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## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of Amalgamated Containers Berhad will be held at the Meeting Hall, Level 23, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur on Thursday, 14 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 sen per ordinary share less 28% income tax. **Resolution 2**
3. To approve the payment of Directors' fees amounting to RM38,700.00. **Resolution 3**
4. To re-elect Directors:  
In accordance with Article 101 of the Company's Articles of Association, the following Directors retire by rotation and being eligible, offer themselves for re-election:  
Y. Bhg. Tan Sri Dato' Jaffar bin Abdul **Resolution 4**  
Mr Chiang Kao-Hsiung **Resolution 5**
5. To consider and if thought fit, pass the following as an ordinary resolution:  
"That Y. Bhg. Jen (B) Tan Sri Dato' Zain Hashim who retires pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company to hold office until the next annual general meeting." **Resolution 6**
6. 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 7**
7. Special Business  
To consider and if thought fit, pass the following resolution as an ordinary resolution:  
"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 other than bonus or rights issues 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 8**
8. 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 13 December 2000 in respect of shares exempted from mandatory deposit;
- (b) shares transferred into the depositor's securities account before 12.30 pm on 15 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 15 December 2000.

By Order of the Board

**CHAN POH LAN**  
**NG SIEW GEK**  
Secretaries

Kuala Lumpur  
25 November 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, under its common seal. An instrument appointing a proxy executed in Malaysia need not be witnessed. An instrument appointing a proxy executed outside Malaysia shall be attested by a solicitor, notary public, consul or magistrate.
  - The instrument of proxy shall be deposited at the Registered Office of the Company, Level 46, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur, at least forty-eight (48) hours before the time appointed for holding the Meeting.
- (2) Resolution 8 - 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 share 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. Jen (B) Tan Sri Dato' Zain Hashim (Chairman) Y. Bhg. Tan Sri William H.J. Cheng Y. Bhg. Tan Sri Dato' Jaffar bin Abdul Mr Lin Chung Dien Mr Chiang Kao-Hsiung
<b>Secretaries</b>	:	Ms Chan Poh Lan Ms Ng Siew Gek
<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>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>	:	PricewaterhouseCoopers Public Accountants 11th Floor, Wisma Sime Darby Jalan Raja Laut, 50350 Kuala Lumpur
<b>Principal Bankers</b>	:	Bumiputra-Commerce Bank Berhad Commerce International Merchant Bankers Berhad RHB Bank Berhad RHB Sakura Merchant Bankers Berhad
<b>Stock Exchange Listing</b>	:	Kuala Lumpur Stock Exchange
<b>Stockname</b>	:	ACB
<b>KLSE Stock No.</b>	:	5657
<b>Reuters Code</b>	:	ACBB.KL
<b>ISIN Code</b>	:	MYL565700001

## AUDIT COMMITTEE

<b>Chairman of Audit Committee</b>	:	Y. Bhg. Tan Sri Dato' Jaffar bin Abdul (Independent Non-Executive Director)
<b>Members</b>	:	Y. Bhg. Jen (B) Tan Sri Dato' Zain Hashim (Non-Independent Executive Director)  Mr Lin Chung Dien (Independent Non-Executive Director)
<b>Secretaries</b>	:	Ms Chan Poh Lan Ms Ng Siew Gek

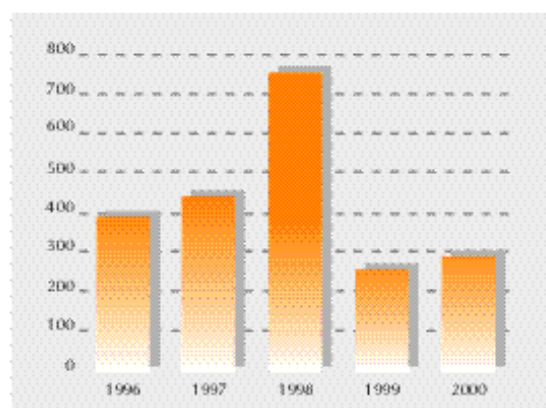
### Terms of Reference

- (1) The Audit Committee be at liberty to determine the frequency of its meetings which in any event, shall not be less than four times a year.
- (2) The Audit Committee be authorised to investigate any activity within its terms of reference and for this purpose, may request any officer of the Company and Group to attend any of its meetings; may seek and obtain outside independent professional advice and secure the attendance of any person whom the Audit Committee considers may be able to assist in its deliberations.
- (3) The functions and duties of the Audit Committee be as follows:
  - (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.

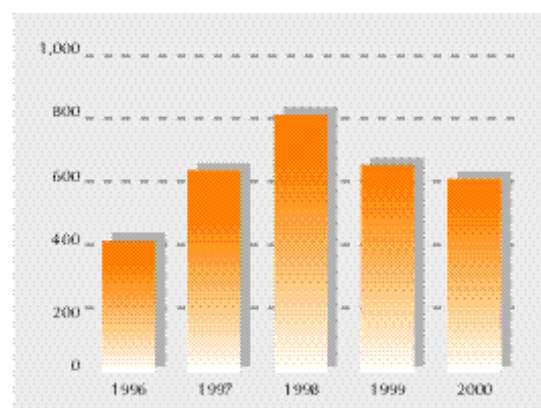
## 5 YEARS' GROUP FINANCIAL HIGHLIGHTS

	1996	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	385,740	438,990	752,611	252,830	285,371
Profit/(loss) before exceptional items and taxation	4,355	(7,427)	35,481	(7,461)	10,614
Profit/(loss) before taxation	4,355	(17,519)	16,013	(8,793)	(16,106)
Profit/(loss) after taxation	3,617	(15,605)	7,403	(12,207)	(29,824)
Dividends:					
Rate (%)	5	2	1	0.1	0.1
Amount (Net of tax)	2,609	1,046	538	54	54
Total assets employed	408,614	636,909	810,883	649,223	607,420
Shareholders' funds	101,933	104,294	118,276	111,939	96,545
Net tangible assets	66,940	63,510	75,416	81,915	68,075
	Sen	Sen	Sen	Sen	Sen
Net tangible assets per share	90	85	101	110	91
Earnings/(loss) per share	0.9	(14.4)	6.6	(18.6)	(20.5)

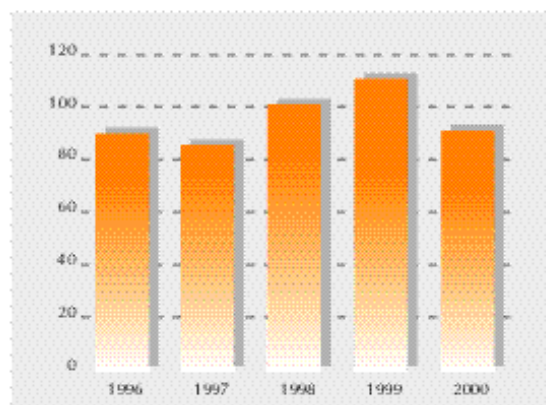
REVENUE  
RM Million



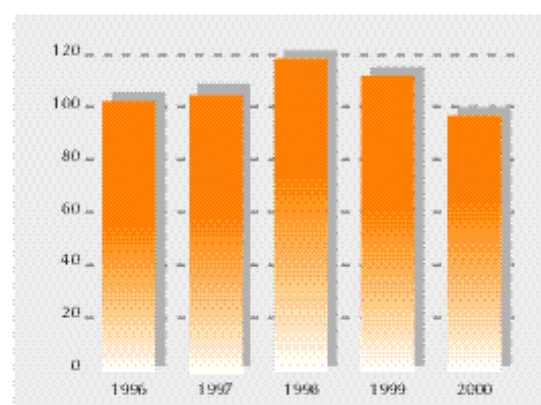
TOTAL ASSETS EMPLOYED  
RM Million



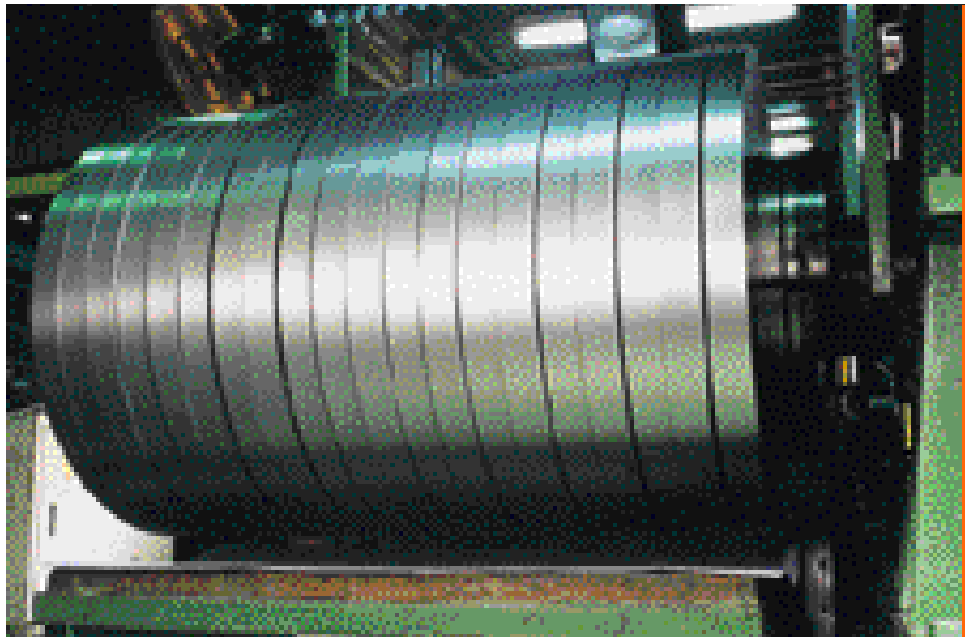
NET TANGIBLE ASSETS PER SHARE  
Sen



SHAREHOLDERS' FUNDS  
RM Million



## THE GROUP'S BUSINESSES



Slitting of coils at Bright Steel Service Centre.  
*Memotong gegelung di Bright Steel Service Centre.*



Our motorcycle assembly plant in Qianjiang, China.  
*Kilang pemasangan motorsikal di Qianjiang, China.*



Hermetically sealed rectangle stove in the motorcycle components manufacturing plant in Qianjiang, China.  
*Relau pemampat di kilang membuat komponen motorsikal di Qianjiang, China.*



Range of motorcycles assembled by Zhejiang Qianjiang Group in China.  
*Rangkaian motorsikal yang dipasang oleh Kumpulan Zhejiang Qianjiang di China.*

## PENYATA Pengerusi

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Diaudit Amalgamated Containers Berhad untuk tahun kewangan berakhir 30 Jun 2000.

### KEPUTUSAN

Dalam tahun kewangan tinjauan, Kumpulan mencatat perolehan berjumlah RM285 juta berbanding dengan RM253 juta pada tahun kewangan lalu. Peningkatan memuaskan ini disumbangkan terutamanya oleh Bahagian Perkhidmatan Perkilangan Produk Besi Keluli dan Bahagian Perdagangan Antarabangsa.

Prestasi cemerlang Bahagian Motosikal di China telah memberi sumbangan positif kepada keputusan Kumpulan. Kumpulan mencatatkan keuntungan sebelum cukai dan butiran berkecuali berjumlah RM10.6 juta berbanding dengan kerugian sebelum cukai dan butiran berkecuali berjumlah RM7.5 juta pada tahun lepas. Bagaimanapun, dengan penamatan perniagaan kontena kargo kering, Kumpulan telah mengambil pendekatan mengambilkira perbelanjaan berhempah dengan penurunan nilai baki aset-aset kontena dan kos pemberhentian pekerja yang kesemuanya berjumlah RM26.7 juta. Hasilnya, kerugian sebelum cukai berjumlah RM16.1 juta dicatatkan pada tahun semasa.

