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## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Seventieth Annual General Meeting of LION LAND BERHAD will be held at the Meeting Hall, Level 23, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur on Monday, 18 December 2000 at 10.00 am for the following purposes:

### AGENDA

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 June 2000. **Resolution 1**
2. To approve the payment of a first and final dividend of 0.1% less 28% Malaysian Income Tax. **Resolution 2**
3. To approve the payment of Directors' fees amounting to RM69,300.00. **Resolution 3**
4. To re-elect Directors:  
  
In accordance with Article 99 of the Company's Articles of Association, the following Directors retire by rotation and, being eligible, offer themselves for re-election:  
  
Y. Bhg. Dato' Kamaruddin @ Abas bin Nordin **Resolution 4**  
Y. Bhg. Dato' Dr Mohd Shahari Ahmad Jabar **Resolution 5**
5. To re-appoint Auditors to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **Resolution 6**
6. Special Business  
  
To consider and if thought fit, pass the following resolution as an ordinary resolution:  
  
Ordinary Resolution – Authority to Directors to issue shares  
  
"That pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of all relevant authorities being obtained, 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."  
  
**Resolution 7**
7. To transact any other business for which due notice shall have been given.

## **DIVIDEND ENTITLEMENT**

NOTICE IS ALSO HEREBY GIVEN that a depositor shall qualify for entitlement to the dividend only in respect of:

- a) shares deposited into the depositor's securities account before 12.30 pm on 15 December 2000 in respect of shares exempted from mandatory deposit;
- b) shares transferred into the depositor's securities account before 12.30 pm on 19 December 2000 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.

The dividend, if approved, will be paid on 30 December 2000 to shareholders on the Register of Members of the Company at the close of business on 19 December 2000.

By Order of the Board

**WONG PHOOI LIN**  
**YASMIN WEILI TAN BT ABDULLAH @ TAN WEE LI**

Secretaries

Kuala Lumpur  
1 December 2000

## **NOTES:**

1. Proxy
  - A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him.
  - A proxy need not be a member of the Company.
  - The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
  - The instrument of proxy must be deposited at the Company's Registered Office, Level 46, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting.
2. Resolution 7 - Authority to Directors to issue shares
  - This authorisation will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company. This authority, unless revoked or varied at a general meeting, will expire on the conclusion of the next annual general meeting of the Company.

## CORPORATE INFORMATION

<b>Board of Directors</b>	: Y. Bhg. Tan Sri Dato' Musa bin Hitam (Chairman) Y. Bhg. Datuk Cheng Yong Kim (Managing Director) Y. Bhg. Dato' Kamaruddin @ Abas bin Nordin Y. Bhg. Dato' Dr Mohd Shahari Ahmad Jabar Mr Ee Beng Guan Mr Cheng Yong Liang
<b>Secretaries</b>	: Ms Wong Phooi Lin Puan Yasmin Weili Tan bt Abdullah @ Tan Wee Li
<b>Registered Office</b>	: Level 46, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel Nos: 03-21622155, 21613166 Homepage: <a href="http://www.lion.com.my">http://www.lion.com.my</a>
<b>Principal Place of Business</b>	: Level 13-14, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel Nos: 03-21622999, 21633999
<b>Share Registrar</b>	: Secretarial Communications Sdn Bhd Suite 11.01, Level 11, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel Nos: 03-21648411, 21648412
<b>Auditors</b>	: Deloitte KassimChan (Formerly known as Kassim Chan & Co) Level 19, Uptown 1 1 Jalan SS 21/58 Damansara Uptown 47400 Petaling Jaya
<b>Principal Bankers</b>	: OCBC Bank (M) Bhd Oriental Bank Bhd Perwira Affin Merchant Bank Bhd RHB Sakura Merchant Bankers Berhad The Sanwa Bank Limited
<b>Stock Exchange Listing</b>	: Kuala Lumpur Stock Exchange
<b>Stock Name</b>	: LIONLND
<b>KLSE Stock No</b>	: 4235
<b>Reuters Code</b>	: LLBM.KL
<b>ISIN Code</b>	: MYL4235OO007

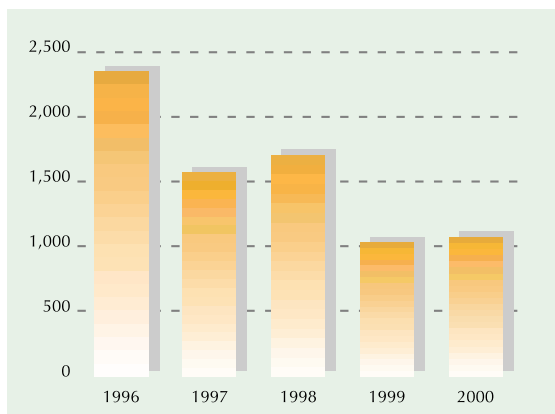
## AUDIT COMMITTEE

- Chairman of Audit Committee** : Y. Bhg. Dato' Dr Mohd Shahari Ahmad Jabar  
*(Independent Non-Executive Director)*
- Members** : Y. Bhg. Tan Sri Dato' Musa bin Hitam  
*(Independent Non-Executive Director)*
- Mr Ee Beng Guan  
*(Non-Independent Non-Executive Director)*
- Secretaries** : Ms Wong Phooi Lin  
Puan Yasmin Weili Tan bt Abdullah @ Tan Wee Li
- Terms of Reference** :
- a) To consider and recommend the appointment, resignation and/or dismissal of the External Auditors, the audit fee and any matters related thereto;
  - b) To appoint the Head of Internal Audit;
  - c) To review with the External and/or Internal Auditors:
    - i) the audit plan, its scope and nature and ensure coordination where more than one audit firm is concerned;
    - ii) the system of internal accounting controls and its effectiveness;
    - iii) the audit report as well as the quarterly unaudited financial statements of the Company and Group;
    - iv) any changes in accounting policies and principles (if any), compliance with Statutory and Stock Exchange Requirements and generally accepted accounting principles;
    - v) any matter arising including any report or management letter and management response; and
    - vi) the Internal Auditors' program and consider the major findings of internal audit investigations and management response and ensure coordination between Internal and External Auditors;
  - d) To review related party transactions that may arise within the Company or Group and any other major transactions outside of the normal course of business of the Company and Group; and
  - e) Such other matters as the Board may from time to time determine.

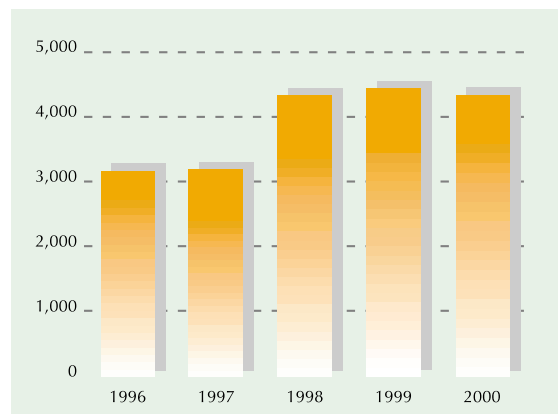
## 5 YEARS' GROUP FINANCIAL HIGHLIGHTS

	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000
Turnover	2,344,929	1,567,424	1,701,362	1,020,419	<b>1,062,750</b>
Profit/(loss) before exceptional items and taxation	125,383	210,707	49,825	(20,092)	<b>34,718</b>
Profit/(loss) before taxation	126,223	214,213	(33,600)	(63,047)	<b>(97,095)</b>
Profit/(loss) after taxation	117,747	200,207	(40,454)	(59,549)	<b>(115,158)</b>
<b>Dividends</b>					
Rate (%)	7.0	8.0	0.5	0.1	<b>0.1</b>
Amount (Net of tax)	29,062	33,223	2,136	427	<b>427</b>
Total assets employed	3,167,881	3,170,713	4,333,268	4,438,859	<b>4,349,943</b>
Shareholders' funds	1,199,757	1,367,937	1,523,218	1,457,544	<b>1,306,485</b>
Net tangible assets	955,909	1,115,927	1,142,197	1,149,501	<b>1,101,929</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Net tangible assets per share	161	188	193	194	<b>186</b>
Earnings/(loss) per share	19.1	33.8	(5.0)	(9.1)	<b>(17.0)</b>

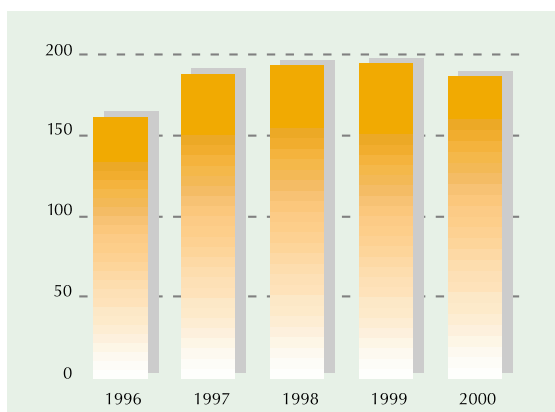
**TURNOVER**  
RM Million



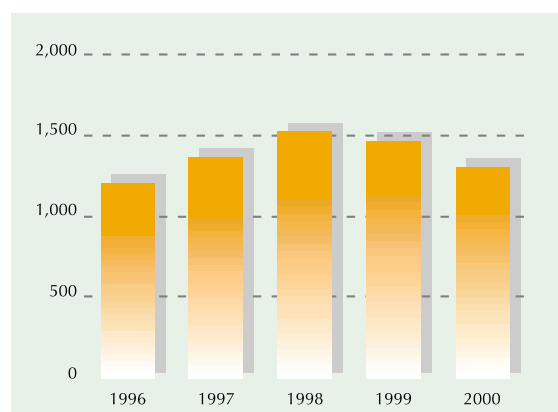
**TOTAL ASSETS EMPLOYED**  
RM Million



**NET TANGIBLE ASSETS PER SHARE**  
Sen



**SHAREHOLDERS' FUNDS**  
RM Million



## THE GROUP'S BUSINESSES



Wire rod packing machine at Amsteel Mills.  
*Mesin menggulung rod wayar di Amsteel Mills.*



Housingless stands in Amsteel Mills' wire rod mill.  
*Barisan penggulung di kilang rod wayar Amsteel Mills.*



Prima Tanjung Business Centre, another of our prestigious commercial projects in Penang.  
*Pusat Perniagaan Prima Tanjung, satu lagi projek komersil berprestij di Pulau Pinang.*



Klang Parade, where the fun never ends.  
*Klang Parade, di mana keriangian tiada berpenghujung.*



Exterior view of Klang Parade which houses Parkson Grand department store and a host of retail and F & B outlets.  
*Pemandangan luar Klang Parade yang menempatkan stor serbaguna Parkson Grand dan lain-lain peruncit serta outlet F & B.*

## PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Diaudit Lion Land Berhad bagi tahun kewangan berakhir 30 Jun 2000.

### PRESTASI KEWANGAN

Berlatarbelakangkan pemulihan ekonomi di dalam negara dan kebanyakan negara-negara Asia, Kumpulan telah berjaya mencatat pemulihan dalam prestasi operasinya. Perkembangan berterusan dalam sektor perkilangan dan peningkatan aktiviti-aktiviti dalam sektor hartanah dan pembinaan membolehkan Bahagian Besi Keluli menyumbang kepada prestasi Kumpulan dengan lebih tinggi.

Keuntungan sebelum butiran-butiran berkecuali dan percukaian dalam tahun semasa berjumlah RM34.7 juta berbanding dengan kerugian berjumlah RM20.1 juta yang dicatatkan pada tahun lepas. Bagaimanapun, selepas mengambilkira butiran-butiran berkecuali yang terdiri daripada penurunan nilai aset-aset selepas pemberhentian operasi farmaseutikal di China dan juga pelunasan sepenuhnya kerugian dari tukaran matawang asing, Kumpulan mencatatkan kerugian sebelum percukaian berjumlah RM97.1 juta. Butiran-butiran berkecuali pada tahun semasa berjumlah RM131.8 juta berbanding RM43.0 juta pada tahun lepas.

### PERKEMBANGAN KORPORAT

Selepas akhir tahun kewangan, pada 5 Julai 2000 Syarikat telah mengumumkan cadangan skim penyusunan semula seluruh Kumpulan ("Cadangan SPSSK") yang merangkumi pelbagai langkah penyusunan semula hutang, program-program pelupusan dan penyusunan semula korporat untuk membolehkan Kumpulan memenuhi tanggungjawab-tanggungjawab kewangannya dan meneruskan operasi pada dasar berterusan serta mencapai semula kedudukan yang menguntungkan dalam jangka panjang.

Pelaksanaan Cadangan SPSSK adalah tertakluk kepada pelbagai syarat termasuk kelulusan daripada Bank Negara Malaysia, Suruhanjaya Sekuriti, Jawatankuasa Pelaburan Luar Negara, Kementerian Perdagangan Antarabangsa dan Industri, Bursa Saham Kuala Lumpur, para Pemiutang Berskim, para pemegang saham Syarikat dan syarikat-syarikat terbabit serta badan-badan berkanun yang lain. Kelulusan daripada Bank Negara Malaysia telah diterima melalui surat-surat bertarikh 2 Oktober 2000, 5 Oktober 2000 dan 12 Oktober 2000.

Seiring dengan cadangan penyusunan semula, Kumpulan telah melengkap pelupusan-pelupusan berikut dalam tahun kewangan yang ditinjau:

a. Pelupusan keseluruhan 40% kepentingan ekuiti

dalam syarikat bersekutu, Central Likom Packaging Sdn Bhd untuk balasan berjumlah RM255,000;

- b. Pelupusan 30% daripada 55% kepentingan ekuiti dalam pemegangan saham syarikat subsidiari, Hubei Zenith Heilen Pharmaceutical Co Ltd untuk balasan berjumlah Rmb61.3 juta (anggaran RM28.1 juta); dan
- c. Pelupusan 25% daripada 50% kepentingan ekuiti dalam pemegangan saham syarikat bersekutu, Tianjin Huali Motor Co Ltd untuk balasan berjumlah Rmb65.0 juta (anggaran RM29.8 juta).

### TINJAUAN OPERASI

Besi Keluli		
	2000 (RM Juta)	1999 (RM Juta)
Perolehan	925	763
Untung	104	35

Dengan berlandaskan reputasi sebagai salah satu daripada pengeluar besi keluli yang paling cekap di rantau ini, usaha-usaha agresif yang dilaksanakan oleh Bahagian ini pada tahun lepas membolehkannya terus meluaskan pasaran eksport. Bahagian ini juga menikmati faedah daripada kenaikan permintaan besi briket panas ("BBP") di mana purata harga jualannya melonjak daripada USD90 se tan metrik kepada USD120 se tan metrik. Hasilnya, perolehan tahun semasa meningkat 21% kepada RM925 juta manakala keuntungan sebelum faedah dan percukaian meningkat tiga kali ganda kepada RM104 juta.

Kumpulan mempunyai kelebihan sebagai satu-satunya pengeluar BBP di rantau ini. Pada masa lampau, kesemua BBP tersebut dieksport terus kepada lebih kurang 10 buah loji besi keluli utama di Asia. Dengan bermulanya operasi loji besi keluli rata baru iaitu Megasteel Sdn Bhd ("Megasteel"), ia telah membuka ruang pasaran tempatan yang lebih stabil dan penting. Megasteel dijangka menjadi pengguna utama dan berupaya menggunakan kesemua BBP keluaran Kumpulan apabila beroperasi sepenuhnya pada kadar keupayaan 2,000,000 tan metrik setahun. Namun begitu, Kumpulan masih mempunyai pilihan untuk mengeksport BBP keluarannya.

Dengan pemulihan mendadak dalam industri besi keluli tempatan sejak dua tahun kebelakangan ini, kerajaan Malaysia menggalakkan penggabungan kilang besi keluli yang lebih kecil dengan loji-loji besar. Sebagai pengeluar utama besi keluli dan merupakan salah satu daripada lima pengeluar terbesar, operasi besi keluli Kumpulan akan berada di baris hadapan sekiranya berlaku sebarang penggabungan.



<b>Hartanah dan Pembinaan</b>		
	<b>2000 (RM Juta)</b>	<b>1999 (RM Juta)</b>
Perolehan	89	196
Untung	23	20

JOPP Builders Sdn Bhd, bahagian pembinaan Kumpulan melaporkan perolehan yang lebih rendah bagi tahun semasa disebabkan penjadualan semula pembinaan beberapa projek Kumpulan. Perolehan rendah ini juga berpunca daripada selesainya pembinaan kilang Megasteel di Banting, Selangor pada tahun kewangan lepas.

Dalam pembangunan hartanah, kedua-dua Pusat Perdagangan Prima Tanjung di Pulau Pinang dan Taman Malim Jaya di Melaka terus menyumbang kepada keuntungan Bahagian. Projek-projek baru yang berjaya dilancarkan pada tahun semasa termasuklah Taman Sri Pelangi di Kelang yang merangkumi 258 unit pangsapuri dan 6 unit rumah kedai serta 510 unit rumah pangsa kos rendah di Taman Kota Permai, Bukit Mertajam dan Taman Pelangi Indah, Kelang.

<b>Perkhidmatan dan Lain-lain</b>		
	<b>2000 (RM Juta)</b>	<b>1999 (RM Juta)</b>
Perolehan	48	61
Rugi	(17)	0

Pelaburan Kumpulan di China terus beroperasi dalam persekitaran sengit dan mencatat perolehan yang lebih rendah serta kerugian yang lebih tinggi. Usaha-usaha sedang dibuat untuk merasionalisasikan pelbagai perniagaan dengan mengecil dan melupus perniagaan-perniagaan yang mengalami kerugian.

Bahagian pendidikan Kumpulan, Sepang Institute of Technology ("SIT") terus mencatat kerugian walaupun langkah-langkah bersepadu diambil untuk mempelbagaikan kursus dan meningkatkan kemasukan pelajar.

## **DIVIDEN**

Lembaga Pengarah dengan sukacitanya mengesyorkan dividen pertama dan akhir sebanyak 0.1 sen (1999 : 0.1 sen) sesaham, ditolak 28% cukai pendapatan. Keseluruhan jumlah dividen bersih berbayar jika diluluskan pada mesyuarat agung tahunan akan datang berjumlah RM0.43 juta (1999 : RM0.43 juta).

## **PROSPEK**

Pemulihan ekonomi negara yang berterusan merupakan petanda baik kepada perniagaan Kumpulan terutamanya Bahagian Besi Keluli. Tertakluk kepada perkara-perkara yang tidak diduga, Lembaga Pengarah menjangkakan prestasi operasi Kumpulan akan pulih.

## **PENGHARGAAN**

Bagi pihak Lembaga Pengarah, saya merakamkan penghargaan kepada pihak pengurusan dan kakitangan syarikat-syarikat di bawah Kumpulan atas ketulusan dan kegigihan mereka kepada Kumpulan. Kepada para pelanggan kami yang dihargai, kami mengucapkan terima kasih atas sokongan mereka sejak bertahun-tahun. Akhir kata, penghargaan saya juga ditujukan kepada kesemua pemegang saham, para pembiaya, sekutu perniagaan dan pihak-pihak berkuasa kerajaan atas sokongan dan keyakinan mereka yang berterusan kepada Kumpulan.

## **TAN SRI DATO' MUSA BIN HITAM**

Pengerusi

## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of Lion Land Berhad for the financial year ended 30 June 2000.

### FINANCIAL PERFORMANCE

Against the backdrop of a recovering economy in the country and across most of Asia, the Group has managed to post an improvement in its operational performance. The sustained growth in the manufacturing sector and the increase in activities in the property and construction sector has enabled our Steel Division to record higher contribution to the Group's performance.

Profit before exceptional items and taxation charges for the year was RM34.7 million as against a loss of RM20.1 million recorded last year. However, after accounting for exceptional items comprising of non-recurring write down of assets upon cessation of the Group's pharmaceutical operations in China and also full amortisation of foreign exchange losses, a loss before taxation of RM97.1 million was recorded. Exceptional items for the year totalled RM131.8 million as against RM43.0 million last year.

