	(2,539,088)	-	110,191	191,675,926

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated In Malaysia)

1999 Company	Balance at 1-1-1999 RM	Additions RM	Disposals RM	Balance at 31-12-1999 RM
At cost :-				
Freehold land	98,000	-	-	98,000
Long leasehold land	5,020,437	-	-	5,020,437
Buildings	44,551,099	25,900	-	44,576,999
Jetty	-	459,288	-	459,288
Plant, machinery, fixtures and equipment	58,867,715	850,934	-	59,718,649
Motor vehicles and boats	10,171,616	876,524	(803,514)	10,244,626
At valuation :-				
Freehold land	3,574,151	-	-	3,574,151
Long leasehold land	2,063,492	-	-	2,063,492
Buildings	23,447,856	-	-	23,447,856
Jetty	6,072,795	-	-	6,072,795
	153,867,161	2,212,646	(803,514)	155,276,293

	Balance at 1-1-1999 RM	Charge for the year RM	Deletions RM	Balance at 31-12-1999 RM
Accumulated depreciation				
Assets at cost :-				
Long leasehold land	595,588	152,095	-	747,683
Buildings	8,920,920	891,523	-	9,812,443
Jetty	-	6,124	-	6,124
Plant, machinery, fixtures and equipment	44,670,384	2,844,399	-	47,514,783
Motor vehicles and boats	7,959,328	1,070,404	(775,132)	8,254,600
Assets at valuation :-				
Long leasehold land	495,663	24,888	-	520,551
Buildings	7,910,408	456,842	-	8,367,250
Jetty	1,861,494	121,455	-	1,982,949
	72,413,785	5,567,730	(775,132)	77,206,383

(c) Plant & equipment include the following assets acquired under hire purchase arrangement:-

2000	Cost RM	Accumulated depreciation RM	Net book value RM	Current depreciation RM
Group				
Motor vehicles	1,855,226	889,784	965,442	221,888
Company				
Motor vehicles	233,930	167,650	66,280	46,786
1999				
Group				
Motor vehicles	3,221,289	2,301,440	919,849	581,571
Company				
Motor vehicles	1,582,040	1,379,480	202,560	311,993

(d) The Company's land, buildings and jetty were revalued by the Directors on 1st January, 1983 based on valuation by independent professional valuers using the fair market value method.

In accordance with the transitional provision issued by the Malaysian Accounting Standards Board in the adoption of International Accounting Standard No. 16 (revised) - Property, Plant and Equipment, these assets are stated at their previously revalued amounts. The net carrying amounts of these assets as at balance sheet date had they been stated at their historical costs less depreciation are not disclosed as historical records are not available.

(e) The Group's property, plant and equipment as at balance sheet date include an unused machinery owned by a foreign subsidiary which has been stated in the financial statements at its net recoverable amount of VND4,170 million (1999 : VND4,170 million) which is equivalent to RM1,092,500 (1999 : RM1,130,700) based on an independent valuation.

(f) During the year, a subsidiary company, Dindings Soya & Multifeeds Sdn Berhad wrote down the carrying value of its unused soya extraction plant from RM7,200,000 to RM5,700,000 (1999 : RM 11,249,300 to RM7,200,000) based on the Directors' estimation of the net recoverable amount.

- (g) There are no encumbrances on the property, plant and equipment of the Group and Company other than the motor vehicles stated in the Note 11(c) and the following assets of a foreign subsidiary company which have been charged to a financial institution in consideration for term loans facilities granted:-

	Group	
	Net book value	
	2000	1999
	RM	RM
Assets included in :-		
Plant, machinery, fixtures and equipment	619,597	924,078
Motor vehicles	966,990	1,183,297
	1,586,587	2,107,375

12. SUBSIDIARY COMPANIES

	Company	
	2000	1999
	RM	RM
Unquoted shares at cost	139,306,864	139,303,064
Amount owing by subsidiary companies	31,136,708	24,002,856
Amount owing to subsidiary companies	(556,559)	(236,532)
	169,887,013	163,069,388

Included in the amount owing by subsidiary companies is a sum of RM6,212,000 (1999 : RM5,200,934) where interest is charged at the rate of 4% (1999 : 4% to 6%) per annum. Other than as disclosed, all remaining inter-company balances are interest free. All inter-company balances are unsecured and have no fixed repayment terms.