### PERKEMBANGAN KORPORAT

- a) Penyusunan semula Kumpulan yang menyeluruh melibatkan rundingan semula dengan para pembiaya untuk melanjutkan tempoh pembayaran balik pinjaman-pinjaman sedia ada Syarikat dan salah satu syarikat subsidiarinya masih berjalan lancar.
- b) Dengan menjangkakan kemerosotan permintaan untuk kontena kargo kering, Kumpulan telah menamatkan operasi-operasi kontena dalam tahun kewangan.

### TINJAUAN OPERASI

#### Bahagian Motosikal

Bahagian Motosikal Kumpulan di China, Zhejiang Qianjiang Motorcycle Co Ltd, sekali lagi mencatat prestasi yang membanggakan. Keuntungan sebelum cukai Kumpulan melonjak 86% kepada RM50.7 juta berbanding dengan RM27.2 juta pada tahun lepas. Jumlah jualan meningkat kepada lebih 753,000 unit pada tahun kewangan berbanding 470,000 unit pada tahun sebelumnya.

Prestasi membanggakan ini adalah hasil cemerlang pasukan pengurusan yang senantiasa memberi tumpuan terhadap peningkatan pengeluaran, pengurangan kos, peningkatan taraf model dan pelancaran model-model baru yang berkualiti tinggi

serta menepati citarasa pasaran sasaran. Dengan sokongan pasukan pemasaran yang agresif, prestasi jualan ditingkatkan lagi dengan penerokaan pasaran-pasaran eksport baru, terutamanya di Indonesia. Dengan rakan kongsi yang strategik, Bahagian telah dapat menerokai pasaran Indonesia dalam jangkamasa yang singkat. Pada masa kini, jualan motosikal Bahagian di sana telah mendapat tempat di kalangan model-model import yang terlaris. Dengan lebih daripada 200 pengedar yang dilantik untuk memasarkan motosikal kita di Indonesia, jumlah eksport dijangka akan terus meningkat.

Model-model baru yang akan dilancarkan dalam tahun semasa, termasuk satu rangkaian model khusus dengan rekabentuk Itali yang akan memenuhi permintaan dan aspirasi generasi muda. Dengan siapnya kilang pemasangan di Jinping dan Chengdu, keupayaan pengeluaran dijangka meningkat kepada lebih satu juta unit setahun. Menerusi rangkaian pengedaran yang luas dengan lebih 4,000 para pengedar di China, Bahagian menjangka akan dapat menawan pasaran yang lebih luas di tahun-tahun akan datang.

#### Bahagian Perkhidmatan Perkilangan Produk Besi Keluli

Seiringan dengan pemulihan ekonomi negara, Bahagian Perkhidmatan Perkilangan Produk Besi Keluli mencatatkan prestasi yang lebih baik. Permintaan untuk kepingan besi keluli dan batang besi bergilap adalah kukuh manakala peningkatan pesanan daripada para pengilang alat pandang dengar untuk dieksport telah meningkatkan perolehan Bahagian.

#### Bahagian Perdagangan dan Pengedaran Antarabangsa

Kumpulan telah terbabit dalam penjualan dan pengedaran produk-produk semikonduktor serta komponen berkaitan dalam tahun semasa menerusi subsidiarinya di Singapura, Advent Electronics Pte Ltd. Dalam pasaran semikonduktor yang menggalakkan pada separuh masa kedua tahun kewangan, Syarikat berjaya mencatat pulangan berjumlah RM35 juta, dan menghasilkan keuntungan sulung bagi Syarikat. Namun demikian, Kumpulan Sonlife International telah mencatatkan kerugian berpunca daripada kos perniagaan yang ditanggung di peringkat awal dalam perniagaan pemerosesan makanan laut. Dengan bermulanya operasi kilang pemerosesan makanan laut baru di Myanmar pada bulan Ogos 2000, prestasi Bahagian dijangka pulih di tahun akan datang.

Berlandaskan kejayaan industri semikonduktor, Bahagian Pengedaran Komponen Elektrik Kumpulan telah membuka satu lagi cabang pengedaran di Malaysia dalam suku pertama tahun 2000. Bahagian juga menerokai pasaran India, yang telah membuka pasaran tempatannya dengan kemasukan aktiviti-aktiviti pengilangan oleh syarikat-syarikat multi-nasional utama. Strategi Bahagian adalah untuk

melengkapkan diri sebagai kedai serba lengkap untuk syarikat-syarikat yang menumpu pada rekabentuk dan pemasaran produk-produk baru sementara kerja-kerja pengilangan diberikan kepada pihak ketiga. Melalui hubungan luas dalam industri pengilangan kontrak, Bahagian berupaya memilih pengilang-pengilang kontrak yang sesuai dengan permintaan pengeluaran dan tahap kualiti yang dikehendaki oleh syarikat-syarikat berkenaan. Perkhidmatan tambahan Bahagian termasuk menyediakan kepakaran dalam pengurangan kos komponen-komponen melalui pembelian dari pelbagai sumber dan menyediakan penyelesaian alternatif untuk membolehkan mereka bersaing sihat dalam pasaran. Untuk menawarkan perkhidmatan-perkhidmatan teknikal tersebut, Bahagian telah menubuhkan makmal aplikasi dengan jurutera-jurutera yang pakar dalam penawaran komponen.

#### **Bahagian Pembuatan Kontena**

Dengan menjangkakan kemerosotan permintaan untuk perniagaan kontena, Lembaga Pengarah bersetuju untuk menyusun semula tumpuan perniagaan dengan menamatkan operasi kontena kargo kering. Ini akan meminimumkan kerugian yang akan dialami dan sumber-sumber kumpulan dapat dipindahkan kepada perniagaan-perniagaan yang mendatangkan pulangan yang lebih tinggi.

#### **DIVIDEN**

Lembaga Pengarah mengesyorkan dividen kasar pertama dan akhir berjumlah 0.1 sen sesaham (1999 : 0.1 sen sesaham) ditolak cukai pendapatan untuk kelulusan di Mesyuarat Agung Tahunan akan datang. Jumlah dividen bersih berbayar jika diluluskan akan berjumlah RM0.05 juta (1999 : RM0.05 juta)

#### **PROSPEK**

Ekonomi negara yang terus pulih dan prestasi cemerlang perniagaan motosikal Kumpulan di China adalah petanda baik kepada prestasi Kumpulan di masa depan. Seiringan dengan usaha merasionalisasi perniagaan kontena kargo kering dan inisiatif-inisiatif yang diambil oleh Bahagian Penedaran Antarabangsa, Lembaga Pengarah yakin Kumpulan berupaya mencapai prestasi yang cemerlang pada tahun kewangan akan datang.

#### **PENGHARGAAN**

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan ikhlas kepada pihak pengurusan dan kakitangan atas usaha gigih, dedikasi dan iltizam mereka.

Saya juga ingin merakamkan penghargaan kepada para pelanggan, para pembiaya, sekutu-sekutu perniagaan, pihak berkuasa kerajaan dan para pemegang saham atas sokongan dan keyakinan mereka.

**JEN (B) TAN SRI DATO' ZAIN HASHIM**  
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 Amalgamated Containers Berhad for the financial year ended 30 June 2000.

### RESULTS

For the year under review, the Group achieved a revenue of RM285 million as compared with RM253 million recorded in the previous financial year. The improvement was largely contributed by our steel services and international trading division.

A strong performance by our motorcycle division in China has contributed positively to the Group's result. The Group recorded a profit before taxation and exceptional items of RM10.6 million as compared to loss before taxation and exceptional items of RM7.5 million last year. However, on cessation of the dry cargo containers business, the Group has adopted a prudent approach in effecting a one-off write down of the balance of its container assets and retrenchment cost thereon totalling RM26.7 million. As a result, a loss before taxation of RM16.1 million was recorded for the financial year.

### CORPORATE DEVELOPMENTS

- a) The Group's overall restructuring which involved re-negotiation with the bankers to extend the repayment schedules on existing loans of the Company and of a subsidiary company is still in progress.
- b) In view of the expected further softening in demand for dry cargo containers, the Group has ceased its container operations during the financial year.

### REVIEW OF OPERATIONS

#### Motorcycle Division

The Group's Motorcycle Division in China, under Zhejiang Qianjiang Motorcycle Co Ltd, produced another impressive performance. The Group's share of profit before tax jumped 86% to RM50.7 million as against RM27.2 million last year. Sales volume for the financial year rose significantly to more than 753,000 units as compared to 470,000 units in the previous year.

The impressive performance was to a large extent due to the strong management team who have constantly placed emphasis on productivity improvements, cost reduction, model upgrades and high quality model launches to fulfill the expectations of the target market. Backed by an aggressive marketing team, sales performance was further boosted by its aggressive drive to open up new export markets, especially in Indonesia. Together with the right strategic partner, the Division was able to penetrate the Indonesian market

in a relatively short period of time. The Division's sale of motorcycle there is currently ranked amongst the top-selling imported models. With more than 200 appointed distributors marketing our motorcycles in Indonesia, the export volume is anticipated to rise further.

New models to be launched in the current year include a series of specially designed Italian models that will cater for the needs and aspirations of the younger generations. Upon completion of its new assembly plants in Jinping and Chengdu, the production capacity of the Division is expected to increase to more than one million units annually. With its existing huge network of more than 4,000 dealers in China, the Division is poised to capture an even higher market share in the coming years.

#### Steel Products Manufacturing Services Division

In tandem with the recovery of the country's economy, our steel products manufacturing services division recorded a much improved performance. Demand for steel sheets and polished bars was strong whilst increased orders from export-oriented audio visual manufacturers have boosted the Division's revenue.

#### International Trading and Distribution Division

The Group has entered into the trading and distribution of semiconductor products and related components during the financial year through its Singapore subsidiary, Advent Electronics Pte Ltd. With the buoyant semiconductor market experienced during the second half of the financial year, the Company was able to record a revenue of RM35 million with a maiden profit. However, losses were recorded by Sonlife International Group due mainly to initial development costs incurred in building up the fledgling seafood processing business. With the commissioning of the new seafood processing plant in Myanmar in August 2000, its performance is expected to improve in the coming year.

Riding on the growth path of the semiconductor industry, the Group's Electronic Components Distribution Division has established another distribution arm in Malaysia during the first quarter of 2000. The Division is also making inroads into India, which is opening up its markets with the influx of manufacturing activities by major multinational corporations to serve its local markets. The Division's strategy is to position itself as a one-stop shop for companies whose focus is on design and marketing of new products while leaving the manufacturing activities to third parties. With its widespread contacts in the contract manufacturing industry, the Division will be able to mix and match the right contract manufacturers to suit the production demand and quality standards dictated by such companies. The

Division's value-added services include providing expertise to reduce the cost of the components through multiple sourcing or providing alternative solutions to enable them to compete successfully in the market place. To render such technical services, the Division has established an application lab with engineers who are specialists in its component offerings.

#### **Container Manufacturing Division**

In anticipation of a further drop in demand for the container business, the Board of Directors has decided to re-align its business focus by ceasing its dry cargo containers operations. This will minimise further losses and the Group's resources can then be redeployed to other businesses which yield higher returns.