### CORPORATE DEVELOPMENTS

Subsequent to the financial year end, the Company had on 5 July 2000 announced the proposed groupwide restructuring scheme ("Proposed GWRS") encompassing various debt restructuring exercises, divestment programmes and corporate restructuring exercises that will enable the Group to address its financial obligations and to continue its operations on a going concern basis and, over the longer term, to regain its position of profitability.

The implementation of the Proposed GWRS is subject to various conditions precedent, which include the approval of Bank Negara Malaysia, Securities Commission, Foreign Investment Committee, Ministry of International Trade and Industry, Kuala Lumpur Stock Exchange, Scheme Creditors, shareholders of the Company and all the Scheme Companies concerned and any other relevant authority. Approval was obtained from Bank Negara Malaysia vide its letters dated 2 October 2000, 5 October 2000 and 12 October 2000.

In line with the Group's proposed restructuring exercise, the Group has completed the following divestment exercises during the financial year under review:

- Disposal of its entire equity interest of 40% in an associated company, Central Likom Packaging Sdn Bhd for a consideration of RM255,000;
- Disposal of 30% equity interest out of 55% stake in a subsidiary company, Hubei Zenith Heilen Pharmaceutical Co Ltd for a consideration of Rmb61.3 million (equivalent to approximately RM28.1 million); and
- Disposal of 25% equity interest out of 50% stake in an associated company, Tianjin Huali Motor Co Ltd for a consideration of Rmb65.0 million (equivalent to approximately RM29.8 million).

### REVIEW OF OPERATIONS

Steel		
	2000 (RM Million)	1999 (RM Million)
Turnover	925	763
Profit	104	35

Reputed to be amongst the more efficient steel producers in the region, the Division's aggressive export drive undertaken last year has enabled it to continue to enlarge its export market. The Division also benefited from the upsurge in demand for hot briquetted iron ("HBI") where the average selling price jumped from USD90 per metric ton to USD120 per metric ton. As a result, turnover for the year was 21% higher at RM925 million whilst profit before interest and taxation increased three-fold to RM104 million.

The Group has the advantage of being the only HBI producer in the region. In the past, all HBI produced was exported directly to about ten major integrated steel mills in Asia. The commissioning of the new flat steel plant under Megasteel Sdn Bhd ("Megasteel") has provided the Group with a significant and stable local market. Megasteel is expected to be the main user, being able to absorb all the HBI produced by the Group when it operates at its full rated capacity of 2,000,000 metric ton per annum. Notwithstanding that, the Group still has the option to export its HBI.

With the sharp correction in the domestic steel industry over the last two years, the Malaysian government has encouraged the consolidation of the domestic steel industry, involving possible mergers of smaller steel mills with the larger ones. Being an established player and one of the "Big Five" millers, the Group's steel operation will be at the forefront of such a consolidation.

<b>Property and Construction</b>		
	<b>2000 (RM Million)</b>	<b>1999 (RM Million)</b>
Turnover	89	196
Profit	23	20

JOPP Builders Sdn Bhd, the Group's construction arm reported lower sales for the year due to the rescheduling of some of the Group's development projects. The lower turnover was also due to the completion of construction of the Megasteel plant in Banting, Selangor in the last financial year.

On the property development side, both Prima Tanjung Business Centre in Penang and Taman Malim Jaya in Melaka continued to contribute to the Division's profitability. New projects successfully launched during the year included Taman Sri Pelangi in Klang consisting of 258 units of apartments and 6 units of shophouses as well as 510 units of low cost flats in Taman Kota Permai, Bukit Mertajam and Taman Pelangi Indah, Klang.

<b>Services and Others</b>		
	<b>2000 (RM Million)</b>	<b>1999 (RM Million)</b>
Turnover	48	61
Loss	(17)	0

The Group's investment in China continued to operate under a competitive environment and recorded lower turnover and higher losses. Steps are being taken to rationalise its various businesses by downsizing and divesting its loss-making concerns.

The Group's education arm, Sepang Institute of Technology ("SIT"), continued to record losses despite concerted efforts to enlarge the range of courses and also the student intake.

## **DIVIDEND**

The Board of Directors is pleased to recommend a first and final dividend of 0.1 sen (1999: 0.1 sen) per share, less 28% income tax. Total net dividend payable, if approved in the forthcoming Annual General Meeting, will amount to RM0.43 million (1999: RM0.43 million).

## **PROSPECTS**

The continued recovery of the Malaysian economy augurs well for the Group's businesses especially the Steel Division. Barring unforeseen circumstances, the Board expects further improvement in the Group's operating performance.

## **ACKNOWLEDGEMENT**

On behalf of the Board, I wish to record my appreciation to the management and staff of all the operating companies within the Group for their loyalty and dedication to the Group. To our valued customers, we thank you for your continued support throughout the years. Last but not least, our gratitude also goes to our shareholders, financiers, business associates and government authorities for their ongoing support and faith in the Group.

**TAN SRI DATO' MUSA BIN HITAM**  
 Chairman

## 主席报告

我谨代表董事部欣然提呈金狮置地有限公司截至2000年6月30日会计年度的常年报告和经审核的账目。

### 财务表现

在我国以及亚洲大部份地区的经济复甦之下，本集团的业务表现有所改善。制造业、产业及建筑业的持续增长，使本集团的钢铁业的收入以及利润大大的增加。

在扣除特殊项目和税务之前，本年度的利润是马币3千470万而上一年度则是亏损马币2千10万。不过，在把特殊项目包括在内之后，本集团的税前亏损为马币9千710万。这些特殊项目包括终止在中国的药业之后，注销不重现实产，以及全面摊销外汇亏损。本年度的特殊项目总额是马币1亿3千180万，上一年度则是马币4千300万。

### 企业发展

本公司於2000年7月5日宣佈建议中的集团重组计划(“重组计划”),包括各种债务重组计划,股权转让计划和企业重组计划,这将协助集团债务偿还,持续操作,以及在长远,重回有盈利状况。

要推行建议中的重组计划,必须先获得各个机构批准,包括马来西亚中央银行、证券委员会、外资投资委员会、国际贸易与工业部、吉隆坡股票交易所、组合债权人、本公司及各参与重组计划公司的股东们,以及其他有关当局。马来西亚中央银行已于2000年10月2日、2000年10月5日及2000年10月12日以书信批准了该项计划。

为配合本集团建议中的重组计划,在受检讨的会计年度内,本集团完成以下的出售计划:

- a. 以马币25万5千脱售联号 Central Likom Packaging Sdn Bhd的40%股权;

- b. 以人民币6千130万(约马币2千810万)脱售子公司,湖北中天亨迪制药有限公司的55%股权的其中30%;以及
- c. 以人民币6千500万(约马币2千980万)脱售联号,天津华利汽车有限公司的50%股权的其中25%。

### 业务检讨

钢铁业		
	2000年 (马币百万)	1999年 (马币百万)
营业额	925	763
利润	104	35

这个组是本地区最有效率的钢铁生产者之一。它在去年积极推动出口,继续扩大出口市场。这个部门也从海绵铁的需求增加中受惠,其平均售价从每公吨90美元上涨到每公吨120美元。结果这一年的营业额增加21%,达到马币9亿2千500万;扣除利息与税务之前的利润也同时增加2倍,达到马币1亿400万。

本集团占有本地区独家生产海绵铁的优势。过去所出产的海绵铁全部出口给在亚洲的大约10家大型综合钢铁厂。随着新落成的制造平板钢铁的工厂万佳钢铁私人有限公司(“万佳钢铁”)投入生产,为本集团提供一个大而稳定的国内市场。万佳钢铁将是海绵铁的主要使用者,一旦达到其每年200万公吨的产能,它将能够吸收本集团出产的全部海绵铁。无论如何,本集团也可以选择出口海绵铁。

在过去两年中,国内的钢铁工业进行重大的调整,马来西亚政府鼓励巩固国内的钢铁工业,包括可能由小型钢铁厂与大型钢铁厂合并。身为一个基础稳定及“五强”之一的制造厂,本集团的钢铁工业将会是这次合并中的佼佼者。

产业与建筑业		
	2000年 (马币百万)	1999年 (马币百万)
营业额	89	196
利润	23	20

由於重新编排一些建筑工程，导致本集团的建筑业公司JOPP Builders Sdn Bhd的营业额减少。营业额的减少也是由於在雪兰莪州万津的万佳钢铁厂的建筑工程在上一个会计年度完成所致。

在产业发展方面，檳城的Prima Tanjung商业中心和马六甲的Taman Malim Jaya继续为这个部门带来利润。成功推展的新工程包括巴生的Taman Sri Pelangi (258个单位的公寓和6间店屋)；大山脚的Taman Kota Permai 以及巴生的Taman Pelangi Indah(510个单位的廉价组屋)。

服务业及其他		
	2000年 (马币百万)	1999年 (马币百万)
营业额	48	61
亏损	(17)	0

本集团在中国的投资继续在激烈竞争的环境下经营，结果营业额减少，亏损增加。集团通过缩小营业规模和出售蒙受亏损的企业来使其各种业务合理化。

本集团在教育领域的企业学邦工艺学院，尽管致力於开设更多科系和招收更多学生，却继续蒙受亏损。

## 股息

董事部欣然建议颁发一次过终期股息每股0.1仙(1999年度：0.1仙)，扣除28%所得税。如果在即将召开的股东大会中获得批准，所将发出的净股息是马币43万(1999年度：马币43万)。

## 前景

国家经济继续复甦，使本集团的业务前景光明，尤其是钢铁组。董事部预测，除非出现意想不到的情况，本集团的业务表现将进一步改善。

## 鸣谢

我谨代表董事部對於本集团属下各间公司的管理层和职员敬业乐业和作出贡献，表达谢忱。對於顾客们，我们感谢你们多年来的支持。最后，我们也要感谢股东、融资机构、商业伙伴以及政府机构的继续支持和信心。

主席

**TAN SRI DATO' MUSA BIN HITAM**

# FINANCIAL STATEMENTS

# 2000

For The Year Ended 30 June 2000

## DIRECTORS' REPORT

The Directors of **LION LAND BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2000.

### PRINCIPAL ACTIVITIES

The Company's principal activities are investment holding and property development.

The principal activities of the subsidiary companies are disclosed in Note 33 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and of its subsidiary companies during the financial year.

### RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
<b>Profit before exceptional items and tax</b>	34,718	14,066
<b>Exceptional items</b>	(131,813)	-
	<hr/>	<hr/>
<b>Profit/(Loss) before tax</b>	(97,095)	14,066
<b>Income tax expense</b>	(18,063)	(5,698)
	<hr/>	<hr/>
<b>Profit/(Loss) after tax</b>	(115,158)	8,368
<b>Minority interests</b>	14,296	-
	<hr/>	<hr/>
<b>Net profit/(loss) for the year</b>	(100,862)	8,368
	<hr/> <hr/>	<hr/> <hr/>

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the exceptional items as disclosed in Note 6 to the Financial Statements.

### DIVIDENDS

A first and final dividend of 0.1%, less tax, amounting to RM427,234 in respect of the previous financial year and dealt with in the previous directors' report was paid by the Company during the current financial year. The Directors propose a first and final dividend of 0.1%, less tax, amounting to RM427,234 in respect of the current financial year.

### RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM593,275,035 to RM593,380,035 by way of the issue of 105,000 new ordinary shares of RM1.00 each for cash pursuant to the Executive Share Option Scheme of the Company at an exercise price of RM1.00 (for 73,000 shares) and RM1.14 (for 32,000 shares) per ordinary share. The resultant premium of RM4,480 arising from the shares issued has been credited to Share Premium Account.

The new shares issued during the financial year rank pari passu with the then existing shares of the Company.

There was no issue of debentures during the financial year.

## SHARE OPTIONS

During the financial year, the Company's Executive Share Option Scheme ("ESOS") which came into effect on 5 October 1994, expired on 4 October 1999.

The movements of number of options granted and exercised pursuant to the ESOS during the financial year before its expiry on 4 October 1999, are as follows:

Exercisable from	Subscription price per share RM	Balance at 1.7.1999	Granted	Exercised	Unissued shares as of 4.10.1999
17.3.1995	2.73	335,000	-	-	335,000
30.7.1996	2.59	326,000	-	-	326,000
23.7.1997	2.18	345,000	-	-	345,000
12.11.1997	1.14	614,000	-	32,000	582,000
25.5.1999	1.00	266,000	-	73,000	193,000
		<u>1,886,000</u>	<u>-</u>	<u>105,000</u>	<u>1,781,000</u>

The main features of the ESOS were as follows:

- The ESOS shall continue to be in force for a period of 5 years commencing on 5 October 1994, being the date of approval from the Registrar of Companies, Malaysia.
- The total number of shares available under the ESOS shall not exceed in aggregate 5% of the issued share capital of the Company at any point of time during the existence of the ESOS.
- The ESOS is for eligible persons who are executive Directors and executive employees of Lion Land Berhad ("LLB") Group with at least 12 months of service.
- The options granted may be exercised at any time during the period commencing on the date of offer of the option and expiring on the date of expiry of the ESOS or such shorter periods as may be specifically stated in the Offer.
- The option price for each RM1.00 share shall be the average of the mean market quotation of LLB shares as shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the 5 market days immediately preceding the respective dates of offer of the option. Notwithstanding this, the option price per share shall in no event be less than the par value of the share.
- The option is non-assignable.
- The shares to be allotted under the ESOS shall rank pari passu in all respects with the then existing shares of the Company.

The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

On 29 June 1999, the Directors had proposed to establish a new Executive Share Option Scheme of up to 10% of the issued and paid-up share capital of the Company ("New ESOS") to succeed the ESOS which expired on 4 October 1999.

The main features of the Company's New ESOS which was implemented on 15 May 2000 are as follows:

- (a) The New ESOS shall continue to be in force for a period of 5 years commencing on 15 May 2000, being the date of approval from the Registrar of Companies, Malaysia with an option to renew for a further period of 5 years upon the recommendation of the option committee.
- (b) The total number of shares available under the New ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point in time during the existence of the New ESOS.
- (c) The New ESOS is for eligible employees who are executive Directors and executive employees of Lion Land Berhad ("LLB") Group with at least 12 months of service.
- (d) The options granted may be exercised at any time during the period commencing on the date of offer of the option and expiring on the date of expiry of the New ESOS.
- (e) The option price for each RM1.00 share may be at a discount of not more than 10% on the average of the mean market quotation of LLB shares as shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the 5 market days immediately preceding the respective dates of offer of the option as recommended by the option committee. Notwithstanding this, the option price per share shall in no event be less than the par value of the share.
- (f) The option is non-assignable.
- (g) The shares to be allotted under the New ESOS shall rank pari passu in all respects with the then existing shares of the Company.

The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

On 19 May 2000, options were granted by the Company under the New ESOS to take up 6,392,000 shares of RM1.00 each in the Company at an offer price of RM1.00 per share to all the eligible executives including the following two Directors of the Company:

**2000/2005 Option**  
**(Option Expiry Date: 14 May 2005)**

Datuk Cheng Yong Kim	175,000
Dato' Kamaruddin @ Abas bin Nordin	79,000

The movements of number of options granted and exercised pursuant to the New ESOS during the financial year are as follows:

Exercisable from	Subscription price per share RM	Balance at 15.5.2000	Granted	Exercised	Unissued shares as of 30.6.2000
19.5.2000	1.00	-	6,392,000	-	6,392,000



## OTHER FINANCIAL INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) 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 had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) 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.

The Group incurred a loss after tax and minority interests of about RM101 million during the financial year ended 30 June 2000. At that date, the current liabilities of the Group exceeded its current assets by about RM637 million. As disclosed in Notes 23 and 24 to the Financial Statements, the Group and the Company have ceased servicing certain of its principal borrowings and interest charges. Certain principal bankers have also frozen or withdrawn existing credit facilities of the Group and the Company.

As announced by the Company on 5 July 2000, the Board of Directors has approved a proposed groupwide restructuring scheme ("Proposed GWRS") covering the Lion Group, comprising Amsteel Corporation Berhad, LLB, Angkasa Marketing Berhad, Chocolate Products (Malaysia) Berhad and Lion Corporation Berhad. The Proposed GWRS involve the restructuring of the Company's and certain of its subsidiary companies' debts (collectively referred to as "Scheme Companies") and rationalisation of the Group structure whereby core businesses would be redefined and non-core businesses would be divested.

The Proposed GWRS pertaining to the Company and its subsidiary companies involve the following proposals:

- (i) Acquisition of 100% equity interest in Posim Berhad ("Posim") for a consideration of RM858.85 million of which 83.77% will be acquired from Avenel Sdn Bhd ("Avenel"), a subsidiary of Amsteel Corporation Berhad ("Amsteel"), the consideration (RM719.49 million) of which will be satisfied by netting off against inter-company balances with Amsteel Group and the balance 16.23% from minority shareholders for cash.

A conditional share sale agreement between LLB and Avenel for the acquisition of 83.77% equity interest in Posim was signed on 5 July 2000.

- (ii) Acquisition of 59.47% equity interest in Chocolate Products (Malaysia) Berhad ("CPB") from Amsteel Group for a consideration of RM281.19 million.

A conditional share sale agreement was signed on 5 July 2000.

- (iii) Disposal of 25% equity interest in Avenel to Amsteel for a consideration of RM1.00 and the payment of RM23.09 million by the Company to Amsteel in view of the excess of Avenel's debts over fair value of Avenel's assets as of 31 December 1999. The estimated loss on disposal is RM23 million.

A conditional share sale agreement was signed on 5 July 2000.

- (iv) Disposal of a wholly-owned subsidiary company, Lion Plaza Sdn Bhd, to Amsteel for a total consideration of RM33.35 million. The estimated loss on disposal is RM18 million.

A conditional share sale agreement was signed on 19 October 2000.

- (v) The net consideration of RM990.42 million payable by LLB Group to Amsteel Group resulting from proposals (i) to (iv) above will be netted off against existing debts owing by Amsteel Group to the restructured LLB Group (which would include 100% equity interest in Posim) resulting in a net balance owing by Amsteel Group to LLB Group of RM463.15 million. LLB Group will receive RM395.31 million Amsteel Bonds and cash payment and 96.22 million new Amsteel shares valued at RM67.84 million in settlement of this net inter-company balance of RM463.15 million.

- (vi) LLB Group will receive RM186.41 million Angkasa Marketing Berhad ("Angkasa") Bonds and cash payment for settlement of the net balance of existing inter-company debts owing by Angkasa Group to LLB Group of RM186.41 million.

- (vii) Issue of RM24.56 million LLB Bonds and cash payments for settlement of inter-company balances owing by LLB Group to CPB Group of RM24.56 million.
- (viii) Issue of 198.85 million new LLB shares at RM0.8364 per share to Lion Corporation Berhad ("LCB") Group for settlement of inter-company balances owing by LLB Group to LCB Group of RM166 million.
- (ix) The aggregate amount of RM and USD debts owed by the Scheme Companies to the affected creditors ("Scheme Creditors") (excluding LLB non-financial institution creditors) totalling RM349.61 million and USD64.26 million would be swapped for LLB Bonds and cash payment totalling RM349.61 million and LLB-SPV Consolidated and Rescheduled USD Debts and cash payment totalling USD64.26 million respectively.

The abovementioned LLB Bonds and LLB-SPV Consolidated and Rescheduled USD Debts would have 22.26 million free detachable new LLB shares at assumed price of RM0.8364 per share.

- (x) The LLB non-financial institution creditors of RM123.80 million shall be addressed by cash payments.

The proceeds for cash payments shall be raised from the following:

- (a) sale of 29.52 million CPB ordinary shares at RM36.06 million. As a result, the equity interest of LLB in CPB will be diluted from 59.47%, as indicated in proposal (ii) to 51%;
- (b) placement of 52.17 million new LLB ordinary shares at RM60 million;
- (c) offer for sale to the public of the restructured Likom Electronic Pte Ltd ("LEPL") ordinary shares at RM60 million pursuant to LEPL's initial public offering in Singapore Exchange Securities Trading Limited in year 2001.