The subsidiary companies, all of which are incorporated in Malaysia except as disclosed otherwise, comprise :-

		Effective interest in equity	
		2000	1999
Direct subsidiary company	Principal activities	%	%
Dindings Soya & Multifeeds Sdn Berhad	Manufacture and sale of animal feeds and related raw materials, purchase and contract farming of poultry for resale	60	60
Syarikat Pengangkutan Lumut Sdn Bhd	Transport management	100	100
Dindings Poultry Processing Sdn Bhd*	Processing and sale of poultry products	76	76
Dindings Broiler Breeder Farm Sdn Bhd	Breeding and sale of day-old - chicks	100	100
MFM Feedmill Sdn Bhd	Manufacture and sale of animal feeds and sale of related raw materials	100	100
MFM Broiler Breeder Farm Sdn Bhd	Breeding of day-old chicks (dormant)	100	100
Dindings Poultry Development Centre Sdn Bhd	Poultry grow-out farm and training and research centre	100	100
Semakin Dinamik Sdn Bhd	Letting of property	100	100
Vimaflour Ltd* (Incorporated in Vietnam)	Milling and selling wheat flour together with its allied products	70	70
Muda Fibre Manufacturing Sdn Bhd	Manufacture and sale of polypropylene and polyethylene woven bags and its allied products	60	60
MFM Property Sdn Bhd	Property investment (dormant)	100	100
Accord Hotel Sdn Bhd	Hotel operation and management (dormant)	100	100
MFM International Ltd* (Incorporated in British Virgin Islands)	Investment holding	100	-
Indirect subsidiary company			
Mekong Flour Mills Ltd* (Incorporated in Vietnam)	Flour and feed milling (pre-operating)	100	-

* Subsidiary companies not audited by Folks DFK & Co.

13. INVESTMENTS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Quoted in Malaysia				
- loan stocks at cost	107,000	107,000	107,000	107,000
Unquoted shares at cost				
- in Malaysia	2,867,000	2,860,000	60,000	60,000
- foreign	8,760,164	8,760,164	8,760,164	8,760,164
	11,734,164	11,727,164	8,927,164	8,927,164
Less: Provision for diminution in value of quoted loan stocks	(87,740)	-	(87,740)	-
	11,646,424	11,727,164	8,839,424	8,927,164
Market value of quoted loan stocks	19,260	42,800	19,260	42,800

14. INVENTORIES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Raw materials	99,675,349	67,989,209	42,574,759	38,936,595
Semi-processed goods	2,212,614	2,082,038	-	-
Finished goods	16,990,267	17,975,200	1,621,085	1,584,669
Consumables	9,022,226	8,141,633	2,620,693	2,223,419
Poultry parent stock, broilers and day-old chicks	7,323,319	6,998,885	-	-
	135,223,775	103,186,965	46,816,537	42,744,683

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade receivables	95,135,876	75,895,027	37,291,688	24,279,905
Provision for doubtful debts	(6,930,672)	(6,260,000)	(2,000,000)	(1,500,000)
	88,205,204	69,635,027	35,291,688	22,779,905
Other receivables, deposits and prepayment	14,094,367	16,989,304	8,183,003	8,090,028
	102,299,571	86,624,331	43,474,691	30,869,933

Other receivables, deposits and prepayments of the Group are stated net of provision for doubtful debts of RM2,114,880 (1999 : Nil).

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Deposits with licensed banks	38,717,197	75,920,990	27,614,468	69,500,000
Cash and bank balances	13,004,716	11,318,700	1,941,241	1,110,622
	51,721,913	87,239,690	29,555,709	70,610,622

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade payables	17,676,911	12,079,229	4,501,147	2,493,279
Other payables and accruals	20,340,079	19,702,652	3,814,548	3,728,697
Hire purchase creditors (Note 10(d))	207,784	316,012	9,585	143,748
	38,224,774	32,097,893	8,325,280	6,365,724

18. 5% REDEEMABLE BANK GUARANTEED BONDS 1995/2000

	Group and Company	
	2000	1999
	RM	RM
At beginning of year	40,000,000	100,000,000
Redemption	(40,000,000)	(60,000,000)
At end of year	-	40,000,000
Redeemable within 12 months (included under current liabilities)	-	(40,000,000)
Redeemable after 12 months	-	-

19. BANK BORROWINGS

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Term loans (current portion)	34,171,601	13,956,887	-	-
Bills payable	104,917,230	87,652,000	46,517,108	39,000,000
Other short term loans	28,817,920	19,517,354	-	-
	167,906,751	121,126,241	46,517,108	39,000,000

The contractual terms and security arrangements of the term loans are detailed in Note 10 (c) to the financial statements. Bills payable and other short term loans are unsecured.

Interest on bills payable is calculated at rates ranging between 3.10% to 7.80% (1999 : 3.25% to 6.75%) per annum.

The other short term loans comprising loans of VND96,570 million (1999 : VND46,307 million) and USD925,803 (1999 : USD1,831,720) relate to that of a foreign subsidiary and interests are payable at rates ranging from 6.5% to 11.2% (1999 : 6.5% to 15%) per annum.

20. PRIOR YEAR ADJUSTMENTS

These represent the effects of the change in accounting policy for preliminary and pre-operating expenses as detailed in Note 2(l) to the financial statements. The change has the effect of increasing the Group's net profit for the year by RM961,881. The change in accounting policy has been accounted for retrospectively and the other effects to the Group's financial statements are as follows:-

	As previously reported RM	Effects of change in policy RM	As restated RM
Group retained profit:-			
Balance as at 31-12-1998	70,817,322	(9,547,443)	61,269,879
Net profit for the year ended 31-12-1999	52,553,283	993,699	53,546,982
Dividend	(8,401,461)	-	(8,401,461)
Balance as at 31-12-1999	114,969,144	(8,553,744)	106,415,400
Group exchange translation differences:-			
Balance as at 31-12-1998	2,443,549	716,179	3,159,728
Currency translation for the year ended 31-12-1999	381,501	(159,914)	221,587
Balance as at 31-12-1999	2,825,050	556,265	3,381,315
Minority interest as at 31-12-1999	32,403,594	(3,414,371)	28,989,223
Preliminary and pre-operating expenses deferred as at 31-12-1999	11,411,850	(11,411,850)	-

21. NOTES TO CASH FLOW STATEMENT

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means :-

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Cash purchase	11,100,363	7,448,939	3,791,203	2,212,646
Hire purchase financing	257,000	-	-	-
Aggregate cost	11,357,363	7,448,939	3,791,203	2,212,646

Plant and equipment acquired by hire purchase financing are reflected as cash flows from financing activities based on the principal amount of instalments made.

(b) Subscription of shares in subsidiary companies

- (i) During the year, the Company paid RM3,800 (USD1,000) in cash to subscribe for 100% equity interest in MFM International Ltd (MIL), a company incorporated in British Virgin Islands to undertake the Group's new investment in the Socialist Republic of Vietnam (SRV).

MIL has been granted an investment licence to establish a flour and feed milling company by the relevant authority of SRV and had incorporated a wholly owned subsidiary company, Mekong Flour Mills Ltd (MFML) with an initial capital of VND14.365 million (RM3,800) for such a purpose.

The legal capital of MFML as stipulated in the investment licence is USD18 million (RM68.4 million) and which will be contributed by the Company through MIL in stages based on the capital costs requirement of MFML.

The implementation of this investment is subject to the approval of relevant authorities and shareholders of the Company.

- (ii) The comparative amount of RM1,200,000 represents the subscription for 1,200,000 ordinary shares of RM1.00 each in a wholly owned subsidiary company for the purpose of increasing its working capital.

22. SIGNIFICANT RELATED PARTIES' TRANSACTIONS AND BALANCES

(a) Transactions with related companies:-

	2000 RM	1999 RM
Freight and workshop services provided by a subsidiary :-		
to the Company	2,364,746	2,359,383
to other subsidiaries	1,180,450	1,422,786
Hire of machinery and motor vehicles charged		
to subsidiaries	657,522	669,973
Interest received from subsidiaries	193,206	1,016,441
Rental of premises :-		
charged to subsidiaries	321,960	291,000
charged by a subsidiary	77,856	74,856
Supervision fee charged by a subsidiary	319,502	307,654
Sales to subsidiaries	3,870,411	3,989,148
Purchases from subsidiaries	2,909,067	3,118,366
Sales between subsidiaries	124,110,118	111,202,000

The above transactions are carried out on terms not materially different from those transacted with unrelated third parties.

(b) Transactions with other related parties :-

The following transactions were entered into in the ordinary course of business and are established under negotiated terms with companies in which certain Directors, namely, Teh Liang Teik, Teh Wee Kok and Teh Wee Chye have substantial equity interest :-

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Sales of goods to :-				
- Thye Nam Loong Sdn Bhd	898,453	2,851,597	25,100	2,851,597
- Shanghai Malayan Flour & Foods Co. Ltd	14,272,492	-	14,272,492	-
	15,170,945	2,851,597	14,297,592	2,851,597
Recovery of expenses :-				
- Shanghai Malayan Flour & Foods Co. Ltd	121,706	132,696	121,706	132,696
Services rendered/ hiring of lorries to :-				
- Pembena Transport Sdn Bhd	812,679	915,370	54,413	99,453
- Indah Transport Sdn Bhd	335,507	393,173	49,581	49,581
	1,148,186	1,308,543	103,994	149,034
Freight services provided by :-				
- Pembena Transport Sdn Bhd	159,978	188,902	159,978	188,902
- Indah Transport Sdn Bhd	117,963	123,458	117,963	123,458
	277,941	312,360	277,941	312,360

- (i) Shanghai Malayan Flour & Foods Co. Ltd is a foreign corporation registered in the People's Republic of China where the Company has a 12% equity interest.

- (ii) The balances of indebtedness to or by the above related parties included in the financial statements are as follows :-

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Amount included in :-				
Receivables :-				
- Thye Nam Loong Sdn Bhd	279,048	970,519	-	480,163
- Pembena Transport Sdn Bhd	591,027	482,813	438,985	396,242
- Indah Transport Sdn Bhd	259,510	584,524	259,310	199,927
- Kitake Development Ltd	871,407	871,407	871,407	871,407
- Kledang Poultry Sdn Bhd	187,230	187,230	187,230	187,230
- Shanghai Malayan Flour & Foods Co. Ltd	16,172,274	1,778,076	16,172,274	1,778,076
	18,360,496	4,874,569	17,929,206	3,913,045
Amount included in :-				
Payables :-				
- Indah Transport Sdn Bhd	-	598	-	-
- Thye Nam Loong Sdn Bhd	100,442	-	100,442	-
	100,442	598	100,442	-

23. SEGMENT ANALYSIS

	Turnover RM'000	Profit / (Loss) before taxation RM'000	Assets employed RM'000
By activity :-			
2000			
Flour	243,810	28,923	310,362
Feeds	179,570	5,148	107,471
Transport	6,962	112	4,550
Poultry integration	143,807	(1,214)	87,644
Polypropylene goods	9,790	1,008	16,530
	583,939	33,977	526,557
1999			
Flour	269,746	43,204	329,093
Feeds	169,497	8,648	90,996
Transport	6,395	48	4,419
Poultry integration	134,251	5,464	89,765
Polypropylene goods	8,508	1,161	14,200
	588,397	58,525	528,473
By geographical location :-			
2000			
Malaysia	511,763	33,145	425,388
Vietnam	72,176	832	101,169
	583,939	33,977	526,557
1999			
Malaysia	499,107	48,573	431,250
Vietnam	89,290	9,952	97,223
	588,397	58,525	528,473

24. CAPITAL AND OTHER COMMITMENTS

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Authorised and contracted for :-				
Investment in a foreign subsidiary (Note 24(a))	-	-	13,300,000	-
Acquisition of property, plant and equipment	3,005,000	-	-	-
Authorised but not contracted for :-				
Acquisition of property, plant and equipment (Note 24(b))	47,120,000	-	-	-
	50,125,000	-	13,300,000	-

(a) Investment in a foreign subsidiary

The Board of Vimaflour Ltd (Vimaflour) has approved a rights issue of equity of USD5 million (RM19 million), the proceeds of which will be used to strengthen the capital base of Vimaflour and retirement of principal and interest in respect of outstanding loans. In connection therewith and subsequent to the year end, the Company has placed with a licensed bank an amount of USD3.5 million (RM13.3 million) being its share of increase of the legal capital with an irrevocable undertaking that the amount will be transferred to the subsidiary company upon notification.

(b) Acquisition of property, plant and equipment

This amount represents the capital costs required for the setting up of a flour mill in the Socialist Republic of Vietnam by an indirect foreign subsidiary company namely Mekong Flour Mills Ltd. The implementation of this project is subject to the approval of the relevant authorities and shareholders of the Company as disclosed in Note 21 (b) to the financial statements.

25. CONTINGENT LIABILITIES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Legal claim made by third party in respect of building works for a subsidiary under appeal	2,000,000	2,000,000	2,000,000	2,000,000

26. SUBSEQUENT EVENTS

On 13th February, 2001, the Company obtained approval from the Ministry of International Trade and Industry to defer the proposed special issue of 16,000,000 new ordinary shares of RM1.00 each in the Company to approved Bumiputra investors until 30th June, 2001.

27. COMPARATIVE FIGURES

The presentation of the financial statements for the current financial year has been changed to comply with requirements of Malaysian Accounting Standards Board's Standards. Comparative figures have been added or reclassified to conform with the current year's presentation, where necessary. The restatement of comparative figures arising from the change in accounting policy to write off preliminary and pre-operating expenses in the period in which they are incurred is disclosed under Note 20 to the financial statements.

Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 19 to 58 are drawn up in accordance with applicable approved Accounting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2000 and of the results and cash flows of the Company and of the Group for the year ended on that date.

Signed at Kuala Lumpur this 30th day of April, 2001

On behalf of the Directors,

TEH LIANG TEIK
Director

LEE SOON LEE
Director

Statutory Declaration

I, TEH LIANG TEIK, being the Director primarily responsible for the financial management of MALAYAN FLOUR MILLS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 19 to 58 are 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 Teh Liang Teik at)
Kuala Lumpur in the Federal Territory)
this 30th day of April, 2001) **TEH LIANG TEIK**

Before me,

ROBERT LIM HOCK KEE
Commissioner for Oaths
Kuala Lumpur

Report Of The Auditors To The Members

We have audited the financial statements set out on pages 19 to 58 of Malayan Flour Mills Berhad. The preparation of the financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements.

We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Accounting Standards in Malaysia so as to give a true and fair view of :
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company at 31st December, 2000 and of the results of the operations and cash flows of the Group and of the Company for the year ended on that date;

and

- b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

MALAYAN FLOUR MILLS BERHAD (4260-M)
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We have considered the financial statements and the auditors' reports thereon of the subsidiary companies of which we have not acted as auditors, as indicated in Note 12 to the financial statements.

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 those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under Subsection (3) of Section 174 of the Companies Act, 1965.

FOLKS DFK & CO.
NO: AF 0502
PUBLIC ACCOUNTANTS

OOI CHEE KUN
NO: 996/03/02(J/PH)
PARTNER

Kuala Lumpur
30th April, 2001

Analysis Of Shareholdings As At 5th April, 2001

Authorised Capital - RM200,000,000
Issued and fully paid - RM84,014,606
Class of shares - Ordinary shares of RM1.00 each

7,442 ordinary shareholders

Voting rights: One vote for one share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Issued Shares	% of Issued Capital
1 - 499	797	10.71	170,128	0.20
500 - 5,000	5,429	72.95	11,436,662	13.61
5,001 - 10,000	668	8.98	5,274,078	6.28
10,001 - 100,000	495	6.65	11,938,473	14.21
100,001 - 1,000,000	46	0.62	14,547,639	17.32
Above 1,000,000	7	0.09	40,647,626	48.38
	7,442	100.00	84,014,606	100.00

Twenty (20) Largest Shareholders	No. of Shares	Percentage Holding (%)
1. Thye Nam Loong Holdings Sdn Bhd	26,100,754	31.07
2. AAA Nominees (Asing) Sdn Bhd [Solid Esteem Sdn Bhd for Wise Bright Investment Limited]	3,500,572	4.17
3. Teh Liang Teik	2,908,800	3.46
4. Amble Volume Sdn Bhd	2,742,000	3.26
5. Essence Lane Sdn Bhd	2,233,729	2.66
6. Teh Wee Kok	1,589,600	1.89
7. AAA Nominees (Asing) Sdn Bhd [Amble Volume Sdn Bhd for Rise Glory Investment Limited]	1,572,171	1.87
8. Favourite Access Sdn Bhd	1,000,000	1.19
9. Employees Provident Fund Board	968,000	1.15
10. Thye Heng Realty Sdn Bhd	950,000	1.13
11. Solid Esteem Sdn Bhd	864,000	1.03
12. Multi-Purpose Bank Nominees (Tempatan) Sdn Bhd [PHEIM Asset Management Sdn Bhd for Employees Provident Fund Board]	806,000	0.96
13. Ng Swee Hong	597,000	0.71
14. Thye Nam Loong Shipping Sdn Bhd	574,800	0.68
15. HSBC Nominees (Tempatan) Sdn Bhd [Shenyin for Teh Hong Eng]	547,000	0.65
16. Suai Timber Products Sdn Bhd	531,600	0.63
17. Teh Li Li	440,001	0.52
18. Teh Li Choo	439,238	0.52
19. M & A Nominee (Asing) Sdn Bhd [M & A Securities (HK) Ltd for Pedigree Limited]	420,000	0.50
20. Thye Nam Loong Sdn Bhd	417,600	0.50
Total	49,202,865	58.55

MALAYAN FLOUR MILLS BERHAD (4260-M)
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Substantial Shareholders	Shareholdings held in the name of substantial shareholders	Shareholdings in which the substantial shareholders are deemed to have interest
Thye Nam Loong Holdings Sdn Bhd	26,100,754	949,200
Teh Liang Teik	2,908,800	27,624,754
Teh Wee Kok	1,589,600	27,624,754
Teh Wee Chye	6,500	29,858,483
Solid Esteem Sdn Bhd	864,000	3,500,572
Amble Volume Sdn Bhd	2,742,000	1,572,171
Essence Lane Sdn Bhd	2,233,729	-
Victoria Eu	12,000	2,233,729
Wise Bright Investment Limited	-	4,364,572
Rise Glory Investment Limited	-	4,314,171
Employees Provident Fund Board	968,000	806,000

Details Of Assets

DETAILS OF LAND AND BUILDINGS ARE AS FOLLOWS:-

Description, Location & Size	Existing Use	Year Buildings Were Built	Approximate Value RM	Net Book Value At 31-12-00 RM
(i) Owned by the Company, shown at valuation:				
Freehold land and buildings				
- Land with shophouses Lots 448 & 449 Section 4 Town of Butterworth, Penang Total: 1.62 acres	Shoplot	1960	5,160,000 at 22-12-1981	2,965,000
- Freehold land with residential building Lot 449 Section 67 District of Kuala Lumpur Total: 1.00 acres	Vacant	1939	21,725,500 at 5-12-1996	1,651,000
Freehold land				
- Lots 5326, 5327 and part of Lots 5331 & 5332 District of Dindings Perak Darul Ridzuan Total: 9.00 acres	Vacant	-	72,000 at 29-12-1981	72,000
Leasehold land and buildings				
- Lots 4902 (expiring on 11-12-2061) 5022 (expiring on 25-4-2075) 5337 (expiring on 25-4-2075) 5466 & 5336 (expiring on 22-11-2090) Mukim of Lumut, District of Dindings Perak Darul Ridzuan Total: 61.43 acres	Factory	1966-1981	33,515,000 at 29-12-1981	15,028,000
(ii) Owned by the Company, shown at cost:				
- Building on Lots 4902, 5022 5336, 5337 & 5466 Mukim of Lumut District of Dindings Perak Darul Ridzuan	Factory	1982-1987	20,000,000 at 1987	13,754,000

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated In Malaysia)

Description, Location & Size	Existing Use	Year Buildings Were Built	Approximate Value RM	Net Book Value At 31-12-00 RM
(ii) Owned by the Company, shown at cost:				
- Leasehold land with shophouses HSD 24168 to 24177, PT No. 19472 to 19481 (Expiring on 26-6-2089) Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan Total: 0.41 acres	Rented out on 1 to 3 year lease	1991	7,030,000 at 13-6-1994	3,233,000
- Freehold land with shophouses Grant No. 36370, Lot No. 12256 Mukim of Pulai District of Johor Bahru Johor Darul Takzim Total: 0.04 acres	Rented out on 1 to 3 year lease	1979	190,000 at 1991	173,000
- Leasehold land with building Lot PTD 119736, HSD 238626 (Expiring on 28-2-2051) Mukim of Plentong District of Johor Bahru Johor Darul Takzim Total: 10.1 acres	Factory	1992	24,613,000 at 15-2-1995	20,357,000
- Leasehold land with building HSD 34668 PTD 6411 (Expiring on 22-7-2096) Mukim of Batu Berendam Daerah Melaka Tengah Total: 0.13 acres	Shoplot	1997	302,800 at 1997	575,000
- Freehold land with building Lot PTB 18284 Mukim of Tampoi District of Johor Bahru Johor Darul Takzim Total: 0.12 acres	Factory	1999	700,000 at 1999	709,000
- Freehold land with shophouses Lots 448 & 449 Section 4 Town of Butterworth, Penang Total: 1.62 acres	Shoplot	1960	659,000 at 1999	1,021,000

MALAYAN FLOUR MILLS BERHAD (4260-M)
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Description, Location & Size	Existing Use	Year Buildings Were Built	Approximate Value RM	Net Book Value At 31-12-00 RM
(iii) Owned by the subsidiaries, shown at cost:				
- Leasehold land with farm buildings Kawasan Batu Undan Mukim of Lumut Perak Darul Ridzuan (Title yet to be issued) Total: 200 acres	Breeder Farm	1989	12,630,000 at 15-2-1995	7,002,000
- Leasehold land with building Estet Perindustrian Kampung Acheh Mukim of Sitiawan District of Manjong Perak Darul Ridzuan (Title yet to be issued) Total: 16.1 acres	Factory	1990	14,086,000 at 15-2-1995	7,661,000
- Freehold land with house PTD 46071 Title No. 142790 Mukim of Plentong District of Johor Bahru Johor Darul Takzim Total: 0.04 acres	Own use	1991	63,000 at 1991	56,000
- Leasehold land with farm buildings Pasir Panjang Mukim of Pengkalan Bahru Perak Darul Ridzuan (Title yet to be issued) Total: 621 acres	Broiler Farm	1992	18,429,000 at 31-12-1994	11,929,000
- Leasehold land with building Lot PTD 119736, HSD 238626 (Expiring on 28-2-2051) Mukim of Plentong District of Johore Bahru Johor Darul Takzim Total: 10.1 acres	Factory	1992	4,017,000 at 15-2-1995	3,636,000

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated In Malaysia)

Description, Location & Size	Existing Use	Year Buildings Were Built	Approximate Value RM	Net Book Value At 31-12-00 RM
- Leasehold land with building HS(M) 2/1991, PT No. 2981 (Expiring on 24-4-2081) Mukim of Sungai Seluang District of Kulim, Kedah Total: 9 acres	Factory	1982	3,102,000 at 31-12-1996	2,761,000
- Freehold land Grant 1784, Lot 12653 Mukim of Sitiawan District of Dindings Perak Darul Ridzuan Total: 17 acres	Vacant	-	255,775 at 1997	271,000
- Land Use Rights with building (Expiring on 31-8-2024) Cai Lan, Quang Ninh Province The Socialist Republic of Vietnam Total: 17.30 acres	Factory	1997	40,563,000 at 1997	34,874,000
- Freehold land with farm buildings GM 168 to 171 (inclusive) Lot 8209 to 8212 (inclusive) Mukim of Sri Gading (VIII) District of Batu Pahat Johor Darul Takzim Total: 17.84 acres	Breeder Farm	1996	2,600,000 at 2000	2,769,000

Form Of Proxy

I/We, _____
of _____
being a member/members of **MALAYAN FLOUR MILLS BERHAD** hereby appoint _____
_____ of _____
or failing him/her _____
of _____

as my/our proxy to vote on my/our behalf at the Forty-First Annual General Meeting of the Company to be held on Wednesday, 30th May, 2001 at 9.30 a.m and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

No	Motions	For	Against
1.	To adopt reports and accounts		
2.	To sanction dividend		
3.	To re-elect Mr. Teh Wee Chye under Article 110 of the Company's Articles of Association		
4.	To re-appoint the following Directors pursuant to Section 129 (6) of the Companies Act, 1965:- a. Mr. Teh Liang Teik b. Tun Dato' Haji Omar Yoke Lin Ong c. Datuk Setia Raja, Tan Sri Datuk Seri Hamzah Bin Abu Samah d. Mr. Lee Soon Lee		
5.	To approve payment of Directors' fees totalling RM122,500		
6.	To re-appoint Auditors		
7.	To transact any other business		

Dated this _____ day of _____, 2001

Number of shares held

Signature of shareholder (s)

Witnessed by _____ (Signature)

Address _____

Occupation _____

Notes:-

1. A member of the Company entitled to attend and vote at the general meeting is entitled to appoint a proxy, who, unless he/she is a member must be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies in a particular case, to attend and to vote in his/her stead. The instrument appointing a proxy must be duly deposited at the Registered Office of the Company, 10th Floor, Wisma MCA, Jalan Ampang, 50450 Kuala Lumpur, not less than 48 hours before the time for holding the meeting or any adjournment thereof.
2. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holding to be represented by each proxy.