



Smart casual by Reject Shop



A Somerset Bay collection



Metrojaya fun kids

CHAIRMAN'S STATEMENT

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

ECONOMIC REVIEW

The Malaysian economy started well in the new millennium by reporting robust quarterly Gross Domestic Product ("GDP") growth rates of 11.8%, 8.4% and 7.8% for the first three quarters of the year respectively. Overall, year 2000 registered a positive GDP rate of 8.5% compared to 5.8% in 1999. The expansionary fiscal and monetary policies implemented by the Government since 1998 have stimulated strong growth in economic activities whilst the continued pegging of the ringgit has provided stability to the currency and has contributed to a strong trade surplus. In an environment of strong and increasing aggregate domestic and external demand, most sectors on the supply side registered positive growth. The manufacturing and services sectors grew by 21.0% and 4.7% respectively and the construction sector grew by 1.1% compared to a contraction of 5.6% in the preceding year.

FINANCIAL HIGHLIGHTS

The Group reported a pre-tax loss of RM12.0 million compared with a pre-tax profit of RM63.4 million in the previous financial year. Shareholders' funds stood at RM2.15 billion whilst Group assets are reported as RM5.58 billion as at 31 December 2000.

CORPORATE DEVELOPMENTS

PM Securities Sdn Bhd ("PM Securities"), the stockbroking subsidiary of Pan Malaysia Capital Berhad ("PM Capital"), entered into an agreement in October 2000 to merge its existing stockbroking business with that of MBf Northern Securities Sdn Bhd ("MBf Northern"). The merger which has been completed, allows for the operation of the business of MBf Northern as a branch of PM Securities and the relevant authorities have approved this new branch to be located in Puchong, Selangor Darul Ehsan. The branch is expected to be operational by the end of the third quarter this year.

A contemporary East India look





East India Company, Amcorp Mall



Somerset Bay, One Utama Shopping Centre

In addition to the MBf Northern transaction, PM Securities entered into an agreement in November 2000 to merge its existing business with that of Malpac Securities Sdn Bhd and another agreement to acquire Pan Malaysia Equities Sdn Bhd as a subsidiary from PM Capital. The said mergers and acquisition are in line with the Group's objective to expand and build its stockbroking operations into one of its core businesses. This move is also in line with the Malaysian Government's policy on the consolidation of the stockbroking industry and the establishment of Universal Brokers. With these mergers/acquisition, PM Securities now qualifies to be a Universal Broker.

As part of its rationalisation program to divest non-core assets and to focus on financial services activities, Pan Malaysia Holdings Berhad entered into an agreement in August 2000 with Supermix Concrete (Malaysia) Sdn Bhd ("Supermix") to sell to Supermix its entire shareholding in Pengkalen Concrete Sdn Bhd for a consideration of approximately RM6.9 million. The sale was completed in March 2001.

In view of the uncertain economic environment in Indonesia and the fluctuation of the Rupiah, Network Foods International Ltd ("NFIL") disposed its entire shareholding in Fairbridge Corporation ("Fairbridge") for a cash consideration of US\$3.1 million (RM11.7 million) during the year under review. Fairbridge is the holding company of PT Indo Cocoa Specialities, an Indonesian corporation involved in the manufacturing of

Metrojaya flagship store in Mid Valley Megamall





Dining room in blues by Laura Ashley



Laura Ashley's richly coloured prints furnishing collection

cocoa products, chocolate and confectionery. The disposal resulted in a gain of approximately S\$5.3 million (RM11.7 million).

In order to increase its shareholding in Chemical Company of Malaysia Berhad ("CCM") to a more meaningful stake, Pan Malaysia Corporation Berhad ("PMC") through its wholly owned subsidiary, Lembaran Megah Sdn Bhd, entered into an agreement in December 2000 to acquire 46,000,000 ordinary shares of CCM representing approximately 12.9% of the existing paid-up capital of CCM for a total cash consideration of RM105.8 million. Together with the existing 35,954,000 ordinary shares held by Lembaran Megah Sdn Bhd, the acquisition will result in the PMC Group having an aggregate equity interest of approximately 23.0% of the existing issued and paid up capital of CCM, the biggest chemical company in Malaysia.