LLB will receive the above ordinary shares in LEPL following a proposal made by LLB to accept the variation to the mode of redemption of the 5-year cumulative redeemable preference shares of RM0.01 each amounting to RM43.6 million (Note 14) in Likom Computer System Sdn Bhd prior to its due date of redemption on 28 June 2001; and

- (d) disposal of land and buildings by LLB to raise RM93 million to be satisfied by the issuance of ordinary shares in the capital of LEPL. The estimated loss on disposal is RM15 million.

A conditional sale and purchase agreement was signed on 9 August 2000.

The proposals mentioned in items (c) and (d) above form part of the proposed restructuring exercise and proposed listing of LEPL on the Singapore Exchange Securities Trading Limited and accordingly, are conditional upon the conditions precedent mentioned below and the completion of the proposed restructuring exercise and proposed listing of LEPL.

- (xi) Divestments of the LLB Group's non-core and peripheral assets and businesses amounting to an estimated RM461.18 million (in terms of net divestment proceeds) over a period of time, whereby the resulting divestment proceeds are dedicated for the purposes of the proposed debt restructuring exercise for the LLB Group (proposals (ix) and (x)).

On 19 October 2000, the Company announced that the issue price of its new shares to be issued pursuant to the Proposed GWRS shall be fixed after the receipt of the Securities Commission's approval for the Proposed GWRS ("Price Fixing Date") at prices to be agreed by the relevant parties after taking into account the weighted average market price of the relevant shares for the 5 days, 1 month and 3 months prior to the Price Fixing Date or the issue prices announced on 5 July 2000, whichever shall be the lower ("Issue Price"). The Issue Price, if determined based on the aforesaid is lower than the par value, shall be arrived at after taking into account the reserves of the Company.

The implementation of the Proposed GWRS is subject to various conditions precedent, which include the following:

- (i) approvals of Bank Negara Malaysia, Securities Commission, Foreign Investment Committee, Ministry of International Trade and Industry and the Kuala Lumpur Stock Exchange;
- (ii) approvals of the Scheme Creditors of the Company and Scheme Companies;
- (iii) approvals of the shareholders of the Company and Scheme Companies;
- (iv) approvals of any other relevant authorities; and
- (v) the other proposals within the Proposed GWRS being unconditional.

The approval from Bank Negara Malaysia was obtained vide its letters dated 2 October 2000, 5 October 2000 and 12 October 2000.

The proposed transactions within the Proposed GWRS are generally inter-conditional to each other.

In addition to the Proposed GWRS, a subsidiary company is presently re-negotiating with its bankers to extend the repayment schedules on existing borrowings.

The Directors are of the opinion that the restructuring scheme referred to above will be successfully implemented and the abovementioned subsidiary company will be able to obtain extended repayment schedules on existing borrowings from its bankers. Accordingly, the Directors consider that it is appropriate to prepare the financial statements of the Group and the Company on a going concern basis. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

Other than as stated above, at the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

Subject to the successful implementation of the Proposed GWRS, no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, 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 Group and of the Company for the succeeding financial year other than as disclosed in Note 36 to the Financial Statements.

## DIRECTORS

The following Directors served on the Board of the Company since the date of the last report:

Tan Sri Dato' Musa bin Hitam  
 Datuk Cheng Yong Kim  
 Dato' Kamaruddin @ Abas bin Nordin  
 Dato' Dr Mohd Shahari Ahmad Jabar  
 Ee Beng Guan  
 Cheng Yong Liang

In accordance with Article 99 of the Company's Articles of Association, Dato' Kamaruddin @ Abas bin Nordin and Dato' Dr Mohd Shahari Ahmad Jabar retire by rotation and, being eligible, offer themselves for re-election.

## DIRECTORS' INTERESTS

The Directors' interest in shares in the Company are as follows:

Direct interest	Balance at 1.7.1999	Number of ordinary shares		Balance at 30.6.2000
		Additions	Disposals	
Datuk Cheng Yong Kim	591,586	-	-	591,586
Cheng Yong Liang	87,340	-	-	87,340
Dato' Kamaruddin @ Abas bin Nordin	2,000	-	-	2,000
<b>Indirect interest</b>				
Datuk Cheng Yong Kim	346,635,523	-	13,112,116	333,523,407

In addition to the above, the following Directors are deemed to have interest in shares of the Company by virtue of options granted to them pursuant to the Executive Share Option Scheme of the Company which was implemented on 15 May 2000:

	Options over ordinary shares of RM1.00 each			Balance at 30.6.2000
	Balance at 15.5.2000	Granted	Exercised	
Datuk Cheng Yong Kim	-	175,000	-	175,000
Dato' Kamaruddin @ Abas bin Nordin	-	79,000	-	79,000

The Directors' interest in shares in related companies are as follows:

Datuk Cheng Yong Kim	Nominal value per ordinary share	Balance at 1.7.1999	Number of Shares		Balance at 30.6.2000
			Additions	Disposals	
<b>Direct interest</b>					
Amsteel Corporation Berhad	RM0.50	435,000	-	-	435,000
Angkasa Marketing Berhad	RM1.00	205,650	-	-	205,650
Silverstone Berhad	RM1.00	1,579,260	-	-	1,579,260
<b>Indirect interest</b>					
Amsteel Corporation Berhad	RM0.50	485,489,685	-	13,602,859	471,886,826
Chocolate Products (Malaysia) Berhad	RM0.50	244,508,501	-	10,963,000	233,545,501
Akurjaya Sdn Bhd	RM1.00	63,500,000	-	-	63,500,000
Ambang Maju Sdn Bhd	RM1.00	70,000	-	-	70,000
Amsteel Securities (M) Sdn Bhd	RM1.00	155,000,000	-	-	155,000,000
Angkasa Marketing Berhad	RM1.00	94,610,350	-	6,811,000	87,799,350
Avenel Sdn Bhd	RM1.00	100,000,000	-	-	100,000,000
Ayer Keroh Resort Sdn Bhd	RM1.00	20,000,000	-	-	20,000,000
Bungawang Sdn Berhad	RM1.00	25,000	-	-	25,000
Crystavel Sdn Bhd	RM1.00	998	-	-	998
Davids Warehousing Sdn Bhd (under voluntary liquidation)	RM1.00	4,080,000	-	-	4,080,000
Dwiwater Sdn Bhd	RM1.00	5,252	-	-	5,252
Excellent Strategy Sdn Bhd	RM1.00	24,000,000	-	6,000,000	18,000,000
Hiap Joo Chong Realty Sdn Bhd	RM1.00	1,000,000	-	-	1,000,000
Kobayashi Optical Sdn Bhd	RM1.00	700,000	-	-	700,000
Lion Gateway Parade Sdn Bhd	RM1.00	255,000	-	-	255,000
Lion Mahkota Parade Sdn Bhd	RM1.00	1,000,000	-	-	1,000,000
Lion Mutiara Parade Sdn Bhd	RM1.00	6,000,000	-	-	6,000,000
Lion Plantations Sdn Bhd	RM1.00	8,000,000	-	-	8,000,000
Lion Seremban Parade Sdn Bhd	RM1.00	7,000	-	-	7,000
LLB Enterprise Sdn Bhd	RM1.00	690,000	-	-	690,000
LLB Hazama Incorporated Sdn Bhd	RM1.00	3,300,000	-	-	3,300,000
LLB Strategic Holdings Berhad	RM1.00	4,050,000	-	-	4,050,000

Datuk Cheng Yong Kim	Nominal value per ordinary share	Balance at 1.7.1999	Number of Shares		Balance at 30.6.2000
			Additions	Disposals	
<b>Indirect interest</b>					
Marvenel Sdn Bhd	RM1.00	100	-	-	100
Ototek Sdn Bhd	RM1.00	1,050,000	-	-	1,050,000
Posim Berhad	RM1.00	182,664,471	-	3,000,000	179,664,471
Sabah Forest Industries Sdn Bhd					
- ordinary shares Class 'A'	RM1.00	752,532,412	-	-	752,532,412
- ordinary shares Class 'B'	RM0.10	7,525,324,120	-	-	7,525,324,120
Salient Care Sdn Bhd	RM1.00	1,400,000	-	-	1,400,000
Secom (Malaysia) Sdn Bhd	RM1.00	5,100,000	-	-	5,100,000
Secomex Manufacturing (M) Sdn Bhd	RM1.00	255,000	-	-	255,000
Silverstone Berhad	RM1.00	149,228,512	-	-	149,228,512
Soga Sdn Bhd	RM1.00	4,332,078	-	-	4,332,078
Steelcorp Sdn Bhd	RM1.00	99,750	-	-	99,750
Visionwell Sdn Bhd	RM1.00	16,000,000	-	-	16,000,000
Brewood Investment Pte Ltd	S\$1.00	70	-	-	70
Cornelian Star (S) Pte Ltd	S\$1.00	100	-	-	100
Croydon Investment Pte Ltd	S\$1.00	70	-	-	70
Dawson Investment Pte Ltd	S\$1.00	70	-	-	70
Farringdon Investment Pte Ltd	S\$1.00	70	-	-	70
Holdsworth Investment Pte Ltd	S\$1.00	4,500,000	-	-	4,500,000
Limerick Investment Pte Ltd	S\$1.00	70	-	-	70
Lion Asia Investment Pte Ltd	S\$1.00	27,225,000	-	-	27,225,000
Lion Biotech Pte Ltd	S\$1.00	1,000,000	-	-	1,000,000
Lion Jianmin Pte Ltd	S\$1.00	600	-	-	600
Lion Rubber Industries Pte Ltd	S\$1.00	10,000,000	-	-	10,000,000
Masoni Investment Pte Ltd	S\$1.00	9,500,000	-	-	9,500,000
Parkson Glomart Pte Ltd	S\$1.00	1,000,000	-	-	1,000,000
Parkson Investment Pte Ltd	S\$1.00	10,000,000	-	-	10,000,000
Parkson Management Pte Ltd	S\$1.00	4,500,000	-	-	4,500,000
Parkson Supplies Pte Ltd	S\$1.00	100	-	-	100
Parkson Venture Pte Ltd	S\$1.00	14,800,000	-	-	14,800,000

Datuk Cheng Yong Kim	Nominal value per ordinary share	Balance at 1.7.1999	Number of Shares		Balance at 30.6.2000
			Additions	Disposals	
<b>Indirect interest</b>					
Silverstone Tyre (S) Pte Ltd	S\$1.00	25,400,080	-	-	25,400,080
Vochelle Investment Pte Ltd	S\$1.00	4,500,000	-	-	4,500,000
Willet Investment Pte Ltd	S\$1.00	45,954,450	-	-	45,954,450
P T Amsteel Securities Indonesia	Rp1,000	9,350,000	-	-	9,350,000
Hamba Research & Development Co Ltd	NT\$10.00	980,000	-	-	980,000

P T Kebunaria*	Nominal value per ordinary share	Balance at 8.7.1999	Number of Shares		Balance at 30.6.2000
			Additions	Disposals	
	Rp1,000,000	14,000	-	-	14,000

\* became a related company on 8.7.1999

Lion Mahkota Parade Sdn Bhd Lion Mutiara Parade Sdn Bhd Hy-Line Berhad	Nominal value per preference share	Balance at 1.7.1999	Number of Shares		Balance at 30.6.2000
			Additions	Disposals	
	RM0.01	400,000	-	-	400,000
	RM0.01	8,400,000	-	-	8,400,000
	RM1,000	2,453	2	-	2,455

Sabah Forest Industries Sdn Bhd	Nominal value per deferred share	Balance at 1.7.1999	Number of Shares		Balance at 30.6.2000
			Additions	Disposals	
	RM1.00	146,000,000	-	-	146,000,000

**Datuk Cheng Yong Kim**
**Indirect interest**

<b>Investments in the People's Republic of China</b>	<b>Currency</b>	<b>Balance at 1.7.1999</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at 30.6.2000</b>
Beijing Parkson Light Industry Development Co Ltd	USD	12,700,000	-	-	12,700,000
Beijing Trostel Property Development Co Ltd	USD	6,650,000	-	-	6,650,000
Beijing Vochelle Foodstuff Co Ltd	USD	3,080,000	-	-	3,080,000
Chongqing Wang Yu Parkson Plaza Co Ltd	Rmb	14,000,000	-	-	14,000,000
Dalian Tianhe Parkson Shopping Center Co Ltd	Rmb	43,154,525	16,845,475	-	60,000,000
Dong Feng Lion Tyre Co Ltd	Rmb	247,638,417	-	-	247,638,417
Hebei Weiyuan Heilen Bio-Chemical Co Ltd	USD	2,313,982	-	-	2,313,982
Huangshi Heilen Pharmaceutical Co Ltd	Rmb	45,416,040	-	-	45,416,040
Hubei Jinlongquan Brewery Co Ltd	USD	17,988,000	-	-	17,988,000
Hubei Jinlong Shenshui Brewery Co Ltd	Rmb	10,000,000	-	-	10,000,000
Hubei Lion Brewery Co Ltd	USD	17,993,990	-	-	17,993,990
Hunan DEbier Brewery Co Ltd	Rmb	132,000,000	-	-	132,000,000
Jiangsu DEbier Brewery Co Ltd	USD	6,587,927	-	-	6,587,927
Mianyang Fulin Parkson Plaza Co Ltd	Rmb	15,000,000	-	-	15,000,000
Nanjing Jingyi Casting Co Ltd	USD	6,750,000	-	-	6,750,000
Ningbo Lion Brewery Co Ltd	Rmb	55,179,657	41,494,566	-	96,674,223
Pingyang Lion Beer Co Ltd	USD	2,585,000	-	-	2,585,000
Shandong DEbier Brewery Co Ltd	Rmb	36,000,000	-	-	36,000,000
Shanghai Hengda Parkson Department Store Co Ltd	USD	2,410,118	-	-	2,410,118
Shanghai Lion Food Industry Co Ltd	USD	14,068,200	-	-	14,068,200
Shanghai Lion Plastic Industrial Co Ltd	USD	3,690,000	-	-	3,690,000
Sichuan Hezheng Parkson Plaza Co Ltd	USD	4,168,645	-	-	4,168,645



**Datuk Cheng Yong Kim**
**Indirect interest**

<b>Investments in the People's Republic of China</b>	<b>Currency</b>	<b>Balance at 1.7.1999</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at 30.6.2000</b>
Tianjin Baden Real Estate Development Co Ltd	USD	5,000,000	-	-	5,000,000
Tianjin Hua Shi Auto Meter Co Ltd	USD	10,878,944	-	-	10,878,944
Tianjin Zhaoxia Motorcycle Technical Development Co Ltd	USD	860,000	-	-	860,000
Wenzhou Double Deer Brewing Group Co Ltd	USD	12,677,000	-	-	12,677,000
Wuxi Sanyang Parkson Plaza Co Ltd	USD	10,839,396	-	-	10,839,396
Wuxi Top Absorber Co Ltd	USD	6,600,000	-	-	6,600,000
Xian Lucky King Parkson Plaza Co Ltd	Rmb	16,579,917	-	-	16,579,917
Yangzhou Parkson Plaza Co Ltd	USD	4,281,843	-	-	4,281,843
Zhuhai Lion International Bio-Tech Co Ltd (under liquidation)	USD	1,201,506	-	-	1,201,506
Zhuzhou DEbier Brewery Co Ltd	Rmb	65,158,427	-	-	65,158,427
Wuhan Fortune Motor Co Ltd	USD	6,000,000	-	-	6,000,000
Wuxi Puhua Electroplating Co Ltd	USD	1,015,000	210,000	-	1,225,000
	<b>Currency</b>	<b>Balance at 30.9.1999</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at 30.6.2000</b>
Jilin Motor City Park Hotel Co Ltd**	Rmb	60,000,000	-	-	60,000,000

\*\* became a related company on 30.9.1999

	Nominal value per ordinary share	Balance at 1.7.1999	Number of Shares		Balance at 30.6.2000
			Additions	Disposals	
<b>Dato' Kamaruddin @ Abas bin Nordin</b>					
<b>Direct interest</b>					
Amsteel Corporation Berhad	RM0.50	32,000	-	-	32,000
Silverstone Berhad	RM1.00	945	-	-	945

**Ee Beng Guan**

**Direct interest**

Silverstone Berhad	RM1.00	241,000	-	-	241,000
Hy-Line Berhad	RM1,000#	1	-	-	1

# Preference shares

**Cheng Yong Liang**

**Direct interest**

Angkasa Marketing Berhad	RM1.00	10,000	-	-	10,000
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In addition to the above, the Directors are deemed to have interest in shares of related companies to the extent as follows:

- (a) Options granted to them pursuant to the Executive Share Option Scheme ("ESOS") of the ultimate holding company, Amsteel Corporation Berhad ("Amsteel"). The Amsteel ESOS expired on 28 November 1999.

**Options over ordinary shares of RM0.50 each**

	Balance at 1.7.1999	Granted	Lapsed	Balance at 30.6.2000
<b>Datuk Cheng Yong Kim</b>	400,000	-	400,000	-

- (b) Warrants with a right to subscribe for ordinary shares in Amsteel on the basis of one new ordinary share for every one warrant held. The warrants matured on 19 May 2000.

**Number of warrants issued at RM0.30 each**

	Balance at 1.7.1999	Additions	Disposals/ Matured	Balance at 30.6.2000
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**Datuk Cheng Yong Kim**

Indirect interest	84,818,981	-	84,818,981	-
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**Dato' Kamaruddin @ Abas bin Nordin**

Direct interest	5,333	-	5,333	-
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Other than as disclosed above, the Directors do not have any other interest in shares of the Company or its related companies during the financial year.

### **DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than those disclosed as Directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and its related companies and certain companies in which certain Directors of the Company and/or its subsidiary companies are directors and/or substantial shareholders as disclosed in Note 29 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except as disclosed above.

### **HOLDING COMPANIES**

The immediate holding company is Umatrac Enterprises Sdn Bhd. The Directors regard Amsteel Corporation Berhad as its ultimate holding company. Both the holding companies are incorporated in Malaysia.

### **AUDITORS**

The auditors, Messrs Deloitte KassimChan (formerly known as Kassim Chan & Co), have indicated their willingness to continue in office.

Signed on behalf of the Board  
in accordance with a resolution of the Directors,

**DATUK CHENG YONG KIM**

**CHENG YONG LIANG**

Kuala Lumpur,  
30 October 2000

## **REPORT OF THE AUDITORS TO THE MEMBERS OF LION LAND BERHAD**

We have audited the accompanying balance sheets as of 30 June 2000, the related statements of income, consolidated cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the state of affairs of the Group and of the Company as of 30 June 2000 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date; and
  - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and
- (b) the accounting and other records and the registers required by the Act 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 Act.

We have considered the financial statements and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as mentioned under Note 33 to the Financial Statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company 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 as required by us for these purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

Without qualifying our opinion, we draw attention to Note 2 to the Financial Statements concerning the financial position of the Group and the Company and the proposed groupwide restructuring scheme involving the Group's and the Company's debts and rationalisation of the Group structure. Notwithstanding the above, the financial statements of the Group and the Company have been prepared on a going concern basis, the validity of which depends upon the successful implementation of the restructuring scheme. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

**DELOITTE KASSIMCHAN**  
AF 0080  
Public Accountants

**KEK AH FONG**  
1880/4/02 (J)  
Partner

Petaling Jaya,  
30 October 2000

## INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

		The Group		The Company	
	Note	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Revenue	4	<b>1,062,750</b>	1,020,419	<b>17,408</b>	22,628
Other operating income		<b>16,112</b>	17,542	<b>899</b>	63
Net changes in inventories of finished goods and work-in-progress		<b>28,348</b>	(75,679)	-	-
Raw materials and consumables used		<b>(774,002)</b>	(574,538)	-	-
Contract costs recognised		<b>(11,122)</b>	(125,509)	-	-
Property development expenditure		<b>(31,923)</b>	(34,061)	<b>(1,691)</b>	(2,905)
Staff costs	5	<b>(57,864)</b>	(55,404)	<b>(4,272)</b>	(5,157)
Depreciation of property, plant and equipment		<b>(37,592)</b>	(37,344)	<b>(3,301)</b>	(3,297)
Amortisation of goodwill		<b>(9,840)</b>	(9,833)	-	-
Amortisation of expenditure carried forward		<b>(3,766)</b>	(2,669)	<b>(208)</b>	(208)
Other operating expenses		<b>(74,351)</b>	(73,515)	<b>(4,732)</b>	(2,666)
Profit from operations		<b>106,750</b>	49,409	<b>4,103</b>	8,458
Finance costs	5	<b>(157,712)</b>	(168,789)	<b>(31,027)</b>	(35,593)
Share in results of associated companies		<b>(21,242)</b>	(34,618)	-	-
Income from other investments	5	<b>106,922</b>	133,906	<b>40,990</b>	46,418
<b>Profit/(Loss) before exceptional items and tax</b>	5	<b>34,718</b>	(20,092)	<b>14,066</b>	19,283
Exceptional items	6	<b>(131,813)</b>	(42,955)	-	3,492
<b>Profit/(Loss) before tax</b>		<b>(97,095)</b>	(63,047)	<b>14,066</b>	22,775
Income tax expense	7	<b>(18,063)</b>	3,498	<b>(5,698)</b>	-
<b>Profit/(Loss) after tax</b>		<b>(115,158)</b>	(59,549)	<b>8,368</b>	22,775
Minority interests		<b>14,296</b>	5,759	-	-
<b>Net profit/(loss) for the year</b>		<b>(100,862)</b>	(53,790)	<b>8,368</b>	22,775
<b>Loss per ordinary share</b>	8	<b>(17.0) sen</b>	(9.1) sen		

The accompanying Notes form an integral part of the Financial Statements.