#### **DIVIDEND**

The Board is recommending a first and final gross dividend of 0.1 sen per share (1999 : 0.1 sen per share) less tax for approval at the forthcoming Annual General Meeting. The total net dividend payable for the financial year, if approved, will amount to RM0.05 million (1999 : RM0.05 million).

#### **PROSPECTS**

The sustained recovery in the country's economy and the continued strong performance of the Group's motorcycle business in China augur well for the Group's future performance. Together with the rationalisation of its dry cargo container business and the initiatives taken by its International Trading Division, the Board believes that the Group will be able to report a turnaround in its performance in the next financial year.

#### **ACKNOWLEDGEMENT**

On behalf of the Board, I would like to extend our sincere thanks and appreciation to the management and employees for their hard work, dedication and commitment.

I would also like to record my appreciation to all our valuable customers, financiers, business associates, government authorities and shareholders for their continued support and confidence.

**JEN (B) TAN SRI DATO' ZAIN HASHIM**  
Chairman

## 主席報告

我謹代表董事部，欣然提呈合營貨櫃有限公司，截至2000年6月30日會計年度的常年報告及經審核賬目。

### 業績

在受檢討的一年內，本集團的營業收入共馬幣2億8千500萬，上一個會計年度為馬幣2億5千300萬，業績改善主要是由於鋼鐵服務業及國際貿易部門的業務增加。

我們在中國的膠多車部門的業務有良好表現，對本集團的業績作出積極貢獻。在扣除稅務以及額外項目之前，本集團的利潤共馬幣1千60萬，上一個會計年度為虧損馬幣750萬，不過，由於終止了乾貨業裝箱的業務，本集團採取謹慎措施，一次過注銷業裝箱資產賬額和付出現款，總額馬幣2千670萬，導至本集團在本會計年度承受馬幣1千610萬的虧損。

### 企業發展

- a) 集團重組計劃，包括因銀行家重新洽商，以償還長公司及一家子公司償還現有的貸款期限，洽商還在進行中。
- b) 由於乾貨業裝箱的需求預計將會進一步復軟，本集團在本財政年度內終止業裝箱業務。

### 業務檢討

#### 膠多車部

本集團在中國的膠多車部浙江錢江膠多車有限公司的業務再一次有特出表現，它對本集團的利潤所作的貢獻，達到馬幣5千70萬；上一個會計年度的利潤為馬幣2千720萬，增

加了86%。在本財政年度，其銷售量超過75萬3千輛；上一個年度是47萬輛。

這種特出的表現，在很大程度上是由於有一支強大的管理團隊，這支團隊重視改善生產力、削減成本、改良款式以及推出新的高品質的款式，以迎合目標市場的需求。在總取性推銷隊伍的支持下，銷售有進一步的表現，尤其是積極開拓新出口市場，特別是印尼市場。它在策略伙伴配合之下，在相對短的時間內打入印尼市場。這個部門目前在印尼所銷售的膠多車，是該國最暢銷的進口膠多車牌子之一，由於我們已經在印尼委任了超過2百名銷售商銷售我們的膠多車，預計出口量會進一步增加。

公司計劃在2000年下半年推出新款式膠多車，包括一系列特別設計的意大利款式，以迎合年輕一代的需求和愛好。在完成基於錦屏和成都的新裝配廠之後，這個部門的年度生產量預計將超過一百萬輛。由於這個部門在中國的龐大分銷網有超過4千名銷售商，在未來幾年，這個部門預計將會奪取更大的市場份額。

#### 鋼鐵產品製造服務部

隨著國家經濟復甦，我們的鋼鐵產品製造服務部的業績進一步改善。鋼板與光面鋼條的需求強勁，而外銷管管形鋼製造商的訂單增加，使這個部門收入增加。

#### 國際貿易與分銷部

在本會計年度內，本集團繼續在新加坡的子公司Advent Electronics Pte Ltd，涉足半導體及相關部件的貿易與分銷。由於在本會計年度的下半年，半導體市場強勁，公司取

得馬幣3千500萬的營業額並取得利潤。不過，本集團的虧損是由於Sonlife International Group的海產加工廠在籌建時蒙受虧損。隨著於2000年8月在緬甸興建新海產加工廠，預計在未來一年內業務將有所改善。

由於半導體業增長迅速，本集團的電子部件部在2000年第一季在馬來西亞設立一個分組。這個組也適軍印度，這是由於印度開放其市場，讓大型跨國企業製造公司進入，為其本地市場服務。這個部門的策略是把它本身定位為其他公司的一站式商社，把注意力集中在設計與銷售新產品，把製造的任務交給第三者。由於這個部門和合約製造業有廣泛接觸，這個部門能夠調配適當的合約製造商，以符合這類公司的生產需求和品質標準。這個部門的增值服務，包括提供專業知識，以降低生產成本，方法是使來源多元化，或是提供替代解決辦法，使它們能夠成功的在市場上競爭。為了提供這類技術服務，這個部門設立一個應用實驗室。

#### 舉世精製造業

由於舉世精業的需求進一步減少，董事部決定重組其業務焦點。將止其乾貨舉世精業務。這將使本集團的虧損減少到最低限度，使本集團的資源可以重新分配到能夠帶來更高回報的其他業務。

#### 股息

董事部建議分派每股0.1仙的一次過終期股息；股息必須扣除所得稅，以及獲得即將召開的常年股東大會批准。(1999年反的股息是每股0.1仙，扣除所得稅)。如果獲得批准，本會計年度的淨股息總額是馬幣5萬(1999年反：馬幣5萬)。

#### 展望

由於大馬經濟持續復甦，以及本集團在中國的大量業務持續有強勁表現，本集團的未來表現展望良好，加上將止乾貨舉世精業務，以及國際貿易部門採取的主動，董事部相信，本集團在下一個會計年度能夠報告業務表現有轉機。

#### 鳴謝

我謹代表董事部，真誠的感謝管理層及僱員們作出不懈努力與具有奉獻精神。

我也要感謝客戶們、融資機構、商業伙伴、政府當局以及股東們繼續支持我們和對我們的信心。

#### 主席

JEN (B) TAN SRI DATO' ZAIN HASHIM

## FINANCIAL STATEMENTS

# 2000

For The Financial Year Ended 30 June 2000

## DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2000.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiary companies and associated companies are set out in Notes 11 and 12 to the financial statements, respectively.

There have been no significant changes in the nature of these activities during the financial year except for the discontinuation of a subsidiary company's manufacturing activity.

### FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss after taxation	(29,824)	(4,737)
Minority interests	14,474	-
Loss attributable to shareholders	<u>(15,350)</u>	<u>(4,737)</u>

### DIVIDENDS

The amount of dividend paid or declared by the Company since 30 June 1999 were as follows:

In respect of the financial year ended 30 June 1999 as shown in the Directors' report of that year:

	RM
First and final dividend of 0.1 sen per ordinary share less 28% income tax, paid on 31 December 1999	<u>53,792</u>

The Directors recommend the payment of a first and final dividend of 0.1 sen per ordinary share less 28% income tax amounting to RM53,792 in respect of the financial year ended 30 June 2000.

### RESERVES AND PROVISIONS

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

## DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Jen (B) Tan Sri Dato' Zain Hashim  
 Tan Sri William H.J. Cheng  
 Tan Sri Dato' Jaffar bin Abdul  
 Lin Chung Dien  
 Chiang Kao-Hsiung

In accordance with Article 101 of the Company's Articles of Association, Y. Bhg. Tan Sri Dato' Jaffar bin Abdul and Mr Chiang Kao-Hsiung retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Y. Bhg. Jen (B) Tan Sri Dato' Zain Hashim, being over the age of 70 years, retires pursuant to Section 129(2) of the Companies Act, 1965 and seeks re-appointment as director under the provisions of Section 129(6) of the said Act to hold office until the next annual general meeting.

## DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

## DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company were as follows:

	Number of ordinary shares of RM1 each			As at 30.6.2000
	As at 1.7.1999	Acquired	Disposed	
<b>Direct interest in shares</b>				
Jen (B) Tan Sri Dato' Zain Hashim	18,000	-	-	18,000
Tan Sri William H.J. Cheng	10,000	-	-	10,000
Lin Chung Dien	1,503,437	-	-	1,503,437
Tan Sri Dato' Jaffar bin Abdul	350,000	-	-	350,000

	Number of ordinary shares of RM1 each			As at 30.6.2000
	As at 1.7.1999	Acquired	Disposed	
<b>Deemed interest in shares</b>				
Tan Sri William H.J. Cheng	33,774,814	-	641,000	33,133,814

Deemed interests in shares in related corporations held by the Directors were as follows:

	Nominal value per ordinary share	Number of ordinary shares			As at 30.6.2000
		As at 1.7.1999	Acquired	Disposed	
<b>Tan Sri William H.J. Cheng</b>					
Bright Steel Service Centre Sdn Bhd	RM1.00	11,420,000	-	-	11,420,000
Bright Enterprise (Sdn) Berhad	RM1.00	408,000	-	-	408,000
B.A.P Industries Sdn Bhd	RM1.00	4,200,000	-	-	4,200,000
Lion Asiapac Limited	S\$0.25	124,262,760	-	-	124,262,760
Sonlife International Pte Ltd	S\$1.00	2,250,000	2,500,000	-	4,750,000
SonMarine (Thailand) Limited	Baht10	99,990	-	-	99,990
Advent Electronics Pte Ltd	S\$1.00	550,000	-	-	550,000

	Currency	Number of ordinary shares			As at 30.6.2000
		As at 1.7.1999	Acquired	Disposed	
<b>Investments in the People' s Republic of China</b>					
Zhejiang Yizhong Motorcycle Electric Products Co Ltd	USD	8,017,200	-	-	8,017,200

Other than as disclosed above, the Directors of the Company do not have any other interest in the shares of the Company or its related companies.

#### **EXECUTIVE SHARE OPTION SCHEME**

The Executive Share Option Scheme ("ESOS") became effective on 7 May 1996 and shall remain effective for a period of five years until 6 May 2001. Options for a total of 321,000 ordinary shares have been granted to executive employees of the Company and its subsidiary companies (the "Group").

The main features of the ESOS are as follows:

- (a) Eligible employees are those who have been confirmed as executive employees of the Group with not less than twelve months service immediately before the offer.
- (b) The Options granted may be exercised at any time during the period commencing on the date of offer of the options and expiring on the date of expiry of the ESOS or such shorter period as may be specifically stated in the Offer.
- (c) The Options granted may be exercised in full or in any lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.
- (d) The exercise price for each ordinary share under the ESOS shall be the average of the mean market price quotation of the shares as shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the five market days preceding the respective dates of offer of the options.

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.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued ordinary shares of the Company. At the end of the financial year, there were 140,000 unissued ordinary shares under options granted pursuant to the ESOS at the option price of RM3.84 per share.

#### **STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and 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, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts 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.

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 or of the Company to meet their obligations when they fall due.

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.

#### **OTHER STATUTORY INFORMATION**

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

In the opinion of the Directors,

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the discontinuation of a subsidiary company's manufacturing activity during the financial year as set out in note 7 on the financial statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**AUDITORS**

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 28 October 2000.