During the year under review, London Vista Hotel Limited ("LVH"), an associate company of the Group, extended a general offer for all the ordinary shares in the Regal Hotel Group PLC ("Regal") not already owned by LVH and parties acting in concert. Regal is listed on the London Stock Exchange. Upon close of the offer, LVH received acceptances in excess of 90% of the ordinary share capital of Regal whereupon LVH has compulsorily acquired the balance. The total number of hotels owned by the Group in United Kingdom, Australia, United States of America and Malaysia is now at 102 with aggregate rooms of 8,061 worldwide.

The year under review saw MUI Hong Kong Ltd ("MUI HK") completing a number of corporate exercises starting with a rights issue on the basis of one new ordinary share of HK\$0.20 each for every two existing ordinary shares held with three bonus warrants for every five rights shares at an issue price of HK\$0.20 per rights share. This issue raised approximately HK\$92.0 million (RM44.8 million), part of which was utilised to acquire a 23.6% equity interest in Zhaodaola Limited. Zhaodaola is a leading internet company in The People's Republic of China ("PRC") which owns and operates an internet lifestyle portal for Chinese users. The proceeds of the rights issue were also utilised to invest in Beijing Morning Star-New Ark International Travel Service Co. Ltd, the first Sino-foreign equity joint venture travel agency in Beijing which operates a travel business in PRC. The joint-venture which is 49% owned by MUI HK opened for business in September 2000.



Laura Ashley store in Richmond



Laura Ashley store along Brompton Road, Knightsbridge

In October 2000, MUI HK acquired a 45.8% equity interest in Kerry Financial Services Limited (“KFSL”) for HK\$17.4 million (RM8.5 million). Following the acquisition, MUI HK also capitalised part of a loan due from KFSL resulting in a total holding of 54.8% in KFSL thereby making it a subsidiary. The acquisition is intended to expand the earning base of MUI HK and in December 2000, KFSL changed its name to Morning Star Financial Services Ltd (“MSFSL”), adopting the well established and recognised name of the travel arm of MUI HK.

REVIEW OF OPERATIONS

Malaysia

Retailing

With a regime of low interest rates, low inflation and easy liquidity conditions, consumer confidence was sustained in the year under review and this translated into an increase in consumer spending. The timely opening of Metrojaya Berhad’s flagship store in the Mid Valley Megamall in April 2000, its fifth departmental store in Pelangi Plaza, Johor Bahru in the second half of 2000 and 10 specialty stores throughout the year, saw the Group’s retailing operations achieving encouraging results. Metrojaya recorded a turnover and pre-tax profit of RM230.2 million and RM18.4 million respectively for the nine months ended 31 December 2000 compared to a turnover and pre-tax profit of RM176.5 million and RM14.9 million respectively for the previous corresponding period.

The retailing operations of Metrojaya now comprises 5 Metrojaya departmental stores, one Cosmart Hypermarket and 61 specialty stores under various concept stores such as Reject Shop, East India Company, Somerset Bay, Living Quarters and Zona.

Hotels

Despite higher tourist arrivals and an overall improvement in hotel occupancy rates in Kuala Lumpur for the first half of 2000, the hotel industry remained highly competitive. Although occupancy rates have shown an improvement, average room rates have increased only marginally from 1999. Despite the keen competition, there are a number of hotels which are under



Laura Ashley's fairytale princesses



Laura Ashley's modern Missy



Laura Ashley store along Harriet Street, London



Laura Ashley's soft, mystical mood



The lobby of MingCourt Vista Hotel, Kuala Lumpur



A newly refurbished room in MingCourt Vista Hotel, Kuala Lumpur

construction as are a number of service apartments, most of which will be centred in Kuala Lumpur.

The performance of MingCourt Vista Hotel Kuala Lumpur during the year under review was below expectations. As conditions will remain difficult, the hotel will continue to focus on offering quality products and high service level to remain competitive and to carve out a niche market for itself. To this end, the hotel has completed a multi million refurbishment programme, upgrading all of its 378 rooms during the second half of 2000.