## BALANCE SHEETS

AS OF 30 JUNE 2000

ASSETS	Note	The Group		The Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<b>Property, plant and equipment</b>	9	<b>1,307,604</b>	1,248,140	<b>112,955</b>	115,956
<b>Investment property</b>	10	<b>189,000</b>	189,000	-	-
<b>Property development projects - non-current portion</b>	11	<b>157,617</b>	158,761	<b>1,069</b>	4,826
<b>Investment in subsidiary companies</b>	12	-	-	<b>957,267</b>	940,920
<b>Investment in associated companies</b>	13	<b>102,754</b>	205,075	<b>24,578</b>	25,838
<b>Other investments</b>	14	<b>84,633</b>	51,648	<b>48,892</b>	48,490
<b>Expenditure carried forward</b>	15	<b>14,528</b>	108,175	<b>532</b>	1,551
<b>Goodwill</b>	16	<b>190,028</b>	199,868	-	-
<b>Current Assets</b>					
Inventories	17	<b>247,209</b>	233,581	<b>7,802</b>	7,499
Property development projects – current portion	11	<b>40,561</b>	51,367	<b>1,146</b>	536
Amount due by contract customers	18	<b>3,758</b>	3,376	-	-
Amount owing by related companies	19	<b>1,597,264</b>	1,531,517	<b>390,091</b>	362,008
Receivables, deposits and prepayments	20	<b>332,990</b>	388,503	<b>29,307</b>	27,984
Deposits, cash and bank balances	21	<b>81,997</b>	69,848	<b>5,791</b>	4,631
		<b>2,303,779</b>	2,278,192	<b>434,137</b>	402,658
<b>Current Liabilities</b>					
Payables	22	<b>803,492</b>	729,220	<b>34,025</b>	15,915
Amount due to contract customers	18	<b>1,353</b>	2,087	-	-
Amount owing to related companies	19	<b>122,880</b>	121,197	<b>69,282</b>	74,052
Short-term borrowings	23	<b>1,975,993</b>	1,709,702	<b>214,274</b>	198,968
Tax liabilities		<b>36,522</b>	16,581	<b>5,899</b>	3,325
Proposed dividend		<b>427</b>	427	<b>427</b>	427
		<b>2,940,667</b>	2,579,214	<b>323,907</b>	292,687
<b>Net Current Assets/(Liabilities)</b>		<b>(636,888)</b>	(301,022)	<b>110,230</b>	109,971
<b>Long-Term And Deferred Liabilities</b>					
Long-term loans	24	<b>54,001</b>	338,859	-	-
Deferred tax liabilities	25	<b>12,248</b>	12,636	<b>3,036</b>	3,036
Lease, hire-purchase and other liabilities	26	<b>2,986</b>	3,161	-	79
		<b>(69,235)</b>	(354,656)	<b>(3,036)</b>	(3,115)
<b>Minority interests</b>		<b>(33,556)</b>	(47,445)	-	-
<b>Net Assets</b>		<b>1,306,485</b>	1,457,544	<b>1,252,487</b>	1,244,437
<b>Represented by:</b>					
Issued capital	27	<b>593,380</b>	593,275	<b>593,380</b>	593,275
Reserves	28	<b>713,105</b>	864,269	<b>659,107</b>	651,162
<b>Shareholders' Equity</b>		<b>1,306,485</b>	1,457,544	<b>1,252,487</b>	1,244,437

The accompanying Notes form an integral part of the Financial Statements.

## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2000

The Group	← Non-Distributable Reserves →				Distributable	Total Reserves RM'000	Total RM'000
	Issued Capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Translation adjustment account RM'000	Reserve (Note 28) Unappropriated profit RM'000		
<b>Balance as of 1 July 1998</b>	593,275	515,186	74,907	110,470	229,380	929,943	1,523,218
Deficit on revaluation of investment property of a subsidiary company (Note 10)	-	-	(12,222)	-	-	(12,222)	(12,222)
Currency translation differences	-	-	-	765	-	765	765
Net loss for the year	-	-	-	-	(53,790)	(53,790)	(53,790)
Proposed dividend (0.1%, less tax)	-	-	-	-	(427)	(427)	(427)
<b>Balance as of 30 June 1999</b>	593,275	515,186	62,685	111,235	175,163	864,269	1,457,544
Issue of shares	105	4	-	-	-	4	109
Currency translation differences	-	-	-	(49,879)	-	(49,879)	(49,879)
Net loss for the year	-	-	-	-	(100,862)	(100,862)	(100,862)
Proposed dividend (0.1%, less tax)	-	-	-	-	(427)	(427)	(427)
<b>Balance as of 30 June 2000</b>	593,380	515,190	62,685	61,356	73,874	713,105	1,306,485

The Company	Issued Capital RM'000	Non-Distributable Reserve		Distributable Reserve	Total Reserves RM'000	Total RM'000
		Share premium RM'000	Reserve	(Note 28) Unappropriated profit RM'000		
<b>Balance as of 1 July 1998</b>	593,275	515,186	-	113,628	628,814	1,222,089
Net profit for the year	-	-	-	22,775	22,775	22,775
Proposed dividend (0.1%, less tax)	-	-	-	(427)	(427)	(427)
<b>Balance as of 30 June 1999</b>	593,275	515,186	-	135,976	651,162	1,244,437
Issue of shares	105	4	-	-	4	109
Net profit for the year	-	-	-	8,368	8,368	8,368
Proposed dividend (0.1%, less tax)	-	-	-	(427)	(427)	(427)
<b>Balance as of 30 June 2000</b>	593,380	515,190	-	143,917	659,107	1,252,487

The accompanying Notes form an integral part of the Financial Statements.

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2000

	Note	2000 RM'000	1999 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Loss before tax and minority interests		(97,095)	(63,047)
Adjustments for:			
Depreciation of property, plant and equipment		37,592	37,344
Share in results of associated companies		21,242	34,618
Unrealised loss on foreign exchange		80,700	29,599
Amortisation of goodwill		9,840	9,833
Amortisation of expenditure carried forward		3,766	2,669
Expenditure carried forward written off		2,321	-
Gain on disposal of:			
Subsidiary companies		-	(11,823)
Associated companies		(14,558)	(3,957)
Quoted shares		(401)	-
Reversal of gain over-recognised on disposal of subsidiary company		3,900	-
Provision for doubtful trade and other receivables		4,505	3,045
Bad debts written off		230	1,471
Property, plant and equipment written off		669	250
Provision no longer required for:			
Doubtful trade and other receivables		(621)	(449)
Cost to completion for property projects		(194)	(565)
Inventories obsolescence		(123)	(20)
Foreseeable loss for property projects		-	(221)
Compensation for late delivery		-	(56)
Loss/(Gain) on disposal of property, plant and equipment – net		126	(34)
Provisions on cessation of operations of subsidiary company (Note 6)		56,088	-
Loss on liquidation of subsidiary company (i)		2,463	-
Provision for inventories obsolescence		344	-
Finance costs		157,712	168,789
Interest income		(107,081)	(134,286)
Dividend income		-	(61)
Operating Profit Before Working Capital Changes		<b>161,425</b>	73,099
Decrease/(Increase) in inventories		(16,272)	112,433
Decrease/(Increase) in property development projects – current portion		11,108	(6,914)
Increase in amount due by contract customers (net of depreciation of plant and equipment of RM84,000 (RM112,000 in 1999))		(298)	(850)
Decrease/(Increase) in receivables, deposits and prepayments		57,650	(54,913)
Increase/(Decrease) in payables		(47,448)	119,272
Increase/(Decrease) in amount due to contract customers		(734)	193
Movement in translation adjustment account		(594)	(2,145)
Cash Generated From Operations		<b>164,837</b>	240,175
Income tax refund/(paid)		(6,337)	472
Net Cash Generated From Operating Activities		<b>158,500</b>	240,647
(Forward)			



	Note	2000 RM'000	1999 RM'000
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Proceeds from disposal of associated company		255	5,919
Purchase of property, plant and equipment (net of finance costs of RM29,400,000 (RM53,000,000 in 1999))		<b>(32,543)</b>	(9,270)
Proceeds from disposal of property, plant and equipment		<b>2,232</b>	687
Additions to expenditure carried forward		<b>(1,527)</b>	(687)
Purchase of other investments		<b>(121)</b>	-
Increase in investment property		-	(1,122)
Dividend received from other investments – net		-	44
Acquisition of subsidiary company (ii)		-	(255)
Proceeds from disposal of subsidiary companies net of cash and bank balances disposed (iii)		-	44,188
Purchase of investment in associated companies		-	(228)
Decrease/(Increase) in amount owing by related companies		<b>35,675</b>	(65,136)
Decrease in property development projects – non-current portion		<b>1,144</b>	2,060
Decrease in amount owing by associated companies		-	31,220
Interest received		<b>4,685</b>	7,393
Net Cash Generated From Investing Activities		<b>9,800</b>	14,813
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		<b>109</b>	-
Repayment of lease, hire-purchase and other liabilities		<b>(274)</b>	(1,286)
Dividend paid to shareholders of the Company		<b>(427)</b>	(2,136)
Proceeds from issue of shares to minority shareholders of subsidiary companies		-	1,248
Repayment of short-term borrowings		<b>(3,309)</b>	(159,703)
Proceeds from short-term borrowings		<b>13,761</b>	-
Proceeds from long-term loans		-	13,657
Repayment of long-term loans		-	(2,500)
Decrease in amount owing to associated companies		-	(439)
Decrease in amount owing to related companies		<b>(2,650)</b>	(14,407)
Decrease/(Increase) in fixed deposits pledged with licensed banks		<b>1,858</b>	(301)
Finance costs paid		<b>(135,388)</b>	(174,136)
Net Cash Used In Financing Activities		<b>(126,320)</b>	(340,003)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>41,980</b>	(84,543)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>(91,451)</b>	(6,030)
Effects of changes in exchange rates		<b>89</b>	(878)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	37	<b>(49,382)</b>	(91,451)
(Forward)			

	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) ANALYSIS OF LIQUIDATION OF SUBSIDIARY COMPANY</b>		
Expenditure carried forward	469	-
Receivables, deposits and prepayments	777	-
Inventories	1,347	-
Minority interest	(130)	-
	<hr/>	<hr/>
Net assets	2,463	-
Loss on liquidation of subsidiary company	(2,463)	-
	<hr/>	<hr/>
Cash flow on liquidation	-	-
	<hr/> <hr/>	<hr/> <hr/>
<b>(ii) ANALYSIS OF ACQUISITION OF SUBSIDIARY COMPANY</b>		
Property, plant and equipment	-	919
Expenditure carried forward	-	69
Receivables, deposits and prepayments	-	415
Payables	-	(822)
Tax liabilities	-	(12)
Lease and hire-purchase liabilities	-	(73)
Goodwill on consolidation	-	2
Minority interest	-	(243)
	<hr/>	<hr/>
Cash flow on acquisition	-	255
	<hr/> <hr/>	<hr/> <hr/>
<b>(iii) ANALYSIS OF DISPOSAL OF SUBSIDIARY COMPANIES</b>		
Property, plant and equipment	-	30,752
Expenditure carried forward	-	20,041
Receivables, deposits and prepayments	-	27,965
Inventories	-	11,410
Amount owing by related companies	-	31
Cash and bank balances	-	4,672
Payables	-	(8,466)
Amount owing to related companies	-	(541)
Tax liabilities	-	(612)
Short-term borrowings	-	(5,967)
Minority interest	-	(41,882)
Reserve on consolidation	-	(366)
	<hr/>	<hr/>
Net assets	-	37,037
	<hr/>	<hr/>
Gain on disposal of subsidiary companies	-	11,823
	<hr/>	<hr/>
Total cash consideration	-	48,860
Less: Cash and bank balances	-	(4,672)
	<hr/>	<hr/>
Cash flow on disposal net of cash and bank balances disposed	-	44,188
	<hr/> <hr/>	<hr/> <hr/>

The accompanying Notes form an integral part of the Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. PRINCIPAL ACTIVITIES

The Company's principal activities are investment holding and property development.

The principal activities of the subsidiary companies are disclosed in Note 33 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and of its subsidiary companies during the financial year.

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards of the Malaysian Accounting Standards Board ("MASB").

During the financial year, the Group and the Company adopted the MASB 1, Presentation of Financial Statements which is effective for financial periods commencing on or after 1 July 1999. Accordingly, the presentation and disclosure of the financial information have been modified to conform with the requirements of MASB 1. Certain comparative figures have been reclassified to achieve a consistent presentation.

The Group incurred a loss after tax and minority interests of about RM101 million during the financial year ended 30 June 2000. At that date, the current liabilities of the Group exceeded its current assets by about RM637 million. As disclosed in Notes 23 and 24 to the Financial Statements, the Group and the Company have ceased servicing certain of its principal borrowings and interest charges. Certain principal bankers have also frozen or withdrawn existing credit facilities of the Group and the Company.

As announced by the Company on 5 July 2000, the Board of Directors has approved a proposed groupwide restructuring scheme ("Proposed GWRS") covering the Lion Group, comprising Amsteel Corporation Berhad, LLB, Angkasa Marketing Berhad, Chocolate Products (Malaysia) Berhad and Lion Corporation Berhad. The Proposed GWRS involve the restructuring of the Company's and certain of its subsidiary companies' debts (collectively referred to as "Scheme Companies") and rationalisation of the Group structure whereby core businesses would be redefined and non-core businesses would be divested.

The Proposed GWRS pertaining to the Company and its subsidiary companies involve the following proposals:

- (i) Acquisition of 100% equity interest in Posim Berhad ("Posim") for a consideration of RM858.85 million of which 83.77% will be acquired from Avenel Sdn Bhd ("Avenel"), a subsidiary of Amsteel Corporation Berhad ("Amsteel"), the consideration (RM719.49 million) of which will be satisfied by netting off against inter-company balances with Amsteel Group and the balance 16.23% from minority shareholders for cash.

A conditional share sale agreement between LLB and Avenel for the acquisition of 83.77% equity interest in Posim was signed on 5 July 2000.

- (ii) Acquisition of 59.47% equity interest in Chocolate Products (Malaysia) Berhad ("CPB") from Amsteel Group for a consideration of RM281.19 million.

A conditional share sale agreement was signed on 5 July 2000.

- (iii) Disposal of 25% equity interest in Avenel to Amsteel for a consideration of RM1.00 and the payment of RM23.09 million by the Company to Amsteel in view of the excess of Avenel's debts over fair value of Avenel's assets as of 31 December 1999. The estimated loss on disposal is RM23 million.

A conditional share sale agreement was signed on 5 July 2000.

2. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS** (Continued)

- (iv) Disposal of a wholly-owned subsidiary company, Lion Plaza Sdn Bhd, to Amsteel for a total consideration of RM33.35 million. The estimated loss on disposal is RM18 million.

A conditional share sale agreement was signed on 19 October 2000.

- (v) The net consideration of RM990.42 million payable by LLB Group to Amsteel Group resulting from proposals (i) to (iv) above will be netted off against existing debts owing by Amsteel Group to the restructured LLB Group (which would include 100% equity interest in Posim) resulting in a net balance owing by Amsteel Group to LLB Group of RM463.15 million. LLB Group will receive RM395.31 million Amsteel Bonds and cash payment and 96.22 million new Amsteel shares valued at RM67.84 million in settlement of this net inter-company balance of RM463.15 million.
- (vi) LLB Group will receive RM186.41 million Angkasa Marketing Berhad (“Angkasa”) Bonds and cash payment for settlement of the net balance of existing inter-company debts owing by Angkasa Group to LLB Group of RM186.41 million.
- (vii) Issue of RM24.56 million LLB Bonds and cash payments for settlement of inter-company balances owing by LLB Group to CPB Group of RM24.56 million.
- (viii) Issue of 198.85 million new LLB shares at RM0.8364 per share to Lion Corporation Berhad (“LCB”) Group for settlement of inter-company balances owing by LLB Group to LCB Group of RM166 million.
- (ix) The aggregate amount of RM and USD debts owed by the Scheme Companies to the affected creditors (“Scheme Creditors”) (excluding LLB non-financial institution creditors) totalling RM349.61 million and USD64.26 million would be swapped for LLB Bonds and cash payment totalling RM349.61 million and LLB-SPV Consolidated and Rescheduled USD Debts and cash payment totalling USD64.26 million respectively.

The abovementioned LLB Bonds and LLB-SPV Consolidated and Rescheduled USD Debts would have 22.26 million free detachable new LLB shares at assumed price of RM0.8364 per share.

- (x) The LLB non-financial institution creditors of RM123.80 million shall be addressed by cash payments.

The proceeds for cash payments shall be raised from the following:

- (a) sale of 29.52 million CPB ordinary shares at RM36.06 million. As a result, the equity interest of LLB in CPB will be diluted from 59.47%, as indicated in proposal (ii) to 51%;
- (b) placement of 52.17 million new LLB ordinary shares at RM60 million;
- (c) offer for sale to the public of the restructured Likom Electronic Pte Ltd (“LEPL”) ordinary shares at RM60 million pursuant to LEPL’s initial public offering in Singapore Exchange Securities Trading Limited in year 2001.

LLB will receive the above ordinary shares in LEPL following a proposal made by LLB to accept the variation to the mode of redemption of the 5-year cumulative redeemable preference shares of RM0.01 each amounting to RM43.6 million (Note 14) in Likom Computer System Sdn Bhd prior to its due date of redemption on 28 June 2001; and

- (d) disposal of land and buildings by LLB to raise RM93 million to be satisfied by the issuance of ordinary shares in the capital of LEPL. The estimated loss on disposal is RM15 million.

A conditional sale and purchase agreement was signed on 9 August 2000.

The proposals mentioned in items (c) and (d) above form part of the proposed restructuring exercise and proposed listing of LEPL on the Singapore Exchange Securities Trading Limited and accordingly, are conditional upon the conditions precedent mentioned below and the completion of the proposed restructuring exercise and proposed listing of LEPL.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

- (xi) Divestments of the LLB Group's non-core and peripheral assets and businesses amounting to an estimated RM461.18 million (in terms of net divestment proceeds) over a period of time, whereby the resulting divestment proceeds are dedicated for the purposes of the proposed debt restructuring exercise for the LLB Group (proposals (ix) and (x)).

On 19 October 2000, the Company announced that the issue price of its new shares to be issued pursuant to the Proposed GWRS shall be fixed after the receipt of the Securities Commission's approval for the Proposed GWRS ("Price Fixing Date") at prices to be agreed by the relevant parties after taking into account the weighted average market price of the relevant shares for the 5 days, 1 month and 3 months prior to the Price Fixing Date or the issue prices announced on 5 July 2000, whichever shall be the lower ("Issue Price"). The Issue Price, if determined based on the aforesaid is lower than the par value, shall be arrived at after taking into account the reserves of the Company.