On behalf of the Board

**JEN (B) TAN SRI DATO' ZAIN HASHIM**  
CHAIRMAN

**TAN SRI WILLIAM H.J. CHENG**  
DIRECTOR

Kuala Lumpur  
28 October 2000

## INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Revenue	4	285,371	252,830	1,061	-
Other operating income		3,385	4,713	-	-
Changes in inventories of finished goods and work in progress		(8,661)	6,908	-	-
Raw materials and consumables used		(248,961)	(230,600)	-	-
Staff costs		(13,767)	(12,834)	-	-
Depreciation and amortisation expenses		(12,640)	(14,527)	-	-
Other operating expenses		(23,957)	(13,569)	(4,678)	(4,681)
Loss from operations	5	(19,230)	(7,079)	(3,617)	(4,681)
Finance costs-net	6	(20,842)	(27,585)	(1,120)	(3,020)
Share of results of associated companies		50,686	27,203	-	-
Profit/(loss) before exceptional items and taxation		10,614	(7,461)	(4,737)	(7,701)
Exceptional items	7	(26,720)	(1,332)	-	-
Loss before taxation		(16,106)	(8,793)	(4,737)	(7,701)
Taxation	8	(13,718)	(3,414)	-	-
Loss after taxation		(29,824)	(12,207)	(4,737)	(7,701)
Minority interests		14,474	(1,690)	-	-
Net loss attributable to shareholders		(15,350)	(13,897)	(4,737)	(7,701)
Loss per ordinary share (sen)	9	(20.5)	(18.6)		

The notes on pages 25 to 44 form part of these financial statements.

## BALANCE SHEETS

AS AT 30 JUNE 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
FIXED ASSETS	10	<b>95,169</b>	119,828	-	-
SUBSIDIARY COMPANIES	11	-	-	<b>186,586</b>	189,121
ASSOCIATED COMPANIES	12	<b>254,957</b>	220,484	-	-
UNQUOTED INVESTMENTS - AT COST		<b>115</b>	240	-	-
DEFERRED EXPENSES	13	-	177	-	-
GOODWILL ON CONSOLIDATION	14	<b>28,470</b>	29,847	-	-
CURRENT ASSETS					
Inventories	15	<b>107,526</b>	122,709	-	-
Debtors	16	<b>95,295</b>	99,454	<b>768</b>	546
Deposits held with licensed banks		<b>23,074</b>	51,821	-	-
Cash and bank balances		<b>2,814</b>	4,663	<b>6</b>	1
		<b>228,709</b>	278,647	<b>774</b>	547
LESS CURRENT LIABILITIES					
Creditors	17	<b>102,923</b>	101,361	<b>33,005</b>	30,621
Short term borrowings	18	<b>287,434</b>	181,691	<b>42,076</b>	41,977
Taxation		<b>1,975</b>	3,571	-	-
Proposed dividend		<b>54</b>	54	<b>54</b>	54
Provision for liabilities	7	-	1,332	-	-
		<b>392,386</b>	288,009	<b>75,135</b>	72,652
NET CURRENT LIABILITIES		<b>(163,677)</b>	(9,362)	<b>(74,361)</b>	(72,105)
		<b>215,034</b>	361,214	<b>112,225</b>	117,016

## BALANCE SHEETS

AS AT 30 JUNE 2000 (Continued)

	Note	Group 2000 RM'000	Group 1999 RM'000	Company 2000 RM'000	Company 1999 RM'000
Financed by:					
SHARE CAPITAL	19	74,711	74,711	74,711	74,711
RESERVES	20	21,834	37,228	37,514	42,305
SHAREHOLDERS' FUNDS		96,545	111,939	112,225	117,016
MINORITY INTERESTS		108,608	123,201	-	-
PROVISION FOR RETIREMENT BENEFITS		338	273	-	-
BANK TERM LOANS	21	7,227	124,106	-	-
HIRE PURCHASE CREDITORS	22	22	66	-	-
OTHER LONG TERM LIABILITY	23	985	1,029	-	-
DEFERRED TAXATION	24	1,309	600	-	-
		<u>215,034</u>	<u>361,214</u>	<u>112,225</u>	<u>117,016</u>
NET TANGIBLE ASSETS PER SHARE (RM)		<u>0.91</u>	<u>1.10</u>		

The notes on pages 25 to 44 form part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Issued and fully paid-up ordinary shares of RM1.00 each	Non- distributable	Distributable	
	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Total RM'000
At 1 July 1998	74,711	11,856	38,204	124,771
Loss for the financial year	-	-	(7,701)	(7,701)
Proposed dividend for the financial year - 0.1 sen per ordinary share less 28% income tax	-	-	(54)	(54)
At 30 June 1999	<u>74,711</u>	<u>11,856</u>	<u>30,449</u>	<u>117,016</u>
Loss for the financial year	-	-	(4,737)	(4,737)
Proposed dividend for the financial year - 0.1 sen per ordinary share less 28% income tax	-	-	(54)	(54)
At 30 June 2000	<u><u>74,711</u></u>	<u><u>11,856</u></u>	<u><u>25,658</u></u>	<u><u>112,225</u></u>

The notes on pages 25 to 44 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Note	Issued and fully paid-up ordinary shares of RM1.00 each	Non-distributable		Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Other reserves RM'000	Accumulated losses RM'000	
At 1 July 1999		74,711	11,856	38,359	(12,987)	111,939
Loss for the financial year		-	-	-	(15,350)	(15,350)
Proposed dividend for the financial year - 0.1 sen per ordinary share less 28% income tax		-	-	-	(54)	(54)
Transfer to capital reserves						
- capital redemption reserve		-	-	66	(66)	-
- enterprise development and general reserves		-	-	2,804	(2,804)	-
Other reserves movement						
- Reserve on consolidation	20	-	-	(62)	-	(62)
- Capital redemption reserve	20	-	-	(1)	-	(1)
- Enterprise development and general reserves	20	-	-	(67)	-	(67)
- Gain on restructuring of motorcycle business	20	-	-	(380)	-	(380)
- Exchange fluctuation reserve	20	-	-	520	-	520
Net gains not recognised in consolidated income statement		-	-	10	-	10
At 30 June 2000		<u>74,711</u>	<u>11,856</u>	<u>41,239</u>	<u>(31,261)</u>	<u>96,545</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000 (Continued)

	Note	Issued and fully paid-up ordinary shares of RM1.00 each	Non-distributable		Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained Profits/ (Accumulated losses) RM'000	
At 1 July 1998		74,711	11,856	29,391	2,318	118,276
Loss for the financial year		-	-	-	(13,897)	(13,897)
Proposed dividend for the financial year - 0.1 sen per ordinary share less 28% income tax		-	-	-	(54)	(54)
Transfer to capital reserves						
- capital redemption reserve		-	-	55	(55)	-
- enterprise development and general reserves		-	-	1,299	(1,299)	-
Other reserves movement						
- Reserve on consolidation	20	-	-	(6,680)	-	(6,680)
- Capital redemption reserve	20	-	-	(5)	-	(5)
- Enterprise development and general reserves	20	-	-	(2,436)	-	(2,436)
- Gain on restructuring of motorcycle business	20	-	-	23,110	-	23,110
- Accretion arising from additional shares issued to minority interest	20	-	-	1,411	-	1,411
- Exchange fluctuation reserve	20	-	-	(7,786)	-	(7,786)
Net gains not recognised in consolidated income statement		-	-	7,614	-	7,614
At 30 June 1999		<u>74,711</u>	<u>11,856</u>	<u>38,359</u>	<u>(12,987)</u>	<u>111,939</u>

The notes on pages 25 to 44 form part of these financial statements.

## CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Loss before taxation		(16,106)	(8,793)	(4,737)	(7,701)
Adjustments for non-cash items, interests and dividend:					
Depreciation on fixed assets		11,086	12,996	-	-
Amortisation of deferred expenses		177	130	-	-
Amortisation of goodwill on consolidation		1,377	1,401	-	-
Fixed assets written off/down		20,392	-	-	-
Bad debts written off		105	-	-	-
Write off of inventories		120	-	-	-
Gain on disposal of fixed assets		(51)	(35)	-	-
Gain arising from the dilution of subsidiary company		-	(242)	-	-
Share of profits less losses of associated companies		(50,686)	(27,203)	-	-
Interest expense		21,020	28,636	5,435	7,596
Interest income		(1,067)	(1,478)	(4,315)	(4,600)
Provision for doubtful debts		1,519	984	4,500	4,500
Loss of inventories		-	1,332	-	-
Write off of unquoted investments		162	-	-	-
Provision for stock obsolescence/write down		6,591	-	-	-
Unrealised loss on foreign exchange		135	942	-	-
Dividend income		-	-	(1,061)	-
Operating (loss)/profit before working capital changes		(5,226)	8,670	(178)	(205)
Decrease in inventories		7,098	41,405	-	-
Decrease/(increase) in debtors		2,062	64,644	(222)	174
Increase/(decrease) in creditors		(1,281)	(27,282)	479	804
Cash generated from operations		2,653	87,437	79	773
Tax (paid)/refund		(1,553)	142	-	-
Interest paid		(19,115)	(25,815)	(3,530)	(4,885)
Interest received		1,067	1,478	4,315	4,600
Net cash (used in)/from operating activities		(16,948)	63,242	864	488

## CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000 (Continued)

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of fixed assets		(7,937)	(7,602)	-	-
Purchase of associated companies		-	(44,492)	-	-
Purchase of other investment		(39)	(125)	-	-
Proceeds from partial disposal of subsidiary company		-	2,251	-	-
Proceeds from partial disposal of joint venture companies		-	25,042	-	-
Proceeds from disposal of fixed assets		1,074	348	-	-
Dividend from subsidiary company		-	-	1,061	-
Dividend received from associated companies		2,729	-	-	-
Dividend received from former joint venture companies		-	25,314	-	-
(Increase)/decrease in intercompany balances		-	-	(1,965)	1,826
Net cash (used in)/from investing activities		<u>(4,173)</u>	<u>736</u>	<u>(904)</u>	<u>1,826</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of shares to minority shareholders of subsidiary companies		-	14,268	-	-
Dividend paid		(54)	(538)	(54)	(538)
Net (repayment)/drawdown of other borrowings		(13,823)	7,744	-	-
Drawdown of term loans		11,557	-	-	-
Repayment of term loans		(3,949)	(26,744)	-	-
Hire purchase creditors		(66)	(74)	-	-
Net cash used in financing activities		<u>(6,335)</u>	<u>(5,344)</u>	<u>(54)</u>	<u>(538)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(27,456)	58,634	(94)	1,776
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		34,144	11,597	(1,976)	(3,752)
EFFECTS OF EXCHANGE RATE CHANGES		(847)	(2,951)	-	-
CASH AND CASH EQUIVALENTS RELATING TO COMPANIES WHICH ARE NO LONGER REGARDED AS JOINT VENTURE COMPANIES		-	(33,136)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	25	<u>5,841</u>	<u>34,144</u>	<u>(2,070)</u>	<u>(1,976)</u>

The notes on pages 25 to 44 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2000

## 1 GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies and associated companies are set out in Notes 11 and 12 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year except for the discontinuation of a subsidiary company's manufacturing activity.

The number of employees at the end of the financial year are 531 (1999: 875) employees in the Group.

The Company is a limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The address of the registered office and principal office of the Company is as follows:

Level 46, Menara Citibank  
165, Jalan Ampang  
50450 Kuala Lumpur

## 2 BASIS OF ACCOUNTING

The financial statements of the Group and of the Company have been prepared under the historical cost convention in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The Group and the Company incurred a loss after taxation and minority interests of RM15,350,000 and RM4,737,000 respectively during the financial year ended 30 June 2000. At that date, current liabilities of the Group and the Company exceeded current assets by RM163,677,000 and RM74,361,000 respectively. Additionally, as disclosed in Notes 18 and 21 on the financial statements, the Company and a subsidiary company have not serviced some of its principal borrowings and penalty interest charges. Certain principal bankers have frozen or withdrawn existing credit facilities of the Company and the subsidiary company. Continuation of the Group and the Company as going concerns is dependent on obtaining continuous financial support from the financial institutions and achieving profitable operations.

The Directors are of the opinion that the required financial support from the financial institutions will be obtained and therefore, the Directors have prepared the financial statements on a going concern basis. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary if the Group and the Company are unable to continue as going concerns.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

### (a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date of acquisition up to the date of disposal. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. When necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

**3 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Investment in subsidiary companies**

The subsidiary companies are listed in Note 11 on the financial statements. The investment in the subsidiary companies are stated at cost in the financial statements of the Company unless where the Directors are of the opinion that there is a permanent diminution in the value of investment, in which case, a provision is made for the shortfall.

**(c) Associated companies**

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Associated companies are companies in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies but not having a control over those policies.

Equity accounting involves recognising in the income statement the Group's share of the results of associated companies for the period. The Group's investments in associated companies are carried in the balance sheet at an amount that reflects its share of the net assets of the associated companies.

Unrealised surpluses and deficits on transactions between group companies and associated companies have been eliminated to the extent of the Group's interest in the associated companies. Where necessary, in applying the equity method, adjustments have been made to the financial statements of associated companies to ensure consistency of accounting policies with the Group.

**(d) Fixed assets and depreciation**

Land and buildings and other fixed assets are stated at cost less accumulated depreciation.

Freehold land and construction work-in-progress are not depreciated. Leasehold lands are depreciated over the period of the leases. Other fixed assets are depreciated on a straight line basis calculated to write off the cost of each asset over the term of its expected useful life. The principal annual rates used for this purpose are as follows:

Buildings	2% - 5%
Plant and machinery	10% - 46%
Factory equipment	10%
Office equipment and vehicles	10% - 40%
Furniture, fittings and other equipment	10% - 33 1/3%

Construction work-in-progress represents fixed assets under construction or being installed and is stated at cost. Cost comprises cost of plant and equipment and other direct costs incurred for the construction or installation of the fixed assets.

**(e) Goodwill on consolidation**

Goodwill represents the excess of the purchase consideration over the sum of the fair values of the identifiable net assets at the date of acquisition. It includes goodwill on consolidation.

Goodwill is amortised systematically over the period of time during which the benefits are expected to accrue but not exceeding twenty five years.

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

Any excess of the value of net identifiable assets acquired over the cost of acquisition is taken directly as reserve on consolidation.

**3 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis for trading steel and steel-related products and weighted average basis for stores and consumables, raw materials and finished goods. Cost, in the case of finished goods and work in progress, comprises materials, direct labour and an appropriate proportion of overhead expenses.

**(g) Debtors**

Known bad debts are written off and specific provision is made for any debts considered to be doubtful of collection.

**(h) Income recognition**

Income from the sale of goods and services rendered is recognised upon delivery of goods and services and inspected and accepted by customers net of returns, discounts and allowances.

Interest income is recognised on an accrual basis.

Dividend income from subsidiary companies is recognised when proposed. Dividend income from other investments is recognised when declared to be payable.

**(i) Deferred taxation**

Provision is made using the liability method for taxation deferred by timing differences except where the tax effects of such timing differences are expected to be deferred indefinitely.

Deferred tax benefits are recognised only if there is a reasonable expectation of their realisation.

**(j) Translation of foreign currencies**

Transactions arising in foreign currencies are converted to Ringgit Malaysia at the exchange rates approximating those ruling at transaction dates except, where foreign currency transactions are uncompleted at the year-end date, the respective outstanding balances are translated at rates of exchange approximating those ruling at that date or, if covered by forward foreign exchange contracts, at contracted rates. Foreign currency exchange gains and losses resulting from translation, except as described below, are included in the income statements.

The Group's foreign subsidiary companies are those operations that are not an integral part of the operations of the Company. Income statements of foreign subsidiary companies are translated into Ringgit Malaysia at average exchange rates for the period and the balance sheets are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investment in foreign entities and of borrowings that hedge such investments are taken to 'exchange fluctuation reserve' in shareholders' equity. On disposal of the foreign subsidiary companies, such translation differences are recognised in the income statements as part of the gain or loss on disposal.

The principal closing rate used in translation of foreign currency amounts was as follows:

	30.6.2000 RM	30.6.1999 RM
<b>Foreign currency</b>		
1 SGD (Singapore)	<b>2.18</b>	2.22

**3 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Cash and cash equivalents**

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

**(l) Lease and hire purchase assets**

Assets acquired under finance lease and hire purchase agreements which transfer substantially all the rights and rewards of ownership to the company are capitalised as fixed assets and the corresponding obligations are treated as a liability. Finance charges are charged to the income statements over the period of the agreements. Assets acquired under lease and hire purchase are depreciated over the useful lives of equivalent owned assets.

Lease of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating lease are charged to the income statement on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

**(m) Provision for retirement benefits**

Provision is made in accordance with the terms contained in a collective agreement with the Union.

**4 REVENUE**

Revenue of the Group and Company comprised the following:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Sale of goods	282,029	250,393	-	-
Rendering of services	3,342	2,437	-	-
Dividends	-	-	1,061	-
	<b>285,371</b>	<b>252,830</b>	<b>1,061</b>	-
	<b>285,371</b>	<b>252,830</b>	<b>1,061</b>	-

The revenue of the Group for its sale of goods and services represents the billing value of cargo containers that have been inspected and accepted by customers and includes sales of component parts, goods sold and services rendered less returns, discounts and allowances.

The revenue of the Company for its investment holding activity represents dividend income.

## 5 LOSS FROM OPERATIONS

Loss from operations is arrived at after charging/(crediting):

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Depreciation on fixed assets	11,086	12,996	-	-
Amortisation of deferred expenses	177	130	-	-
Amortisation of goodwill on consolidation	1,377	1,401	-	-
Directors' remuneration - fees	56	56	39	39
Auditors' remuneration - current	551	486	13	8
- underprovision	7	5	-	-
Provision for doubtful debts:				
- subsidiary company	-	-	4,500	4,500
- others	1,519	984	-	429
Bad debts written off	105	-	-	-
Fixed assets write off	1,669	-	-	-
Write off of inventories	120	-	-	-
Write off of unquoted investments	162	-	-	-
Provision for stock obsolescence	200	-	-	-
Rental expenses	1,003	754	-	-
Unrealised loss on foreign exchange	135	942	-	-
Realised loss/(gain) on foreign exchange	146	(273)	-	-
Gain on disposal of fixed assets	(51)	(35)	-	-
Rental income	(24)	(24)	-	-
Gain arising from dilution of subsidiary company	-	(242)	-	-
Dividend income from subsidiary company	-	-	(1,061)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## 6 FINANCE COSTS - NET

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Interest income				
- subsidiary companies	-	-	(4,315)	(4,600)
- others	(1,067)	(1,478)	-	-
	<u>(1,067)</u>	<u>(1,478)</u>	<u>(4,315)</u>	<u>(4,600)</u>
Interest expense				
- Revolving credit/bankers acceptances/trust receipts	6,160	10,887	3,337	4,685
- Bank overdrafts	1,718	3,827	194	325
- Others	1,914	2,598	1,904	2,586
- Term loans	11,228	11,324	-	-
Bank charges	889	427	-	24
	<u>21,909</u>	<u>29,063</u>	<u>5,435</u>	<u>7,620</u>
Total	<u>20,842</u>	<u>27,585</u>	<u>1,120</u>	<u>3,020</u>

## 7 EXCEPTIONAL ITEMS

During the financial year, provisions for liabilities and write down of assets were made by a subsidiary company in connection with the decision by the Directors to discontinue the dry cargo containers business of a subsidiary company effective on 23 December 1999. The result of this operation had previously been reported in the dry cargo containers industry segment and the domestic geographical segment. The revenue recognised relating to this operation for 30 June 2000 was RM22.3 million (1999: RM68.6 million) and the loss before tax was RM50.3 million (1999: RM0.6 million).

	Group	
	2000 RM'000	1999 RM'000
Fixed assets write down (Note 10)	18,723	-
Provision for inventory write down (Note 15)	6,391	-
Retrenchment benefits	1,606	-
Loss of inventories*	-	1,332
	<b>26,720</b>	<b>1,332</b>
	<b>26,720</b>	<b>1,332</b>

\* The loss of inventories represents provision for a possible loss of a steel cargo shipped on board a vessel.

## 8 TAXATION

	Group	
	2000 RM'000	1999 RM'000
Current taxation		
- Malaysian	244	(50)
- Overseas	46	-
Deferred taxation (Note 24)	709	(432)
Share of tax in associated companies	13,323	3,920
	<b>14,322</b>	<b>3,438</b>
Over provision in prior years	(604)	(24)
	<b>13,718</b>	<b>3,414</b>
	<b>13,718</b>	<b>3,414</b>

The effective tax rate of the Group is higher than the statutory income tax rate due to the losses of certain subsidiary companies which cannot be offset against the income tax payable of certain profitable subsidiary companies and associated companies.

Subject to the agreement by the Inland Revenue Board, the unutilised tax losses and unabsorbed capital allowances which are available for set-off against future chargeable income amounted to approximately RM40.2 million (1999: RM26.3 million) for the Group.

## 9 LOSS PER ORDINARY SHARE

Loss per ordinary share is calculated by dividing the Group's loss for the financial year of RM15,350,000 (1999: RM13,897,000) by the weighted average number of shares in issue during the financial year of 74.71 million shares (1999: 74.71 million shares).

**10 FIXED ASSETS**

Group	Balance at 1.7.1999 RM'000	Exchange effects RM'000	Additions RM'000	Disposals RM'000	Write down RM'000	Write off RM'000	Reclassi- fication RM'000	Balance at 30.6.2000 RM'000
<b>2000</b>								
<b>Cost</b>								
Freehold land and buildings	23,632	(16)	312	-	-	-	-	23,928
Long leasehold land and buildings	70,873	(46)	574	-	-	-	-	71,401
Plant and machinery	72,812	(44)	1,022	(2,423)	-	(21,692)	-	49,675
Factory equipment	5,354	-	132	(49)	-	-	-	5,437
Office equipment and vehicles	5,770	(31)	575	(262)	-	-	257	6,309
Furniture, fittings and other equipment	3,032	(12)	244	(5)	-	-	-	3,259
Construction work-in-progress	390	-	5,078	(133)	-	-	(257)	5,078
	<u>181,863</u>	<u>(149)</u>	<u>7,937</u>	<u>(2,872)</u>	<u>-</u>	<u>(21,692)</u>	<u>-</u>	<u>165,087</u>
<b>Accumulated depreciation</b>								
Freehold land and buildings	222	-	261	-	3,344	-	-	3,827
Long leasehold land and buildings	11,382	(2)	1,998	-	8,932	-	-	22,310
Plant and machinery	43,686	(20)	7,185	(1,604)	6,209	(20,023)	-	35,433
Factory equipment	2,393	-	501	(49)	-	-	-	2,845
Office equipment and vehicles	3,474	(24)	786	(196)	71	-	-	4,111
Furniture, fittings and other equipment	878	(8)	355	-	167	-	-	1,392
	<u>62,035</u>	<u>(54)</u>	<u>11,086</u>	<u>(1,849)</u>	<u>18,723</u>	<u>(20,023)</u>	<u>-</u>	<u>69,918</u>
<b>Group</b>								
<b>1999</b>								
<b>Cost</b>								
Freehold land and buildings	20,940	(89)	2,088	-	-	-	693	23,632
Long leasehold land and buildings	109,720	(301)	1,417	-	-	(37,983)	(1,980)	70,873
Plant and machinery	154,719	(252)	1,219	-	-	(84,161)	1,287	72,812
Factory equipment	5,445	-	47	-	-	-	(138)	5,354
Office equipment and vehicles	18,288	(401)	945	(516)	-	(12,598)	52	5,770
Furniture, fittings and other equipment	1,515	(65)	1,496	-	-	-	86	3,032
Construction work-in-progress	7,031	-	390	-	-	(7,031)	-	390
	<u>317,658</u>	<u>(1,108)</u>	<u>7,602</u>	<u>(516)</u>	<u>(141,773)</u>	<u>-</u>	<u>-</u>	<u>181,863</u>
<b>Accumulated depreciation</b>								
Freehold land and buildings	-	-	222	-	-	-	-	222
Long leasehold land and buildings	12,257	(33)	1,843	-	-	(2,685)	-	11,382
Plant and machinery	51,112	(115)	9,283	-	-	(16,594)	-	43,686
Factory equipment	1,840	-	495	-	-	-	58	2,393
Office equipment and vehicles	5,454	(252)	855	(203)	-	(2,387)	7	3,474
Furniture, fittings and other equipment	679	(34)	298	-	-	-	(65)	878
	<u>71,342</u>	<u>(434)</u>	<u>12,996</u>	<u>(203)</u>	<u>(21,666)</u>	<u>-</u>	<u>-</u>	<u>62,035</u>

\* Adjustments for companies no longer regarded as joint venture companies

**10 FIXED ASSETS (Continued)**

	Group	
	Balance at 30.6.2000 RM'000	Balance at 30.6.1999 RM'000
<b>Net book value</b>		
Freehold land and buildings	20,101	23,410
Long leasehold land and buildings	49,091	59,491
Plant and machinery	14,242	29,126
Factory equipment	2,592	2,961
Office equipment and vehicles	2,198	2,296
Furniture, fittings and other equipment	1,867	2,154
Construction work-in-progress	5,078	390
	<b>95,169</b>	<b>119,828</b>

Included in fixed assets of the Group are assets acquired under hire purchase and lease agreements with net book value amounting to RM246,509 (1999: RM314,751).

The title deed in respect of the long leasehold land of a subsidiary company with a net book value of RM4.2 million (1999: RM4.2 million) has not been transferred to the subsidiary company as at 30 June 2000.

**11 SUBSIDIARY COMPANIES**

	Company	
	2000 RM'000	1999 RM'000
Unquoted shares at cost	38,686	38,686
Amount owing by subsidiary companies	156,900	154,935
Less: Provision for doubtful debts	(9,000)	(4,500)
	<b>186,586</b>	<b>189,121</b>

The amount owing by subsidiary companies arose mainly from inter-company advances which is interest-bearing and have no fixed repayment terms.

The subsidiary companies are:

Name	Principal activities	Country of incorporation	Company's equity interest	
			2000 %	1999 %
Bright Steel Sdn Bhd	Manufacturing, sale and distribution of steel and iron products	Malaysia	100.00	100.00
Subsidiaries of Bright Steel Sdn Bhd:				
Bright Steel Service Centre Sdn Bhd	Processing and selling of steel coils and sheets	Malaysia	57.10	57.10
Bright Enterprise (Sdn) Berhad@	Trading in steel and iron products	Malaysia	51.00	51.00

**11 SUBSIDIARY COMPANIES (Continued)**

Name	Principal activities	Country of incorporation	Company's equity interest	
			2000 %	1999 %
B.A.P Industries Sdn Bhd	Manufacturing, marketing and distribution of pre-painted steel sheets and related products	Malaysia	70.00	70.00
Omali Corporation Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Century Container Industries Sdn Bhd	Manufacturing and sale of freight containers	Malaysia	100.00	100.00
Subsidiary of Omali Corporation Sdn Bhd:				
Lion Asiapac Limited#	Investment holding	Republic of Singapore	50.21	50.21
			<b>Lion Asiapac Limited's effective equity interest</b>	
			<b>2000 %</b>	<b>1999 %</b>
Subsidiaries of Lion Asiapac Limited:				
Ternair Jaya Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Bright Steel Pte Ltd#*	Investment holding	Republic of Singapore	100.00	100.00
Aarau Investment Pte Ltd#*	Investment holding	Republic of Singapore	100.00	100.00
Arbon Investment Pte Ltd#*	Investment holding	Republic of Singapore	100.00	100.00
Grenchen Investment Pte Ltd#*	Investment holding	Republic of Singapore	100.00	100.00
Kloten Investment Pte Ltd#*	Investment holding	Republic of Singapore	100.00	100.00
Sonlife International Pte Ltd#	Trading and distribution of metal and mineral products, food and beverages, seafood and investment holding	Republic of Singapore	86.36	75.00
Advent Electronics Pte Ltd#	Trading and distribution of semiconductors and related components	Republic of Singapore	55.00	55.00

**11 SUBSIDIARY COMPANIES (Continued)**

Name	Principal activities	Country of incorporation	Lion Asiapac Limited's effective equity interest	
			2000 %	1999 %
Subsidiary of Ternair Jaya Sdn Bhd:				
Lion Containers Sdn Bhd	Manufacturing and sale of dry cargo containers. Ceased manufacturing operation during the financial year	Malaysia	100.00	100.00
Subsidiary of Advent Electronics Pte Ltd:				
Advent Electronics (M) Sdn Bhd#	Trading and distribution of semiconductors and related components	Malaysia	55.00	-
Subsidiaries of Sonlife International Pte Ltd:				
Sonlife Mongolia Co Ltd@	Distribution of food and beverages, electrical and electronic goods	Mongolia	86.36	75.00
Sonlife International (Mongolia) Co Ltd @	Distribution of food, beverages and electrical goods. Dormant during the financial year	Mongolia	86.36	75.00
Sonlife Yangon Company Limited#	Trading of metal, mineral products and seafood	Myanmar	86.36	75.00
Sonfood Limited #	Seafood processing	Myanmar	86.36	-
SonMarine (Thailand) Limited #	Seafood processing	Thailand	43.18	37.50

\* Holds interest in associated companies in the People's Republic of China.

@ Audited by another firm of auditors

# Audited by an associated firm of PricewaterhouseCoopers, Malaysia.

During the financial year:

- (a) The Group acquired an additional 2,500,000 new ordinary shares of S\$1.00 each in Sonlife International Pte Ltd ("Sonlife") by way of capitalisation of part of the Group's outstanding shareholder loan to Sonlife. As a result, the percentage of the equity interest held by the Group has been increased from 75% to 86.36%.
- (b) Sonlife incorporated a wholly-owned subsidiary in Yangon, Myanmar known as Sonfood Limited for the purpose of processing and export sale of seafood products. Sonlife has invested US\$172,500 in Sonfood Limited as initial capital representing 100% equity interest in Sonfood Limited.
- (c) Advent Electronics Pte Ltd, a 55% owned subsidiary of the Group, incorporated a wholly-owned subsidiary in Malaysia known as Advent Electronics (M) Sdn Bhd for the purpose of trading and distribution of semiconductor and related components. The paid-up capital of Advent Electronics (M) Sdn Bhd is RM2.
- (d) The Group re-aligned its business focus by ceasing the dry cargo container business which is carried out through Lion Containers Sdn Bhd, a wholly-owned subsidiary of Lion Asiapac Limited.

12 ASSOCIATED COMPANIES

	Group	
	2000	1999
	RM'000	RM'000
Unquoted equity shares at cost	142,308	142,308
Share of reserve on acquisition of associated companies	12,658	12,658
Share of post-acquisition reserves and profits less losses	99,991	65,518
	254,957	220,484
Represented by:		
Group's share of net assets	254,957	220,484

The details of the associated companies are as follows:

Name	Principal activities	Country of incorporation	Lion Asiapac Limited's effective equity interest	
			2000 %	1999 %
Zhejiang Yipeng Engine Parts Co Ltd ("Yipeng")#	Manufacture of motor -cycle engine parts and assembly of motorcycle engines	People's Republic of China	49.00	49.00
Zhejiang Yirong Engine Parts Co Ltd ("Yirong")#	Manufacture of fuel tanks and exhaust pipes, spray painting of fuel tanks	People's Republic of China	38.00	51.00
Zhejiang Yizhong Motorcycle Electric Products Co Ltd ("Yizhong")#	Manufacture of shock absorbers and body frame, assembly of various electrical instruments and components	People's Republic of China	51.00	51.00
Zhejiang Victor Motorcycle Co Ltd ("Victor")#	Assembly of motor - cycles	People's Republic of China	43.00	43.00
Taizhou Mount - Channel Machinery Co Ltd ("TMC")#	Manufacture of motorcycle clutches	People's Republic of China	30.00	30.00
Zhejiang Qianjiang Motorcycle Co. Ltd ("ZML")#	Manufacture and distribution of motorcycles and accessories and investment holding	People's Republic of China	24.00	24.00

# Audited by an associated firm of PricewaterhouseCoopers, Malaysia.

**12 ASSOCIATED COMPANIES (Continued)**

- (a) During the financial year, Yirong issued additional share capital of Chinese Renminbi 129,698,000 to ZML. As a result, the percentage of equity interest held by the Group has been diluted from 51.00% to 38.00%.

The Group regards Yipeng, Yirong and Yizhong, whose operations are integrated with that of Victor and ZML as associated companies at 30 June 2000 as it does not have control or joint control, but merely exercises significant influence, over their financial and operating policy decisions. Yizhong is a subsidiary company of the Group within the meaning of the Companies Act as the Group's equity interest in this company is 51%. However, it is not meaningful to consolidate or attach the financial statements of Yizhong as they would only give a partial view of the integrated operations of the motorcycle business in China.

- (b) Two associated companies, Yizhong and Yipeng have been trading in shares listed on the stock exchanges in the People's Republic of China. These trades were conducted through accounts not in the names of Yizhong and Yipeng (hereinafter referred to as 'these accounts'). However, the securities trading house through which these trades were conducted has confirmed that it held these listed shares on behalf of Yizhong and Yipeng. At 30 June 2000, the effective interest of the Group in respect of these accounts amounted to the equivalent of RM10 million.

At the date of adoption of these financial statements, the management of Yizhong and Yipeng have indicated their intention to cease these share trading activities and a portion of these listed shares have been realised and the proceeds remitted to Yizhong and Yipeng from the securities trading house. The Group's remaining exposure to these accounts at the date of adoption of these financial statements amounts to the equivalent of RM9 million. The management of the Company is confident that the remaining balance will be fully recoverable by the two associated companies.

**13 DEFERRED EXPENSES**

	Group	
	2000	1999
	RM'000	RM'000
As at 1 July	177	307
Amortisation for the financial year	(177)	(130)
	-	177
As at 30 June	-	177

**14 GOODWILL ON CONSOLIDATION**

	Group	
	2000	1999
	RM'000	RM'000
As at 1 July	29,847	31,767
Amortisation for the financial year	(1,377)	(1,401)
Partial dilution of a subsidiary company	-	(519)
	28,470	29,847
As at 30 June	28,470	29,847

15 INVENTORIES

	Group	
	2000	1999
	RM'000	RM'000
At cost:		
Raw materials	46,494	55,918
Finished goods	34,434	42,471
Stores and consumables	1,326	3,276
Work in progress	58	682
Goods in transit	17,261	21,533
	<u>99,573</u>	<u>123,880</u>
At net realisable value:		
Raw materials	9,053	-
General and consumable	271	-
	<u>9,324</u>	<u>-</u>
Less : Provision for stock obsolescence	(1,371)	(1,171)
	<u>107,526</u>	<u>122,709</u>

Inventories stated at net realisable value were arrived at net of the following provisions:

	Group	
	2000	1999
	RM'000	RM'000
Raw materials	6,321	-
General and consumable	70	-
	<u>6,391</u>	<u>-</u>

16 DEBTORS

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Trade debtors	78,095	70,312	-	-
Other debtors	6,861	5,449	768	975
Amount due from associated companies	46	431	-	-
Amount due from related parties	-	11,617	-	-
Amount due from a shareholder of an associated company	17,683	17,978	-	-
	<u>102,685</u>	<u>105,787</u>	<u>768</u>	<u>975</u>
Less: Provision for doubtful debts	(7,390)	(6,333)	-	(429)
	<u>95,295</u>	<u>99,454</u>	<u>768</u>	<u>546</u>

The amounts due from associated companies, related parties and a shareholder of an associated company are unsecured, interest free and have no fixed terms of repayment.

17 CREDITORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade creditors	28,000	26,414	67	89
Other creditors and accruals	45,167	44,666	32,938	30,532
Amount due to an associated company	29,711	30,209	-	-
Hire purchase creditors (Note 22)	45	72	-	-
	<u>102,923</u>	<u>101,361</u>	<u>33,005</u>	<u>30,621</u>

The amount due to an associated company is unsecured, interest free and have no fixed terms of repayment.

18 SHORT TERM BORROWINGS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unsecured:				
Bank overdrafts	20,047	22,340	2,076	1,977
Letters of credit	26,363	14,774	-	-
Bankers' acceptances	45,122	36,936	-	-
Revolving credit	50,500	96,891	40,000	40,000
Trust receipts	13,992	1,960	-	-
Bank term loans (Note 21)	131,410	8,790	-	-
	<u>287,434</u>	<u>181,691</u>	<u>42,076</u>	<u>41,977</u>

The bank overdrafts carry interest at rates ranging from 6.9% to 9.0% (1999: 9.7% to 14.6%) per annum. Other bank borrowings carry interest at rates ranging from 3.4% to 9.0% (1999: 9.9% to 15.0%) per annum.

As at 30 June 2000, the Company and a subsidiary company have not serviced some of its principal borrowings amounting to RM42.0 million and RM3.7 million, respectively and penalty interest charges amounting to RM590,000 and RM Nil, respectively. As a result certain principal bankers have frozen certain credit facilities available to the Company and the subsidiary company.

19 SHARE CAPITAL

	Group and Company	
	2000 RM'000	1999 RM'000
Ordinary shares of RM1 each:		
Authorised:		
As at 1 July/30 June	<u>100,000</u>	<u>100,000</u>
Issued and paid up:		
As at 1 July/30 June	<u>74,711</u>	<u>74,711</u>

20 RESERVES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<b>Non distributable</b>				
Share premium	<u>11,856</u>	<u>11,856</u>	<u>11,856</u>	<u>11,856</u>
Reserve on consolidation:				
As at 1 July	6,790	13,470	-	-
Partial disposal of equity interest in Victor	-	(6,315)	-	-
Partial dilution of a subsidiary company	<u>-</u>	<u>(365)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>(6,680)</u>	<u>-</u>	<u>-</u>
Exchange effects	<u>(62)</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 30 June	<u>6,728</u>	<u>6,790</u>	<u>-</u>	<u>-</u>
Capital redemption reserve:				
As at 1 July	50	-	-	-
Transfer from retained profits	66	55	-	-
Partial dilution of a subsidiary company	-	(5)	-	-
Exchange effects	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 30 June	<u>115</u>	<u>50</u>	<u>-</u>	<u>-</u>
Enterprise development and general reserves:				
As at 1 July	4,035	5,172	-	-
Transfer from retained profits	2,804	1,299	-	-
Partial disposal of equity interest in Victor	-	(2,629)	-	-
Partial dilution of a subsidiary company	-	(386)	-	-
Exchange effects	<u>(67)</u>	<u>579</u>	<u>-</u>	<u>-</u>
	<u>(67)</u>	<u>(2,436)</u>	<u>-</u>	<u>-</u>
As at 30 June	<u>6,772</u>	<u>4,035</u>	<u>-</u>	<u>-</u>
Gain on restructuring of motorcycle business:				
As at 1 July	23,110	-	-	-
Gain on restructuring	-	25,324	-	-
Partial dilution of a subsidiary company	-	(2,214)	-	-
Exchange effects	<u>(380)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(380)</u>	<u>23,110</u>	<u>-</u>	<u>-</u>
As at 30 June	<u>22,730</u>	<u>23,110</u>	<u>-</u>	<u>-</u>

20 RESERVES (Continued)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Accretion arising from additional shares issued to minority interest:				
As at 1 July	1,411	-	-	-
Accretion arising from additional shares issued to minority interest	-	1,441	-	-
	-	1,411	-	-
As at 30 June	1,411	1,411	-	-
Exchange fluctuation reserve:				
As at 1 July	2,963	10,749	-	-
Arising on assets and liabilities of foreign investments	1,408	(4,915)	-	-
Arising on foreign currency liability accounted for as a hedge of foreign investments	(888)	(319)	-	-
Partial disposal of equity interest in Victor	-	(2,175)	-	-
Partial dilution of a subsidiary company	-	(377)	-	-
	520	(7,786)	-	-
As at 30 June	3,483	2,963	-	-
<b>Distributable</b>				
(Accumulated losses)/retained profits	(31,261)	(12,987)	25,658	30,449
Total reserves	21,834	37,228	37,514	42,305

The enterprise development and the general reserves are maintained by the Group's associated companies in accordance with the accounting regulations in the People's Republic of China and are not available for the payment of cash dividends. The amounts shown represent the Group's share of the reserves.

The capital redemption reserve pertains to redemption of redeemable preference shares by a subsidiary company and is not available for the payment of cash dividends.

Subject to the agreement by the Inland Revenue Board, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank approximately RM6.5 million of the retained profits as at 30 June 2000 if paid out as dividends without incurring any further tax liability.

Subject to the approval of the tax authorities, the Company has tax exempt account available to frank tax exempt dividends amounting to approximately RM34.1 million (1999: RM34.1 million).

**21 BANK TERM LOANS (UNSECURED)**

	Group	
	2000 RM'000	1999 RM'000
Term loans due within 12 months (Note 18)	131,410	8,790
Term loans due after 12 months	7,227	124,106
	138,637	132,896

The term loans are repayable over the following periods:

Within one year	131,410	8,790
Between one and two years	4,809	120,296
Between two and five years	2,418	3,810
	138,637	132,896

The term loans of the subsidiary companies bear interest rates ranging from 6.8% to 9.8% (1999: 7.2% to 15.2%) per annum.

As at 30 June 2000, a subsidiary company has not serviced its principal borrowings amounting to RM3.7 million.

**22 HIRE PURCHASE CREDITORS**

	Group	
	2000 RM'000	1999 RM'000
Payable within 12 months (Note 17)	45	72
Payable after 12 months	22	66
	67	138

The hire purchase creditors bear interest at rates of ranging from 4.54% to 8.04%.

**23 OTHER LONG TERM LIABILITY**

The other long term liability represents an amount payable to a creditor over a period of 8 years pursuant to an agreement dated 24 March 1994 between a subsidiary company and a previous shareholder of the subsidiary company.

**24 DEFERRED TAXATION**

	Group	
	2000 RM'000	1999 RM'000
As at 1 July	600	1,032
Transfer from/(to) income statement (Note 8)	709	(432)
As at 30 June	1,309	600

The deferred tax provided in the financial statements is in respect of excess of capital allowances over depreciation.

**25 CASH AND CASH EQUIVALENTS**

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Deposits, cash and bank balances	25,888	56,484	6	1
Bank overdrafts (Note 18)	(20,047)	(22,340)	(2,076)	(1,977)
	<b>5,841</b>	<b>34,144</b>	<b>(2,070)</b>	<b>(1,976)</b>
	<b>5,841</b>	<b>34,144</b>	<b>(2,070)</b>	<b>(1,976)</b>

**26 CAPITAL COMMITMENTS**

	Group	
	2000 RM'000	1999 RM'000
Capital expenditure for fixed assets authorised by the Directors but not provided for in the financial statements:		
Contracted	-	64
Not contracted	2,478	5,569
	<b>2,478</b>	<b>5,633</b>
	<b>2,478</b>	<b>5,633</b>

**27 OPERATING LEASE COMMITMENTS**

At balance sheet date, the Group was committed to making payments shown below in respect of operating leases with a term of more than one year:

	Group	
	2000 RM'000	1999 RM'000
Within one year	207	73
Within two to five years	33	-
	<b>240</b>	<b>73</b>
	<b>240</b>	<b>73</b>

**28 CONTINGENT LIABILITIES (UNSECURED)**

Contingent liabilities of the Company in respect of guarantees given to financial institutions for credit facilities granted to subsidiary companies amounted to RM8.7 million (1999: RM15.5 million).

**29 SIGNIFICANT RELATED PARTY TRANSACTIONS**

	Group	
	2000 RM'000	1999 RM'000
Purchases from corporate shareholders of a subsidiary company	11,434	8,985
Sales to a related party	-	1,975
	<b>11,434</b>	<b>10,960</b>
	<b>11,434</b>	<b>10,960</b>

During the financial year, the Group provided trade financing amounting to approximately RM42,734,000 (1999: RM11,213,000) to a related party for purchases made by that related party.

Related parties refer to corporations in which a Director or substantial shareholder of the Company and/or its subsidiary companies is a director, substantial shareholder or is able to exercise significant influence, or corporations in which a party, who has a substantial deemed interest in the Company and/or its subsidiary companies, also has a substantial deemed interest.

### 30 SUBSEQUENT EVENTS

- (a) In July 2000, Taizhou Mount-Channel Machinery Co Ltd, an associated company, issued additional share capital of US\$1,000,000 to its shareholders in the same proportion as that of the existing shareholdings. As a result, the Group's investment, held by Aarau Investment Pte Ltd, in this associated company has increased by US\$300,000.
- (b) In July 2000, Arbon Investment Pte Ltd entered into an agreement with Zhejiang Qianjiang Motorcycle Co Ltd to set up a company, Zhejiang Qianjiang Kaosin Precision Co Ltd ('ZKP'), in the People's Republic of China. The initial registered share capital of ZKP is US\$2,500,000 and its principal activities are designing, producing and trading of moulds. The Group's capital contribution to the company is US\$1,255,000, representing 49% equity interest in ZKP.
- (c) In July 2000, Sonlife International Pte Ltd acquired 125,000 ordinary shares of RM1.00 each in First Aquaculture Resources Management Sdn Bhd ("FARM"), representing 20% of the total issued and paid-up share capital of FARM. As a result, FARM becomes an associated company of the Group.

### 31 SEGMENTAL INFORMATION

	Revenue RM'000	Profit/(loss) RM'000	Total assets employed RM'000
<b>2000</b>			
<b>Industry</b>			
Dry cargo containers (Note 7)	22,347	(18,935)	61,154
Steel services	210,987	7,419	240,600
Motorcycle	-	50,686	254,957
Investment holding	-	(2,777)	21,968
International trading and distribution	52,037	(5,826)	28,741
	<u>285,371</u>	<u>30,567</u>	<u>607,420</u>
Net interest expenses		(19,953)	
Exceptional items (Note 7)		(26,720)	
Loss before taxation		<u>(16,106)</u>	
<b>Geographical</b>			
Malaysia	233,334	(10,840)	301,897
Republic of Singapore	51,240	(3,876)	40,662
People's Republic of China	-	50,686	254,957
Others	797	(5,403)	9,904
	<u>285,371</u>	<u>30,567</u>	<u>607,420</u>
Net interest expenses		(19,953)	
Exceptional items (Note 7)		(26,720)	
Loss before taxation		<u>(16,106)</u>	

**31 SEGMENTAL INFORMATION (Continued)**

	Revenue RM'000	Profit/(loss) RM'000	Total assets employed RM'000
<b>1999</b>			
<b>Industry</b>			
Dry cargo containers	68,642	(326)	128,875
Steel services	157,344	980	229,813
Motorcycle	-	27,203	220,484
Investment holding	-	(4,308)	35,656
International trading and distribution	26,844	(3,852)	34,395
	<u>252,830</u>	<u>19,697</u>	<u>649,223</u>
Net interest expenses		(27,158)	
Exceptional items (Note 7)		(1,332)	
Loss before taxation		<u>(8,793)</u>	
<b>Geographical</b>			
Malaysia	225,986	1,303	358,662
Republic of Singapore	23,279	(6,432)	61,907
People's Republic of China	-	27,203	220,484
Others	3,565	(2,377)	8,170
	<u>252,830</u>	<u>19,697</u>	<u>649,223</u>
Net interest expenses		(27,158)	
Exceptional items (Note 7)		(1,332)	
Loss before taxation		<u>(8,793)</u>	

## STATEMENT BY DIRECTORS PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

We, Jen (B) Tan Sri Dato' Zain Hashim and Tan Sri William H.J. Cheng, being two of the Directors of Amalgamated Containers Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 17 to 44 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2000 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 28 October 2000.

On behalf of the Board

**JEN (B) TAN SRI DATO' ZAIN HASHIM**  
DIRECTOR

**TAN SRI WILLIAM H.J. CHENG**  
DIRECTOR

Kuala Lumpur  
28 October 2000

## STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Tan Sri William H.J. Cheng, the Director primarily responsible for the financial management of Amalgamated Containers Berhad, do solemnly and sincerely declare that the financial statements set out on pages 17 to 44 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

**TAN SRI WILLIAM H.J. CHENG**

Subscribed and solemnly declared by the abovenamed Tan Sri William H.J. Cheng at Kuala Lumpur on 28 October 2000, before me.

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

## AUDITORS' REPORT TO THE MEMBERS OF AMALGAMATED CONTAINERS BERHAD

We have audited the financial statements set out on pages 17 to 44. 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 auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
  - (ii) the state of affairs of the Group and of the Company as at 30 June 2000 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

Without qualifying our opinion, we draw attention to:

- (a) Notes 2, 18 and 21 to the financial statements which explain the financial position of the Group and the Company and the default of the Company and a subsidiary company in servicing principal borrowings and penalty interest. Continuation of the Group and the Company as going concerns is dependent on the Company and its subsidiary company obtaining continuous financial support from the financial institutions and achieving profitable operations.
- (b) Note 12(b) to the financial statements which describes the manner in which share trading activities have been carried out by two of the associated companies, Zhejiang Yizhong Motorcycle Electric Products Co Ltd ("Yizhong") and Zhejiang Yipeng Engine Parts Co Ltd ("Yipeng") which results have been equity accounted for in the financial statements of the Group. The management of Yizhong and Yipeng have indicated their intention to cease these trading activities and to progressively realise the investments in the shares held. Management is confident that the amounts will be fully recoverable.

## **AUDITORS' REPORT TO THE MEMBERS OF AMALGAMATED CONTAINERS BERHAD** (Continued)

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 11 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

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

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

### **PRICEWATERHOUSECOOPERS**

(No. AF: 1146)

Public Accountants

### **ERIC OOI LIP AUN**

(No. 1517/6/02 (J))

Partner of the firm

Kuala Lumpur

28 October 2000

## LIST OF GROUP PROPERTIES

AS AT 30 JUNE 2000

Location	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Present Capital Value (RM million)
Lot 74, Jalan Bukit Tengah, Kawasan Perindustrian Prai Phase IV, Prai Penang	Leasehold 22.10.2052	5.46 hectares	Industrial land and building	Factory & office (8)	11.8
Lot 19, Leboh Hishamuddin Satu, Kawasan 20, Bandar Sultan Sulaiman 42000 Port Klang Selangor	Leasehold 23.02.2089	66,773 sq metres	Industrial land and building	Factory & office (8)	20.5
Lot 177, Jalan Utas 40000 Shah Alam Selangor	Leasehold 10.07.2074	42,130 sq metres	Industrial land and building	Factory & office (5 - 24)	24.0
Lot 1218, Mukim 12 Daerah Seberang Perai Selatan Penang	Freehold -	4.83 hectares	Industrial land and building	Factory & office (3)	20.1
Lot 1221, Mukim 12 Daerah Seberang Perai Selatan Penang	Freehold -	3.47 hectares	Industrial land	Vacant	

## ANALYSIS OF SHAREHOLDINGS

AS AT 31 OCTOBER 2000

### Share Capital

Authorised Share Capital - RM100,000,000  
Issued and Paid-up Capital - RM74,711,000

### Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 500	59	1.66	7,846	0.01
500 - 5,000	3,014	84.88	5,502,574	7.37
5,001 - 10,000	218	6.14	1,770,500	2.37
10,001 - 100,000	208	5.86	5,969,336	7.99
100,001 - 1,000,000	39	1.10	16,430,013	21.99
Above 1,000,000	13	0.36	45,030,731	60.27
	<u>3,551</u>	<u>100.00</u>	<u>74,711,000</u>	<u>100.00</u>

Substantial Shareholders	No. of Shares	% of Shares
1. Tan Sri William H.J. Cheng	33,089,814	44.29
2. Datuk Cheng Yong Kim	32,375,429	43.33
3. Lion Realty Pte Ltd	32,375,429	43.33
4. Lembaga Tabung Angkatan Tentera	30,791,054	41.21
5. Happyvest (M) Sdn Bhd	29,375,429	39.32
6. Lancaster Trading Company Limited	29,375,429	39.32
7. Lion Holdings Sdn Bhd	29,375,429	39.32
8. Utara Enterprise Sdn Bhd	29,375,429	39.32
9. William Cheng Sdn Bhd	29,375,429	39.32
10. Amanvest (M) Sdn Bhd	24,804,782	33.20
11. Amsteel Corporation Berhad	24,804,722	33.20
12. Lion Corporation Berhad	24,804,722	33.20
13. Mirzan bin Mahathir	24,804,722	33.20
14. Peringkat Prestasi (M) Sdn Bhd	24,804,722	33.20
15. Timuriang Sdn Bhd	24,804,722	33.20
16. Umatrac Enterprises Sdn Bhd	24,804,722	33.20
17. Anim bin Harun	23,850,000	31.92
18. Fort Victory Sdn Bhd	23,850,000	31.92
19. Ling Hee Leong	23,850,000	31.92
20. Chun Yuan Steel Industry Co Ltd	6,678,750	8.94
21. Panoron Sdn Bhd	4,570,647	6.12
22. Tirta Enterprise Sdn Bhd	4,570,647	6.12
23. Horizon Towers Sdn Bhd	3,000,000	4.02
24. Lion Development (Penang) Sdn Bhd	3,000,000	4.02
25. Lin Chung Dien	1,503,437	2.01

Bare Trustees pursuant to Section 69P of the Companies Act, 1965	No. of Shares	% of Shares
1. HDM Nominees (Tempatan) Sdn Bhd	16,680,069	22.32
2. RHB Merchant Nominees (Tempatan) Sdn Bhd	3,000,000	4.02
3. CIMB Nominees (Tempatan) Sdn Bhd	2,000,000	2.68
4. Merchant Nominees (Tempatan) Sdn Bhd	1,812,647	2.43

<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	16,625,069	22.25
2. Chun Yuan Steel Industry Co Ltd	6,085,000	8.14
3. Lembaga Tabung Angkatan Tentera	5,986,332	8.01
4. RHB Merchant Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Horizon Towers Sdn Bhd	3,000,000	4.02
5. Lion Corporation Berhad	2,233,029	2.99
6. CIMB Nominees (Tempatan) Sdn Bhd The Sanwa Bank Limited Pledged Securities Account for Umatrac Enterprises Sdn Bhd	2,000,000	2.68
7. Merchant Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tirta Enterprise Sdn Bhd	1,812,647	2.43
8. Lin Chung Dien	1,506,437	2.02
9. Ng Choo Kwan Holdings Sdn Bhd	1,182,593	1.58
10. Ong Huey Peng	1,180,000	1.58
11. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tirta Enterprise Sdn Bhd (01-00255-000)	1,176,000	1.57
12. Chew Boon Seng	1,150,000	1.54
13. Leaw Hock Seng	1,093,624	1.46
14. Permodalan Nasional Berhad	1,000,000	1.34
15. CIMSEC Nominees (Tempatan) Sdn Bhd Danaharta Managers (L) Ltd for Umatrac Enterprises Sdn Bhd	1,000,000	1.34
16. Syarikat Nominee Bumiputra (Tempatan) Sdn Bhd Pledged Securities Account for Umatrac Enterprises Sdn Bhd (3267 LINT)	1,000,000	1.34
17. Amsteel Corporation Berhad	991,000	1.33
18. Mayfin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Capitalvent Industries Sdn Bhd (MDTA)	982,000	1.31
19. Ho Long Sun	963,000	1.29
20. Limpahjaya Sdn Bhd	955,000	1.28

# FORM OF PROXY

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member/members of AMALGAMATED CONTAINERS BERHAD hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_  
or failing whom \_\_\_\_\_  
of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at the Meeting Hall, Level 23, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur on Thursday, 14 December 2000 at 10.00 am and at any adjournment thereof.

RESOLUTION	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. Tan Sri Dato' Jaffar bin Abdul		
5. To re-elect as Director, Mr Chiang Kao-Hsiung		
6. To re-appoint as Director, Y. Bhg. Jen (B) Tan Sri Dato' Zain Hashim		
7. To re-appoint Auditors		
8. 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 \_\_\_\_\_

In the presence of \_\_\_\_\_

## Representation at Meeting

- (1) 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.
- (2) A proxy need not be a member of the Company.
- (3) 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, under its common seal. An instrument appointing a proxy executed in Malaysia need not be witnessed. An instrument appointing a proxy executed outside Malaysia shall be attested by a solicitor, notary public, consul or magistrate.
- (4) The instrument of proxy shall be deposited at the Registered Office of the Company, Level 46, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur at least forty-eight (48) hours before the time appointed for holding the Meeting.