The performance of Paradise Lagoon Hotel in Port Dickson was encouraging for the year under review. The hotel has recently completed refurbishment of all its 201 rooms and aims to achieve better results for this year.

Food and Confectionery

The food and confectionery operations of the Group in Malaysia are undertaken by Network Foods Industries Sdn Bhd ("NFI") and Network Foods (Malaysia) Sdn Bhd ("NFM"). NFI operates a chocolate manufacturing plant located in Shah Alam, which produces confectionery with household brands such as Kandos, Crispy and Van Houten. NFM markets and distributes over 200 items of imported food and confectionery products.

The food division has been actively seeking to promote its products overseas and the volume of its exports have increased by nearly 30% from the previous year. It now exports to 28 countries including Japan, Australia, United States of America and Taiwan. To achieve higher profitability, the food division has expanded its operations to distribute higher margin items such as wines and health food products. Currently, NFM distributes wines from Australia, Chile and Canada and is seeking to expand its range further to include wines from other countries. The food and confectionery operations in Malaysia reported encouraging turnover and profitability for the financial year ended 31 December 2000.

Property

During the year under review, West Synergy Sdn Bhd, a subsidiary of MUI Properties Berhad, launched the third phase of properties in Bandar Springhill which comprises 94 units of single-storey terrace houses known as "MERPATI" and 172 units of double-storey terrace houses known as "MERAK". Sales to-date of this phase of properties are very encouraging. Bandar Springhill is a 1,990 acre integrated township along the Seremban-Port Dickson highway near Lukut, Negeri Sembilan. The township development project has launched a total of 1,159 units of various types of properties since 1997.

The construction work on the second phase of Vila Sri Ukay comprising semi-detached houses progressed satisfactorily. The development project which comprises bungalows and semi-detached houses recorded encouraging sales and profitability during the year under review.

MUI Plaza, the Group's main commercial building located in Kuala Lumpur's golden triangle business district achieved gross rental revenue of over RM10.0 million and a satisfactory occupancy rate during the year under review.

Financial Services

During the year under review, MUI Continental Insurance Berhad ("MCI") reported a gross written premium of RM50.6 million, representing a 37.4% increase from last year. The overall performance of MCI was however affected by low fixed deposit interest income, stiff competition and increase in claims.

For the financial year ended 31 December 2000, PM Capital, the stockbroking arm of the Group reported a pre-tax profit of RM22.9 million, compared to a pre-tax loss of RM68.7 million in the previous year. The improved results were attributed mainly to the successful implementation of the rights issue and schemes of arrangement of PM Capital and its two stockbroking subsidiary companies. With the completion of the schemes, trading restrictions were uplifted and the stockbroking operations resumed normal business in February 2000.

The consolidation of the stockbroking industry in line with Government policy will no doubt give rise to many challenges but overall, will lead to the emergence of stronger players which can provide a full range of innovative services. PM Securities as a qualified Universal Broker plans to expand its network of branches and intends to take full advantage of the many opportunities which will arise from the consolidation.



The entrance of Paradise Lagoon Hotel



Paradise Lagoon Hotel, Port Dickson



The Plaza on Hyde Park hotel, London

Singapore

Food and Confectionery

Network Foods International Ltd (“NFIL”) is listed on the Stock Exchange of Singapore and manages the Network Foods Group of companies which is engaged in the manufacturing, marketing and distribution of food and confectionery products in the Asia Pacific Region. In Singapore, the Group distributes a broad range of international brands including Tudor Gold, Blue Diamond, Pillsbury and Nestle. During the year under review, NFIL reported a pre-tax profit of S\$3.9 million (RM8.6 million) on the back of S\$53.0 million (RM116.7 million) in turnover and the company will continue to focus on building its own proprietary brands and seeking out new agency lines.



The Falcon Hotel, Stratford upon Avon

Hong Kong and The People’s Republic of China

Travel and Tourism

During the year under review, the performance of Morning Star Travel Service Ltd (“MST”), the travel and tourism arm of MUI Hong Kong Ltd, was affected by cautious consumer sentiment and low demand in Hong Kong due to higher unemployment rate and price deflation. Responding to the challenging operating environment, MST changed its pricing strategy and focused on quality products as well as cost control measures. As a result, MST managed to improve its gross profit margin and to contain its total operating costs.