The implementation of the Proposed GWRS is subject to various conditions precedent, which include the following:

- (i) approvals of Bank Negara Malaysia, Securities Commission, Foreign Investment Committee, Ministry of International Trade and Industry and the Kuala Lumpur Stock Exchange;
- (ii) approvals of the Scheme Creditors of the Company and Scheme Companies;
- (iii) approvals of the shareholders of the Company and Scheme Companies;
- (iv) approvals of any other relevant authorities; and
- (v) the other proposals within the Proposed GWRS being unconditional.

The approval from Bank Negara Malaysia was obtained vide its letters dated 2 October 2000, 5 October 2000 and 12 October 2000.

The proposed transactions within the Proposed GWRS are generally inter-conditional to each other.

In addition to the Proposed GWRS, a subsidiary company is presently re-negotiating with its bankers to extend the repayment schedules on existing borrowings.

The Directors are of the opinion that the restructuring scheme referred to above will be successfully implemented and the abovementioned subsidiary company will be able to obtain extended repayment schedules on existing borrowings from its bankers. Accordingly, the Directors consider that it is appropriate to prepare the financial statements of the Group and the Company on a going concern basis. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Accounting**

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for investment property and certain property, plant and equipment which are stated at Directors' valuation. Certain development properties of subsidiary companies are stated in the Group's financial statements at values reflecting approximately the effective acquisition costs by the Group (group cost) of these assets.

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue

Revenue of the Group consists of the proportion of the aggregate sales value of property development projects sold attributable to the percentage of development work performed, sales value of land under development and completed property units, proportion of the total contract value attributable to the percentage of construction work performed, sales invoice value of steel and other products net of discounts and returns, tuition fees and other related fees receivable net of scholarship, gross rental income and dividend income receivable from quoted and unquoted investments.

Revenue of the Company consists of gross rental income and dividend income, proportion of the aggregate sales value of property development projects sold attributable to the percentage of development work performed, sales value of land under development and completed property units.

#### Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates prevailing at the transaction dates or, where settlement has not yet been made at the end of the financial year, at approximate exchange rates prevailing at that date. All foreign exchange gains or losses are taken up in the income statements except for the exchange gains or losses arising on the year end translation of foreign currency denominated long-term loans.

The exchange differences on long-term loans are included as part of borrowing costs and capitalised in property, plant and equipment or are deferred and amortised to the income statement on a systematic basis over the remaining repayment period of the long-term loans, where appropriate.

For the purpose of consolidation, the financial statements of the foreign incorporated subsidiary companies have been translated into Ringgit Malaysia as follows:

Assets and liabilities	-	at closing rate
Share capital	-	at historical rate
Revenue and expenses	-	at average rate

The closing rates used in the translation are as follows:

RM1 = Rmb2.18 (RM1 = Rmb2.19 in 1999)
RM1 = S\$0.46 (RM1 = S\$0.45 in 1999)
RM1 = USD0.26 (RM1 = USD0.26 in 1999)

The results of foreign associated companies are translated at the average rate of exchange for the financial year.

All translation gains or losses are taken up and reflected in translation adjustment account under shareholders' equity.

#### Exceptional Items

Exceptional items are those which are derived from ordinary activities of the business but are of such size, nature or incidence that their disclosures are relevant to explain the performance of the Group and of the Company.

#### Income Tax

The tax effects of transactions are generally recognised, using the 'liability' method, when such transactions enter into the determination of net income regardless of when they are recognised for tax purposes, to the extent that they are expected to crystallise in the foreseeable future. However, when timing differences give rise to net future tax debit, the tax effects are recognised generally on actual realisation.

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Property, Plant and Equipment and Depreciation**

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Depreciation of property, plant and equipment, except freehold land and construction work-in-progress which are not depreciated, is computed on the straight-line method at rates based on the estimated useful lives of the various assets.

The annual depreciation rates are as follows:

Freehold buildings	2 - 4%
Leasehold land and buildings	2 - 5%
Other buildings and improvements	2 - 10%
Plant, machinery and equipment	5 - 20%
Motor vehicles	8 - 20%
Furniture and office equipment	5 - 25%
Computer equipment	10 - 20%
Renovations	2 - 10%

#### **Capitalisation of Finance Cost**

Finance cost incurred on the construction of property, plant and equipment which require a period of time to get them ready for their intended use are capitalised and included as part of the related assets.

#### **Leased Assets**

Assets under leases which in substance transfer the risks and benefits of ownership of the assets to the Group have been capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at the fair value of the leased assets (which approximate the present value of the minimum lease payment) at the beginning of the respective lease terms.

#### **Property, Plant and Equipment Acquired Under Hire-Purchase**

Property, plant and equipment acquired under hire-purchase are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statement to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

#### **Investment Property**

Investment property is real property held for long-term purpose for investment potential and for rental income. Investment property is stated at Directors' valuation and is not depreciated. Directors' valuation recognises the value of the investment property based on latest valuation report by an independent firm of professional valuers using the open market value basis. The investment property will be revalued at least once at regular intervals of 5 years with additional valuation in the intervening years where market conditions indicate that the carrying value of the revalued investment is materially different from the market value.

An increase in carrying amount arising from the revaluation of investment property will be credited to shareholders' equity as revaluation reserve. To the extent that a decrease in carrying amount offsets a previous increase that has been credited to revaluation reserve and not subsequently reversed or utilised, it will be charged against that revaluation reserve. In all other cases, a decrease in carrying amount will be charged to income statement. An increase on revaluation directly related to a previous decrease in carrying amount that was charged to income statement will be credited to income statement to the extent that it offsets the previously recorded decrease.

On disposal of a previously revalued investment, the difference between net disposal proceeds and the net carrying amount will be charged or credited to the income statement.

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and all the subsidiary companies listed under Note 33 to the Financial Statements.

The results of subsidiary companies acquired or disposed of during the financial year are included in the Group's financial statements from the effective date of acquisition or to the effective date of disposal.

All significant intercompany transactions and balances are eliminated on consolidation.

#### **Investments**

Investments in subsidiary companies, which are eliminated on consolidation, and investments in associated companies are stated in the Company's financial statements at cost less any provision for permanent diminution in value.

Other investments in quoted and unquoted corporations are stated in both the Group's financial statements and the Company's financial statements at cost or at group cost less provision for diminution in value of investment, if appropriate.

A provision is made when the Directors are of the opinion that there is a permanent diminution in value of an investment.

#### **Associated Companies**

An associated company is a non-subsiary company in which the Group or the Company holds as long-term investment not less than 20% of the equity voting rights and in which the Group or the Company is in a position to exercise significant influence in its management.

The Group's investment in associated companies is accounted for under the equity method of accounting based on audited or management financial statements of the associated companies made up to 30 June 2000. Under this method of accounting, the Group's interest in the post-acquisition profit or loss of the associated companies is included in the consolidated results while dividend received is reflected as a reduction of the investment in the consolidated balance sheet.

#### **Expenditure Carried Forward**

Expenditure carried forward comprises preliminary and pre-operating expenses, deferred charges and deferred foreign exchange loss arising on the translation of foreign currency denominated long-term loans. Deferred charges comprise license fee which represents the acquisition cost of the design and manufacture rights and development expenditure which represents expenses incurred in the development of new or substantially improved products prior to the commencement of commercial production.

Preliminary and pre-operating expenses and deferred charges are amortised systematically over a period of time not exceeding ten years upon commencement of operations or commercial production. These expenses will be written off if future economic benefits relating to the deferred expenses cannot be determined with reasonable certainty.

Deferred foreign exchange loss is amortised systematically over the remaining repayment period of the long-term loans. During the current financial year, the Group expensed off the balance of unamortised deferred foreign exchange loss to the income statement as explained in Note 15.



### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Goodwill**

Goodwill represents the excess of the purchase consideration for an acquisition over the sum of the fair value of the identifiable net assets at the date of acquisition. It includes goodwill on consolidation and purchased goodwill.

Goodwill is amortised systematically over the period of time during which the benefits are expected to arise. However, the period of amortisation does not exceed twenty-five years.

Goodwill is written down immediately through the income statement if there is a permanent diminution in its value.

#### **Inventories**

Completed property units for sale are valued at the lower of cost and net realisable value. Cost is determined using the 'specific identification' method.

Steel and other products are valued at the lower of cost and net realisable value. Cost is determined on the 'weighted average' method. The cost of raw materials comprise the original purchase price plus cost incurred in bringing the inventories to their present locations and conditions. The cost of work-in-progress and finished goods comprise the cost of raw materials, direct labour, direct charges and a proportion of production overheads.

#### **Recognition of Income and Property Development Projects**

Property development projects consist of land held for development, development expenditure and portion of profit attributable to development work performed to date, less applicable progress billings, provision for foreseeable loss and provision for decline in value. Land held for development is stated at cost or at group cost. Development expenditure is stated at cost.

Provision for foreseeable loss is made for property development projects based on losses estimated to arise upon the completion of the projects which are already in progress.

Finance costs incurred on the development of property projects are capitalised and included as part of development expenditure. However, capitalisation of finance costs is suspended during extended periods in which active development is interrupted.

Profits on property development projects are recognised, using the percentage-of-completion method, based on progress billings (which approximates cost basis), in respect of sales where agreements have been finalised by the end of the financial year.

#### **Construction Contracts**

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Receivables

Provision for bad and doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivables.

#### Cash Flow Statement

The Group adopts the indirect method in the preparation of the consolidated cash flow statement.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisitions and are readily convertible to cash with insignificant risks of changes in value.

### 4. REVENUE

An analysis of revenue is as follows:

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Sales of goods	<b>965,302</b>	812,685	-	-
Revenue from:				
Property development	<b>56,233</b>	52,355	<b>2,590</b>	4,973
Construction contracts	<b>13,027</b>	118,983	-	-
Sales of land under development and completed property units	<b>720</b>	6,309	<b>98</b>	-
Gross rental income	<b>19,448</b>	18,710	<b>11,335</b>	10,371
Tuition and other related fees	<b>8,020</b>	11,316	-	-
Gross dividend income from:				
Subsidiary companies	-	-	<b>3,385</b>	7,223
Quoted investment	-	61	-	61
	<b>1,062,750</b>	1,020,419	<b>17,408</b>	22,628

## 5. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX

The profit/(loss) before exceptional items and tax has been arrived at:

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<b>After charging:</b>				
Finance costs comprising interest on:				
Term loans	<b>124,758</b>	107,343	<b>19,697</b>	20,806
Bills payable	<b>9,214</b>	37,798	-	-
Advances from other related companies	<b>9,846</b>	10,002	<b>6,089</b>	5,911
Bank overdrafts	<b>12,218</b>	11,457	<b>100</b>	100
Lease and hire-purchase	<b>101</b>	106	<b>22</b>	6
Advances from associated company	<b>51</b>	-	<b>51</b>	-
Advances from subsidiary companies	-	-	<b>5,061</b>	8,027
Others	<b>1,524</b>	2,083	<b>7</b>	743
	<b>157,712</b>	168,789	<b>31,027</b>	35,593
Rental of:				
Jetties and leasehold land	<b>3,850</b>	3,850	-	-
Plant, machinery and equipment	<b>1,669</b>	1,465	-	-
Premises	<b>190</b>	299	-	-
Provision for doubtful trade and other receivables	<b>4,505</b>	3,045	-	152
Reversal of gain over-recognised on disposal of subsidiary company	<b>3,900</b>	-	-	-
Loss on liquidation of subsidiary company	<b>2,463</b>	-	-	-
Expenditure carried forward written off	<b>2,321</b>	-	<b>819</b>	-
Rental of premises payable to other related companies	<b>1,048</b>	1,841	<b>111</b>	478
Property, plant and equipment written off	<b>669</b>	250	-	-
Audit fee:				
Current year	<b>350</b>	359	<b>36</b>	36
Under/(Over)provision in prior year	<b>3</b>	(11)	-	-
Provision for inventories obsolescence	<b>344</b>	-	-	-
Management fee payable to other related companies	<b>291</b>	326	-	-
Bad debts written off	<b>230</b>	1,471	-	-
Directors' remuneration:				
Fees	<b>69</b>	69	<b>69</b>	69
Salaries and allowances	<b>174</b>	174	<b>174</b>	174
Loss on disposal of property, plant and equipment – net	<b>126</b>	-	-	28
Loss on disposal of associated company	-	-	<b>945</b>	-

**5. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (Continued)**

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
<b>And crediting:</b>				
Income from other investments				
comprising interest income from:				
Ultimate holding company	85,192	101,728	36,969	36,939
Other related companies	17,204	25,165	950	940
Fixed deposits	2,564	1,282	149	238
Associated companies	-	1,878	-	-
Subsidiary companies	-	-	1,688	5,701
Others	1,962	3,853	1,234	2,600
	<b>106,922</b>	<b>133,906</b>	<b>40,990</b>	<b>46,418</b>
Gain on disposal of:				
Associated companies	14,558	3,957	-	-
Quoted shares	401	-	401	-
Subsidiary companies	-	11,823	-	-
Provision no longer required for:				
Doubtful trade and other receivables	621	449	-	-
Cost to completion for property projects	194	565	-	-
Inventories obsolescence	123	20	-	-
Amount owing by subsidiary companies	-	-	463	-
Foreseeable loss for property projects	-	221	-	-
Compensation for late delivery	-	56	-	-
Interest income from Housing Development				
Accounts	159	380	21	63
Bad debts recovered	56	37	-	-
Gain on disposal of property, plant and equipment – net	-	34	14	-
	<b>-</b>	<b>34</b>	<b>14</b>	<b>-</b>

Staff costs include salaries, bonuses, contributions to employees' provident fund, and all other staff related expenses.

The total number of employees of the Group and the Company as of 30 June 2000 were 3,290 (3,349 as of 30 June 1999) and 53 (55 as of 30 June 1999) respectively.

**6. EXCEPTIONAL ITEMS**

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Gain/(Loss) on foreign exchange:				
Realised	4,975	(13,356)	-	-
Unrealised	(80,700)	(29,599)	-	3,492
	<b>(75,725)</b>	<b>(42,955)</b>	<b>-</b>	<b>3,492</b>
Provisions on cessation of operations of subsidiary company:				
Property, plant and equipment	(40,259)	-	-	-
Expenditure carried forward	(12,704)	-	-	-
Trade receivables	(2,000)	-	-	-
Inventories	(1,125)	-	-	-
	<b>(56,088)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(131,813)</b>	<b>(42,955)</b>	<b>-</b>	<b>3,492</b>

## 7. INCOME TAX EXPENSE

Income tax expense for the Group and the Company consists of:

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Current estimated tax payable:				
Current year:				
Malaysian	(17,760)	-	(5,537)	-
Foreign	-	(46)	-	-
Under provision in prior years	(675)	(525)	(161)	-
Recovery of tax deducted at source on dividend received and receivable from subsidiary companies	-	4,938	-	-
Deferred taxation:				
Current year:				
Malaysian (Note 25)	388	(634)	-	-
Share in taxation of associated companies	(16)	(235)	-	-
Net	<b>(18,063)</b>	3,498	<b>(5,698)</b>	-

Taxation is provided for the Group for 2000 despite losses incurred due mainly to certain expenses which are not deductible for tax purposes and losses of certain subsidiary companies which for tax purposes cannot be offset with profits of other subsidiary companies within the Group. The tax provision also takes into account the utilisation of carryforward tax losses and unabsorbed capital allowances totalling about RM86 million to partially set-off the chargeable income that would otherwise be taxable.

The effective tax rate of the Company in 2000 is higher than the statutory tax rate due mainly to interest restriction.

No provision for estimated current tax payable has been made for the Group in 1999 due to the losses incurred by certain subsidiary companies and waiver of tax payable on chargeable income earned by certain subsidiary companies under the Income Tax (Amendment) Act, 1999 to facilitate the transition of the income tax assessment from a preceding year system to a current year system.

No provision for estimated current tax payable has been made by the Company in 1999 due to waiver of tax payable on chargeable income earned under the Income Tax (Amendment) Act, 1999 mentioned above. In 1999, income of the Company which is exempted from income tax, subject to agreement with the tax authorities, amounted to approximately RM21,170,000. This amount is credited into a tax exempt account and is available for distribution as tax exempt dividends. As of 30 June 2000, the Company has not distributed any of its tax exempt income as tax exempt dividends.

As of 30 June 2000, the Group has estimated unutilised carryforward tax losses and unabsorbed capital allowances totalling about RM82,688,000 (RM158,896,000 in 1999) which, subject to confirmation by the tax authorities, are available for set-off against future taxable business income of the respective subsidiary companies. The related tax debit will be recognised on actual realisation.

The tax effects relating to the increase in the carrying value of investment property are not provided for as there is no intention to dispose of this asset in the foreseeable future.

## 8. LOSS PER ORDINARY SHARE

Loss per ordinary share for the Group is computed based on the loss after tax and minority interests of RM100,862,000 (RM53,790,000 in 1999) and the weighted average number of ordinary shares in issue during the financial year of 593,373,000 (593,275,000 in 1999).

## 9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in 2000 consist of the following:

The Group	COST (except as otherwise stated)						At end of year RM'000
	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Translation differences RM'000	Write-offs RM'000	Reclassification RM'000	
Freehold land and buildings							
- At cost	70,863	-	(237)	-	-	-	70,626
- At 1991 valuation	201	-	(201)	-	-	-	-
Leasehold land and buildings under long lease	216,011	50	-	-	-	-	216,061
Leasehold land and buildings under short lease	51,032	49	(1,227)	141	(18)	-	49,977
Other buildings and improvements	108	-	-	-	-	-	108
Plant, machinery and equipment	402,409	12,317	(261)	258	(621)	97	414,199
Motor vehicles	7,181	325	(775)	6	(138)	(97)	6,502
Furniture and office equipment	22,711	1,036	(641)	5	(52)	3	23,062
Computer equipment	2,271	378	-	-	(1)	(3)	2,645
Renovations	3,987	-	-	-	-	-	3,987
Construction work-in-progress	634,238	125,904	(238)	5	(30)	-	759,879
<b>Total</b>	<b>1,411,012</b>	<b>140,059</b>	<b>(3,580)</b>	<b>415</b>	<b>(860)</b>	<b>-</b>	<b>1,547,046</b>

The Group	ACCUMULATED DEPRECIATION						At end of year RM'000
	At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Translation differences RM'000	Write-offs RM'000	Reclassification RM'000	
Freehold land and buildings							
- At cost	49	5	(54)	-	-	-	-
- At 1991 valuation	45	3	(48)	-	-	-	-
Leasehold land and buildings under long lease	30,175	6,464	-	-	-	-	36,639
Leasehold land and buildings under short lease	3,584	1,842	(85)	9	(2)	-	5,348
Other buildings and improvements	38	4	-	-	-	-	42
Plant, machinery and equipment	110,383	24,587	(77)	33	(40)	57	134,943
Motor vehicles	3,173	1,677	(434)	3	(96)	(57)	4,266
Furniture and office equipment	13,232	2,405	(524)	3	(52)	-	15,064
Computer equipment	1,357	294	-	-	(1)	-	1,650
Renovations	836	395	-	-	-	-	1,231
Construction work-in-progress	-	-	-	-	-	-	-
<b>Total</b>	<b>162,872</b>	<b>37,676</b>	<b>(1,222)</b>	<b>48</b>	<b>(191)</b>	<b>-</b>	<b>199,183</b>

**9. PROPERTY, PLANT AND EQUIPMENT (Continued)**

<b>The Group</b>	<b>Net Book Value At Beginning of Year RM'000</b>	<b>Net Book Value At End of Year</b>		
		<b>Before provision for write down RM'000</b>	<b>Provision for write down RM'000</b>	<b>After provision for write down RM'000</b>
Freehold land and buildings				
- At cost	70,814	70,626	-	70,626
- At 1991 valuation	156	-	-	-
Leasehold land and buildings under long lease	185,836	179,422	-	179,422
Leasehold land and buildings under short lease	47,448	44,629	(12,959)	31,670
Other buildings and improvements	70	66	-	66
Plant, machinery and equipment	292,026	279,256	(26,931)	252,325
Motor vehicles	4,008	2,236	(147)	2,089
Furniture and office equipment	9,479	7,998	(222)	7,776
Computer equipment	914	995	-	995
Renovations	3,151	2,756	-	2,756
Construction work-in-progress	634,238	759,879	-	759,879
<b>Total</b>	<b>1,248,140</b>	<b>1,347,863</b>	<b>(40,259)</b>	<b>1,307,604</b>

<b>The Company</b>	<b>COST</b>			
	<b>At beginning of year RM'000</b>	<b>Additions RM'000</b>	<b>Disposals RM'000</b>	<b>At end of year RM'000</b>
Leasehold land and buildings under long lease	123,416	42	-	123,458
Plant, machinery and equipment	2,105	-	-	2,105
Motor vehicles	1,005	-	(185)	820
Furniture and office equipment	1,130	15	(4)	1,141
Computer equipment	555	372	-	927
Renovations	3,826	-	-	3,826
<b>Total</b>	<b>132,037</b>	<b>429</b>	<b>(189)</b>	<b>132,277</b>

	<b>ACCUMULATED DEPRECIATION</b>				<b>NET BOOK VALUE</b>	
	<b>At beginning of year RM'000</b>	<b>Charge for the year RM'000</b>	<b>Disposals RM'000</b>	<b>At end of year RM'000</b>	<b>At beginning of year RM'000</b>	<b>At end of year RM'000</b>
Leasehold land and buildings under long lease	12,681	2,370	-	15,051	110,735	108,407
Plant, machinery and equipment	1,370	211	-	1,581	735	524
Motor vehicles	320	163	(58)	425	685	395
Furniture and office equipment	735	70	(2)	803	395	338
Computer equipment	188	104	-	292	367	635
Renovations	787	383	-	1,170	3,039	2,656
<b>Total</b>	<b>16,081</b>	<b>3,301</b>	<b>(60)</b>	<b>19,322</b>	<b>115,956</b>	<b>112,955</b>

**9. PROPERTY, PLANT AND EQUIPMENT (Continued)**

Property, plant and equipment include the following assets which are acquired under hire-purchase and finance lease:

The Group	COST				At end of year RM'000
	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Reclassification RM'000	
Plant, machinery and equipment	198	50	-	-	248
Motor vehicles	3,416	108	(278)	(938)	2,308
Furniture and office equipment	81	-	-	(81)	-
Computer equipment	112	-	-	-	112
<b>Total</b>	<b>3,807</b>	<b>158</b>	<b>(278)</b>	<b>(1,019)</b>	<b>2,668</b>

	ACCUMULATED DEPRECIATION				NET BOOK VALUE		
	At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Reclassification RM'000	At end of year RM'000	At beginning of year RM'000	At end of year RM'000
Plant, machinery and equipment	20	22	-	-	42	178	206
Motor vehicles	1,231	533	(117)	(483)	1,164	2,185	1,144
Furniture and office equipment	38	8	-	(46)	-	43	-
Computer equipment	47	19	-	-	66	65	46
<b>Total</b>	<b>1,336</b>	<b>582</b>	<b>(117)</b>	<b>(529)</b>	<b>1,272</b>	<b>2,471</b>	<b>1,396</b>

The Company	COST			
	At beginning of year RM'000	Additions RM'000	Disposals RM'000	At end of year RM'000
Motor vehicles	1,005	-	(185)	820

	ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	At end of year RM'000	At beginning of year RM'000	At end of year RM'000
Motor vehicles	320	163	(58)	425	685	395

The freehold land and buildings of the Group were revalued downwards by the Directors in 1991 based on the valuation carried out by an independent firm of professional valuers using fair market value basis. The downward adjustment was in compliance with the request of the Securities Commission (formerly known as Capital Issues Committee) in connection with its approval of the restructuring scheme of the Group in 1991.

Current additions to construction work-in-progress of the Group include interest costs on long-term loan amounting to RM29,400,000 (RM53,000,000 in 1999) and exchange loss of RM Nil (RM3,000,000 in 1999) arising on year end translation of foreign currency denominated long-term loan which is regarded as an adjustment to finance cost.

As of 30 June 2000, plant, machinery and equipment of subsidiary companies with carrying values totalling RM24.3 million (RM26.2 million in 1999) have been charged to licensed banks as security for loans granted as mentioned in Notes 23 and 24.



## 9. PROPERTY, PLANT AND EQUIPMENT (Continued)

As of 30 June 2000, the titles to all parcels of leasehold land of the Company and certain parcels of freehold and long leasehold land of subsidiary companies with carrying values totalling RM104,493,000 (RM105,260,000 in 1999) have not been registered in the name of the Company and the respective subsidiary companies.

As of 30 June 2000, the titles of certain motor vehicles under hire-purchase and finance lease of the Group and the Company with carrying values totalling RM503,900 (RM807,000 in 1999) and RM439,000 (RM619,000 in 1999) respectively have not been registered in the name of the Company and the respective subsidiary companies.

The depreciation charge of the Group is allocated as follows:

	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Income statement	<b>37,592</b>	37,344
Contract cost (Note 18)	<b>84</b>	112
	<b>37,676</b>	37,456

The historical costs and carrying values of the revalued freehold land and buildings are as follows:

	<b>The Group</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Cost:		
Freehold land	-	134
Buildings	-	280
	-	414
Accumulated depreciation:		
Buildings	-	(45)
Net book value at end of year	-	369

## 10. INVESTMENT PROPERTY

Investment property of the Group represents freehold land with a shopping complex erected thereon belonging to a subsidiary company.

	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year:		
At 1999 valuation	<b>189,000</b>	-
At 1998 valuation	-	200,100
Movement during the year:		
Addition	-	1,122
1999 revaluation deficit	-	(12,222)
At end of year:		
At 1999 valuation	<b>189,000</b>	189,000

In 1999, the investment property was revalued downwards by the Directors based on the valuation carried out by an independent firm of professional valuers using the open market value basis. The deficit of RM12,222,000 arising from the revaluation was debited to revaluation reserve.

The investment property of the Group has been charged to a licensed bank as security for short-term loan (Note 23) and long-term loan (Note 24) granted to a subsidiary company.

## 11. PROPERTY DEVELOPMENT PROJECTS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Land:				
At cost	55,738	65,957	3,796	5,622
At group cost	73,143	86,307	-	-
Development expenditure:				
At cost	126,364	274,394	6,959	32,196
Total	255,245	426,658	10,755	37,818
Provision for decline in value	(47,399)	(58,627)	-	-
	207,846	368,031	10,755	37,818
Non-current portion	(157,617)	(158,761)	(1,069)	(4,826)
	50,229	209,270	9,686	32,992
Portion of profit attributable to development work performed todate	20,319	82,094	2,792	14,614
	70,548	291,364	12,478	47,606
Progress billings	(29,987)	(239,997)	(11,332)	(47,070)
Current portion	40,561	51,367	1,146	536

The Group considers as current asset that portion of property projects on which development work has commenced and is expected to be completed within the normal operating cycle of one to two years. The portion transferred to current assets includes the related profit attributable to development work performed todate, net of the applicable progress billings and provision for decline in value.

As of 30 June 2000, the titles to certain parcels of land held for development of the Group with carrying values totalling RM5,683,000 (RM7,968,000 in 1999) have yet to be registered in the name of the subsidiary companies.

As of 30 June 2000, a parcel of land included in the property development projects of the Group with carrying value of RM57,011,000 (RM56,108,000 in 1999) has been charged to an offshore bank as security for banking facilities granted to an associated company.

## 12. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2000	1999
	RM'000	RM'000
Unquoted shares - at cost	313,071	313,071
Provision for diminution in value of investments	(168,749)	(168,749)
	144,322	144,322
Amount owing by subsidiary companies (less provision for doubtful debts of RM87,737 in 2000 and RM550,640 in 1999)	1,036,057	1,018,411
Amount owing to subsidiary companies	(223,112)	(221,813)
Net	957,267	940,920

The amounts owing by/to subsidiary companies arose mainly from inter-company advances and contract billings which during the year amounted to RM Nil (RM233,000 in 1999) in respect of construction contracts undertaken by a subsidiary company.

## 12. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

The amount owing by subsidiary companies are either interest-free or bear interest at rates ranging from nominal value to 10.8% (nominal value to 14.9% in 1999) per annum and have no fixed repayment terms.

The amount owing to subsidiary companies are either interest-free or bear interest at rates ranging from 1.1% to 11.0% (0.3% to 17.5% in 1999) per annum and have no fixed repayment terms.

## 13. INVESTMENT IN ASSOCIATED COMPANIES

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Unquoted investments - at cost (less accumulated amortisation of premium on acquisition of RM181,819 (RM181,819 in 1999) for the Group)	<b>132,795</b>	261,917	<b>25,000</b>	26,200
Share in post-acquisition results	<b>(45,429)</b>	(72,026)	-	-
	<b>87,366</b>	189,891	<b>25,000</b>	26,200
Amount owing by associated companies	<b>33,209</b>	33,217	<b>2</b>	11
Amount owing to associated companies	<b>(17,821)</b>	(18,033)	<b>(424)</b>	(373)
	<b>102,754</b>	205,075	<b>24,578</b>	25,838

The Group's interest in the associated companies is analysed as follows:

	The Group	
	2000	1999
	RM'000	RM'000
Share of net assets	<b>87,366</b>	189,891
Amount owing by associated companies	<b>33,209</b>	33,217
Amount owing to associated companies	<b>(17,821)</b>	(18,033)
	<b>102,754</b>	205,075

Included in the investment in associated companies is exchange gain of RM29,661,000 (RM79,663,000 in 1999) arising on year end translation of investment in foreign associated companies.

The amounts owing by/to associated companies arose mainly from advances and have no fixed repayment terms. The amounts owing by associated companies of the Group are either interest-free or bear interest at rates ranging from 6.7% to 10.0% (either interest-free or bear interest at rates ranging from 6.7% to 10.0% in 1999) per annum whilst the amounts owing to associated companies of the Group bear a nominal amount of interest (interest-free in 1999).

The amount owing by associated company of the Company is interest-free (interest-free in 1999) whilst the amount owing to associated company of the Company bears a nominal amount of interest (interest-free in 1999).

#### 14. OTHER INVESTMENTS

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Shares quoted in Malaysia:				
At cost	<b>4,854</b>	4,453	<b>4,823</b>	4,421
Shares quoted outside Malaysia:				
At cost	<b>56</b>	56	<b>56</b>	56
Unquoted investments:				
At cost				
Ordinary shares	<b>36,337</b>	3,753	<b>400</b>	400
Preference shares	<b>43,613</b>	43,613	<b>43,613</b>	43,613
Provision for diminution in value	<b>(227)</b>	(227)	-	-
	<b>79,723</b>	47,139	<b>44,013</b>	44,013
Total	<b>84,633</b>	51,648	<b>48,892</b>	48,490
Market value of quoted shares	<b>5,436</b>	7,044	<b>5,414</b>	7,010

The above unquoted preference shares represent 5-year cumulative redeemable preference shares of RM0.01 each in Likom Computer System Sdn Bhd, a related party of the Company. These preference shares were received as part settlement of the sale consideration for the disposal of investments in Likom group of companies in 1997 and are due for redemption on 28 June 2001.

As mentioned in Note 2, the Company has proposed to accept the variation to the mode of redemption of these preference shares.

#### 15. EXPENDITURE CARRIED FORWARD

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Preliminary and pre-operating expenses at cost:				
At beginning of year	<b>7,011</b>	8,805	-	-
Translation difference	<b>16</b>	(385)	-	-
Disposal of subsidiary company	-	(1,478)	-	-
Acquisition of subsidiary company	-	69	-	-
Effect on liquidation of subsidiary company	<b>(283)</b>	-	-	-
At end of year	<b>6,744</b>	7,011	-	-
Deferred charges at cost:				
At beginning of year	<b>34,189</b>	55,949	<b>2,600</b>	2,545
Translation difference	<b>90</b>	(3,516)	-	-
Addition during the year	<b>1,527</b>	687	<b>8</b>	55
Disposal of subsidiary company	-	(18,931)	-	-
Effect on liquidation of subsidiary company	<b>(283)</b>	-	-	-
At end of year	<b>35,523</b>	34,189	<b>2,608</b>	2,600
	<b>42,267</b>	41,200	<b>2,608</b>	2,600

**15. EXPENDITURE CARRIED FORWARD (Continued)**

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cumulative amortisation:				
At beginning of year	<b>(9,025)</b>	(7,066)	<b>(1,049)</b>	(841)
Translation difference	<b>(20)</b>	342	-	-
Disposal of subsidiary company	-	368	-	-
Effect on liquidation of subsidiary company	<b>97</b>	-	-	-
Amortisation for the current year	<b>(3,766)</b>	(2,669)	<b>(208)</b>	(208)
At end of year	<b>(12,714)</b>	(9,025)	<b>(1,257)</b>	(1,049)
Net	<b>29,553</b>	32,175	<b>1,351</b>	1,551
Provision for write down	<b>(12,704)</b>	-	-	-
Write-off during the year	<b>(2,321)</b>	-	<b>(819)</b>	-
	<b>14,528</b>	32,175	<b>532</b>	1,551
Deferred foreign exchange loss-net				
At beginning of year	<b>76,000</b>	114,000	-	-
Movement during the year:				
Amortisation/write off	<b>(76,000)</b>	(38,000)	-	-
At end of year	-	76,000	-	-
	<b>14,528</b>	108,175	<b>532</b>	1,551

In view of the negotiations currently undertaken by the Group with the bankers for the restructuring and rescheduling of the bank borrowings, the balance of the unamortised deferred foreign exchange loss has been written off to the income statement.

**16. GOODWILL**

The movements in goodwill are as follows:

	<b>The Group</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Goodwill at beginning of year	<b>245,822</b>	245,414
Movements during the year:		
Goodwill on consolidation arising from acquisition of subsidiary company	-	2
Reversal of reserve on consolidation arising from disposal of subsidiary company	-	406
	-	408
Goodwill at end of year	<b>245,822</b>	245,822
Cumulative amortisation at beginning of year	<b>(45,954)</b>	(36,081)
Disposal of subsidiary company	-	(40)
Amortisation for the current year	<b>(9,840)</b>	(9,833)
Cumulative amortisation at end of year	<b>(55,794)</b>	(45,954)
Net	<b>190,028</b>	199,868

## 17. INVENTORIES

Inventories consist of the following:

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property:				
Completed units for sale (net of provision for write down of RM5,660,900 (RM4,653,900 in 1999) for the Group and RM Nil for the Company in 2000 and 1999)	<b>26,819</b>	14,632	<b>7,802</b>	7,499
Products:				
Raw materials	<b>82,843</b>	67,803	-	-
Work-in-progress	<b>2,677</b>	2,025	-	-
Finished goods	<b>92,923</b>	65,227	-	-
General and consumable stores	<b>44,947</b>	60,210	-	-
Goods-in-transit	<b>59</b>	25,524	-	-
	<b>223,449</b>	220,789	-	-
Less: Provision for inventories obsolescence and inventories write down	<b>(3,059)</b>	(1,840)	-	-
	<b>220,390</b>	218,949	-	-
Net	<b>247,209</b>	233,581	<b>7,802</b>	7,499

## 18. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

Amount due from/(to) contract customers, pertaining to a subsidiary company, consists of the following:

	<b>The Group</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Contract cost	<b>721,430</b>	706,567
Profit attributable to work performed todate	<b>28,805</b>	27,205
Total	<b>750,235</b>	733,772
Progress billings	<b>(746,477)</b>	(730,396)
Amount due from contract customers	<b>3,758</b>	3,376
Contract cost	<b>113,079</b>	121,984
Profit attributable to work performed todate	<b>4,205</b>	4,828
Total	<b>117,284</b>	126,812
Progress billings	<b>(118,637)</b>	(128,899)
Amount due to contract customers	<b>(1,353)</b>	(2,087)

As of 30 June 2000, retentions held by customers for contract works amounted to RM9,689,000 (RM16,447,000 in 1999).

**18. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS (Continued)**

Current charges to contract cost include the following:

	<b>The Group</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property, plant and equipment (Note 9)	<b>84</b>	112
	<u><u>84</u></u>	<u><u>112</u></u>

**19. ULTIMATE HOLDING COMPANY AND RELATED COMPANIES TRANSACTIONS**

Amount owing by related companies, which is included under current assets, consist of:

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amount owing by ultimate holding company	<b>1,229,694</b>	1,155,246	<b>378,858</b>	352,206
Amount owing by other related companies	<b>367,570</b>	376,271	<b>11,233</b>	9,802
	<u><u>1,597,264</u></u>	<u><u>1,531,517</u></u>	<u><u>390,091</u></u>	<u><u>362,008</u></u>
Amount owing to other related companies (included under current liabilities)	<b>122,880</b>	121,197	<b>69,282</b>	74,052
	<u><u>122,880</u></u>	<u><u>121,197</u></u>	<u><u>69,282</u></u>	<u><u>74,052</u></u>

The immediate holding company is Umatrac Enterprises Sdn Bhd. The Directors regard Amsteel Corporation Berhad as its ultimate holding company. Both the holding companies are incorporated in Malaysia.

Related companies refer to members of the Amsteel Corporation Berhad group of companies.

The amount owing by the ultimate holding company and amount owing by/to other related companies, which bear interest at 1% above the respective companies' cost of funds, arose mainly from progress billings, inter-company sales, prior years' inter-company advances and expenses paid on behalf and have no fixed repayment terms.

The recoverability of the amounts owing by the ultimate holding company and other related companies is dependent on the successful implementation of the Proposed GWRS as explained in Note 2.

Significant transactions of the Company and subsidiary companies with related companies, in addition to those disclosed in Note 5, are as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sales of goods to other related company	<b>483,411</b>	367,370	-	-
Purchases of raw materials				
from other related company	<b>149,967</b>	133,487	-	-
Progress billings to other related companies	<b>5,076</b>	38,628	-	-
Rental income from other related companies	<b>3,409</b>	3,409	-	-
Transfer of property, plant and equipment to other related company	-	90	-	90
	<u><u>-</u></u>	<u><u>90</u></u>	<u><u>-</u></u>	<u><u>90</u></u>

The Directors of the Company 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.

**20. RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trade receivables	<b>209,052</b>	234,455	<b>732</b>	2,291
Less: Provision for doubtful debts	<b>(10,007)</b>	(3,599)	<b>(152)</b>	(152)
	<b>199,045</b>	230,856	<b>580</b>	2,139
Retention monies	<b>9,689</b>	16,447	-	-
	<b>208,734</b>	247,303	<b>580</b>	2,139
Lease, hire-purchase and loan receivables	<b>18,668</b>	21,060	-	-
Less: Provision for doubtful debts	<b>(18,668)</b>	(21,060)	-	-
	-	-	-	-
Other receivables, deposits and prepayments	<b>129,203</b>	146,139	<b>29,232</b>	26,350
Less: Provision for doubtful debts	<b>(4,947)</b>	(4,939)	<b>(505)</b>	(505)
	<b>124,256</b>	141,200	<b>28,727</b>	25,845
	<b>332,990</b>	388,503	<b>29,307</b>	27,984

**21. DEPOSITS, CASH AND BANK BALANCES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits with:				
Licensed banks:				
Restricted	<b>871</b>	2,729	<b>49</b>	2,094
Unrestricted	<b>55,574</b>	45,759	<b>2,904</b>	1,599
	<b>56,445</b>	48,488	<b>2,953</b>	3,693
Licensed financial institutions	<b>950</b>	950	-	-
Housing Development Accounts	<b>8,320</b>	4,652	<b>2,753</b>	540
Cash and bank balances	<b>16,282</b>	15,758	<b>85</b>	398
	<b>81,997</b>	69,848	<b>5,791</b>	4,631

The Housing Development Accounts are maintained in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the Company and certain subsidiary companies upon the completion of the property development projects and after all property development expenditure has been fully settled.

Included in fixed deposits of the Group and the Company are amounts of RM871,000 (RM2,729,000 in 1999) and RM49,000 (RM2,094,000 in 1999) respectively pledged to certain local banks as security for bank guarantees granted.



## 22. PAYABLES

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade payables	158,776	201,871	160	1,039
Retention monies	28,726	36,643	208	262
Other payables, deposits and accruals	615,750	489,960	33,608	14,405
Lease and hire-purchase liabilities				
– current portion (Note 26)	240	746	49	209
	<b>803,492</b>	<b>729,220</b>	<b>34,025</b>	<b>15,915</b>

Included in the other payables, deposits and accruals of the Group are:

- amounts totalling RM227 million (RM158 million in 1999) relating to cost for construction work-in-progress of a subsidiary company; and
- an amount of RM5.5 million (RM5.5 million in 1999) representing refundable deposit received from a related party pursuant to a proposed sale of office space/business suites to be developed by a subsidiary company to the said related party. The said proposed sale was aborted in 1998.

## 23. SHORT-TERM BORROWINGS

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Short-term loans from financial institutions:				
Secured	11,377	14,686	-	-
Unsecured	1,054,711	1,044,543	113,206	98,000
Bank overdrafts:				
Unsecured	130,508	158,570	1,068	968
Bills payable	95,899	93,303	-	-
Portion of long-term loans due within one year (Note 24):				
Secured	63,390	25,000	-	-
Unsecured	620,108	373,600	100,000	100,000
	<b>1,975,993</b>	<b>1,709,702</b>	<b>214,274</b>	<b>198,968</b>

The short-term loans pertaining to certain subsidiary companies are secured by charges on the property, plant and equipment, investment property and other assets of the subsidiary companies and are guaranteed by the Company.

The short-term borrowings bear interest at rates ranging from 4.9% to 12.0% (5.7% to 17.8% in 1999) per annum.

As stated in the last report, the Group and the Company has ceased servicing certain of its short-term borrowings to facilitate the finalisation and subsequent implementation of the Proposed GWRS as mentioned in Note 2. As a result, certain principal bankers have frozen or withdrawn existing credit facilities of the Group and the Company.

In addition, a subsidiary company is presently re-negotiating with its bankers to extend the repayment schedules on existing borrowings.

Included in the above outstanding amounts of the Group and the Company are amounts totalling RM94.5 million (RM5.7 million in 1999) and RM20.0 million (RM Nil in 1999) respectively which have been sold by the licensed banks and financial institutions to Danaharta Group (comprising Pengurusan Danaharta Nasional Bhd, Danaharta Managers Sdn Bhd, Danaharta Urus Sdn Bhd and Danaharta Managers (L) Ltd). The original terms and conditions contained in the loan agreements with the licensed banks and financial institutions remain unchanged.

## 24. LONG-TERM LOANS

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Outstanding loans:				
Secured:				
Principal	77,391	77,351	-	-
Portion due within one year (Note 23)	(63,390)	(25,000)	-	-
	<b>14,001</b>	52,351	-	-
Unsecured:				
Principal	660,108	660,108	100,000	100,000
Portion due within one year (Note 23)	(620,108)	(373,600)	(100,000)	(100,000)
	<b>40,000</b>	286,508	-	-
Non-current portion	<b>54,001</b>	338,859	-	-

The non-current portion of the long-term loans is repayable as follows:

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Financial year ending:				
2001	-	338,859	-	-
2002	54,001	-	-	-
	<b>54,001</b>	338,859	-	-

The long-term loans pertaining to certain subsidiary companies are secured by a charge on the property, plant and equipment, investment property and a fixed and floating charge over the other assets of the said subsidiary companies and is guaranteed by the Company.

The long-term loans bear interest at rates ranging from 6.0% to 9.8% (7.2% to 16.5% in 1999) per annum.

As stated in the last report, the Group has ceased servicing certain of the long-term loans to facilitate the finalisation and subsequent implementation of the Proposed GWRS as mentioned in Note 2. As a result, certain principal bankers have frozen or withdrawn existing credit facilities of the Group.

In addition, a subsidiary company is presently re-negotiating with its bankers to extend the repayment schedules on existing borrowings.

Included in the above outstanding loans of the Group is amount of RM63.4 million (RM19.8 million in 1999) which has been sold by a licensed bank to Danaharta Group. The original terms and conditions contained in the loan agreement with the licensed bank remain unchanged.

**25. DEFERRED TAX LIABILITIES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of year	<b>12,636</b>	12,002	<b>3,036</b>	3,036
Net transfer from/(to) income statement (Note 7)	<b>(388)</b>	634	-	-
Balance at end of year	<b>12,248</b>	12,636	<b>3,036</b>	3,036

The deferred tax liabilities is in respect of the following:

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Timing differences of:				
Tax effects of the Group's acquisition cost over tax base cost of certain development properties	<b>7,831</b>	8,122	-	-
Excess of capital allowances over book depreciation of property, plant and equipment	<b>3,202</b>	3,235	<b>3,064</b>	3,031
Unutilised capital allowances and unabsorbed tax losses	<b>(366)</b>	(181)	<b>(299)</b>	(181)
Difference in method of recognising finance and administrative expenses for tax purposes and that used for accounting purposes	<b>1,235</b>	1,186	-	-
Others	<b>346</b>	274	<b>271</b>	186
	<b>12,248</b>	12,636	<b>3,036</b>	3,036

**26. LEASE, HIRE-PURCHASE AND OTHER LIABILITIES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Lease and hire-purchase	<b>257</b>	1,037	<b>49</b>	288
Portion due within one year (Note 22)	<b>(240)</b>	(746)	<b>(49)</b>	(209)
Non-current portion	<b>17</b>	291	-	79
Security deposits received	<b>2,969</b>	2,870	-	-
	<b>2,986</b>	3,161	-	79

The non-current portion of the lease and hire-purchase obligation are payable as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financial year ending:				
2001	-	225	-	30
2002	<b>17</b>	66	-	49
	<b>17</b>	291	-	79

Lease and hire-purchase obligations bear interest at rates ranging from 5.8% to 10.0% (5.8% to 12.5% in 1999) per annum.

**27. SHARE CAPITAL**

	<b>The Group and The Company</b>	
	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Authorised:</b>		
Ordinary shares of RM1.00 each	<u><b>1,000,000</b></u>	<u>1,000,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of RM1.00 each		
At beginning of year	<b>593,275</b>	593,275
Issued during the year	<u><b>105</b></u>	<u>-</u>
At end of year	<u><b>593,380</b></u>	<u>593,275</u>

During the financial year, the Company's Executive Share Option Scheme ("ESOS") which came into effect on 5 October 1994, expired on 4 October 1999.

The movements of number of options granted and exercised pursuant to the ESOS during the financial year before its expiry on 4 October 1999, are as follows:

<b>Exercisable from</b>	<b>Subscription price per share RM</b>	<b>Balance at 1.7.1999</b>	<b>Granted</b>	<b>Exercised</b>	<b>Unissued shares as of 4.10.1999</b>
17.3.1995	2.73	335,000	-	-	335,000
30.7.1996	2.59	326,000	-	-	326,000
23.7.1997	2.18	345,000	-	-	345,000
12.11.1997	1.14	614,000	-	32,000	582,000
25.5.1999	1.00	266,000	-	73,000	193,000
		<u>1,886,000</u>	<u>-</u>	<u>105,000</u>	<u>1,781,000</u>

The main features of the ESOS were as follows:

- (a) The ESOS shall continue to be in force for a period of 5 years commencing on 5 October 1994, being the date of approval from the Registrar of Companies, Malaysia.
- (b) The total number of shares available under the ESOS shall not exceed in aggregate 5% of the issued share capital of the Company at any point of time during the existence of the ESOS.
- (c) The ESOS is for eligible persons who are executive Directors and executive employees of Lion Land Berhad ("LLB") Group with at least 12 months of service.
- (d) The options granted may be exercised at any time during the period commencing on the date of offer of the option and expiring on the date of expiry of the ESOS or such shorter periods as may be specifically stated in the Offer.
- (e) The option price for each RM1.00 share shall be the average of the mean market quotation of LLB shares as shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the 5 market days immediately preceding the respective dates of offer of the option. Notwithstanding this, the option price per share shall in no event be less than the par value of the share.
- (f) The option is non-assignable.
- (g) The shares to be allotted under the ESOS shall rank pari passu in all respects with the then existing shares of the Company.

The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

27. **SHARE CAPITAL** (Continued)

On 29 June 1999, the Directors had proposed to establish a new Executive Share Option Scheme of up to 10% of the issued and paid-up share capital of the Company ("New ESOS") to succeed the ESOS which expired on 4 October 1999.

The main features of the Company's New ESOS which was implemented on 15 May 2000, are as follows:

- (a) The New ESOS shall continue to be in force for a period of 5 years commencing on 15 May 2000, being the date of approval from the Registrar of Companies, Malaysia with an option to renew for a further period of 5 years upon the recommendation of the option committee.
- (b) The total number of shares available under the New ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point in time during the existence of the New ESOS.
- (c) The New ESOS is for eligible employees who are executive Directors and executive employees of Lion Land Berhad ("LLB") Group with at least 12 months of service.
- (d) The options granted may be exercised at any time during the period commencing on the date of offer of the option and expiring on the date of expiry of the New ESOS.
- (e) The option price for each RM1.00 share may be at a discount of not more than 10% on the average of the mean market quotation of LLB shares as shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the 5 market days immediately preceding the respective dates of offer of the option as recommended by the option committee. Notwithstanding this, the option price per share shall in no event be less than the par value of the share.
- (f) The option is non-assignable.
- (g) The shares to be allotted under the New ESOS shall rank pari passu in all respects with the then existing shares of the Company.

The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

On 19 May 2000, options were granted by the Company under the New ESOS to take up 6,392,000 shares of RM1.00 each in the Company at an offer price of RM1.00 per share to all the eligible executives including the following two Directors of the Company:

**2000/2005 Option**  
**(Option Expiry Date: 14 May 2005)**

Datuk Cheng Yong Kim	175,000
Dato' Kamaruddin @ Abas bin Nordin	79,000

The movements of number of options granted and exercised pursuant to the New ESOS during the financial year are as follows:

Exercisable from	Subscription price per share RM	Balance at 15.5.2000	Granted	Exercised	Unissued shares as of 30.6.2000
19.5.2000	1.00	-	6,392,000	-	6,392,000

## 28. RESERVES

Distributable reserves are those available for distribution by way of dividends. Based on the prevailing tax rate applicable to dividends, the estimated tax credits available and the tax exempt income mentioned in Note 7, the Company has sufficient tax credits to frank the payment of dividends of approximately RM41.2 million (RM27.6 million in 1999) out of its unappropriated profit as of 30 June 2000 without additional tax liabilities being incurred. Any dividend paid in excess of this amount would result in tax liability calculated at 28% on the gross amount of the additional dividend paid.

The Directors propose a first and final dividend of 0.1% (0.1% in 1999), less tax, amounting to RM427,234 in respect of the current financial year. This dividend, which is subject to approval by the shareholders at the forthcoming Annual General Meeting, has been included as a liability in the financial statements. Dividends per share during the financial year is 0.1 sen (0.1 sen in 1999).

## 29. RELATED PARTY TRANSACTIONS

Related parties are entities which have common directors and/or shareholders with the Company and/or its subsidiary companies, excluding those parties disclosed as related companies in Notes 12, 13 and 19 to the Financial Statements.

Significant related party transactions during the financial year are as follows:

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Sales	157,468	12,965	-	-
Rental income	11,037	10,047	11,037	10,047
Progress billings	10,492	86,183	-	-
Progress claims	5,130	27,402	-	-
Interest income	2,379	2,957	1,160	2,597
Finance costs	497	1,438	7	743
Advance billings	-	116,700	-	-

The Directors of the Company 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.

The outstanding balances arising from the above transactions are as follows:

	The Group		The Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Receivables:				
Included in trade receivables	68,274	59,162	-	-
Included in other receivables	28,974	31,033	25,363	21,863
Payables:				
Included in trade payables	2,584	2,949	-	165
Included in other payables	171,097	196,999	74	67

### 30. CONTINGENT LIABILITIES - UNSECURED

Contingent liabilities (unsecured) in respect of guarantees or indemnities given by the Group and the Company for borrowings and other credit facilities obtained and utilised by certain subsidiary companies and an associated company are as follows:

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Subsidiary companies	-	-	312,630	304,105
Associated company	190,635	199,288	190,635	199,288
	<b>190,635</b>	<b>199,288</b>	<b>503,265</b>	<b>503,393</b>

### 31. CAPITAL COMMITMENTS

As of the end of the financial year, the Group and the Company have the following capital commitments:

	The Group		The Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
Acquisition of land	100,366	100,366	-	-
Acquisition of plant and machinery	233,570	286,945	-	-
	<b>333,936</b>	<b>387,311</b>	<b>-</b>	<b>-</b>
Approved but not contracted for:				
Acquisition of plant and machinery	58,148	68,100	-	-
Acquisition of investment in an unquoted corporation	19,635	19,635	-	-
	<b>77,783</b>	<b>87,735</b>	<b>-</b>	<b>-</b>
	<b>411,719</b>	<b>475,046</b>	<b>-</b>	<b>-</b>

In addition to the above commitments, as of 30 June 2000, the Company and a subsidiary company of the ultimate holding company entered into shareholders' undertaking agreements with certain financial institutions to fully subscribe for ordinary shares of Avenel Sdn Bhd ("Avenel"), an associated company. The purpose of the said undertakings are to enable Avenel to obtain loan facilities of up to RM860 million (RM860 million in 1999) at such time or from time to time as Avenel may request.

### 32. SEGMENTAL INFORMATION

Financial information of the Group by industry and geographical segments is as follows:

<b>2000</b>	<b>Revenue RM'000</b>	<b>Profit/(Loss) RM'000</b>	<b>Total Assets Employed RM'000</b>
<b>(a) Industry segment</b>			
Steel operations	924,827	103,674	2,628,398
Property	76,400	24,297	1,095,822
Construction	13,027	(1,508)	194,791
Others	48,496	(16,578)	328,178
	<u>1,062,750</u>	<u>109,885</u>	<u>4,247,189</u>
Non-segment activities		(53,925)	-
Exceptional items		(131,813)	-
		<u>(75,853)</u>	<u>4,247,189</u>
Share in results of associated companies/Investment in associated companies		(21,242)	102,754
		<u>(97,095)</u>	<u>4,349,943</u>
<b>(b) Geographical segment</b>			
Malaysia	1,036,384	132,685	3,941,526
Overseas	26,366	(22,800)	305,663
	<u>1,062,750</u>	<u>109,885</u>	<u>4,247,189</u>
Non-segment activities		(53,925)	-
Exceptional items		(131,813)	-
		<u>(75,853)</u>	<u>4,247,189</u>
Share in results of associated companies/Investment in associated companies		(21,242)	102,754
		<u>(97,095)</u>	<u>4,349,943</u>



**32. SEGMENTAL INFORMATION (Continued)**

<b>1999</b>	<b>Revenue RM'000</b>	<b>Profit/(Loss) RM'000</b>	<b>Total Assets Employed RM'000</b>
<b>(a) Industry segment</b>			
Steel operations	762,518	35,036	2,600,684
Property	77,435	29,089	1,032,953
Construction	118,983	(9,244)	213,733
Others	61,483	63	386,414
	<u>1,020,419</u>	<u>54,944</u>	<u>4,233,784</u>
Non-segment activities		(40,418)	-
Exceptional item on loss on foreign exchange		(42,955)	-
		<u>(28,429)</u>	<u>4,233,784</u>
Share in results of associated companies/Investment in associated companies		<u>(34,618)</u>	<u>205,075</u>
		<u>(63,047)</u>	<u>4,438,859</u>
<b>(b) Geographical segment</b>			
Malaysia	971,083	51,544	3,864,803
Overseas	49,336	3,400	368,981
	<u>1,020,419</u>	<u>54,944</u>	<u>4,233,784</u>
Non-segment activities		(40,418)	-
Exceptional item on loss on foreign exchange		(42,955)	-
		<u>(28,429)</u>	<u>4,233,784</u>
Share in results of associated companies/Investment in associated companies		<u>(34,618)</u>	<u>205,075</u>
		<u>(63,047)</u>	<u>4,438,859</u>

Non-segment activities consist of finance costs net of interest income and business development expenses which are not directly attributable to any segment.

### 33. SUBSIDIARY COMPANIES

The subsidiary companies, all incorporated in Malaysia except as otherwise indicated, are as follows:

Name of Company	Effective Percentage Ownership		Principal Activities
	2000 %	1999 %	
<b>Property Division</b>			
* Amble Legacy Sdn Bhd	<b>100</b>	100	Investment holding
Batu Pahat Enterprise Sdn Bhd	<b>94</b>	94	Property holding
* Beijing Trostel Property Development Co Ltd (incorporated in the People's Republic of China)	<b>95</b>	95	Property development
Berkat Timor Sdn Bhd	<b>100</b>	100	Property development
Citibaru Sendirian Berhad	<b>100</b>	100	Property development
* Crest Wonder Sdn Bhd	<b>100</b>	100	Investment holding
JOPP Builders Sdn Bhd	<b>100</b>	100	Contractor for construction and civil engineering works
LLB Bina Sdn Bhd	<b>100</b>	100	Property development
LLB Hazama Sdn Bhd	<b>60</b>	60	Property development
LLB Hazama Incorporated Sdn Bhd	<b>60</b>	60	Investment holding
LLB Indah Permai Sdn Bhd	<b>100</b>	100	Property development
Lion Courts Sdn Bhd	<b>100</b>	100	Investment and property holding
Lion Klang Parade Bhd	<b>100</b>	100	Property holding and development
Lion Plaza Sdn Bhd	<b>100</b>	100	Property development
Malim Jaya (Melaka) Sdn Bhd	<b>100</b>	100	Property development
Malim Courts Property Development Sdn Bhd	<b>100</b>	100	Property development and investment holding
* Matrix Control Sdn Bhd	<b>100</b>	100	Investment holding
Mcken Sdn Bhd	<b>100</b>	100	Property development
PM Holdings Sdn Bhd	<b>100</b>	100	Investment holding
Projek Jaya Sdn Bhd	<b>100</b>	100	Investment holding
Seri Lalang Development Sdn Bhd	<b>100</b>	100	Provision of management consultancy services
Sharikat Pengangkutan East West Sdn Bhd	<b>100</b>	100	Provision of management consultancy services

**33. SUBSIDIARY COMPANIES** (Continued)

Name of Company	Effective Percentage Ownership		Principal Activities
	2000 %	1999 %	
<b>Property Division</b>			
Soga Sdn Bhd	<b>94</b>	94	Property development
Sucorp Enterprise Sdn Bhd	<b>100</b>	100	Investment holding
Sumber Realty Sdn Bhd	<b>100</b>	100	Property development and investment holding
Syarikat Pekan Baru Kemajuan Berhad	<b>100</b>	100	Property development
* Tianjin Baden Real Estate Development Co Ltd (incorporated in the People's Republic of China)	<b>95</b>	95	Property development
* Trial Jubilant Sdn Bhd	<b>100</b>	100	Investment holding
<b>Steel Division</b>			
* Amsteel Mills Sdn Bhd	<b>99</b>	99	Manufacture and marketing of steel bars, wire rods and hot briquetted iron
* Amsteel Mills Realty Sdn Bhd	<b>99</b>	99	Investment holding
* LLB Steel Industries Sdn Bhd	<b>100</b>	100	Investment holding
* Steelcorp Sdn Bhd	<b>99</b>	99	Investment holding
* Slag Aggregate Sdn Bhd	<b>100</b>	100	Dormant
<b>Others</b>			
* Amarod Corporation Sdn Bhd	<b>100</b>	100	Manufacture of pre-stressed concrete wire and strand (yet to commence operations as of 30 June 2000)
* Hebei Weiyuan Heilen Bio-Chemical Co Ltd (incorporated in the People's Republic of China)	<b>33</b>	33	Manufacture of industrial chemicals and related products
* Holdsworth Investment Pte Ltd (incorporated in Singapore)	<b>76</b>	76	Investment holding
* Huangshi Heilen Pharmaceutical Co Ltd (incorporated in the People's Republic of China)	<b>36</b>	36	Manufacture and packaging of pharmaceutical products (ceased operations)
Kisan Agency Sdn Bhd	<b>100</b>	100	Property development (yet to commence operations as of 30 June 2000)

**33. SUBSIDIARY COMPANIES (Continued)**

Name of Company	Effective Percentage Ownership		Principal Activities
	2000 %	1999 %	
<b>Others</b>			
LLB Courts Sdn Bhd	<b>100</b>	100	Investment and property holding
LLB Enterprise Sdn Bhd	<b>69</b>	69	Dormant
* LLB Innovation Sdn Bhd	<b>100</b>	100	Research and development in computer technology (ceased operations)
LLB Nominees Sdn Bhd	<b>100</b>	100	Investment holding
LLB Strategic Holdings Berhad	<b>90</b>	90	Investment holding
LLB Suria Sdn Bhd	<b>100</b>	100	Investment holding
* LLB Venture Sdn Bhd	<b>100</b>	100	Dormant
* Lion Biotech Pte Ltd (incorporated in Singapore)	<b>61</b>	61	Investment holding
* Lion Motor Venture Sdn Bhd	<b>100</b>	100	Investment holding
Marvenel Sdn Bhd	<b>70</b>	70	Investment holding
Sepang Education Centre Sdn Bhd	<b>90</b>	90	Commercial college for higher education
* Secomex Manufacturing (M) Sdn Bhd	<b>51</b>	51	Manufacture and marketing of industrial gases
* Shanghai Lion Plastic Industrial Co Ltd (incorporated in the People's Republic of China)	<b>68</b>	68	Manufacture and marketing of plastic components and related products
* Tianjin Hua Shi Auto Meter Co Ltd (incorporated in the People's Republic of China)	<b>56</b>	56	Manufacture of meters for motor vehicles and after sales services
* Zhuhai Lion International Bio-Tech Co Ltd (incorporated in the People's Republic of China) (under liquidation)	<b>58</b>	58	Manufacture and sale of pharmaceutical health and herbal products (ceased operations)

\* The financial statements of these companies were examined by auditors other than the auditors of the Company.

#### 34. ASSOCIATED COMPANIES

The associated companies of the Group are as follows:

Name of Company	Financial Year-end	Place of Incorporation	Effective		Principal Activities
			Equity 2000 %	Interest 1999 %	
<b>Direct</b>					
Avenel Sdn Bhd	30 June	Malaysia	25	25	Investment holding
Central Likom Packaging Sdn Bhd	31 December	Malaysia	-	40	Manufacture of packaging materials
<b>Indirect</b>					
Angkasa Welded Mesh Pte Ltd	30 June	Singapore	49	49	Manufacture of welded wire mesh (yet to commence operations as of 30 June 2000)
Changchun Sanjia Carburettor Co Ltd	31 December	People's Republic of China	50	50	Manufacture of carburettors
Kamiya Corporation Sdn Bhd	30 June	Malaysia	19	19	Property development (yet to commence operations as of 30 June 2000)
Lion Asia Investment Pte Ltd	30 June	Singapore	20	20	Investment holding
Mega Mount Industrial Gases Sdn Bhd	30 June	Malaysia	-	17	Trading of industrial gases
Parkson Venture Pte Ltd	30 June	Singapore	26	26	Investment holding
Sereka Jaya Sdn Bhd	31 December	Malaysia	35	35	Property development (yet to commence operations as of 30 June 2000)
Teck Chiang Investment Pte Ltd	30 June	Singapore	50	50	Property development and investment holding (yet to commence operations as of 30 June 2000)
Tianjin Huali Motor Co Ltd	31 December	People's Republic of China	25 *	50	Manufacture of commercial vehicles

#### 34. ASSOCIATED COMPANIES (Continued)

Name of Company	Financial Year-end	Place of Incorporation	Effective		Principal Activities
			Equity 2000 %	Interest 1999 %	
<b>Indirect</b>					
Wuhan Wushang & Parkson Enterprise Development Co Ltd	31 December	People's Republic of China	50	50	Mixed commercial property development cum cash and carry retail business
Hubei Zenith Heilen Pharmaceutical Co Ltd	31 December	People's Republic of China	15*	-	Manufacture and sale of pharmaceutical products

Except for Sereka Jaya Sdn Bhd, the financial statements of all the associated companies were examined by auditors other than the auditors of the Company.

\* The Group has not accounted for the investment in these associated companies under the equity method of accounting as the Directors are of the opinion that the Group is no longer in a position to exercise significant influence in their management. Accordingly, the investment costs or group costs have been included in the other investments (Note 14).

#### 35. SIGNIFICANT EVENTS

The major corporate developments of the Group during the financial year are as follows:

- (a) The Company has entered into an agreement to dispose of its entire equity interest of 40% represented by 1,200,000 ordinary shares of RM1.00 each fully paid in Central Likom Packaging Sdn Bhd, an associated company, for a total consideration of RM255,000 – completed.
- (b) In 1999, Lion Biotech Pte Ltd (“Lion Biotech”), a 51% owned subsidiary company of the Company, had entered into an agreement to dispose of its entire 55% stake in Hubei Zenith Heilen Pharmaceutical Co Ltd (“Zenith Heilen”), a company incorporated in the People’s Republic of China (“PRC”) to the other existing shareholder for cash consideration of Rmb112.4 million (equivalent to RM51.5 million) (“Proposed Disposal”).

Following from the aforesaid Proposed Disposal, Lion Biotech has entered into a supplemental sale and purchase agreement with the said existing shareholder to vary the earlier agreement wherein the percentage of equity interest of Zenith Heilen to be disposed of is revised from 55% to 30% for cash consideration of Rmb61.3 million (equivalent to RM28.1 million) - completed.

- (c) The Company has accepted the unconditional mandatory offer by Affin Holdings Berhad (“Affin”) for the disposal of its entire equity interest of 2.17%, represented by 4,011,000 ordinary shares of RM1.00 each fully paid in the capital of ACF Holdings Berhad owned by the Company to be satisfied by the issue of 2,291,885 new Affin shares at an issue price of RM2.10 per share - completed.
- (d) LLB Suria Sdn Bhd, a wholly-owned subsidiary company entered into a conditional share sale agreement to dispose of 25% equity interest out of 50% equity interest in Tianjin Huali Motor Co Ltd (“Tianjin Huali”), an associated company incorporated in the PRC, for cash consideration of Rmb65.0 million (equivalent to RM29.8 million) to the existing shareholder, Tianjin Automotive Industry (Group) Co Ltd - completed.

### 36. SUBSEQUENT EVENT

Subsequent to the financial year end, the Company had on 5 July 2000 announced the Proposed GWRS which involve the restructuring of the Group's and the Company's debts and rationalisation of the Group structure whereby core businesses would be redefined and non-core businesses would be divested. The details of the Proposed GWRS are mentioned in Note 2.

### 37. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

	<b>2000</b>	<b>1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances (Note 21)	<b>16,282</b>	15,758
Fixed deposits with (Note 21):		
Licensed banks (unrestricted)	<b>55,574</b>	45,759
Licensed financial institutions	<b>950</b>	950
Housing Development Accounts (Note 21)	<b>8,320</b>	4,652
Bank overdrafts (Note 23)	<b>(130,508)</b>	(158,570)
	<b>(49,382)</b>	(91,451)

## STATEMENT BY DIRECTORS

The Directors of **LION LAND BERHAD** state that, in their opinion, the accompanying balance sheets and statements of income, consolidated cash flows and changes in equity are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 30 June 2000 and of the results of their businesses and the cash flows of the Group for the year ended on that date.

Signed in accordance with  
a resolution of the Directors,

**DATUK CHENG YONG KIM**

**CHENG YONG LIANG**

Kuala Lumpur,  
30 October 2000

## DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **DATUK CHENG YONG KIM**, the Director primarily responsible for the financial management of **LION LAND BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and statements of income, consolidated cash flows and changes in equity 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.

**DATUK CHENG YONG KIM**

Subscribed and solemnly declared by the  
abovenamed **DATUK CHENG YONG KIM** at  
**KUALA LUMPUR** in the Federal Territory on  
the 30th day of October 2000.

Before me,

**P. SETHURAMAN**  
W-217  
COMMISSIONER FOR OATHS  
Kuala Lumpur



## LIST OF GROUP PROPERTIES

AS OF 30 JUNE 2000

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Age of Building (Year)	Present Capital Value (RM million)
Lot 7736, HS(D) 159945 Johor Bahru, Johor	Freehold	152 sq metres	3-storey shophouse	28	0.2
PT 19268 Mukim of Bukit Raja Klang, Selangor	Freehold	1.0 hectare	Commercial land for future development	-	1.9
PT 19263 Mukim of Bukit Raja Klang, Selangor	Freehold	1.3 hectares	Commercial land for future development	-	3.0
Melaka Technology Park PT 3852, HS(D) 34924 Mukim of Cheng District of Melaka Tengah Melaka	Leasehold 14.8.2096	37.6 hectares	Factory buildings	8	108.0
PT 19254-59, 19264-66 & 19273-74 Mukim of Bukit Raja Klang, Selangor	Freehold	4.0 hectares	Commercial land where development is in progress	-	9.8
Lot 2764, 2835 & 3680 Mukim 14 Seberang Perai Pulau Pinang	Freehold	0.9 hectares	Land where development is in progress	-	0.7
Taman Supreme 39 Titles Mukim of Cheras Kuala Lumpur	Freehold	11.9 hectares	Land for future development	-	7.0
Lot 1110, 1111 & 2870 Mukim of Petaling District of Petaling Selangor	Freehold	8,114 sq metres	Industrial land	-	0.2
PT 862-3348 Mukim of Bacang Melaka	Leasehold 12.4.2081 (residential) 22.8.2077 (industrial)	3.8 hectares	Land where development is in progress	-	12.5
Lot 1553, Section 2 Bandar Tanjung Tokong Pulau Pinang	Freehold	0.8 hectares	Land & buildings	1	7.0
Lot 4534 Mukim of Simpang Kanan Batu Pahat, Johor	Freehold	8.6 hectares	Land where development is in progress	-	7.3
Lot 4093 Mukim of Simpang Kanan Batu Pahat, Johor	Freehold	1,201 sq metres	10-storey commercial/ office building	16	5.0
Lot 11233 HS(D) 60874 Taman Tayton, Cheras Kuala Lumpur	Freehold	620 sq metres	Land for future development	-	0.1
Lot 7623 Kepong Utara Mukim of Batu Kuala Lumpur	Leasehold 30.3.2086	4.9 hectares	Land where development is in progress	-	14.9
Mukim 17 North East District Batu Ferringhi Pulau Pinang	Freehold	28.7 hectares	Land for future development	-	31.0

<b>Location</b>	<b>Tenure/ Expiry Date for Leasehold</b>	<b>Area</b>	<b>Description</b>	<b>Age of Building (Year)</b>	<b>Present Capital Value (RM million)</b>
PT 19261 Mukim of Bukit Raja Klang, Selangor	Freehold	4.2 hectares	Office and shopping complex	6	189.0
PT 19269 Mukim of Bukit Raja Klang, Selangor	Freehold	5,463 sq metres	Commercial land for future development	-	0.9
Lot 408, 937 & 2090 Mukim of Plentong Johor Bahru	Freehold	2.8 hectares	Agricultural land for future development	-	0.1
Lot 59, Section 57 Kuala Lumpur	Freehold	6,556 sq metres	Commercial land for future development	-	57.0
PT 798 & 885 Mukim of Jerai District of Jempol Negeri Sembilan	Freehold	5.5 hectares	Land where development is in progress	-	2.4
PT 3494 Mukim of Bukit Raja Klang, Selangor	Leasehold 9.11.2085	24.0 hectares	Industrial land & buildings	23	51.0
PT 17631 Mukim of Bukit Raja Klang, Selangor	Leasehold 29.10.2091	2,880 sq metres	Industrial land & buildings	23	0.4
PT 23992, HS(D) 48446 Mukim of Kapar Klang, Selangor	Leasehold 29.3.2087	10.4 hectares	Industrial land	-	9.3
PT 3510, HS(D) 24284 Mukim of Bukit Raja Klang, Selangor	Leasehold 21.10.2088	2.9 hectares	Industrial land & buildings	5	10.8
Lot 2320 & 2323B Mukim of Tanjung Dua Belas District of Kuala Langat Selangor	Freehold	71.6 hectares	Industrial land where development is in progress	-	69.6
Beijing Lu, Fengxi Town Qingpu County Shanghai, China	Leasehold 30.6.2043	7.1 hectares	Office & factory buildings	6	3.9
1314, Huangshi Road Huangshi, Hubei China	Leasehold 19.8.2043	1.5 hectares	Office, factory & warehouse	5-7	13.0
27 Nanheng Street Fuxingzhuang Hedong District Tianjin, China	Leasehold 19.12.2045	33,411 sq metres	Industrial land, office & factory	3-14	6.1
Tong Xian County Beijing, China	Leasehold 2.7.2045	32.8 hectares	Industrial land & buildings	6	38.3
Sun Palace Apartments Chao Yang District Beijing, China	Leasehold 22.7.2064	1,245 sq metres	Apartment building	7	3.6
186, Yellow River Road Zhejiazhuang New and Hi-Tech Industrial Development Zone Hebei, China	Leasehold 1.6.2026	20,100 sq metres	Industrial land & buildings	3-4	4.2

## ANALYSIS OF SHAREHOLDINGS

AS AT 31 OCTOBER 2000

### Share Capital

Authorised Share Capital	–	RM1,000,000,000
Issued and Paid-up Capital	–	RM593,380,035

### Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 500	8,296	20.88	1,548,596	0.26
500 – 5,000	24,957	62.82	53,459,555	9.01
5,001 – 10,000	3,489	8.78	28,759,871	4.85
10,001 – 100,000	2,774	6.98	69,064,776	11.64
100,001 – 1,000,000	164	0.42	46,685,624	7.87
Above 1,000,000	46	0.12	393,861,613	66.37
	<u>39,726</u>	<u>100.00</u>	<u>593,380,035</u>	<u>100.00</u>

### Substantial Shareholders

	No. of Shares	% of Shares
1. Tan Sri Cheng Heng Jem	346,383,965	58.37
2. Lancaster Trading Company Limited	334,127,109	56.31
3. Datuk Cheng Yong Kim	334,049,993	56.30
4. Lion Realty Private Limited	333,351,223	56.18
5. William Cheng Sdn Bhd	322,616,491	54.37
6. Lion Holdings Sdn Bhd	322,609,025	54.37
7. Utara Enterprise Sdn Bhd	322,609,025	54.37
8. Lembaga Tabung Angkatan Tentera	315,925,914	53.24
9. Happyvest (M) Sdn Bhd	309,142,020	52.10
10. Amanvest (M) Sdn Bhd	308,971,140	52.07
11. Amsteel Corporation Berhad	299,529,946	50.48
12. Lion Corporation Berhad	299,529,946	50.48
13. Mirzan bin Mahathir	299,529,946	50.48
14. Peringkat Prestasi (M) Sdn Bhd	299,529,946	50.48
15. Timuriang Sdn Bhd	299,529,946	50.48
16. Umatrac Enterprises Sdn Bhd	299,529,946	50.48

### Bare Trustees pursuant to Section 69P of the Companies Act, 1965

	No. of Shares	% of Shares
1. HDM Nominees (Tempatan) Sdn Bhd	118,193,328	19.92
2. Arab-Malaysian Nominees (Tempatan) Sdn Bhd	86,926,113	14.65
3. Mayban Securities Nominees (Asing) Sdn Bhd	26,978,397	4.55
4. CIMB Nominees (Tempatan) Sdn Bhd	15,139,200	2.55

<b>Twenty Largest Registered Shareholders</b>	<b>No. of Shares</b>	<b>% of Shares</b>
1. HDM Nominees (Tempatan) Sdn Bhd - DBS Bank Labuan Branch for Umatrac Enterprises Sdn Bhd	118,029,900	19.89
2. Arab-Malaysian Nominees (Tempatan) Sdn Bhd - AMMB International (L) Ltd for Umatrac Enterprises Sdn Bhd (7/383-2)	79,093,000	13.33
3. Umatrac Enterprises Sdn Bhd	21,710,844	3.66
4. Mayban Securities Nominees (Asing) Sdn Bhd - Mayban Nominees (S) Pte Ltd for Umatrac Enterprises Sdn Bhd (MB 39A)	20,945,239	3.53
5. Lembaga Tabung Angkatan Tentera	17,360,993	2.93
6. CIMB Nominees (Tempatan) Sdn Bhd - The Sanwa Bank Limited Pledged Securities Account for Umatrac Enterprises Sdn Bhd	15,139,200	2.55
7. Aseam Malaysia Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Amsteel Securities (M) Sdn Bhd	9,000,000	1.52
8. HSBC Nominees (Asing) Sdn Bhd - BOA (M) Bhd for Lancaster Trading Co Ltd	8,000,000	1.35
9. Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Amsteel Securities (M) Sdn Bhd (KLG)	6,452,480	1.09
10. Mayfin Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Amsteel Securities (M) Sdn Bhd (KLS)	6,303,064	1.06
11. Arab-Malaysian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Horizon Tower Sdn Bhd (BK 7/361-1)	6,000,000	1.01
12. RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Amsteel Securities (M) Sdn Bhd (651001)	5,972,000	1.01
13. OUB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Amsteel Securities (M) Sdn Bhd (T101-6110542762)	5,789,000	0.98
14. HSBC Nominees (Tempatan) Sdn Bhd - BOA (M) Bhd for Lion Holdings Sdn Bhd	5,334,000	0.90
15. Mayban Securities Nominees (Asing) Sdn Bhd - Mayban Nominees (S) Pte Ltd for Umatrac Enterprises Sdn Bhd (MB 39A)	5,200,000	0.88
16. CIMSEC Nominees (Tempatan) Sdn Bhd - Danaharta Managers (L) Ltd for Umatrac Enterprises Sdn Bhd	4,565,605	0.77
17. Rothputra Nominees (Tempatan) Sdn Bhd - Employees Provident Fund	3,878,000	0.65
18. Citicorp Nominees (Asing) Sdn Bhd - CB GW Spore for Lancaster Trading Company Ltd	3,518,084	0.59
19. Straits Nominees (Tempatan) Sdn Bhd - GK Goh SPL for Pidland (Malaysia) Sdn Bhd (2V/40647) c/o Sett Dept Straits Sec Sdn Bhd	3,317,000	0.56
20. Cartaban Nominees (Asing) Sdn Bhd - Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	3,000,000	0.51

## **INFORMATION ON LEVEL 1 SPONSORED AMERICAN DEPOSITARY RECEIPT PROGRAMME**

The Company had registered with the Securities and Exchange Commission of the United States of America a Level 1 Sponsored American Depositary Receipt (“ADR”) Programme on 30 December 1992.

Under the ADR Programme, a maximum of 5% of the total issued and paid-up share capital of the Company will be traded in the US OTC Market in the United States of America in the ratio of one ADR for every one ordinary share of RM1.00 each fully paid in the Company. The Company’s trading symbol on the US OTC Market is LONLY and its CUSIP number is 536204308.

The depositary bank for the ADR Programme is The Bank of New York and the sole custodian of the Company’s shares for the ADR Programme is Malayan Banking Berhad (“MBB”), Kuala Lumpur.

As at 31 October 2000, none of the ordinary shares of the Company was deposited with MBB for the ADR Programme.

## FORM OF PROXY

I/We .....

of .....

being a member/members of LION LAND BERHAD, hereby appoint .....

.....

of .....

or failing whom .....

of .....

as my/our proxy to vote for me/us and on my/our behalf at the Seventieth Annual General Meeting of the Company to be held at the Meeting Hall, Level 23, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur on Monday, 18 December 2000 at 10.00 am and at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the Directors' Report and Audited Financial Statements		
2. To approve a first and final dividend		
3. To approve Directors' fees		
4. To re-elect as Director, Y. Bhg. Dato' Kamaruddin @ Abas bin Nordin		
5. To re-elect as Director, Y. Bhg. Dato' Dr Mohd Shahari Ahmad Jabar		
6. To re-appoint Auditors		
7. Authority to Directors to issue shares		

Please indicate with an 'X' how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

As witness my hand this ..... day of .....2000.

No. of Shares .....

Signed .....

### Representation at Meeting

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him.
- A proxy need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
- The instrument of proxy must be deposited at the Company's Registered Office, Level 46, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting.