

Malaysia Pacific Land Berhad

12200-M

annual report

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-eighth Annual General Meeting of MALAYSIA PACIFIC LAND BERHAD ("the Company") will be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 18 October 2000 at 10.00 a.m. in order:

1. To receive and consider the audited financial statements for the year ended 30 June 2000 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees of RM72,279 to be divided amongst the Directors in such manner as the Directors may determine.
3. To re-elect Directors retiring in accordance with the Company's Articles of Association.
4. To re-appoint Messrs Ling Kam Hoong & Co as Auditors of the Company and authorise the Directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without any modification, the following ordinary motion pursuant to Section 132D of the Companies Act, 1965:

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the

Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

6. To consider any other business of which due notice shall have been given.

By Order of the Board

LIM YEW YOKE
Secretary

Kuala Lumpur
3 October 2000

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy but not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. A member may appoint any other person to be his proxy without limitation and the provision of Section 149 (1)(b) of the Companies Act, 1965 shall not apply to the Company. The Form of Proxy must be deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

2. Resolution pursuant to Section 132D of the Companies Act, 1965

In line with the Company's plan for expansion/diversification, the Company is actively looking into prospective areas so as to broaden the operating base and earning potential of the Company. As the expansion/diversification may involve the issue of new shares, the Directors, under present circumstances, would have to call for a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued capital. In order to avoid any delay and cost involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now empowered to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Corporate Information

DIRECTORS	<p>Encik Yusof bin Jusoh - <i>Chairman</i></p> <p>Encik Chut Nyak Isham bin Nyak Ariff - <i>Group Managing Director</i></p> <p>Tuan Syed Zaid bin Syed Jaffar Albar</p> <p>Encik Muthanna bin Abdullah</p> <p>Encik Dion Sharil bin Chut Nyak Isham</p>
SECRETARY	<p>Ms Lim Yew Yoke</p>
AUDITORS	<p>Messrs Ling Kam Hoong & Co Public Accountants No. 6-1, Jalan 3/64A Udarama Complex Off Jalan Ipoh 50350 Kuala Lumpur Tel: 03-4042 3288</p>
REGISTRAR	<p>Hong Leong Nominees Sendirian Berhad Level 5, Wisma Hong Leong 18 Jalan Perak 50450 Kuala Lumpur Tel: 03-2164 1818</p>
REGISTERED OFFICE	<p>Level 10, Wisma Hong Leong 18 Jalan Perak 50450 Kuala Lumpur Tel: 03-2164 1818</p>

Chairman's Statement

On behalf of fellow members of the Board, I am pleased to present the Annual Report and Financial Statements of the Malaysia Pacific Land Berhad Group ("the Group") for the financial year ended 30 June 2000.

FINANCIAL HIGHLIGHTS

The Group's turnover has recorded a higher result of RM45.678 million for the year ended 30 June 2000. This is an increase of 24.56% compared to the previous year's turnover of RM36.672 million.

The Group pre-tax profits of RM13.327 million represents an increase of 36.18% compared to the previous year's pre-tax profits of RM9.786 million.

This encouraging trend of results reflects the pick up in the Group's property development project in line with the recovering economy. Despite the adverse market conditions, year-on-year turnover has consistently increased while profits are back on the rise. Management's decision to shift focus to the low-medium and medium cost housing at the start of the economic crisis has borne fruit. Although margins for these types of houses are lower, the demand is still strong as reflected in the increasing turnover.

GROUP OPERATIONS

Property Investment

Despite the continuing over-supply of commercial space in Kuala Lumpur, Wisma HLA, the Group's building, continues to maintain a high level of occupancy. Continual review and revision in rental rates in line with the market are necessary to maintain the attractiveness of the building to prospective tenants.

Property Development

Further improved performance particularly in the last six months of 1999, was experienced by the Group's "Nusa Damai" property development project.

Sales for phases launched earlier continued to receive good response especially the low-medium and medium cost houses as well as shop offices. The various incentives given by the Government as well as the availability of cheap end-financing contributed to the increased sales of these houses.

During this period, several phases were successfully completed and handed over ahead of time to the purchasers with Certificate of Fitness for Occupation (CFO) despite the difficulties faced during the economic crisis. Construction and launching of new phases were also carried out to meet the demand for these types of properties. Further phases are planned to meet the demand from the public.

MANAGEMENT OUTLOOK

Property development will continue to be the main contributor to the Group's results. It is projected that the market for the higher cost houses will pick up with further improvements in the economy and consumer

confidence. In the meantime, the Group will continue to focus on the demand for low-medium and medium cost houses. The tenancy at Wisma HLA will remain fairly stable due to its central location and facilities. However, the rental rates are expected to remain soft compared to the previous years.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend in respect of the financial year ended 30 June 2000.