MST launched its travel website www.morningstar.com.hk in February 2000. Upgrading work of its IT infrastructure catering for internet sales, on-line ticketing, hotel and tour reservations and payment settlement is progressing on schedule. In collaboration with SUNDAY Communications Limited (“SUNDAY”), MST started to provide travel information through SUNDAY’s newly launched WAP phone service in 2000.



The Foxy Fish pub at the Barns Hotel, Bedford

Financial Services

The Morning Star Financial Services Ltd (“MSFSL”) group is engaged in securities broking, provision of investment advisory services and nominee services. For the year under review, MSFSL recorded a pre-tax profit of HK\$31.7 million (RM15.5 million) as compared to a loss of HK\$6.1 million (RM3.0 million) in the previous year.

Food and Confectionery

Network Foods (Hong Kong) Limited (“NFHK”) distributes food and confectionery of popular brands such as Van Houten, Tong Gardens, Sunshine and Andes in Hong Kong. During the year under review, despite cautious consumer spending in Hong Kong, NFHK achieved satisfactory performance due to effective cost control and better product mix.

Property

The construction of Part 2 Phase VI of Morning Star Villa (“MSV”) in Zhongshan City, PRC was completed on schedule and delivery of the residential units took place during June 2000. The development of Phase VII of MSV commenced in 2000 and the sales to-date of properties under this Phase have been very encouraging. To-date, MSV has built a total of 5,050 residential units. The Group’s other project in Zhongshan, Morning Star Plaza (“MSP”) is also progressing satisfactorily. MSP is targeted towards the domestic PRC market and over 70% of the residential units offered for sale under MSP have already been sold. To optimise land use and to offer a wider selection of units, MSP has also launched 5 blocks of 12 storey high-rise apartment units in addition to its current low-rise apartment blocks.

Information Technology

Zhaodaola Limited operates its lifestyle portal under the domain names of www.zhaodaola.com and www.zhaodaola.com.cn. Zhaodaola’s internet portal was selected by the second Annual China Internet Contest sponsored by China Youth Development Foundation as the best PRC lifestyle internet site in 2000. The daily page views of Zhaodaola reached two million as at 31 December 2000. Zhaodaola is well positioned to take advantage of the opportunities and to capitalise on the potential for e-commerce in PRC and Hong Kong.



The Rose & Crown Hotel, Salisbury



Makeney Hall Hotel, Derby



The Blackwell Grange Hotel, Darlington

The Belsfield Hotel, Windermere





The spectacular 12th hole at Regent Park Golf Course

Australia

Hotels

The Group owns and manages five hotels with aggregate of 851 rooms in Australia, namely Sydney Vista in Sydney, Grosvenor Vista in Adelaide, Alice Springs Vista in Alice Springs and Hobart Vista and Pacific Vista in Tasmania. The influx of visitors to Australia during the staging of the Olympics in Sydney has contributed tremendously to the performance of the hotels particularly the Sydney Vista. The 2000 Sydney Summer Olympics helped showcase Australia on the world stage and this has led to the country being a favoured destination for most part of the year. Tourist arrivals remain strong throughout 2000 and the hotels expect a creditable performance in the forthcoming year.

Food and Confectionery

Network Foods Limited (“NFL”), which is listed on the Australia Stock Exchange, is the largest independent national distributor of confectionery and snackfoods within Australia with branches, sales teams and warehouses strategically located in every state of Australia.

Through various distribution network, NFL provides its principals with access to approximately 200 wholesalers, 20,000 traditional retail outlets, 800 convenience stores, 2,000 pharmacies and 5,000 supermarkets. Its international product portfolio includes the brands of

Entrance to the community of Regent Park and Regent Park Golf Club



Fisherman's Friend, Hershey Chocolate, SMINT, Mega Warheads, Trolli, V Pop, Beacon and Crispy.

For the year ended 31 December 2000, NFL reported a pre-tax profit of A\$1.1 million (RM2.4 million).

Education

The education business of the Group in Australia is conducted through three colleges namely Western Australia International College ("WAIC"), Australian Institute for University Studies ("AIUS") and the Australian Institute for Golf Management ("AIGM") under Excel Education Pty Ltd ("Excel"). WAIC and AIUS cater for diploma and degree equivalent courses accredited by Curtin University in Western Australia and in February 2001, AIUS has its first intake of students for the Monash diploma and Monash degree programmes in association with Monash University, Victoria.

Traditionally, AIUS and WAIC have concentrated on business courses. However, in view of the demand for quality golf management programme, AIGM was formed and was initially offering certificates in Golf Management. Building on the success of its earlier programme, AIGM is now offering diploma level courses in Professional Golf Management and its first intake was in February this year.

United Kingdom and Europe

Hotels

The Group, through Regal Hotel Group PLC ("Regal"), owns and operates a chain of 93 hotels with 6,463 guest rooms throughout the United Kingdom, under the brand names of *Corus* and *Regal*. For the financial year ended 31 December 2000, Regal reported a pre-tax profit of GBP2.9 million (RM16.7 million) as compared to a pre-tax loss of GBP13.8 million (RM84.8 million) in the previous financial year.

During the year under review, Regal focused on rationalising its hotel portfolio and the rebranding of a number of suitable hotels into "*Corus*" hotels. The stylish and exciting new *Corus* brand positions itself to cater for the higher-yield business traveler. It also offers innovative packages for meetings and events, supplemented by short breaks weekend business in order to maintain a more consistent level of occupancy. At year-end, approximately one third of the portfolio had been rebranded *Corus*.

The Plaza on Hyde Park, the Group's Central London flagship hotel with 402 guest rooms, commenced the second phase of its major upgrade programme. This refurbishment programme which is enhanced by the creation of Laura Ashley styled bedroom furnishings will serve as the focus prototype for future refurbishment in other hotels. The refurbishment which provides an upscale and luxurious look, is targeted towards attaining a higher room revenue yield.

Conscientious of the need to conserve the use of energy, Regal launched a group wide Environmental Policy in June 2000 which has also resulted in cost savings for the Regal group.

Regal's website was re-constituted in early 2000 into a more interactive format which includes an on-line reservation service. It was nominated for the prestigious "Best website by a hotel chain" award at the 2000 Hospitality Solutions Show in London. It can be accessed at either



Regent Park Pro Shop



Homes set in Regent Park



PM Securities' new public-viewing gallery, Kuala Lumpur

www.corushotels.co.uk or www.regalhotels.co.uk. *Corus* and *Regal* hotels also won the Best Leisure Marketing Award 2000 presented by the Hotel Marketing Association, an affiliate of the Chartered Institute of Marketing.

The Restaurant Partnership ("TRP") which is a subsidiary of Regal, operates 11 restaurants in London, Manchester and Antwerp. Some of the famous restaurants include Elena's L'Etoile, The Gay Hussar and Theirry's. TRP also operates 7 Simply Nico and Nico Central branded French restaurants.

Retailing

Laura Ashley Holdings PLC ("Laura Ashley"), the Group's 42.88% owned associated company listed on the London Stock Exchange, is principally involved in the design, manufacture, sourcing, distribution and sale of garments, accessories and home furnishings which are renowned for their traditional English country style.

Despite difficult trading conditions for retailers in the UK, Laura Ashley reported a pre-tax profit of GBP10.2 million (RM58.7 million) for the 52 weeks ended 27 January 2001 compared to a pre-tax loss of GBP4.1 million (RM25.2 million) in the previous financial year. The greatly improved performance of Laura Ashley was due to the strong sales growth achieved in both home furnishings and garments. Better margins due to cost cutting measures, rationalisation of supply chain as well as new collection in clothing also contributed to the overall good performance of the company.

Laura Ashley operates 252 stores in the United Kingdom and Continental Europe. The company also has 213 franchised stores worldwide in countries such as Japan, Australia and the United States of America. During the year under review, 6 new stores were opened in the United Kingdom. The stores range from 1,000 sq. ft.

The new reception of PM Securities in Kuala Lumpur



to 5,000 sq. ft. in size. Three of the stores, in South Woodford, Nottingham and Nantwich are dedicated Home stores whilst the other 3 stores in Kendal, Dublin and Sevenoaks, are for Garments and Homes. The concept of larger, low rent stand-alone Home stores has yielded positive returns. Based on the success of this concept, another 20 stores are planned for roll-out this year.

The past year also saw the opening of 8 new franchised stores in Turkey, Middle East, Spain, Ukraine and Iceland. Over in the Far East, Laura Ashley Japan, the holder of the Laura Ashley franchise registered better performance against last year and has planned new store openings in 2001.

L'Oreal, the world's largest cosmetics retailer has developed a new fragrance under licence with Laura Ashley. "Magic Garden" was launched in France in December 2000. In addition to perfume, the entire range of Magic Garden toiletries, body spray, body lotion and shower gel will be available soon. Other licensing agreements under discussions are for tableware, garden furniture, watches and bridal-wear.

To optimise efficiency and streamline its various divisions, Laura Ashley has also restructured its manufacturing operations. Its factories in Carno, Wales which manufactures curtains, and at Texplan in Newtown, Wales which manufactures fabric and wallpaper, have both been placed under a subsidiary, Texplan Manufacturing Ltd. The new manufacturing operations which provide complementary manufacturing services will now operate as a stand-alone profit centre.

The online display and shopping website of Laura Ashley, www.lauraashley.com, will commence operations in the later part of 2001. The website will feature an extensive range of Laura Ashley home furnishings and garments for users to view and purchase in the United Kingdom.

United States Of America

Hotels And Leisure

During the year under review, the Group's Regent Park Golf Course in Charlotte, North Carolina launched its Regent Park's Professional Golf Management Program, conducted in conjunction with Queens College, Charlotte. Regent Park Golf Course which has won numerous awards including Metrolina Golfer's Choice Awards - Best Public Golf Course from 1996 to 1999 and in 2000, was rated "4 star" being the highest rating possible by Golf Digest magazine. Regent Park Golf Course strives to distinguish itself by consistently providing quality services and innovative programs for its patrons.

In Branson, Missouri, Regent Corporation owns and manages two lodging facilities, the Country Hearth Inn and Fiddlers Inn. Branson is slated as a top entertainment centre and has approximately 47 theatres with live performances throughout the year. It is a popular vacation destination attracting about 7 million visitors a year and the Group is seeking further investment opportunities in the vicinity.



MUI Continental Insurance Customer Service Centre, Kuala Lumpur

Pan Malaysia Equities' office in Seremban





Newly completed 'Suriya' double-storey terrace houses, Bandar Springhill



'Lily' double-storey bungalow, Bandar Springhill



'Orchid' single-storey bungalow, Bandar Springhill

Retailing

The Group's retail interest in the United States of America is conducted through Laura Ashley (North America), Inc ("LANA"), a subsidiary of Regent Corporation. LANA is a franchisee of Laura Ashley Holdings PLC which holds the franchise for United States of America and Canada. Additionally, LANA is also being granted the right to licence Laura Ashley products in United States of America and Canada. LANA operates 84 Laura Ashley

stores and during the year under review, it performed within expectations.

Media and Entertainment

During the year under review, PorchLight Entertainment Inc ("PorchLight"), an associated company of the Group in the United States of America, completed 13 all new episodes of "Adventures from The Book of Virtues", now in its fourth season on PBS Television Network. The company also received an order for 40 episodes of "Jay Jay the Jet Plane" for daily broadcast on PBS beginning June 2001, including 14 new half-hours. PorchLight also delivered four new animated "short cartoons" of "Jetcat", a limited series for Nickelodeon. For Discovery Channel United States of America, the company received an order for 26 half-hours of a new animated series called "Tutenstein", scheduled to premiere in January 2002.

On the movie front, PorchLight produced five new "live action" films in 2000, the highest production level in the company's history. The films were delivered to United States of America networks including Disney Channel, Fox Family Channel, Discovery Channel (Animal Planet), and HBO. In addition, the films have been sold in over 40 countries worldwide.

PorchLight established its new Consumer Products Division in 2000 to provide licensing and merchandising representation services for owners of entertainment, literary and other trademark properties. The licensing programme for "Jay Jay The Jet Plane" has already signed over ten licenses in categories such as home video, publishing, plush toys, apparel, board games and others in the US alone. The Company has just begun an international licensing programme in support of "Jay Jay's" international broadcasts.

India

Lotus Chocolate Company Limited, the Group's subsidiary which is listed on the stock exchanges of Hyderabad and Bombay, owns and operates a modern manufacturing facility in Hyderabad with a production capacity of 2,000 tonnes per annum. The facility is equipped to manufacture industrial



chocolate products and consumer products for both national and export markets. For the year under review, the company performed within expectation.

COMMUNITY RELATIONS

In playing a role as a responsible and caring corporate citizen, The MUI Group continued its commitment to respond to the needs of the less privileged within our society.

In December 2000, MingCourt Vista Hotel, Kuala Lumpur and the Network Foods Group donated food and T-shirts towards a children's Christmas party and fete held at St. John's Institution to raise funds for orphanage and shelters such as Rumah Hope, Ozanam House and Assunta Orphanage. The Christmas party was attended by nearly 200 children from orphanages around Kuala Lumpur.

To promote better services in the tourism industry, MingCourt Vista, Kuala Lumpur also held a taxi campaign whereby drivers from various taxi companies attended a familiarisation and courtesy training programme organised by the hotel.

Metrojaya was also active in the various campaigns which included treating more than 100 children from Asrama Damai Orphanage to a pre-Hari Raya shopping outing at Mid Valley Megamall as well as the donation of food and money to the needy ahead of Deepavali celebrations. Metrojaya also came to the aid of the Kampung Kerinchi fire victims in August 2000 with aid packages consisting of essential foods, clothing and cash.



Newly completed double-storey shop offices, Bandar Springhill



'Chelsea' semi-detached houses, Vila Sri Ukay

MUI Plaza houses the headquarters of The MUI Group





One of Morning Star Villa's well-landscaped parks



Morning Star Villa, the award winning project of MUI Hong Kong Ltd, in Zhongshan, China

In the United Kingdom a team of staff from Regal hotels demonstrated not only their concern and commitment to the less privileged, but also their skills and endurance ability. A seven-member team took part in the "Three Peak's Challenge" in July, scaling the three highest mountains in Britain in aid of Children's Aid Direct. Members of staff also participated in a 480km charity cycle ride from the Great Wall of China to Tienanmen Square in aid of the Royal Society for Mentally Handicapped Children and Adults ("Mencap"). Mencap also organised a cycling and rafting experience in Costa Rica in which a member of staff participated and raised funds for charity.

Laura Ashley completed a third year contract with Marie Curie Cancer Care and also supported the Pink Ribbon magazine which aims to raise awareness of breast cancer. With the company's continued interest in design, Laura Ashley initiated a design scholarship in conjunction with Central Saint Martin's College of Art and Design to encourage and support new talent in the United Kingdom fashion industry.

The philosophy of caring propounded by the Group has been borne out by the staff in many ways, not least in the way which different companies within the Group responded to any call for assistance. The staff's compassion for the less fortunate re-affirms the Group's commitment towards achieving a caring community.

OUTLOOK FOR YEAR 2001

The year 2001 is expected to be another challenging year. The economy of the United States of America is expected to grow at a rate lower than

Morning Star Villa, a reflection of prestige with a touch of serenity





The entrance to the clubhouse of Morning Star Villa

that experienced in the last decade and this will undoubtedly impact the global economy. The government has in March 2001, announced a RM3 billion plan to boost the Malaysian economy and the measures announced will negate some of the effect of a slowdown. Against this backdrop the Group will be cautious in its new business ventures while continuing to strive for excellence in all aspects of its existing business activities. The Group will continue to focus in consolidating and developing its core businesses and reviewing all possibilities of developing synergistic businesses to enhance the Group's earning base.

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to all our staff of 12,000 worldwide for their contributions, dedication and commitment. I also would like to thank my fellow Directors for their wise counsel and the shareholders for their confidence and support in the Board and Management of the Group.

In GOD We Trust

Tan Sri Dato' Dr Khoo Kay Peng
Chairman

Kuala Lumpur
8 May 2001

Emphasis on landscape beautification in Morning Star Villa