DIRECTORATE

YBhg Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim had resigned as a Director of the Company on 9 June 2000. On behalf of the Board, I would like to thank YBhg Tan Sri Dato' Mohd Sheriff Bin Mohd Kassim for his invaluable contributions to the Group during his tenure of service. Encik Muthanna bin Abdullah was appointed to the Board on 10 July 2000. On behalf of the Board, I warmly welcome his appointment.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our gratitude to all management and staff for their dedicated efforts and contributions to the success of the Group over the past year. I would also like to express my thanks and appreciation to fellow members of the Board for their commitment to the Group.

The Board wishes to express its appreciation to customers, partners and shareholders for their continuous support to the Group.

YUSOF BIN JUSOH

Chairman

Kuala Lumpur
22 August 2000



Audit Committee

AUDIT COMMITTEE

Name	Designation
Tuan Syed Zaid bin Syed Jaffar Albar	Chairman, Independent Non-Executive Director
Encik Muthanna bin Abdullah	Independent Non-Executive Director
Encik Chut Nyak Isham bin Nyak Ariff	Group Managing Director

TERMS OF REFERENCE

- To review, with the external auditors, the audit plan.
- To review, with the external auditors, the evaluation of the system of internal accounting controls and audit findings.
- To review, with the external auditors, the audit report.
- To review the assistance given by the Company's officers to the external auditors.
- To review the scope and results of the internal audit procedures.
- To review the financial statements of the Company and the consolidated financial statements submitted to the Audit Committee by the Company and thereafter to submit them to the Directors of the Company.
- To review any related party transactions that may arise within the Company or the Group.
- To nominate and recommend for the Board of Directors' approval, a person or persons as auditor(s).
- Other functions as may be agreed to by the Audit Committee and the Board of Directors.



Financial Statements

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Directors' Report

The Directors have pleasure in presenting their annual report and the audited financial statements of the Group and of the Company for the year ended 30 June 2000.

PRINCIPAL ACTIVITIES

The Company is principally in the business of letting of investment properties and investment holding whilst the principal activities of the subsidiary companies are as stated in Note 3 to the financial statements. There has been no significant change in activity during the year.

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Profit before taxation	13,327	5,826
Taxation	(4,703)	(1,770)
Profit after taxation	8,624	4,056
Accumulated profits brought forward	45,650	17,599
Accumulated profits carried forward	54,274	21,655

DIVIDEND

The Directors have decided not to recommend the payment of any dividend for the financial year ended 30 June 2000.

SHARE CAPITAL

There were no changes in the issued and paid-up capital of the Company during the year under review.

RESERVES AND PROVISIONS

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

DIRECTORATE

The Directors in office since the date of the last report are:-

Encik Yusof bin Jusoh (Chairman)
Encik Chut Nyak Isham bin Nyak Ariff (Group Managing Director)
Tuan Syed Zaid bin Syed Jaffar Albar
Encik Dion Sharil bin Chut Nyak Isham
Encik Muthanna bin Abdullah (Appointed on 10-7-2000)
YBhg Tan Sri Dato' Mohd Sheriff bin Mohd Kassim (Resigned on 9-6-2000)

In accordance with Article 85 of the Company's Articles of Association, Encik Dion Sharil bin Chut Nyak Isham retires by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Article 92 of the Company's Articles of Association, Encik Muthanna bin Abdullah retires from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

The holdings in the ordinary shares of RM1.00 each of the Company of those who were Directors as at 30 June 2000 are as follows:-

	Shareholdings in which Directors have direct interest/beneficial ownership			
	Number of ordinary shares of RM1.00 each			
	At 1-7-1999	Bought	Sold	At 30-6-2000
Interests of:-				
Encik Yusof bin Jusoh	19,140,000	-	2,134,000	17,006,000
Encik Chut Nyak Isham bin Nyak Ariff	46,127,000	63,000	17,260,000	28,930,000

DIRECTORS' BENEFITS

No Director of the Company has since the end of the previous financial year received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or as fixed salary of a full-time employee of the Company or of related corporations) by reason of a contract made by the Company or its related corporation with the Director or with a firm of which the Director is a member, or with a corporation in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the income statements and balance sheets of the Group and the Company were made out, the Directors took reasonable steps:-
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (a) The Directors are not aware of any circumstances:-
- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.
- (b) In the opinion of the Directors:-
- (i) the results of the operations of the Group and the Company for the financial year ended 30 June 2000 are not likely to be substantially affected by any item, transaction or event of a material and unusual nature which has arisen in the interval between the end of the financial year and at the date of this report; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (a) There are no charges on the assets of the Group and the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (b) There are no contingent liabilities which have arisen since the end of the financial year.
- (c) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

AUDITORS

The auditors, Messrs Ling Kam Hoong & Co, have indicated their willingness to continue in office.

On behalf of the Board

.....)
Yusof bin Jusoh)
.....)
.....)
.....) Directors
.....)
.....)
Chut Nyak Isham bin Nyak Ariff

22 August 2000

Balance Sheet

As at 30 June 2000

	Notes	The Group		The Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
PROPERTY, PLANT AND EQUIPMENT	2	137,099	137,669	128,295	128,765
INVESTMENTS IN SUBSIDIARIES	3	-	-	8,350	8,350
DEVELOPMENT PROPERTIES	4	190,014	182,834	-	-
CURRENT ASSETS					
Development properties	4	21,175	21,539	-	-
Inventories	5	5,505	1,926	-	-
Trade debtors	6	13,316	21,237	883	743
Amount due from subsidiary companies	7	-	-	109,223	109,524
Other debtors, deposits and prepayments		4,252	3,300	203	182
Deposit with financial institution	8	82	-	-	-
Cash and bank balances	9	1,749	597	4	53
		46,079	48,599	110,313	110,502
CURRENT LIABILITIES					
Trade creditors		8,525	8,907	348	169
Rental deposits		3,272	3,304	2,970	3,104
Amount due to subsidiary company	7	-	-	28,741	29,472
Other creditors and accrued liabilities	10	6,728	5,858	1,729	1,447
Bank and other borrowings	11	67,983	54,546	26,516	31,479
Provision for taxation		2,532	2,908	963	1,722
		89,040	75,523	61,267	67,393
NET CURRENT (LIABILITIES)/ASSETS		(42,961)	(26,924)	49,046	43,109
		284,152	293,579	185,691	180,224
FINANCED BY:-					
SHARE CAPITAL	12	99,000	99,000	99,000	99,000
ASSET REVALUATION RESERVE		22,276	22,276	21,643	21,643
ACCUMULATED PROFITS	13	54,274	45,650	21,655	17,599
		175,550	166,926	142,298	138,242
LONG TERM AND DEFERRED LIABILITIES	14	108,602	126,653	43,393	41,982
		284,152	293,579	185,691	180,224

The notes on pages 16 to 26 form part of these financial statements.

Income Statements

for the year ended 30 June 2000

	Notes	The Group		The Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Revenue	1 (i)	45,678	36,672	12,419	13,970
Cost of sales		(30,022)	(24,085)	(5,020)	(4,966)
Gross profit		15,656	12,587	7,399	9,004
Other operating income		671	212	6,183	8,633
Selling and marketing expenses		(195)	(202)	(181)	(134)
Administration expenses		(2,363)	(2,782)	(1,362)	(1,650)
Profit from operations		13,769	9,815	12,039	15,853
Finance costs		(442)	(29)	(6,213)	(8,708)
Profit before taxation	15	13,327	9,786	5,826	7,145
Taxation	16	(4,703)	(2,137)	(1,770)	(871)
Profit after taxation		8,624	7,649	4,056	6,274
Earnings per share	17	8.71 sen	7.73 sen		

Statements of Changes in Equity

for the year ended 30 June 2000

The Group

At 1 July 1998
Net profit for the year

At 30 June 1999
Net profit for the year

At 30 June 2000

The Company

At 1 July 1998
Net profit for the year

At 30 June 1999
Net profit for the year

At 30 June 2000

	Share Capital RM'000	*Assets Revaluation Reserve RM'000	Accumulated Profits RM'000	Total RM'000
At 1 July 1998	99,000	22,276	38,001	159,277
Net profit for the year	-	-	7,649	7,649
At 30 June 1999	99,000	22,276	45,650	166,926
Net profit for the year	-	-	8,624	8,624
At 30 June 2000	99,000	22,276	54,274	175,550
At 1 July 1998	99,000	21,643	11,325	131,968
Net profit for the year	-	-	6,274	6,274
At 30 June 1999	99,000	21,643	17,599	138,242
Net profit for the year	-	-	4,056	4,056
At 30 June 2000	99,000	21,643	21,655	142,298

*Non-distributable

The notes on pages 16 to 26 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 30 June 2000

CASH FLOWS FROM OPERATING ACTIVITIES

	2000 RM'000	1999 RM'000
Group profit before taxation	13,327	9,786
Adjustments for:-		
Deferred expenses written off	-	2
Plant and equipment written off	-	1
Depreciation of property, plant and equipment	915	898
Interest paid	402	-
Interest income	(572)	(98)
Bad and doubtful debts	161	231
Other non-cash item	453	547
	1,359	1,581
Operating profit before working capital changes	14,686	11,367
(Increase)/Decrease in working capital:-		
Debtors	7,682	(6,025)
Creditors	34	(2,316)
Deposits	(32)	(935)
Inventories	(3,579)	(1,926)
Cash generated from operations	18,791	165
Interest paid	(402)	-
Interest received	572	98
Income tax paid	(4,391)	(7,209)
Dividend paid	-	(3,564)
Net cash generated from/(used in) operating activities	14,570	(10,510)

consolidated cash flow statement (cont'd)

	2000 RM'000	1999 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(345)	(738)
Increase in land and development expenditure	(6,815)	(16,857)
Net cash used in investing activities	(7,160)	(17,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans	6,394	39,977
Repayment of term loans	(22,193)	(7,120)
Net cash (used in)/generated from financing activities	(15,799)	32,857
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(8,389)	4,752
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(31,249)	(36,001)
CASH AND CASH EQUIVALENTS AT END OF YEAR	(39,638)	(31,249)
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposit placed with financial institutions	82	-
Cash and bank balances	1,749	597
Bank overdrafts	(41,469)	(31,846)
	(39,638)	(31,249)

The notes on pages 16 to 26 form part of these financial statements.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in compliance with applicable approved Accounting Standards in Malaysia.

(b) Basis of consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and its wholly-owned subsidiary companies made up to the year ended 30 June 2000 (See Note 3).

All significant inter-company transactions and balances have been eliminated on consolidation.

Where a subsidiary is acquired during the year, its results are included in the consolidated income statement from its date of acquisition. The excess of the cost of investment acquired over the net assets of the property development subsidiary at acquisition has been allocated to the cost of development properties being its fair value at date of acquisition of the subsidiary.

(c) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation. Depreciation of items of property, plant and equipment (other than freehold land and building), is computed on the straight-line basis over the estimated useful lives of the assets. The principal annual rates used are:-

Building service plant and equipment	5 - 10%
Furniture, fittings and office equipment	10 - 20%
Motor vehicles	20%

(d) Investment properties

Investment properties of the Group comprise shoplots, land and buildings which are held for long term investment and rental business.

It is the policy of the Group to revalue its investment properties every five years or such shorter period as may be considered appropriate, based upon the advice of professional valuers and appraisers. In addition, the directors will appraise the properties at open market values annually based on appropriate information. Surplus or deficit arising on the revaluation are credited or debited direct to Asset Revaluation Reserve at the discretion of the directors. Deficit in the revaluation account is taken direct to the income statement.

In view of the foregoing, the directors are of the opinion that it is inappropriate to adopt a policy to depreciate investment properties.

(e) Investments in subsidiaries

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

(f) Property development expenditure

Property development projects consist of freehold land and related development expenditure incurred, and portion of profit attributable to the development work performed to-date, less applicable progress billings.

Interest cost incurred on the property development projects is capitalised and included as part of development expenditure. Income and cost of property development projects are recognised in income statement using the percentage of completion method.

Where foreseeable losses on development projects are anticipated, full provision for these losses is made in the financial statements.

The Group classified as current asset that portion of property development projects where significant development work has been done and is expected to complete within the normal operating cycle of two to three years.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by specific identification method.

(h) Deferred taxation

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

(i) Revenue

The Company's operating income comprises income from investment and proceeds from rental and service and utility fees received and receivable. In respect of the Group, this includes the proportionate sales value of development properties sold attributable to the percentage of development work performed on the respective properties during the year.

2. PROPERTY, PLANT AND EQUIPMENT

	Investment Properties: Freehold Land & Buildings RM'000	Building Service Plant & Equipment RM'000	Furniture, Fittings & Equipment RM'000	Motor Vehicles RM'000	Total RM'000
The Group					
Cost/Valuation					
At 1-7-1999	132,487	9,123	4,507	345	146,462
Additions	57	20	268	-	345
At 30-6-2000	132,544	9,143	4,775	345	146,807
Representing items at:					
Cost	30,991	9,143	4,775	345	45,254
Valuation	101,553	-	-	-	101,553
	132,544	9,143	4,775	345	146,807

2. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Investment Properties: Freehold Land & Buildings RM'000	Building Service Plant & Equipment RM'000	Furniture, Fittings & Equipment RM'000	Motor Vehicles RM'000	Total RM'000
The Group					
Accumulated Depreciation					
At 1-7-1999	-	6,139	2,443	211	8,793
Charge for the year	-	569	277	69	915
At 30-6-2000	-	6,708	2,720	280	9,708
Net Book Value					
At 30-6-2000	132,544	2,435	2,055	65	137,099
Net Book Value					
At 30-6-1999	132,487	2,984	2,064	134	137,669
Depreciation charge for the year ended 30-6-1999	-	567	262	69	898
The Company					
Cost/Valuation					
At 1-7-1999	123,899	8,735	4,241	242	137,117
Additions	57	20	265	-	342
At 30-6-2000	123,956	8,755	4,506	242	137,459
Representing items at:					
Cost	23,270	8,755	4,506	242	36,773
Valuation	100,686	-	-	-	100,686
	123,956	8,755	4,506	242	137,459
Accumulated Depreciation					
At 1-7-1999	-	5,866	2,318	168	8,352
Charge for the year	-	530	234	48	812
At 30-6-2000	-	6,396	2,552	216	9,164
Net Book Value					
At 30-6-2000	123,956	2,359	1,954	26	128,295
Net Book Value					
At 30-6-1999	123,899	2,869	1,923	74	128,765
Depreciation charge for the year ended 30-6-1999	-	528	220	48	796

The investment properties have been pledged to financial institutions for credit facilities granted to the Company as stated in Note 11.

2. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Details of independent professional valuations of properties of the Group are as follows:-

Freehold land and buildings

Revaluation adopted in the financial statements:-

- The Company - 1989 valuation
- The subsidiary - 1990 valuation

Group RM'000
100,686
867
101,553

The investment properties were revalued by the directors based on valuation reports prepared on the open market value basis.

In accordance with the Group's accounting policy (Note 1(d)), the directors had re-estimated the valuation of the Group's and the Company's freehold investment properties (excluding building service plant and equipment) at RM147,400,000 and RM132,500,000 respectively based on the advice by independent professional valuers on its open market value at 30 June 2000 under the Investment Method of valuation. However, the directors have decided not to take up in the financial statements the surplus of RM14,856,000 and RM8,544,000 for the Group and the Company respectively at the date of valuation.

3. INVESTMENTS IN SUBSIDIARIES

Unquoted shares in subsidiaries - at cost

The Company	
2000 RM'000	1999 RM'000
8,350	8,350

The subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of Company	Equity Interest		Principal Activities
	2000 %	1999 %	
Asa Enterprises Sdn Bhd	100	100	Letting of investment property
Bedford PJ Complex Sdn Bhd	100	100	Dormant
Creative Ascent Sdn Bhd and its subsidiary:-	100	100	Investment holding, project management and property co-development
Bandar Baru Masai Sdn Bhd	100	100	Property development

The financial year end of all the subsidiaries are co-terminous with that of the Company.

4. DEVELOPMENT PROPERTIES

The Group

	2000 RM'000	1999 RM'000
Freehold land at cost	64,085	64,085
Premiums on acquisition of Bandar Baru Masai Sdn Bhd allocated to land cost	59,699	59,699
	123,784	123,784
Development expenditure	156,866	123,317
	280,650	247,101
Portion of profit attributed to development work performed to date	26,407	18,581
	307,057 (90,363)	265,682 (59,383)
Less: Progress billings rendered		
	216,694 (5,505)	206,299 (1,926)
Transfer to inventories		
	211,189 (190,014)	204,373 (182,834)
Non-current portion		
Current portion	21,175	21,539
Development expenditure includes:-		
Interest capitalised	14,647	17,923
Directors' remuneration - other than fee	564	564
Office rental	421	421

The development properties of the property development subsidiary have been charged to a financial institution for credit facilities granted to the subsidiary.

5. INVENTORIES

The Group

Inventories consist of the following:-

Completed industrial lots, residential
houses and shops office

	2000 RM'000	1999 RM'000
	5,505	1,926

6. TRADE DEBTORS

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade debtors	13,758	21,654	1,193	1,006
Provision for doubtful debts	(442)	(417)	(310)	(263)
	13,316	21,237	883	743

7. AMOUNT DUE FROM/(TO) SUBSIDIARIES

These are unsecured advances with no fixed term of repayment and attract/bear interest ranging from 1% to 6% (1999: 2.1% to 8.4%) per annum.

8. DEPOSIT WITH FINANCIAL INSTITUTION

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Deposit with licensed bank	82	-	-	-

The deposit is pledged to a bank for guarantee facility utilised by a subsidiary.

9. CASH AND BANK BALANCES

The Group

Included in cash and bank balances of the Group are interest bearing balances of RM1,656,304 (1999: RM456,816) held under the Housing Development Account pursuant to Section 7A of the Housing Developers Act 1966.

10. OTHER CREDITORS AND ACCRUED LIABILITIES

The Group

These include a provision for liquidated and ascertained damages amounting to RM1,199,000 (1999: RM746,000).

11. BANK AND OTHER BORROWINGS

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Term loans (Note 14)				
- secured	26,514	22,700	5,014	9,700
Bank overdrafts				
- secured	40,240	30,156	20,273	20,089
- unsecured	1,229	1,690	1,229	1,690
	67,983	54,546	26,516	31,479

The term loans and bank overdrafts are secured by way of a fixed charge over the freehold land and investment properties and a debenture creating fixed and floating charge over all assets of the Company and a subsidiary company.

The term loans are repayable over a period not exceeding six years and bear interest at 0.50% to 2.00% above the respective financial institutions' prevailing base lending rate or effective cost of funds.

The bank overdrafts bear interest ranging from 1.75% to 2.00% above the banks' base lending rate.

12. SHARE CAPITAL

	2000		1999	
	No of shares '000	RM'000	No of shares '000	RM'000
Ordinary shares of RM1.00 each				
Authorised:-				
At beginning of year/				
At end of year	500,000	500,000	500,000	500,000
Issued and fully paid up:-				
At beginning/end of year	99,000	99,000	99,000	99,000

13. ACCUMULATED PROFITS

	2000 RM'000	1999 RM'000
Profits retained by:-		
The Company	21,655	17,599
The subsidiaries	32,619	28,051
	54,274	45,650

14. LONG TERM AND DEFERRED LIABILITIES

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Term loans				
- secured	101,630	121,243	42,630	41,300
Deferred taxation	6,972	5,410	763	682
	108,602	126,653	43,393	41,982

Term loans

The portion of the term loans repayable within twelve months is classified as "Current Liabilities" under "Bank and Other Borrowings" (Note 11).

The contracted terms and security arrangements of the term loans are detailed in Note 11 to the financial statements.

Deferred taxation

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Balance at 1 July	5,410	3,293	682	-
Transfer from income statement				
- current year	1,496	1,523	15	88
- prior year	66	594	66	594
Balance at 30 June	6,972	5,410	763	682

15. PROFIT BEFORE TAXATION

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
This is arrived at after charging:-				
Office rental	180	180	180	180
* Interest expenses				
- bank overdraft	-	-	1,838	2,069
- term loans	-	-	3,978	6,006
- subsidiary company	-	-	293	611
- others	402	-	99	-
Depreciation of property, plant and equipment	915	898	812	796
Plant and equipment written off	-	2	-	-
Directors' fee	85	86	72	73
Directors' remuneration - other than fee	242	242	242	242

15. PROFIT BEFORE TAXATION (cont'd)

This is arrived at after charging:-

- Audit fee
 - current year
 - prior year under provision
- Bad and doubtful debts
- Deferred expenses written off
- Provision for liquidated and ascertained damages

The Group		The Company	
2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
44	43	20	20
1	1	-	-
161	231	169	132
-	2	-	-
453	644	-	-
-	-	6,164	8,579
572	98	-	9
18	12	-	-

And crediting:-

- Interest income
 - subsidiary companies
 - others
- Rental income

* Interest on borrowings of the Company recovered from the subsidiaries and charged to development expenditure (Note 4) has been eliminated on Group consolidation.

16. TAXATION

Provision for taxation based
on profit for the year

Deferred taxation

(Over)/Under provision of prior years'

- taxation
- deferred taxation

The Group		The Company	
2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
3,317	-	1,689	-
1,496	1,523	15	88
(176)	20	-	189
66	594	66	594
4,703	2,137	1,770	871

The Group's effective tax rate is higher than the statutory rate due to certain non-deductible expenses in one of the subsidiaries.

No provision for taxation was made in the previous year as the tax on income for that year was waived under the Income Tax (Amendment) Act 1999.

Subject to agreement with the Inland Revenue Board:-

- (i) The Company has tax exempt account comprising income arising from previous year operation and available for future distribution as tax exempt dividend estimated at approximately RM7,482,000.

16. TAXATION (cont'd)

- (ii) The Company has tax credit under Section 108 of the Income Tax Act, 1967 to frank approximately RM16,434,000 as dividends out of the Company's distributable reserves.
- (iii) The Group has unabsorbed tax losses of RM1,811,000 (1999: RM1,669,000) and unabsorbed capital allowances of RM2,639,600 (1999: RM2,637,000) to be carried forward for offset against future business taxable income.

17. EARNINGS PER SHARE

The earnings per share is calculated on the Group profit of RM8,624,000 (1999: RM7,649,000) after taxation but before extraordinary item, divided by 99,000,000 (1999: 99,000,000) ordinary shares in issue and ranking for dividend during the year.

18. CONTINGENT LIABILITIES

These are contingent liabilities in respect of:-

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Guarantee given for credit facilities granted to the subsidiary	-	-	120,000	-

19. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements at 30 June are:-

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Capital expenditure - authorised and contracted for	-	58	-	58

20. SEGMENTAL ANALYSIS

The Group

	Revenue RM'000	Profit before taxation RM'000	Total assets employed RM'000
2000			
Property development	32,729	7,384	235,027
Letting of investment properties	12,949	5,943	138,165
	45,678	13,327	373,192

20. SEGMENTAL ANALYSIS (cont'd)

The Group

1999

Property development

Letting of investment properties

	Revenue RM'000	Profit before taxation RM'000	Total assets employed RM'000
Property development	21,964	2,207	239,206
Letting of investment properties	14,708	7,579	129,896
	36,672	9,786	369,102

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions other than those already disclosed in the financial statements are as follows:-

Amount owing from directors in
connection with purchase of properties

2000 RM'000	1999 RM'000
-	425

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

22. EMPLOYEES' INFORMATION

Staff costs

2000 RM'000	1999 RM'000
1,249,878	1,290,747

The number of employees of the Group (excluding directors) at the end of the year was 39 (1999: 42).

23. PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Company is Level 7, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur.

24. COMPARATIVE FIGURES

The financial statements are prepared and presented in compliance with the requirements of the Malaysian Accounting Standards Board. Accordingly, certain comparative figures have been reclassified to conform with the current year's presentation.

Statement by Directors

We, Yusof bin Jusoh and Chut Nyak Isham bin Nyak Ariff, being the Directors of MALAYSIA PACIFIC LAND BERHAD, state that in the opinion of the Directors, the financial statements set out on pages 11 to 26 are drawn up in compliance with applicable approved Accounting Standards in Malaysia and so as to give a true and fair view of the state of affairs of the Group and the Company at 30 June 2000 and of the results of the business of the Group and of the Company and the cash flows of the Group for the year ended on that date.

On behalf of the Board

Yusof bin Jusoh

)
)
)
) DIRECTORS
)
)
)
)

Chut Nyak Isham bin Nyak Ariff

22 August 2000

Statutory Declaration

pursuant to sub-section (16) of Section 169 of the Companies Act, 1965

I, Chut Nyak Isham bin Nyak Ariff, being the Director primarily responsible for the financial management of MALAYSIA PACIFIC LAND BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 11 to 26 are, in my opinion, 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 Chut Nyak Isham) CHUT NYAK ISHAM BIN NYAK ARIFF
bin Nyak Ariff at Kuala Lumpur in the)
Federal Territory on 22 August 2000)

Before me

TEONG KIAN MENG
Pesuruhjaya Sumpah
Commissioner for Oaths

Report of the Auditors

to the members of Malaysia Pacific Land Berhad (12200-M)

We have audited the financial statements set out on pages 11 to 26 of MALAYSIA PACIFIC LAND 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 conducted our audit in accordance with approved Standards on Auditing issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain all the information and explanation, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the 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 which have been prepared under the historical cost convention, as modified by the revaluation of certain freehold land and buildings, 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 30 June 2000 and of the results of the operations of the Group and of the Company and of the cash flows of the Group 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 subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

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

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

LING KAM HOONG & CO
AF: 0106
PUBLIC ACCOUNTANTS, MALAYSIA

LING KAM HOONG
161/5/02 (J/PH)

Kuala Lumpur
22 August 2000

Other Information

PROPERTIES HELD BY THE GROUP AS AT 30 AUGUST 2000

Tenure	Location	Land Area/ Net lettable area*	Approximate Age (Years)	Net Book Value (RM'000)
Freehold	18 level office tower and a 4 level retail podium at Jalan Raja Chulan 50250 Kuala Lumpur	332,359 sq. ft.*	25	132,544
Freehold	Development land in the Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	875.94 acres	-	211,189

DISTRIBUTION SCHEDULE OF SHAREHOLDERS AS AT 30 AUGUST 2000

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 499	6	0.16	250	0.00
500 - 5,000	3,342	87.26	5,459,750	5.51
5,001 - 10,000	217	5.66	1,869,000	1.89
10,001 - 100,000	232	6.06	6,945,000	7.02
100,001 - 1,000,000	23	0.60	8,476,000	8.56
Above 1,000,000	10	0.26	76,250,000	77.02
	3,830	100.00	99,000,000	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 30 AUGUST 2000

Names of Shareholders	No. of Shares	%
1. Chut Nyak Isham Bin Nyak Ariff	28,430,000	28.72
2. Yusof Bin Jusoh	17,006,000	17.18
3. HLL Overseas Limited	16,747,000	16.92
4. Lotus Securities Ltd	7,450,000	7.53
5. Hong Leong Group Executive Retirement Benefit Fund	1,975,000	1.99
6. Hong Leong Assurance Berhad	1,975,000	1.99
7. Taiping Securities Sdn Bhd - Special Administrators Appointed	1,887,000	1.91
8. Hong Leong Foundation	1,500,000	1.52
9. Suleiman Bin Babjan	1,407,000	1.42
10. Hume Group Executive Retirement Benefit Fund	1,000,000	1.01

TWENTY LARGEST SHAREHOLDERS AS AT 30 AUGUST 2000 (cont'd)

	Names of Shareholders	No. of Shares	%
11.	Gan Neap Kai	816,000	0.82
12.	Yap Wee Hin	665,000	0.67
13.	Ta Kim Huat	554,000	0.56
14.	Taiping Securities Sdn Bhd	553,000	0.56
15.	Wong Chong Che	537,000	0.54
16.	Ta Kin Yan	516,000	0.52
17.	Chiong Moi	436,000	0.44
18.	Waz Lian Enterprise Sdn Bhd	272,000	0.27
19.	Lee Teck Yuen	220,000	0.22
20.	Tan Jing Nam	215,000	0.22
		84,161,000	85.01

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 30 August 2000 are as follows:-

	Names of Shareholders	No. of Shares	%
	Chut Nyak Isham bin Nyak Ariff	28,930,000	29.22
	Yusof bin Jusoh	17,006,000	17.18
	HLL Overseas Limited	16,747,000	16.92
	Hong Leong Properties Berhad	16,747,000	16.92 *A
	Hong Leong Credit Berhad	18,722,000	18.91 *B
	Guoco Assets Sdn Bhd	18,722,000	18.91 *C
	Guoco Group Limited	18,722,000	18.91 *C
	Guoline Overseas Limited	18,722,000	18.91 *C
	Guoline Capital Assets Limited	18,722,000	18.91 *D
	Hong Leong Company (Malaysia) Berhad	18,722,000	18.91 *C
	HL Holdings Sdn Bhd	18,722,000	18.91 *E
	Tan Sri Quek Leng Chan	18,722,000	18.91 *E
	Kwek Leng Beng	18,722,000	18.91 *E
	Kwek Holdings Pte Ltd	18,722,000	18.91 *E
	Hong Realty (Private) Limited	18,722,000	18.91 *E
	Hong Leong Investment Holdings Pte Ltd	18,722,000	18.91 *E
	HLB Nominees (Tempatan) Sdn Bhd	22,750,000	22.98 *F
	HLG Nominee (Tempatan) Sdn Bhd	38,532,000	38.92 *F
	Scotia Nominees (Asing) Sdn Bhd	7,450,000	7.53 *F
	Hong Leong Fund Management Sdn Bhd	6,450,000	6.52 *G

*A Deemed interest through HLL Overseas Limited

*B Deemed interest through HLL Overseas Limited and a subsidiary company

*C Deemed interest through Hong Leong Credit Berhad

*D Deemed interest through Guoline Overseas Limited

*E Deemed interest through Hong Leong Company (Malaysia) Berhad

*F Held as bare trustee for various beneficial owners. Beneficial owners with interests of 2% or more in the Company and disclosed to the Company have been listed above as substantial shareholders

*G Held as Fund Manager

Malaysia Pacific Land Berhad

12200-M
(Incorporated in Malaysia)

Form of Proxy

I/We _____

of _____

being a member/members of Malaysia Pacific Land Berhad, hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Twenty-eighth Annual General Meeting of the Company to be held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 18 October 2000 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X":

RESOLUTIONS	FOR	AGAINST
1. To receive the Financial Statements and Reports		
2. To approve the payment of Directors' fees		
3. To re-elect the following as Directors pursuant to the Company's Articles of Association:- (a) Encik Dion Sharil bin Chut Nyak Isham (b) Encik Muthanna bin Abdullah		
4. To re-appoint Messrs Ling Kam Hoong & Co as Auditors and authorise the Directors to fix their remuneration		
5. As special business, to approve the ordinary resolution pursuant to Section 132D of the Companies Act, 1965		

Dated this _____ day of _____ 2000

Number of shares held

Signature of member(s)

NOTES:

- If you wish to appoint other person(s) to be your proxy, delete the words "the Chairman of the meeting" and insert the name(s) and address(es) of the person(s) desired in the space provided.
- If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
- A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where two proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in order for the appointments to be valid.
- In the case where a member is a corporation, this Form of Proxy must be executed under its common seal or under the hand of its attorney.
- All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting.