



**MAH SING GROUP BERHAD** (230149 P)  
(Incorporated In Malaysia)



Laporan Tahunan

**2000** Annual Report



# contents



**MAH SING GROUP BERHAD** (230149 P)  
(Incorporated In Malaysia)



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Form of Proxy

# Financial Highlights of the Group



**MAH SING GROUP BERHAD** (230149 P)  
(Incorporated In Malaysia)

**2000/RM'000**



Turnover 132,529



Operating Loss (1,882)



Profit Attributable to Shareholders 641

Total Assets 276,357  
Shareholders' Funds 73,268  
Paid Up Capital 43,978



Earnings per Share (sen) 1.5



Net Tangible Assets per Share (RM) 1.65



**1999/RM'000**



Turnover 154,648



Operating Profit 2,346



Profit Attributable to Shareholders 4,480

Total Assets 203,288  
Shareholders' Funds 71,490  
Paid Up Capital 43,978



Earnings per Share (sen) 10.2



Net Tangible Assets per Share (RM) 1.59



# Notice of Annual General Meeting



**MAH SING GROUP BERHAD** (230149 P)  
(Incorporated In Malaysia)

**NOTICE IS HEREBY GIVEN** that the Ninth Annual General Meeting of the Company will be held at Wisma Mah Sing, Penthouse Suite 1, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur on Tuesday, 26 June 2001 at 10.00 a.m. for the following purposes:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2000 together with the Directors' and Auditors' Report thereon. (Resolution 1)
2. To approve the Directors' fees for the financial year ended 31 December 2000. (Resolution 2)
3. To re-elect Encik Wahid Bin Othman, the Director retiring pursuant to Article 102 of the Company's Articles of Association, and being eligible, offers himself for re-election. (Resolution 3)
4. To re-elect Captain (Rtd) Izaham Bin Abd. Rani, the Director retiring pursuant to Article 109 of the Company's Articles of Association, and being eligible, offers himself for re-election. (Resolution 4)
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. (Resolution 5)
6. To transact any other business of which due notice shall have been given.

## BY ORDER OF THE BOARD

Yap Keong @ Yap Kong Nam (MIA 892)

Wong Fen Kong (MIA 1057)

Cheah Yoke Sim (LS 007219)

*Company Secretaries*

Kuala Lumpur

30 May 2001

## NOTES:

1. A member entitled to attend and vote at the Ninth Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy or attorney or duly authorised representative need not be a member of the Company.
2. The power of attorney or a notarially certified copy thereof or the instrument appointing the proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, it must be executed under its seal or in the manner authorised in its constitution.
3. The instrument appointing a proxy together with the power of attorney (if any) under which is signed or a duly notarially certified copy thereof must be deposited at the registered office of the Company at Wisma Mah Sing, Penthouse Suite 1, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.



**MAH SING GROUP BERHAD** (230149 P)  
(Incorporated In Malaysia)

## **CHAIRMAN**

Jen. (R) Tan Sri Yaacob Bin Mat Zain

## **MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER**

Dato' Dr Leong Hoy Kum

## **DIRECTORS**

Yap Keong @ Yap Kong Nam (Executive Director)

Wahid Bin Othman (Executive Director)

Leong Yuet Mei

Captain (Rtd) Izaham Bin Abd. Rani

## **COMPANY SECRETARIES**

Yap Keong @ Yap Kong Nam

Wong Fen Kong

Cheah Yoke Sim

## **AUDITORS**

PricewaterhouseCoopers

## **REGISTRARS**

PFA Registration Services Sdn Bhd (Company No. 19234-W)

Level 13, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya

Tel: 03-77254888 Fax: 03-77222311

## **REGISTERED OFFICE**

Wisma Mah Sing, Penthouse Suite 1, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur

Tel: 03-92218888 Fax: 03-92222833

## **BANKERS**

Alliance Bank Malaysia Berhad

Bumiputra-Commerce Bank Berhad

Malayan Banking Berhad

OCBC Bank (M) Berhad

Overseas Union Bank (M) Berhad



## COMPOSITION OF MEMBERS

Jen. (R) Tan Sri Yaacob Bin Mat Zain (Chairman, Independent Non-Executive Director)

Captain (Rtd) Izaham Bin Abd. Rani (Independent Non-Executive Director)

Yap Keong @ Yap Kong Nam (Executive Director)

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Audit Committee shall be granted the authority to investigate any activities of the Company and its subsidiaries and shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities.

The duties of the Committee shall be to:

- Consider the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal.
- Discuss with the external auditors the nature and scope of the audit before the audit commences, and ensure co-ordination where more than one audit firm is involved.
- Review the quarterly and annual financial statements before submission to the Board, focusing particularly on:
  - any changes in accounting policies and practices
  - major judgmental areas
  - significant adjustments resulting from the audit
  - the going concern assumption
  - compliance with approved Accounting Standards in Malaysia
  - compliance with stock exchange, relevant laws and external regulations
- Discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).
- Review the internal audit programme, consider the major findings of internal audit investigations and management's response, and ensure co-ordination between the internal and external auditors.
- Keep under review the effectiveness of internal control systems, and in particular review the external auditors' management letter and management's response.
- Review the adequacy of and compliance with ethical guidelines and Group policies affecting corporate governance
- Consider other topics, as defined.

The secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

# Mah Sing Group Structure



**MAH SING GROUP BERHAD** (230149 P)  
(Incorporated In Malaysia)



## PLASTICS DIVISION

### Malaysia

- MAH SING PLASTICS INDUSTRIES SDN BHD
- MAH SING ENTERPRISE SDN BHD
- MAH SING - YOSHIKAWA COMPONENTS MANUFACTURING SDN BHD
- KENWIRA SDN BHD

### Indonesia

- P.T. MAH SING INDONESIA







#### **PROPERTY DIVISION**

- MAH SING PROPERTIES SDN BHD
- MESTIKA BISTARI SDN BHD
- ACACIA SPRINGS MANAGEMENT SDN BHD



#### **CONSUMER PRODUCTS DIVISION**

- PENINSULAR CONNECTION SDN BHD
- TRUE MINERAL WATER SDN BHD
- SPRING FRESH SDN BHD



# Chairman's Statement



MAH SING GROUP BERHAD (230149 P)  
(Incorporated In Malaysia)

**C**ertainly it was another hard and challenging year for most Malaysian businesses at the start of the new millennium, even though the performance of the economy began quite promisingly during the early quarters of the year against the year before. Despite this, the management and staff of the Group became more resolute and determined to prevail, since the worst had probably been over. On behalf of the Board of Directors, I have the pleasure in presenting you the Annual Report and Audited financial statements of the Group for the financial year ended 31 December 2000.

## OVERVIEW

As aforesaid, the economy started on a very resounding note at the beginning of the year as it recovered confidently from the recession of 1998. It began with 11.9% GDP growth for the first quarter, 8.5% for the second, 7.8% for the third and down to 6.5% for the fourth quarter on year-on-year basis as compared to the preceding year. The economic slow down in the United States,



*Golden entrance to Sri Pulai Perdana, Johor Baru.*

Malaysia's key trading partner, beginning from the second half of the year had affected some sectors of the economy, especially exports of the manufacturing sector. Being an export-based economy to an extent explains the declining GDP growth rate at the later part of the year.

The Group maintains its performance track despite the slight reversing trend on the economic growth, as it continues to implement strategic business initiatives in meeting market demands as well as other business objectives. These include cost austere measures that have been implemented since the outset of the financial crisis and being reviewed consistently.

## REVIEW OF FINANCIAL RESULTS

For the year, the Group made a profit after tax of RM0.6m on the back of a lower turnover of RM132.5m. While the plastic division made a strong recovery increasing its turnover by RM14.0m

or 28.9%, the Group's turnover was affected by the lower contribution of the property division's reduced billing of RM64.9m down by RM30.4m or 31.9% largely due to the diminishing tail-end inventory of the completed property stocks at its anchor development area of Mah Sing Integrated Industrial Park in Bandar Pinggiran Subang.

The lower after tax profit was mainly due to an unrealized foreign exchange loss of RM5.6m arising from the retranslation of US Dollar borrowings for our plastic operations in Jakarta, Indonesia.

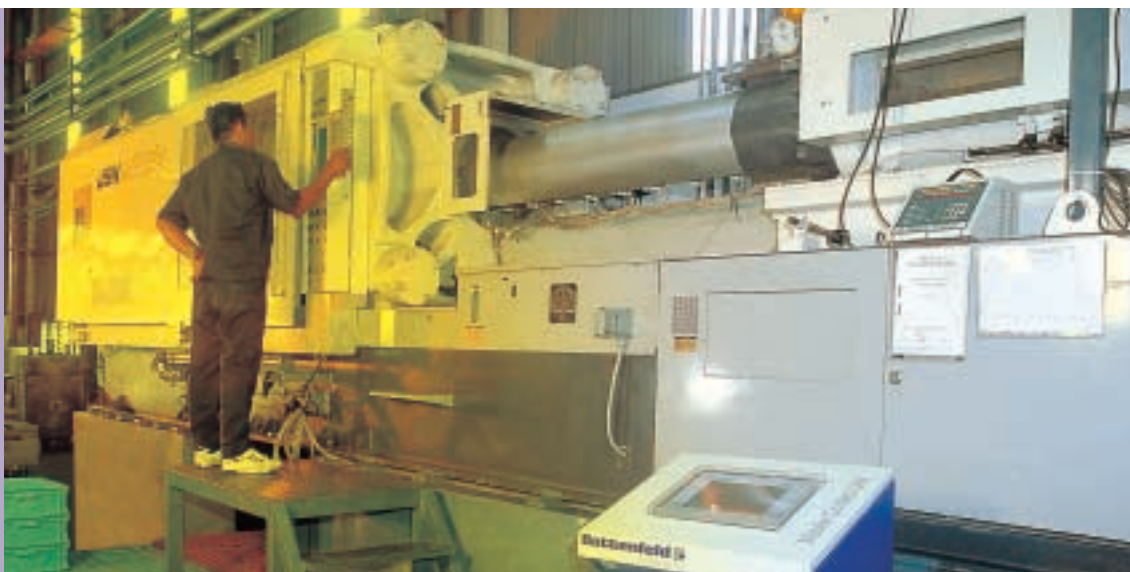
## **DIVIDEND**

The Board of Directors regrets that dividend will not be declared for the financial year. However, the Board is hopeful that the Group shall be able to improve its profitability to enable it to consider dividend at the first available opportunity.

## **REVIEW OF OPERATIONS**

### **Property**

The property sector of the economy continued to receive support from several fiscal incentives undertaken by the Government as recession-recovery measures. The non-residential sub-sectors



maintain its large supply over-hangs. However, the Group's evident concentration in the residential sub-sectors enable it to perform reasonably well, thwarted only by the diminishing supply of completed stocks due to the tail-end completion of its anchor development project Mah Sing Integrated Industrial Park in Bandar Pinggiran Subang. The division registered a turnover of RM64.9m, 31.9% lower than the previous year with a profit before tax of RM3.2m.

The acquisition of another prime land, 302-acre freehold for RM87m in Pulai, Johor Baru was successfully completed in February 2000, and thereafter obtained all the relevant approvals from the State Government for immediate construction start-ups. Captioned "Sri Pulai Perdana" focusing on providing new concept homes in a resort environment, it began its soft launches in October with the built-up of "life style" show-houses, and immediately received overwhelming response from the public. A new office set-up housing more than 10 staff becomes our branch office in Johor Baru, providing working facilities also for our non-property businesses covering markets for the southern region.

# Chairman's Statement



MAH SING GROUP BERHAD (230149 P)  
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## Plastics

The resolves to challenge fundamentals by executing new business plans, stepping-up R & D activities, a more focused marketing strategies as well as exploring newer markets overseas are now paying dividends for the plastic division. The division posted a turnover of RM62.7m, an increase of RM14.0m or 28.7% from RM48.7m the year before. However, the division registered a loss before tax of RM3.1m mainly due to the unrealised foreign exchange loss of RM5.6m as mentioned earlier. By excluding the unrealised foreign exchange effect, the division recorded a profit before tax of RM2.5m, contributed positively by both operations in Malaysia and Indonesia. The good performance is on account of an overall industry growth of 17% for the year. By Malaysian operations breakdown, turnover increased from RM42.1m to RM49.2m or 16.8%, assisted by increased exports of furniture products, industrial pallets and material handling containers.



Whereas the Indonesian operation's turnover improved by two-folds from RM6.6m to RM13.6m or 106.1% aided by an increasing demands from new client-bases for automotive plastic products as well as components for domestic appliances.

## Consumer Product Division

For the year, our mineral water operation in Ulu Yam, Batang Kali was unable to sustain its previous year's turnover. Revenue dropped from RM6.9m to RM4.5m or by 34.8% due largely to stiff competition and entry of new low end and indirect competitors such as "drinking and distilled" water bottling facilities.

## Motorcycle Division

There were no new market indicators to justify the division importing new CBU stocks for the year. Disposal of available stocks as re-exports netted a turnover of RM0.4m and profit before tax of RM0.3m.

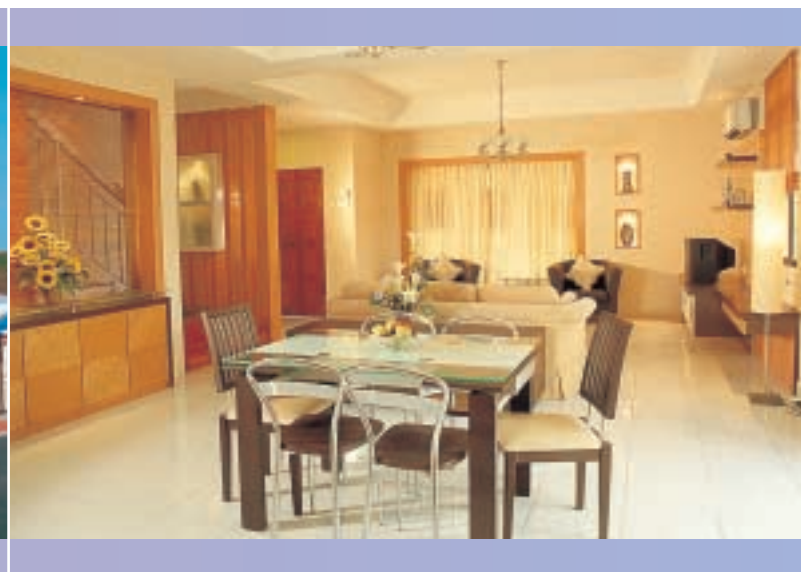


## PROSPECTS

Outlook for the Malaysian economy for the next year is very likely to hinge on the magnitude and duration of the US economic slowdown which began from the second half of the year. However, the continuous strong momentum of China's economy may to a certain extent cushion the adverse effects of the US slowdown on our export-dependent economy. From an 8.5% average GDP growth for the financial year, the overall growth forecasted for the current year 2001, given the various indicators is at 5.0%. The most recent rallying measures undertaken by the government through its pro-growth policies to stimulate the economy particularly to the construction sector, may enable the economy to register a 6.0% growth overall for the current year.

## Property

Beginning from December 13th during the financial year, Mah Sing Group Berhad is reclassified under the "Properties" sector-heading of the KLSE Second Board from its previous "Industrial" sector-heading. Thus, underscoring the heavier responsibility of the property division's performance in relation to the Group's other core activities.



The Division's new 302-acre flagship Sri Pulai Perdana, Johor Baru, designed for more than 4,000 construction unit start-ups over a 6-8 year development period is performing to expectation. It netted in excess of RM90m sales over 5 months since its first day launch in October. Tagged "Today's Lifestyle - Tomorrow's Living", Sri Pulai Perdana offers development of residential units affordably priced. There will be commercial units like shops and a hypermarket, primary and secondary schools, police station, polyclinic and recreational areas like a concept **townpark** with soft landscape features.

A major factor that may affect the Division's performance this year will hinge on the government's continuous support to the property sector through the **home ownership campaign**.

Fiscal policies such as low interest rates, stamp duty exemption and also relaxation by the Foreign Investment Committee on foreign ownership, will stimulate property purchasing activities.

The Division's focus on launching initially only landed properties like double storey terrace houses priced below RM200,000 and capitalizing on the strategic location of Sri Pulai Perdana together with the commitment to quality augurs well for the Division for the coming years.

# Chairman's Statement



**MAH SING GROUP BERHAD** (230149 P)  
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As a strategy, the division will continue scouting for land banks in Klang Valley and Selangor, with the set criteria of building the right products in the right locations and at the right timings.

## Plastics

The division is encouraged by the 28.7% turnover growth for the year and needs only to reinforce present strategies as earlier underlined. For an export-oriented economy, opportunities on AFTA and WTO far outweighs any foreseeable shortcomings. The prospects for export of manufactured goods from the country is ever increasing, and our division will continue to explore newer markets at every conceivable opportunity. For the prospective year we have identified several international exhibitions to participate, which will enable us to enhance our international marketing networkings and exposures.



As a strategy, the division will intensify its own R & D for home-grown products, will improve processes and transform components manufacturing into a completely assembled finished-products. Ensuring the division is competitively placed in the international environment, plans are made to initiate out-sourcing of home-grown products from lower-cost producing neighbouring countries and China. On the same score, the division is acquiring new **Electro servo-drive** moulding machines to produce high precision engineering plastic products for the electrical & electronic industry. On stream under this technology enhancement programme will be the purchase of a new **4,000 tonne** injection moulding machine to replace the old 3,300 tonne machine. The machine, said to be the biggest in the region will be commissioned in August the current year, and is designed to produce ultra large plastic products for automotive and industrial sectors.

## Consumer Products & Motorcycle Divisions

With the outlook on growth unlikely to fare better than the year, the consumer division is expected to remain sustainable. Plans are being worked out to increase market share of the mineral water

products by introducing new products range such as energy and health drinks. However, we do not foresee importing Aprilia CBU motorcycles in the immediate future on the account of a continuing weaker domestic trade environment.

### **Four ISO Certifications In A Row - A measure of Excellence**

The strive for excellence in all respects of our manufacturing activities to produce world-class quality products has paid dividend in rather quick succession. In June, Mah Sing Plastics Industries Sdn Bhd, our wholly-owned subsidiary received an **ISO9001** Certification for design, product development, manufacturing assembly and secondary processes of precision and industrial plastic products by DNV Certification B.V., The Netherlands. In October, our subsidiary PT Mah Sing Indonesia's plastic plant operation in Jakarta received an **ISO9002** from TUV Anlagentechnik GmbH. In November, another wholly-owned mineral water plant, True Mineral Water Sdn Bhd, received an **ISO9002** Certification by SGS Yarsley International Certification Services, U.K. Yet another **ISO9002** was awarded to another of our subsidiary Mah Sing - Yoshikawa Components Mfg Sdn Bhd also by DNV Certification B.V., The Netherlands. We believe there will be more ISO awards availing to us in the immediate future as we strive to put Quality as our no. 1 priority. High on the list for the next awards will be to our Property Division represented by Mah Sing Properties Sdn Bhd.



### **CORPORATE EXERCISE**

On 20 September 2000, Commerce International Merchant Bankers Berhad ("CIMB") announced on behalf of the Company a proposed rights issue of shares with warrants on the basis of one rights share with one warrant for every one existing ordinary share held in the Company, proposed special issue for Bumiputra and proposed employees' share option scheme ("ESOS") together with a proposed increase in the authorised share capital. The proposed rights issue will increase Mah Sing Group Berhad's capital to a level more reflective of the scale of its present and future activities whilst the proposed special issue is for the purpose of increasing Bumiputra participation in the Company in line with the National Development policy. The proposed ESOS is intended to reward and motivate employees towards better performance through greater dedication and loyalty with a view towards enhancing productivity.



# Chairman's Statement



**MAH SING GROUP BERHAD** (230149 P)  
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In view of the weak market sentiments since the end of last financial year, CIMB had on 16 March 2001 announced on behalf of the Company that depending on market conditions at a later stage, the Company may decide to scale down the proposed rights issue to a proposed alternative rights issue on the basis of one rights share with one warrant for every two existing ordinary shares held in the Company and the proposed special issue for Bumiputra will be adjusted accordingly.

## WORDS OF THANKS

Chairman Dato' Mohd Ghazali Mohd Khalid resigned from the Board on 20 March 2001, having led the Group since its inception into the KLSE in October 1992. The Board of Directors, Management and staff of Mah Sing Group Berhad record our thanks and appreciation to Dato' Mohd Ghazali for his invaluable guidance. Deputy Chairman, myself succeeds as the new Chairman of the Group. On the same account, we welcome Captain (Rtd) Izaham Bin Abd Rani on Board as our new Director.



*Wisma Mah Sing in Johor Baru.*

## CONGRATULATIONS

In October, our Group Managing Director, Dato' Dr Leong Hoy Kum was awarded an honorary Doctorate of Philosophy (PhD) in Business Administration from the Honolulu University, Hawaii. In March the current year, he was again honoured by the award of Jaksa Pengaman (JP) by His Highness The Sultan of Selangor on the occasion of His Highness' 75th Birthday.

## ACKNOWLEDGEMENTS

Again, it has been quite a year for the Group facing up challenges of economic uncertainties both domestically and globally. Needless to say, my deepest appreciation to all valued customers, shareholders, bankers and associates for their continued support. Equally to members of the Board in particularly to the Group Managing Director, Dato' Dr Leong Hoy Kum. My special thanks to the staff in general who continued to be with us and had responded with steely determination riding over the difficulties.

**Chairman,**

Jen (R) Tan Sri Yaacob Bin Mat Zain



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**MAH SING GROUP BERHAD** (230149 P)  
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# Directors report

for the financial year ended 31 December 2000



**Mah Sing Group Berhad** (230149 P)  
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The Directors submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

## Principal activities

The principal activities of the Company are that of investment holding and provision of management services to subsidiary companies in the Group. The principal activities of the subsidiary companies are set out in note 18 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## Financial results

	<b>Group RM</b>	<b>Company RM</b>
<b>Profit for the financial year attributable to shareholders</b>	640,525	20,164
Accumulated loss brought forward	(17,430,189)	(36,252,985)
<b>Accumulated loss carried forward</b>	<b>(16,789,664)</b>	<b>(36,232,821)</b>

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

## Dividends

No dividend was paid or declared by the Company since the end of previous financial year. The Directors do not recommend the payment of any dividend for the financial year ended 31 December 2000.

## Movements on reserves and provisions

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

## Directors

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

Jen (R) Tan Sri Yaacob Bin Mat Zain

Dato' Dr Leong Hoy Kum

Yap Keong @ Yap Kong Nam

Wahid Bin Othman

Leong Yuet Mei

Captain (Rtd) Izaham Bin Abd. Rani

(Appointed on 16 April 2001)

Dato' Mohd Ghazali Bin Mohd Khalid

(Resigned on 20 March 2001)



## Directors' interests

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in the shares in the Company are as follows:

Direct interest in the Company	Number of ordinary shares of RM1.00 each			
	1 January	Addition	Disposal	31 December
Dato' Dr Leong Hoy Kum	20,028,683	–	–	<b>20,028,683</b>
Dato' Mohd Ghazali Bin Mohd Khalid	20,434	–	–	<b>20,434</b>

By virtue of Dato' Dr Leong Hoy Kum having an interest of more than 15% of the shares in the Company, he is deemed to have an interest in the issued share capital of all the subsidiary companies during the financial year.

No other Directors in office at the end of the financial year held any interest in the shares in the Company and its related corporations during the financial year.

## Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees, other emoluments and benefits in kind as shown in note 8 to the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of any transaction with companies, in which the Directors have substantial financial interests, in the ordinary course of business.

Neither during nor at the end of the financial year was the Company or any of its related corporations a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Significant event

During the financial year, Mah Sing Properties Sdn Bhd, a wholly-owned subsidiary company of Mah Sing Group Berhad, entered into a conditional Sale and Purchase Agreement with Southern Integrated City Sdn Bhd for the acquisition of a parcel of freehold land held under Geran 25081, Lot 241, Mukim Pulai, Daerah Johor Baru, Johor Darul Takzim measuring approximately 302.74 acres of land for a cash consideration of RM87,000,000. The acquisition was approved by the relevant authorities and the Company's shareholders at the Extraordinary General Meeting held on 13 June 2000. The acquisition was completed during the financial year.

## Other statutory information

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

- to ascertain the action 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
- to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.



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

- (a) which would render the amounts written off or provided for bad and doubtful debts of the Group and of the Company inadequate to any material extent or the values attributed to current assets of the Group and of the Company misleading; and
- (b) 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.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year; and
- (b) no charge has arisen on the assets of any company in the Group which secures the liability of any other person nor has any contingent liability arisen in any company in the Group.

No contingent or other liability of any company in the Group 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 affect the ability of the Company and its subsidiary companies to meet their obligations when they fall due.

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.

## **Auditors**

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

In accordance with a resolution of the Board of Directors dated 25 April 2001.

**Jen (R) Tan Sri Yaacob Bin Mat Zain**

Chairman

**Dato' Dr Leong Hoy Kum**

Managing Director

Kuala Lumpur

# Income statements

for the financial year ended 31 December 2000



**Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
Revenue	4	<b>132,528,704</b>	154,648,290	<b>2,384,445</b>	2,380,938
Cost of sales		<b>(112,277,815)</b>	(134,670,280)	-	-
Gross profit		<b>20,250,889</b>	19,978,010	<b>2,384,445</b>	2,380,938
Other operating income		<b>3,135,147</b>	6,208,525	-	-
Selling and distribution costs		<b>(2,561,878)</b>	(2,410,446)	-	-
Administrative expenses		<b>(13,246,764)</b>	(16,851,864)	<b>(1,367,401)</b>	(4,721,908)
Other operating expenses		<b>(902,833)</b>	(971,282)	-	-
Gain on disposal of associated company	5	<b>1,921,940</b>	-	-	-
Results from deconsolidation of subsidiary companies	6	<b>1,143,000</b>	-	-	-
Profit/(loss) from operations	7	<b>9,739,501</b>	5,952,943	<b>1,017,044</b>	(2,340,970)
Finance cost	9	<b>(11,721,176)</b>	(3,700,930)	<b>(380,880)</b>	-
Share of results of associated company		<b>100,065</b>	93,533	-	-
(Loss)/profit from ordinary activities before taxation		<b>(1,881,610)</b>	2,345,546	<b>636,164</b>	(2,340,970)
Taxation	10	<b>1,442,113</b>	594,917	<b>(616,000)</b>	(470,771)
(Loss)/profit from ordinary activities after taxation		<b>(439,497)</b>	2,940,463	<b>20,164</b>	(2,811,741)
Minority interests		<b>1,080,022</b>	1,539,211	-	-
Net profit attributable to/ (loss absorbed by) shareholders		<b>640,525</b>	4,479,674	<b>20,164</b>	(2,811,741)
Earnings per ordinary share (sen)	11	<b>1.5</b>	10.2		

The above income statements are to be read in conjunction with the notes to the financial statements on pages 24 to 54.

Auditors' report - page 56.

# Balance sheets

as at 31 December 2000

 **Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
<b>Capital and reserves</b>					
Share capital	12	<b>43,978,000</b>	43,978,000	<b>43,978,000</b>	43,978,000
Share premium		<b>47,199,112</b>	47,199,112	<b>47,199,112</b>	47,199,112
Capital reserve		<b>851,927</b>	1,222,931	–	–
Exchange fluctuation reserve		<b>(1,971,836)</b>	(3,479,435)	–	–
Accumulated loss		<b>(16,789,664)</b>	(17,430,189)	<b>(36,232,821)</b>	(36,252,985)
		<b>73,267,539</b>	71,490,419	<b>54,944,291</b>	54,924,127
<b>Minority interests</b>		<b>(76,270)</b>	391,740	–	–
<b>Non current liabilities</b>					
Term loans	13	<b>45,674,091</b>	8,443,578	–	–
Deferred payables	14	<b>9,395,291</b>	303,361	–	–
Deferred taxation	15	<b>338,560</b>	3,625,260	–	–
		<b>55,407,942</b>	12,372,199	–	–
		<b>128,599,211</b>	84,254,358	<b>54,944,291</b>	54,924,127
Represented by:					
<b>Non current assets</b>					
Property, plant and equipment	16	<b>60,558,996</b>	68,379,572	<b>103,565</b>	71,285
Intangible assets	17	<b>763,656</b>	1,023,403	–	–
Subsidiary companies	18	–	–	<b>56,494,303</b>	55,200,925
Associated companies	19	<b>98,750</b>	2,090,789	<b>224,750</b>	224,750
Investments	20	<b>3,700</b>	3,700	–	–
Real property assets	21	<b>33,830,880</b>	–	–	–
<b>Current assets</b>					
Development properties	22	<b>119,137,658</b>	59,136,040	–	–
Inventories	23	<b>10,906,963</b>	7,285,629	–	–
Trade and other receivables	24	<b>39,972,619</b>	45,309,363	<b>7,660,708</b>	4,700,042
Deposits with licensed banks	25	<b>2,262,876</b>	1,250,717	–	–
Project accounts	26	<b>6,241,943</b>	11,030,579	–	–
Cash and bank balances		<b>2,579,429</b>	7,219,988	<b>10,309</b>	103,973
		<b>181,101,488</b>	131,232,316	<b>7,671,017</b>	4,804,015

# Balance sheets (cont d)

as at 31 December 2000

 **Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
<b>Current liabilities</b>					
Trade and other payables	27	<b>73,304,457</b>	51,662,983	<b>1,878,183</b>	859,830
Provision for liabilities and charges	28	<b>1,355,513</b>	1,433,368	–	–
Term loans	13	<b>19,816,909</b>	4,644,211	–	–
Short term borrowings	29	<b>41,979,000</b>	51,354,400	<b>5,000,000</b>	3,845,000
Bank overdrafts	30	<b>6,708,812</b>	5,373,109	<b>2,621,161</b>	622,018
Taxation		<b>4,593,568</b>	4,565,385	<b>50,000</b>	50,000
		<b>147,758,259</b>	119,033,456	<b>9,549,344</b>	5,376,848
<b>Net current assets/(liabilities)</b>		<b>33,343,229</b>	12,198,860	<b>(1,878,327)</b>	(572,833)
<b>Deferred expenditure</b>	31	–	558,034	–	–
		<b>128,599,211</b>	84,254,358	<b>54,944,291</b>	54,924,127

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 24 to 54.

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# Consolidated statement of changes in equity

for the financial year ended 31 December 2000



**Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

	Issued and fully paid ordinary shares of RM1 each		Non-distributable			Distributable	Total RM
	Number of shares	Nominal value RM	Share premium RM	Capital reserve RM	Exchange fluctuation reserve RM	Accumulated loss RM	
<b>At 1 January 1999</b>	43,978,000	43,978,000	47,199,112	851,927	(2,869,421)	(21,909,863)	67,249,755
Accretion arising from additional investment in associated company	-	-	-	371,004	-	-	371,004
Currency translation differences	-	-	-	-	(610,014)	-	(610,014)
Net profit for the financial year	-	-	-	-	-	4,479,674	4,479,674
<b>At 31 December 1999</b>	<b>43,978,000</b>	<b>43,978,000</b>	<b>47,199,112</b>	<b>1,222,931</b>	<b>(3,479,435)</b>	<b>(17,430,189)</b>	<b>71,490,419</b>
<b>At 1 January 2000</b>	<b>43,978,000</b>	<b>43,978,000</b>	<b>47,199,112</b>	<b>1,222,931</b>	<b>(3,479,435)</b>	<b>(17,430,189)</b>	<b>71,490,419</b>
Realisation upon disposal of associated company	-	-	-	(371,004)	-	-	(371,004)
Currency translation differences	-	-	-	-	1,507,599	-	1,507,599
Net profit for the financial year	-	-	-	-	-	640,525	640,525
<b>At 31 December 2000</b>	<b>43,978,000</b>	<b>43,978,000</b>	<b>47,199,112</b>	<b>851,927</b>	<b>(1,971,836)</b>	<b>(16,789,664)</b>	<b>73,267,539</b>

The above consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements on pages 24 to 54.

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## Company statement of changes in equity

for the financial year ended 31 December 2000

	Issued and fully paid ordinary shares of RM1 each		Non-distributable	Distributable	Total RM
	Number of shares	Nominal value RM	Share premium RM	Accumulated loss RM	
<b>At 1 January 1999</b>	43,978,000	43,978,000	47,199,112	(33,441,244)	57,735,868
Net loss for the financial year	-	-	-	(2,811,741)	(2,811,741)
<b>At 31 December 1999</b>	<b>43,978,000</b>	<b>43,978,000</b>	<b>47,199,112</b>	<b>(36,252,985)</b>	<b>54,924,127</b>
<b>At 1 January 2000</b>	<b>43,978,000</b>	<b>43,978,000</b>	<b>47,199,112</b>	<b>(36,252,985)</b>	<b>54,924,127</b>
Net profit for the financial year	-	-	-	20,164	20,164
<b>At 31 December 2000</b>	<b>43,978,000</b>	<b>43,978,000</b>	<b>47,199,112</b>	<b>(36,232,821)</b>	<b>54,944,291</b>

The above company statement of changes in equity is to be read in conjunction with the notes to the financial statements on pages 24 to 54.

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# Cash flow statements

for the financial year ended 31 December 2000

 **Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
<b>Cash (absorbed by)/generated from operations</b>	32	<b>(48,324,718)</b>	42,698,564	<b>(61,697)</b>	(4,649,744)
Interest received from customers		564,997	346,183	–	–
Interest paid		(5,045,353)	(6,300,769)	<b>(380,880)</b>	–
Management fee paid		(240,609)	(283,626)	–	–
Royalties paid		(227,912)	(26,995)	–	–
Proceeds from insurance claims		610,000	4,459,017	–	–
Taxation paid		(1,754,463)	(1,658,263)	<b>(616,000)</b>	(470,771)
<b>Net cash (used in)/generated from operating activities</b>		<b>(54,418,058)</b>	39,234,111	<b>(1,058,577)</b>	(5,120,515)
<b>Cash flows from investing activities</b>					
Deferred expenditure incurred		(5,509)	(7,325)	–	–
Deconsolidation of subsidiary companies	6	466,509	–	–	–
Purchase of shares from minority shareholders		–	(110,000)	–	–
Interest received from fixed deposits		39,207	332,729	–	298,938
Acquisition of license		(80,000)	–	–	–
Investment in associated company		–	(11,534)	–	–
Proceeds from disposal of associated company	5	3,135,000	–	–	–
Purchase of property, plant and equipment	33	(2,800,336)	(4,011,924)	<b>(42,368)</b>	(6,588)
Proceeds from disposal of property, plant and equipment		714,579	5,056,796	–	–
<b>Net cash from/(used in) investing activities</b>		<b>1,469,450</b>	1,248,742	<b>(42,368)</b>	292,350
<b>Cash flows from financing activities</b>					
Subscription of shares in subsidiary company by minority shareholders		–	1,333,423	–	–
Net advances to subsidiary companies		–	–	<b>(2,146,862)</b>	(6,563,200)
Proceeds from short term borrowings		–	–	<b>1,155,000</b>	–
Repayment of short term borrowings		(3,262,004)	(30,858,635)	–	(1,375,000)
Proceeds from term loans		51,260,304	–	–	–
Repayment of term loans		(4,115,694)	(3,522,799)	–	–
Repayment of hire purchase and lease liabilities		(804,328)	(2,710,414)	–	–
<b>Net cash from/(used in) financing activities</b>		<b>43,078,278</b>	(35,758,425)	<b>(991,862)</b>	(7,938,200)
<b>Net (decrease)/increase in cash and cash equivalents during the financial year</b>		<b>(9,870,330)</b>	4,724,428	<b>(2,092,807)</b>	(12,766,365)
<b>Cash and cash equivalents at beginning of the financial year</b>		<b>13,977,458</b>	9,310,080	<b>(518,045)</b>	12,248,320
<b>Unrealised foreign exchange gain/(loss)</b>		<b>108,048</b>	(57,050)	–	–
<b>Cash and cash equivalents at end of the financial year</b>	34	<b>4,215,176</b>	13,977,458	<b>(2,610,852)</b>	(518,045)

The above cash flow statements are to be read in conjunction with the notes to the financial statements on pages 24 to 54.

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# Notes to the financial statements

for the financial year ended 31 December 2000



**Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

## 1 General information

The principal activities of the Company are that of investment holding and provision of management services to subsidiary companies in the Group. The principal activities of the subsidiary companies are set out in note 18 to the financial statements.

The number of employees at the end of the financial year amounted to 930 (1999: 831) employees in the Group and 16 (1999: 15) employees in the Company.

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

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

Wisma Mah Sing, Penthouse Suite 1,  
163, Jalan Sungai Besi,  
57100 Kuala Lumpur

## 2 Basis of preparation of the financial statements

The financial statements of the Group and of the Company have been prepared under the historical cost convention, modified by the revaluation of certain land and buildings.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 1965.

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act require the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Actual results could differ from those estimates.

## 3 Significant Group accounting policies

All significant Group accounting policies set out below are consistent with those applied in the previous financial year.

### **Basis of consolidation**

The Group adopts both the acquisition and merger methods 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.



### **3 Significant Group accounting policies (cont'd)**

#### Merger method

Acquisitions of subsidiary companies which meet the criteria for merger accounting under the Malaysian Accounting Standard 2, Accounting for Acquisitions and Mergers, are accounted for using merger accounting principles. When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of the shares issued and the difference between the carrying value of the investment and the nominal value of shares transferred is treated as merger reserve. The results of these subsidiary companies are presented as if the merger had been effected throughout the current or previous financial years.

#### Acquisition method

Acquisition of subsidiary companies that do not meet the criteria for merger accounting is consolidated using the acquisition method of accounting.

When the acquisition method is adopted, the difference between the fair value of purchase consideration of subsidiary companies acquired over the Group's share of the fair value of the separable net assets acquired is included in the consolidated financial statements as goodwill or capital reserve on consolidation. The results of the subsidiary companies acquired or disposed of during the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of their disposal.

All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

#### **Associated companies**

The Group treats those companies as associated companies, in which a long term equity interest of between 20 and 50 percent is held and where it is in a position to exercise significant influence through management participation over the financial and operating policies. Premium or reserve arising on acquisition represents the difference between the cost of investment and the Group's share of the value of separable net assets of the associated companies at the date of acquisition.

The Group's share of profits less losses of associated companies is included in the consolidated income statement, and the Group's share of post-acquisition retained profits and reserves is added to the interest in associated companies in the consolidated balance sheet. These amounts are taken from the latest audited financial statements of the associated companies with the same financial year end as the Group, and where the financial year end is not coterminous, the amounts are taken from the management financial statements made up to the same financial year end of the Group. Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.



### 3 Significant Group accounting policies (cont'd)

The gain or loss on disposal of an associated company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of premium or reserve arising on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

#### Currency translations

Foreign currency monetary assets and liabilities are translated to Ringgit Malaysia at rates of exchange ruling at the balance sheet date and foreign currency transactions during the financial year are translated at rates ruling on the transaction dates. Exchange differences are taken to the income statement in the financial year in which they arise.

Assets and liabilities of foreign subsidiary company are translated to Ringgit Malaysia at rates of exchange ruling at the balance sheet date and the results of foreign subsidiary and associated companies are translated at average rate of exchange for the year. Exchange differences arising from the translation are taken to reserves.

The principal closing rates used in translation of foreign currency amounts are as follows:

<b>Foreign currency</b>	<b>2000</b>	<b>1999</b>
1 US Dollar	<b>RM3.8000</b>	RM3.8000
100 Indonesia Rupiah	<b>RM0.0396</b>	RM0.0535
100 Japanese Yen	<b>RM3.2750</b>	RM3.7182

#### Investments

Investments in quoted and unquoted shares including investment in subsidiary and associated companies, held as long term investments are stated at cost less provision for diminution in value. Provision is made for diminution in value only when, in the opinion of the Directors, there is permanent diminution in their values.

#### Property, plant and equipment

Certain leasehold land and buildings were revalued by the Directors based on valuations carried out by independent professional valuers. The Directors have applied the transitional provision of International Accounting Standards No. 16 (Revised) – Property, plant and equipment as adopted by the Malaysian Accounting Standards Board which allow those assets to be stated at their 1992 valuations. Accordingly, these valuations have not been updated. The cost of other property, plant and equipment comprises their purchase cost and any incidental costs of acquisition.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Freehold land is not amortised as it has an infinite life. Leasehold land is amortised in equal instalments over the periods of the respective leases that range from 26 to 30 years.



### 3 Significant Group accounting policies (cont'd)

Depreciation of other assets is calculated so as to write off the cost, or valuation of the assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Short term leasehold land	3.33% - 3.85%
Buildings	3.33% - 10%
Plant, machinery and factory equipment	10%
Motor vehicles	15%
Furniture, fittings and office equipment	8% - 25%

#### **Intangible Assets**

##### **(a) Goodwill**

Goodwill arising on consolidation represents the excess of the purchase price over the Group's share of the fair value of the separable net assets of subsidiary companies at the date of acquisition and is amortised through the consolidated income statement on a straight line basis over a period of twenty five (25) years. The carrying amount of goodwill is reviewed annually and written down for permanent diminution in value when, in the opinion of the Directors, it is considered necessary.

##### **(b) Exploration expenditure**

Exploration expenditure represents all costs incurred in relation to exploration, developing and testing of a site for the purpose of extracting mineral water for commercial purpose.

##### **(c) License**

All costs incurred in acquisition of license for assembly of certain plastic products are capitalised and amortised on a straight line basis over a period of ten (10) years and they will be written off when, in the opinion of the Directors, the future economic benefits are uncertain.

#### **Inventories**

Inventories of completed properties are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land and development expenditure.

Inventories of raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

#### **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.



### **3 Significant Group accounting policies (cont'd)**

#### **Trade receivables**

Trade receivables are carried at anticipated realisable value. Bad debts are written off in the financial year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the financial year end.

#### **Assets held under hire purchase and finance lease agreements**

Assets acquired under hire purchase and finance lease agreements are capitalised and the capital element of the hire purchase and lease commitments is reflected as hire purchase and lease payables. The capital element of the hire purchase and lease instalments is applied to reduce the outstanding obligations whereas the interest element is charged against the income statement so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period.

Assets acquired under hire purchase and finance lease agreements are depreciated over the useful economic lives of equivalent owned assets.

#### **Real property assets**

Real property assets consist of freehold land held for future development are stated at cost of acquisition including all related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use.

Such assets are transferred to development properties at carrying value when significant development work is to be undertaken and is expected to be completed within the normal operating cycle.

#### **Development properties**

Development properties are shown as current asset when significant development work has been undertaken and is expected to be completed within its normal operating cycle. Development properties include the cost of land held for development, related development cost common to the whole development project, direct cost of construction and where applicable attributable profit on construction in progress less applicable progress billings. Provision is made for all anticipated losses on development project.

#### **Provisions**

The Group recognises the estimated liability on royalties at the balance sheet date. Provision for royalties is calculated based on estimated percentages over revenue.

The Group also recognised the estimated liability on the management fees by the minority shareholder of the Company at the balance sheet date. The provision is calculated based on estimated percentages over revenue and certain costs incurred.





### **3 Significant Group accounting policies (cont'd)**

#### **Revenue recognition**

Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales taxes and discounts, and after eliminating sales within the Group.

Revenue from development projects are accounted for under the percentage of completion method where the outcome of the development can be reliably estimated. The stage of completion is measured by reference to the cost incurred to date to the estimated total cost of the development.

Other revenue earned by the Group are recognised on the following bases:

Interest income - as it accrues unless collectibility is in doubt  
Dividend income - when the shareholder's right to receive payment is established

#### **Capitalisation of borrowing costs**

Borrowing costs incurred to finance the construction of assets which require a substantial period of time to get ready for their intended use are capitalised. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale.

#### **Deferred expenditure**

##### **(a) Preliminary expenditure**

Preliminary expenditure represents the cost of incorporation.

##### **(b) Pre-operating expenditure**

Expenditure incurred prior to achieving commercial production capacity are capitalised as pre-operating expenditure.

Deferred expenditure are written off to the income statement during the financial year.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances, project accounts, bank overdraft and deposits at call which are readily convertible to cash on hand and are subject to insignificant risk of changes in value.



## 4 Revenue

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Sales of goods	<b>67,654,756</b>	59,116,475	–	–
Contract revenue	<b>64,616,818</b>	95,097,947	–	–
Dividend income	–	–	<b>2,200,000</b>	2,000,000
Interest income	–	298,938	<b>118,945</b>	298,938
Management fees	–	–	<b>65,500</b>	82,000
Rendering of other services	<b>257,130</b>	134,930	–	–
	<b>132,528,704</b>	154,648,290	<b>2,384,445</b>	2,380,938

## 5 Gain on disposal of associated company

During the financial year, the Group disposed of its entire interest in P. T. Multi Pratama Interbuana Indonesia for cash consideration of USD825,000 or Ringgit Malaysia equivalent of RM3,135,000. The gain arising from the disposal amounted to RM1,921,940.

## 6 Results from deconsolidation of subsidiary companies

On 18 January 2000, a winding up order was served against Vican Technology Sdn Bhd (“Vican”), in which the Group holds 68% equity interest. Effective from the financial year ended 31 December 2000, the financial statements of Vican and its subsidiary company (“Vican Group”) has been excluded from consolidation in view of the restrictions of the rights of the Group as shareholders to control over the assets and operations of Vican. Consequently, the financial effects of Vican Group prior to the issuance of winding up order were deconsolidated.

The deconsolidation of Vican Group gave rise to a gain of RM1,143,000 in the Group’s financial statements.

## 6 Results from deconsolidation of subsidiary companies (cont'd)

No item was transacted by Vican Group for the current financial year to the date of winding up order whilst the results of the previous financial year which had been consolidated in the Group's financial statement were as follows:

	<b>1.1.2000 to 18.1.2000 RM</b>	<b>1.1.1999 to 31.12.1999 RM</b>
Revenue	-	(4,100)
Operating costs	-	6,461
Loss from operations	-	(2,361)
Finance cost	-	(458,774)
Loss attributable to shareholders	-	(461,135)

The effect of the deconsolidation of Vican Group on the financial position of the Group was as follows:

	<b>At 18.1.2000 RM</b>	<b>At 31.12.1999 RM</b>
Cash and cash equivalents	<b>(466,509)</b>	(466,509)
Receivables	<b>76,515</b>	76,515
Payables	<b>(639,610)</b>	(639,610)
Short term borrowings	<b>(113,396)</b>	(113,396)
Total liabilities deconsolidated by the Group	<b>(1,143,000)</b>	(1,143,000)
Gain on deconsolidation of subsidiary companies	<b>1,143,000</b>	
Cash and cash equivalents deconsolidated	<b>466,509</b>	



## 7 Profit/(loss) from operations

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
<b>Profit/(loss) from operations is stated after charging:</b>				
Amortisation of license	4,020	-	-	-
Amortisation of goodwill	42,993	73,987	-	-
Amortisation of exploration expenditure	25,153	25,153	-	-
Amortisation/Written off of preliminary and pre-operating expenditure	563,087	221,238	-	-
Auditors' remuneration	152,987	144,429	10,000	6,000
Depreciation	7,282,245	7,504,180	10,088	7,730
Realised foreign exchange loss	-	146,456	-	-
Goodwill written off	267,581	650,902	-	-
Provision for diminution in value of investment in subsidiary companies	-	-	-	587,142
Provision for amounts due from subsidiary companies	-	-	853,484	3,476,180
Provision for doubtful debts	-	2,124,888	-	-
Bad debts written off	3,551	-	-	-
Rental of land and buildings	470,068	493,176	-	-
Staff cost	13,655,651	11,587,487	294,871	288,106
Inventories write down	216,972	413,903	-	-
Inventories written off	68,275	12,025	-	-
Provision for foreseeable loss for development project	2,180,045	-	-	-
Property, plant and equipment written off	26,495	245,610	-	-
<b>and crediting:</b>				
Gross dividend from a subsidiary company	-	-	2,200,000	2,000,000
Gain on disposal of property, plant and equipment	203,832	359,406	-	-
Interest income	604,204	678,912	118,945	298,938
Write back of provision for doubtful debts	633,242	-	-	-
Surplus of insurance claim	610,000	2,292,967	-	-
Management fees from subsidiary companies	-	-	65,500	82,000
Rental income	404,082	516,137	-	-

Contract cost of the Group recognised as an expense during the financial year amounted to RM55,008,089 (1999: RM82,903,724). Cost of inventories of the Group recognised as an expense during the financial year amounted to RM57,269,726 (1999: RM51,766,556).

## 8 Directors' remuneration

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Fees	<b>48,400</b>	48,400	<b>48,400</b>	48,400
Estimated money value of benefits-in-kind	<b>33,030</b>	40,800	–	–
Other emoluments	<b>814,000</b>	683,104	–	–
	<b>895,430</b>	772,304	<b>48,400</b>	48,400

## 9 Finance cost

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Interest expenses	<b>5,045,353</b>	6,300,769	<b>380,880</b>	–
Net exchange loss/(gain) on foreign currency borrowings:				
– unrealised	<b>5,585,212</b>	(2,336,579)	–	–
– realised	<b>1,090,611</b>	(263,260)	–	–
	<b>11,721,176</b>	3,700,930	<b>380,880</b>	–

## 10 Taxation

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Taxation based on the results of the financial year:				
Malaysian income tax	<b>1,847,528</b>	–	<b>616,000</b>	560,000
Over provision in respect of prior years	<b>(6,797)</b>	(429,417)	–	(89,229)
Share in taxation of associated company	<b>3,856</b>	–	–	–
Transfer from deferred taxation	<b>(3,286,700)</b>	(165,500)	–	–
	<b>(1,442,113)</b>	(594,917)	<b>616,000</b>	470,771

The tax charge for the Company is in respect of dividends from a subsidiary company.

The effective tax rate of the Group was higher than the statutory rate of tax applicable due to losses suffered by certain subsidiary companies for which no group relief is available.

## 11 Earnings per ordinary share

The earnings per ordinary share for the financial year has been calculated based on the Group's profit for the financial year of RM640,525 (1999: RM4,479,674) divided by the number of ordinary shares in issue during the financial year of 43,978,000 shares (1999: 43,978,000 shares).



## 12 Share capital

	Group and Company	
	2000	1999
Ordinary shares of RM1.00 each:	RM	RM
Authorised	<b>100,000,000</b>	100,000,000
Issued and fully paid	<b>43,978,000</b>	43,978,000

## 13 Term loans

	Group	
	2000	1999
	RM	RM
<b>Secured:</b>		
Repayable after 12 months	<b>40,734,479</b>	7,009,764
Repayable within 12 months (included in current liabilities)	<b>17,956,645</b>	3,959,726
	<b>58,691,124</b>	10,969,490
<b>Unsecured:</b>		
Repayable after 12 months	<b>4,939,612</b>	1,433,814
Repayable within 12 months (included in current liabilities)	<b>1,860,264</b>	684,485
	<b>6,799,876</b>	2,118,299
<b>Total</b>		
Repayable after 12 months	<b>45,674,091</b>	8,443,578
Repayable within 12 months (included in current liabilities)	<b>19,816,909</b>	4,644,211
	<b>65,491,000</b>	13,087,789

The secured term loans include foreign loans of USD1,397,578 (1999: USD2,147,887) or Ringgit Malaysia equivalent of RM5,310,796 (1999: RM8,161,974) obtained by a subsidiary company are secured by legal charges over the leasehold land and buildings, plant, machinery and equipment, inventories and trade receivables of the said subsidiary company and guaranteed by the Company. These loans are repayable over 48 monthly instalments commencing April 1998 and interest charged for the financial year was at rates varying between 10.50% and 12.00% (1999: 10.00% and 19.50%) per annum.

The secured term loan of RM2,120,024 (1999: RM2,807,516) obtained by a subsidiary company is secured by assignment of sale and purchase agreements over 31 units office premises owned by the subsidiary company. This loan is repayable over 8 years commencing January 1996 and interest charged for the financial year was at a rate of 9.05% (1999: 8.25% to 9.79%) per annum.

The secured term loan of RM51,260,304 (1999: nil) obtained by a subsidiary company is secured by a first fixed charge over the mixed development land measuring 302.74 acres identified as Lot 241, Mukim of Pulai, District of Johor Baru, State of Johor, a specific debenture over the said development land and guaranteed by the Company. The loan is repayable over 6 years commencing July 2001. Interest charged for the financial year was at a rate of 9.05% (1999: nil) per annum.

### 13 Term loans (cont'd)

The unsecured term loan of RM1,549,876 (1999: RM2,118,299) obtained by a subsidiary company is granted on a negative pledge over the present and future assets of the subsidiary company and guaranteed by the Company. The loan is repayable over 84 monthly instalments commencing April 1998. Interest charged for the financial year was at rates varying between 8.60% and 9.45% (1999: 9.45% to 11.25%) per annum.

The unsecured term loan of RM5,250,000 (1999: nil) obtained by a subsidiary company is granted on a negative pledge over the present and future assets of the subsidiary company and guaranteed by the Company. The loan is repayable over 16 quarterly instalments commencing July 2000. Interest charged for the financial year was at a rate of 8.55% (1999: nil) per annum.

### 14 Deferred payables

	<b>Group</b>	
	<b>2000</b>	1999
	<b>RM</b>	RM
Payable for acquisition of land	<b>8,000,000</b>	-
Payable for acquisition of property, plant and equipment	<b>689,276</b>	-
Lease and hire purchase liabilities (i)	<b>706,015</b>	303,361
	<b>9,395,291</b>	303,361

#### (i) Lease and hire purchase liabilities

	<b>Group</b>	
	<b>2000</b>	1999
	<b>RM</b>	RM
Minimum lease and hire purchase payments:		
- not later than 1 year	<b>826,477</b>	845,557
- later than 1 year and not later than 5 years	<b>850,279</b>	382,698
- later than 5 years	-	-
	<b>1,676,756</b>	1,228,255
Future finance charges on leases and hire purchase liabilities	<b>(275,166)</b>	(223,294)
Present value of lease and hire purchase liabilities	<b>1,401,590</b>	1,004,961
<b>Representing lease and hire purchase liabilities:</b>		
- current (Note 27)	<b>695,575</b>	701,600
- non current	<b>706,015</b>	303,361
	<b>1,401,590</b>	1,004,961
Present value of lease and hire purchase liabilities:		
- not later than 1 year	<b>695,575</b>	701,600
- later than 1 year and not later than 5 years	<b>706,015</b>	303,361
- later than 5 years	-	-
	<b>1,401,590</b>	1,004,961





## 15 Deferred taxation

	<b>Group</b>	
	<b>2000</b>	1999
	<b>RM</b>	RM
At 1 January	<b>3,625,260</b>	3,790,760
Transfer to income statement	<b>(3,286,700)</b>	(165,500)
At 31 December	<b>338,560</b>	3,625,260

The deferred taxation provided in the financial statements is in respect of the timing differences arising from the excess of capital allowances over the corresponding depreciation. All timing differences are accounted for.

## 16 Property, plant and equipment

	← At Cost/Valuation →		← At Cost →			Total RM
	Land RM	Buildings RM	Plant, machinery and factory equipment RM	Motor vehicles RM	Furniture, fittings and office equipment RM	
<b>2000</b>						
<b>Group</b>						
<b>Cost/valuation</b>						
At 1 January	5,644,843	26,383,593	58,711,607	5,273,501	3,437,763	99,451,307
Reclassification	-	430,144	(499,285)	-	69,141	-
Foreign exchange fluctuation	(486,832)	(598,785)	(4,051,461)	(135,475)	(29,566)	(5,302,119)
Additions	-	519,342	1,554,227	1,116,965	815,977	4,006,511
Disposals	-	-	(32,736)	(1,038,784)	(109,046)	(1,180,566)
Written off	-	(13,117)	-	-	(22,447)	(35,564)
<b>At 31 December</b>	<b>5,158,011</b>	<b>26,721,177</b>	<b>55,682,352</b>	<b>5,216,207</b>	<b>4,161,822</b>	<b>96,939,569</b>
<b>Accumulated depreciation</b>						
At 1 January	1,237,191	4,466,203	21,511,284	2,676,343	1,180,714	31,071,735
Reclassification	-	80,229	(107,053)	-	26,824	-
Foreign exchange fluctuation	(73,174)	(99,997)	(1,060,575)	(47,110)	(13,663)	(1,294,519)
Charge for the financial year	201,661	1,146,335	4,888,099	711,713	334,437	7,282,245
Disposals	-	-	(4,861)	(641,254)	(23,704)	(669,819)
Written off	-	(3,624)	-	-	(5,445)	(9,069)
<b>At 31 December</b>	<b>1,365,678</b>	<b>5,589,146</b>	<b>25,226,894</b>	<b>2,699,692</b>	<b>1,499,163</b>	<b>36,380,573</b>
<b>Net book value</b>	<b>3,792,333</b>	<b>21,132,031</b>	<b>30,455,458</b>	<b>2,516,515</b>	<b>2,662,659</b>	<b>60,558,996</b>

## 16 Property, plant and equipment (cont'd)

	At Valuation ← At Cost →			Total land RM	At Valuation ← At Cost →			Total buildings RM
	Short term leasehold land RM	Freehold land RM	Short term Leasehold land RM		Short term leasehold buildings RM	Freehold buildings RM	Leasehold buildings RM	
<b>2000</b>								
<b>Group Cost/valuation</b>								
<b>At 1 January</b>	<b>3,682,639</b>	<b>90,000</b>	<b>1,872,204</b>	<b>5,644,843</b>	<b>13,219,814</b>	<b>10,412,952</b>	<b>2,750,827</b>	<b>26,383,593</b>
Reclassification	-	-	-	-	-	430,144	-	430,144
Foreign exchange fluctuation	-	-	(486,832)	(486,832)	-	-	(598,785)	(598,785)
Additions	-	-	-	-	119,870	11,000	388,472	519,342
Written off	-	-	-	-	-	-	(13,117)	(13,117)
<b>At 31 December</b>	<b>3,682,639</b>	<b>90,000</b>	<b>1,385,372</b>	<b>5,158,011</b>	<b>13,339,684</b>	<b>10,854,096</b>	<b>2,527,397</b>	<b>26,721,177</b>
<b>Accumulated depreciation</b>								
<b>At 1 January</b>	<b>985,161</b>	<b>-</b>	<b>252,030</b>	<b>1,237,191</b>	<b>2,416,383</b>	<b>1,579,830</b>	<b>469,990</b>	<b>4,466,203</b>
Reclassification	-	-	-	-	-	80,229	-	80,229
Foreign exchange fluctuation	-	-	(73,174)	(73,174)	-	-	(99,997)	(99,997)
Charge for the financial year	140,739	-	60,922	201,661	565,833	438,070	142,432	1,146,335
Written off	-	-	-	-	-	-	(3,624)	(3,624)
<b>At 31 December</b>	<b>1,125,900</b>	<b>-</b>	<b>239,778</b>	<b>1,365,678</b>	<b>2,982,216</b>	<b>2,098,129</b>	<b>508,801</b>	<b>5,589,146</b>
<b>Net book value</b>	<b>2,556,739</b>	<b>90,000</b>	<b>1,145,594</b>	<b>3,792,333</b>	<b>10,357,468</b>	<b>8,755,967</b>	<b>2,018,596</b>	<b>21,132,031</b>

	← At Cost/Valuation →		← At Cost →			Total RM
	Land RM	Buildings RM	Plant, machinery and factory equipment RM	Motor vehicles RM	Furniture, fittings and office equipment RM	
<b>1999</b>						
<b>Group Cost/valuation</b>						
<b>At 1 January</b>	<b>7,328,955</b>	<b>24,457,167</b>	<b>58,332,522</b>	<b>5,529,182</b>	<b>3,096,849</b>	<b>98,744,675</b>
Reclassification	-	(210,476)	-	-	-	(210,476)
Foreign exchange fluctuation	215,924	266,742	1,677,760	49,352	12,641	2,222,419
Additions	-	1,905,600	2,084,619	739,918	447,737	5,177,874
Disposals	(1,900,036)	(35,440)	(3,127,389)	(766,596)	(27,052)	(5,856,513)
Written off	-	-	(255,905)	(278,355)	(92,412)	(626,672)
<b>At 31 December</b>	<b>5,644,843</b>	<b>26,383,593</b>	<b>58,711,607</b>	<b>5,273,501</b>	<b>3,437,763</b>	<b>99,451,307</b>
<b>Accumulated depreciation</b>						
<b>At 1 January</b>	<b>1,197,049</b>	<b>3,430,308</b>	<b>16,594,818</b>	<b>2,701,809</b>	<b>931,506</b>	<b>24,855,490</b>
Foreign exchange fluctuation	20,762	25,952	236,820	10,647	3,716	297,897
Charge for the financial year	223,463	1,014,340	5,283,221	695,252	287,904	7,504,180
Disposals	(204,083)	(4,397)	(533,201)	(453,010)	(10,079)	(1,204,770)
Written off	-	-	(70,374)	(278,355)	(32,333)	(381,062)
<b>At 31 December</b>	<b>1,237,191</b>	<b>4,466,203</b>	<b>21,511,284</b>	<b>2,676,343</b>	<b>1,180,714</b>	<b>31,071,735</b>
<b>Net book value</b>	<b>4,407,652</b>	<b>21,917,390</b>	<b>37,200,323</b>	<b>2,597,158</b>	<b>2,257,049</b>	<b>68,379,572</b>



## 16 Property, plant and equipment (cont'd)

	← At Valuation →		← At Cost →		Total land RM	← At Cost →			Total buildings RM
	Long term leasehold land RM	Short term leasehold land RM	Freehold land RM	Short term leasehold land RM		At Valuation Short term leasehold buildings RM	Freehold buildings RM	Leasehold buildings RM	
<b>1999</b>									
<b>Group</b>									
<b>Cost/valuation</b>									
At 1 January	1,900,036	3,682,639	90,000	1,656,280	7,328,955	11,368,999	10,486,327	2,601,841	24,457,167
Reclassification	-	-	-	-	-	-	(73,375)	(137,101)	(210,476)
Foreign exchange fluctuation	-	-	-	215,924	215,924	-	-	266,742	266,742
Additions	-	-	-	-	-	1,850,815	-	54,785	1,905,600
Disposals	(1,900,036)	-	-	-	(1,900,036)	-	-	(35,440)	(35,440)
<b>At 31 December</b>	-	3,682,639	90,000	1,872,204	5,644,843	13,219,814	10,412,952	2,750,827	26,383,593
<b>Accumulated depreciation</b>									
At 1 January	193,363	844,426	-	159,260	1,197,049	1,933,618	1,130,643	366,047	3,430,308
Reclassification	-	-	-	-	-	-	66,589	(66,589)	-
Foreign exchange fluctuation	-	-	-	20,762	20,762	-	-	25,952	25,952
Charge for the financial year	10,720	140,735	-	72,008	223,463	482,765	382,598	148,977	1,014,340
Disposals	(204,083)	-	-	-	(204,083)	-	-	(4,397)	(4,397)
<b>At 31 December</b>	-	985,161	-	252,030	1,237,191	2,416,383	1,579,830	469,990	4,466,203
<b>Net book value</b>	-	2,697,478	90,000	1,620,174	4,407,652	10,803,431	8,833,122	2,280,837	21,917,390

<b>Office equipment</b>	<b>Company</b>	
	<b>2000</b> RM	<b>1999</b> RM
<b>Cost</b>		
At 1 January	<b>96,634</b>	90,046
Additions	<b>42,368</b>	6,588
<b>At 31 December</b>	<b>139,002</b>	96,634
<b>Accumulated depreciation</b>		
At 1 January	<b>25,349</b>	17,619
Charge for the financial year	<b>10,088</b>	7,730
<b>At 31 December</b>	<b>35,437</b>	25,349
<b>Net book value</b>	<b>103,565</b>	71,285



## 16 Property, plant and equipment (cont'd)

### Valuation

The leasehold land and buildings of the Group were valued by the Directors in 1992 based on valuations carried out by independent professional valuers on the open market value basis. The tax effect in connection with the surplus arising from the revaluation of leasehold land and buildings is not disclosed as there is no intention to dispose of these properties.

The net book values of revalued property, plant and equipment of the Group that would have been included in the financial statements, had these assets been carried at cost less depreciation, are as follows:

	<b>Group</b>	
	<b>2000</b>	1999
	<b>RM</b>	RM
Leasehold land and buildings	<b>8,404,580</b>	8,767,668

### Assets with restricted title

At the balance sheet date, the cost and net book value of property, plant and equipment of the Group pledged to financial institutions to secure foreign term loans, short term borrowings and bank overdrafts as shown in notes 13, 29 and 30 are as follows:

	<b>Group</b>	
	<b>2000</b>	1999
	<b>RM</b>	RM
<b>Cost</b>		
Freehold building	<b>8,100,741</b>	8,147,302
Short term leasehold land and buildings	<b>3,427,129</b>	4,174,944
Plant, machinery and equipment	<b>11,752,667</b>	15,580,643
Total cost	<b>23,280,537</b>	27,902,889
<b>Net Book Value</b>		
Freehold building	<b>6,593,952</b>	6,888,572
Short term leasehold land and buildings	<b>2,848,995</b>	3,588,448
Plant, machinery and equipment	<b>8,093,379</b>	12,099,065
Total net book value	<b>17,536,326</b>	22,576,085

### Assets held under hire purchase and finance lease agreements

At the balance sheet date, the cost and net book value of property, plant and equipment of the Group held under hire purchase and finance leases amounted to RM3,316,618 and RM2,688,774 (1999:RM2,210,912 and RM1,637,369) respectively.



## 17 Intangible assets

<b>Group 2000</b>	<b>Goodwill RM</b>	<b>Exploration expenditure RM</b>	<b>License RM</b>	<b>Total RM</b>
<b>Cost</b>				
At 1 January	<b>1,110,513</b>	<b>125,765</b>	–	<b>1,236,278</b>
Add: acquired during the financial year	–	–	<b>80,000</b>	<b>80,000</b>
Less: written off	<b>(354,247)</b>	–	–	<b>(354,247)</b>
At 31 December	<b>756,266</b>	<b>125,765</b>	<b>80,000</b>	<b>962,031</b>
<b>Accumulated amortisation</b>				
At 1 January	<b>156,281</b>	<b>56,594</b>	–	<b>212,875</b>
Add: amortisation for the financial year	<b>42,993</b>	<b>25,153</b>	<b>4,020</b>	<b>72,166</b>
Less: written off	<b>(86,666)</b>	–	–	<b>(86,666)</b>
At 31 December	<b>112,608</b>	<b>81,747</b>	<b>4,020</b>	<b>198,375</b>
<b>Net book value</b>	<b>643,658</b>	<b>44,018</b>	<b>75,980</b>	<b>763,656</b>
<b>1999</b>				
<b>Cost</b>				
At 1 January	1,780,458	125,765	–	1,906,223
Add: acquisition of subsidiary company	104,938	–	–	104,938
Less: written off	(774,883)	–	–	(774,883)
At 31 December	1,110,513	125,765	–	1,236,278
<b>Accumulated amortisation</b>				
At 1 January	206,275	31,441	–	237,716
Add: amortisation for the financial year	73,987	25,153	–	99,140
Less: written off	(123,981)	–	–	(123,981)
At 31 December	156,281	56,594	–	212,875
<b>Net book value</b>	<b>954,232</b>	<b>69,171</b>	–	<b>1,023,403</b>



## 18 Subsidiary companies

Interest in subsidiary companies:

	Company	
	2000 RM	1999 RM
Unquoted shares, at cost	<b>57,975,252</b>	57,975,252
Less: provision for diminution in value	<b>(8,765,210)</b>	(8,765,210)
	<b>49,210,042</b>	49,210,042
Amounts due from subsidiary companies	<b>38,098,704</b>	35,951,842
Less: provision for doubtful debts	<b>(30,814,443)</b>	(29,960,959)
	<b>7,284,261</b>	5,990,883
	<b>56,494,303</b>	55,200,925

Amounts due from subsidiary companies are unsecured, interest free, arose mainly from inter-company advances and payments on behalf and are repayable after 12 months.

The subsidiary companies are:

Name of company	Country of incorporation	Effective equity interest				Principal activities
		By Company		By Subsidiary Company		
		2000	1999	2000	1999	
		%	%	%	%	
<b>Subsidiary companies of Mah Sing Group Berhad</b>						
Mah Sing Plastics Industries Sdn Bhd	Malaysia	<b>100</b>	100	-	-	Manufacture of plastic moulded products and property development
Mah Sing Precision Engineering Sdn Bhd	Malaysia	<b>100</b>	100	-	-	Inactive
Mah Sing Enterprise Sdn Bhd	Malaysia	<b>100</b>	100	-	-	Trading of plastic and other related products
Mah Sing Properties Sdn Bhd	Malaysia	<b>100</b>	100	-	-	Property investment and development
Mestika Bistari Sdn Bhd	Malaysia	<b>100</b>	100	-	-	Construction and property development



## 18 Subsidiary companies (cont'd)

Name of company	Country of incorporation	Effective equity interest				Principal activities
		By Company		By Subsidiary Company		
		2000	1999	2000	1999	
		%	%	%	%	
Mah Sing -Yoshikawa Components Manufacturing Sdn Bhd	Malaysia	51	51	-	-	Manufacture of semi-finished and finished plastic parts
Insan Johan Sdn Bhd	Malaysia	100	100	-	-	Inactive
Vital Roles Sdn Bhd	Malaysia	90	90	-	-	Inactive
Vital Routes Sdn Bhd	Malaysia	100	100	-	-	Investment holding
Multi Synergy Group Sdn Bhd	Malaysia	100	100	-	-	Dormant
Pleasant Network Sdn Bhd	Malaysia	100	100	-	-	Investment holding
Champion Computers Sdn Bhd	Malaysia	100	100	-	-	Investment holding
Peninsular Connection Sdn Bhd	Malaysia	100	100	-	-	Investment holding
Jastamax Sdn Bhd	Malaysia	100	100	-	-	Dormant
Konsortium Lingkaran Lembah Kinta Sdn Bhd	Malaysia	51	51	-	-	Dormant
Gentali Motor Corpn. Sdn Bhd	Malaysia	60.5	60.5	-	-	Inactive
Superior Focus Sdn Bhd	Malaysia	80	80	-	-	Inactive
<b>Subsidiary company of Mah Sing Plastics Industries Sdn Bhd</b>						
Kenwira Sdn Bhd	Malaysia	-	-	100	100	Assembly of helmets
<b>Subsidiary company of Mah Sing Properties Sdn Bhd</b>						
Acacia Springs Management Sdn Bhd	Malaysia	-	-	100	100	Property management
<b>Subsidiary company of Champion Computers Sdn Bhd</b>						
Mestika Kenangan Sdn Bhd	Malaysia	-	-	100	100	Dormant

## 18 Subsidiary companies (cont'd)

Name of company	Country of incorporation	Effective equity interest				Principal activities
		By Company		By Subsidiary Company		
		2000	1999	2000	1999	
		%	%	%	%	
<b>Subsidiary company of Pleasant Network Sdn Bhd</b>						
Vican Technology Sdn Bhd*	Malaysia	-	-	<b>68</b>	68	Inactive
<b>Subsidiary company of Vican Technology Sdn Bhd</b>						
Vican Electronics Sdn Bhd	Malaysia	-	-	<b>100</b>	100	Inactive
<b>Subsidiary company of Vital Routes Sdn Bhd</b>						
P.T. Mah Sing Indonesia**	Indonesia	-	-	<b>65</b>	65	Manufacture of plastic moulded products
<b>Subsidiary company of Peninsular Connection Sdn Bhd</b>						
True Mineral Water Sdn Bhd	Malaysia	-	-	<b>100</b>	100	Extracting and packaging of mineral water
<b>Subsidiary companies of True Mineral Water Sdn Bhd</b>						
Spring Fresh Sdn Bhd	Malaysia	-	-	<b>100</b>	100	Distribution of mineral water
FLS Manufacturing Sdn Bhd	Malaysia	-	-	<b>100</b>	100	Inactive
True Marketing Sdn Bhd	Malaysia	-	-	<b>100</b>	100	Inactive

\* The cost of investment in this subsidiary company has been fully provided. Please refer to note 6 to the financial statements.

\*\* Audited by other firms of auditors.





## 19 Associated companies

Interest in associated companies:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Unquoted shares, at cost	<b>224,750</b>	2,006,216	<b>224,750</b>	224,750
Exchange differences	–	(395,922)	–	–
Accretion arising from additional investment in associated company	–	570,776	–	–
Group's share of post-acquisition retained losses	<b>(126,000)</b>	(90,281)	–	–
	<b>98,750</b>	2,090,789	<b>224,750</b>	224,750

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

	Group	
	2000 RM	1999 RM
Share of net assets	<b>98,750</b>	2,090,789

Details relating to the associated companies are as follows:

Name of company	Country of incorporation	Effective equity interest		Principal activities
		2000 %	1999 %	
<b>Associated companies of Mah Sing Group Berhad</b>				
* Perstorp-Mah Sing Sdn Bhd	Malaysia	<b>42</b>	42	Distribution, marketing and sale of waste handling systems
Prestige Greenery Sdn Bhd	Malaysia	<b>39.5</b>	39.5	Dormant
<b>Associated company of P.T. Mah Sing Indonesia</b>				
* P.T. Multi Pratama Interbuana Indonesia	Indonesia	–	17.88	Manufacture of plastic moulded products

\* Audited by other firms of auditors.



## 20 Investments

	<b>Group</b>	
	<b>2000</b>	1999
	<b>RM</b>	RM
Quoted shares in Malaysia, at cost	<b>3,700</b>	3,700
Unquoted shares outside Malaysia, at cost	<b>1,204,055</b>	1,204,055
Less: provision for diminution in value	<b>(1,204,055)</b>	(1,204,055)
	<b>-</b>	-
	<b>3,700</b>	3,700
Market value for quoted shares in Malaysia	<b>1,060</b>	1,900

## 21 Real property assets

	<b>Group</b>	
	<b>2000</b>	1999
	<b>RM</b>	RM
Freehold land, at cost	<b>33,830,880</b>	-

The freehold land has been charged to a financial institution as security for the term loan as shown in note 13.

## 22 Development properties

	<b>Group</b>	
	<b>2000</b>	1999
	<b>RM</b>	RM
Freehold land, at cost	<b>84,255,393</b>	25,627,477
Leasehold land, at cost	<b>57,290,862</b>	57,378,800
Development expenditure, at cost	<b>307,494,402</b>	263,352,664
Total land and development expenditure	<b>449,040,657</b>	346,358,941
Attributable profits net of foreseeable loss	<b>128,022,658</b>	114,412,296
	<b>577,063,315</b>	460,771,237
Less: progress billings received and receivable	<b>(457,925,657)</b>	(401,635,197)
	<b>119,137,658</b>	59,136,040

Included in development expenditure is interest on borrowings capitalised during the financial year amounting to RM2,578,876 (1999: RM2,879,626). Interest capitalised for the financial year was at rates varying between 5.50% and 7.70% (1999: 5.50% and 10.80%) per annum.

Certain freehold land has been charged to a financial institution as security for the term loan as shown in note 13.



## 23 Inventories

	Group	
	2000 RM	1999 RM
At cost:		
Completed properties	<b>2,809,345</b>	–
Raw materials	<b>3,213,695</b>	2,947,861
Work-in-progress	<b>930,753</b>	861,359
Finished goods	<b>2,897,532</b>	2,717,429
	<b>9,851,325</b>	6,526,649
At net realisable value:		
Raw materials	<b>74,393</b>	111,442
Work-in-progress	<b>52,062</b>	–
Finished goods	<b>929,183</b>	647,538
	<b>1,055,638</b>	758,980
	<b>10,906,963</b>	7,285,629

Inventories of RM1,582,417 (1999: RM1,167,056) are pledged to financial institutions to secure foreign term loans, short term borrowings and bank overdrafts as shown in notes 13, 29 and 30.

## 24 Trade and other receivables

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade receivables	<b>34,608,461</b>	42,137,945	–	–
Less: provision for doubtful debts	<b>(2,318,707)</b>	(4,976,469)	–	–
	<b>32,289,754</b>	37,161,476	–	–
Other receivables	<b>1,693,488</b>	1,406,532	<b>111,242</b>	111,242
Less: provision for doubtful debts	<b>(132,385)</b>	(152,385)	<b>(76,160)</b>	(76,160)
	<b>1,561,103</b>	1,254,147	<b>35,082</b>	35,082
Amounts due from subsidiary companies	–	–	<b>7,550,015</b>	4,639,400
Amounts due from associated companies	–	489,611	–	3,759
Less: provision for doubtful debts	–	(169,807)	–	(3,759)
	–	319,804	–	–
Deposits	<b>5,290,993</b>	5,191,358	<b>900</b>	1,250
Prepayments	<b>830,769</b>	1,382,578	<b>74,711</b>	24,310
	<b>39,972,619</b>	45,309,363	<b>7,660,708</b>	4,700,042

Trade receivables of RM1,383,900 (1999: RM768,079) are pledged to financial institutions to secure foreign term loans, short term borrowings and bank overdrafts as shown in notes 13, 29 and 30.

Amounts due from subsidiary companies are unsecured, interest free, arose mainly from inter-company advances and payments on behalf and have no fixed term of repayment.

## 25 Deposits with licensed banks

Deposits with licensed banks of the Group amounting to RM160,260 (1999: RM150,717) have been pledged as collateral for guarantees issued on behalf of the subsidiary companies.

## 26 Project accounts

This is in respect of bank accounts maintained in accordance with Section 7A of the Housing Developers Act, 1966.

## 27 Trade and other payables

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade payables	<b>49,096,608</b>	23,551,616	–	–
Retention sum	<b>4,090,221</b>	3,459,000	–	–
Other payables	<b>5,256,680</b>	7,944,258	–	–
Lease and hire purchase liabilities (note 14(i))	<b>695,575</b>	701,600	–	–
Amounts due to subsidiary companies	–	–	<b>1,849,883</b>	809,026
Amount due to associated company	<b>109,985</b>	109,985	–	–
Amount due to minority shareholder of a subsidiary company	<b>1,330,000</b>	667,221	–	–
Payable for acquisition of property, plant and equipment	<b>2,757,227</b>	6,605,937	–	–
Deposits received from customers	<b>4,243,480</b>	4,428,632	–	–
Accruals	<b>5,724,681</b>	4,194,734	<b>28,300</b>	50,804
	<b>73,304,457</b>	51,662,983	<b>1,878,183</b>	859,830

Amounts due to subsidiary companies are unsecured, interest free, arose mainly from inter-company advances and payments on behalf and have no fixed term of repayment.

Amount due to associated company is unsecured, interest free (1999: bears interest at 10% per annum) and has no fixed term of repayment.

Amount due to minority shareholder of a subsidiary company is unsecured, bears interest at 5.86% to 6.73% (1999: 6.40%) per annum and has no fixed term of repayment.



## 28 Provision for liabilities and charges

Group	Management fee RM	Royalties RM	Total RM
<b>2000</b>			
At 1 January	978,293	455,075	1,433,368
Charged to income statement	225,312	165,354	390,666
Utilised during the financial year	(240,609)	(227,912)	(468,521)
At 31 December	<b>962,996</b>	<b>392,517</b>	<b>1,355,513</b>
<b>1999</b>			
At 1 January	1,031,828	345,825	1,377,653
Charged to income statement	230,091	136,245	366,336
Utilised during the financial year	(283,626)	(26,995)	(310,621)
At 31 December	978,293	455,075	1,433,368

## 29 Short term borrowings

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Secured	7,961,000	7,961,000	-	-
Unsecured	34,018,000	43,393,400	5,000,000	3,845,000
	<b>41,979,000</b>	<b>51,354,400</b>	<b>5,000,000</b>	<b>3,845,000</b>

### Group

The secured short term borrowings comprise short term foreign credit facilities of USD2,095,000 (1999: USD2,095,000) or Ringgit Malaysia equivalent of RM7,961,000 (1999: RM7,961,000) obtained by a subsidiary company are secured by legal charges over the leasehold land and buildings, plant, machinery and equipment, inventories and trade receivables of the said subsidiary company and guaranteed by the Company.

Interest charged for the financial year was at rates varying between 10.50% and 12.00% (1999: 10.00% and 19.50%) per annum.

The unsecured short term borrowings comprise revolving credits and bankers acceptances which are granted on negative pledges over the present and future assets of the respective subsidiary companies and guaranteed by the Company.

Interest charged for the financial year was at rates varying between 3.55% and 9.30% (1999: 3.75% and 12.05%) per annum.



## 29 Short term borrowings (cont'd)

### Company

The unsecured short term borrowings comprise revolving credit granted on negative pledge over the present and future assets of the Company.

Interest charged for the financial year was at rates varying between 5.20% and 7.20% (1999: 5.60% and 9.70%) per annum.

## 30 Bank Overdrafts

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Secured	313,562	536,245	–	–
Unsecured	6,395,250	4,836,864	2,621,161	622,018
	<b>6,708,812</b>	5,373,109	<b>2,621,161</b>	622,018

### Group

The bank overdrafts of Rp791,744,380 (1999: Rp1,001,930,552) or Ringgit Malaysia equivalent of RM313,562 (1999: RM536,245) of a subsidiary company are secured by legal charges over the leasehold land and buildings, plant, machinery and equipment, inventories and trade receivables of the said subsidiary company and guaranteed by the Company.

Interest charged for the financial year was at rates varying between 20.00% and 21.00% (1999: 25.00% and 55.00%) per annum.

The unsecured bank overdraft facilities are granted on negative pledges over the present and future assets of the respective companies. The unsecured bank overdraft facilities of the subsidiary companies are guaranteed by the Company.

Interest charged for the financial year was at rates varying between 8.30% and 9.30% (1999: 8.30% and 12.10%) per annum.

### Company

The unsecured bank overdraft facility was granted on negative pledge over the present and future assets of the Company.

Interest charged for the financial year was at a rate of 8.30% (1999: 8.30% and 9.55%) per annum.



## 31 Deferred expenditure

Deferred expenditure comprises preliminary and pre-operating expenditure and the movements are as follows:

	Group	
	2000 RM	1999 RM
<b>At Cost</b>		
At 1 January	1,571,840	1,808,531
Exchange differences	(3,114)	1,380
Add: addition during the financial year	5,509	7,325
Less: reclassification	-	(3,875)
Less: written off	-	(241,522)
At 31 December	1,574,235	1,571,839
<b>Accumulated amortisation</b>		
At 1 January	1,013,805	1,033,399
Exchange differences	(2,657)	690
Add: amortisation for the financial year	563,087	221,238
Less: written off	-	(241,522)
At 31 December	1,574,235	1,013,805
	-	558,034

Included in pre-operating expenditure during the financial year is auditors' remuneration of RM3,200 (1999: RM4,000).



## 32 Cash (absorbed by)/generated from operations

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
<b>Profit/(loss) before taxation</b>	<b>(1,881,610)</b>	2,345,546	<b>636,164</b>	(2,340,970)
Adjustments for:				
Share of results of associated companies	(100,065)	(93,533)	–	–
Depreciation	7,282,245	7,504,180	10,088	7,730
Amortisation of goodwill	42,993	73,987	–	–
Goodwill written off	267,581	650,902	–	–
Amortisation/written off of preliminary and pre-operating expenditure	563,087	221,238	–	–
Amortisation of exploration expenditure	25,153	25,153	–	–
Amortisation of license	4,020	–	–	–
Gain on disposal of property, plant and equipment	(203,832)	(359,406)	–	–
Results from deconsolidation of subsidiary companies	(1,143,000)	–	–	–
Gain on disposal of associated company	(1,921,940)	–	–	–
Surplus of insurance claim	(610,000)	(2,292,967)	–	–
Property, plant and equipment written off	26,495	245,610	–	–
Inventories write down	216,972	413,903	–	–
Provision for doubtful debts	–	2,124,888	853,484	3,476,180
Write back of provision for doubtful debts	(633,242)	–	–	–
Provision for management fee	225,312	230,091	–	–
Provision for royalties	165,354	136,245	–	–
Provision for foreseeable loss in development project	2,180,045	–	–	–
Provision for diminution in value of investment in subsidiary companies	–	–	–	587,142
Inventories written off	68,275	12,025	–	–
Bad debts written off	3,551	–	–	–
Interest expenses	5,045,353	6,300,769	380,880	–
Interest income	(604,204)	(678,912)	(118,945)	(298,938)
Dividend income	–	–	(2,200,000)	(2,000,000)
Unrealised foreign exchange loss/(gain)	5,585,212	(2,336,579)	–	–
<b>Operating profit/(loss) before working capital changes</b>	<b>14,603,755</b>	14,523,140	<b>(438,329)</b>	(568,856)
<b>(Increase)/Decrease in working capital</b>				
Property development expenditure	(54,181,662)	52,454,536	–	–
Real property assets	(33,830,880)	–	–	–
Contract work-in-progress	–	95,198	–	–
Inventories	(4,527,987)	4,420,929	–	–
Receivables	5,325,652	(10,684,064)	(641,721)	6,113,389
Payables	24,286,404	(18,111,175)	1,018,353	(10,194,277)
<b>Net change in working capital</b>	<b>(62,928,473)</b>	28,175,424	<b>376,632</b>	(4,080,888)
<b>Cash (absorbed by)/generated from operations</b>	<b>(48,324,718)</b>	42,698,564	<b>(61,697)</b>	(4,649,744)





### 33 Purchase of property, plant and equipment

Net cash outlay for the acquisition of property, plant and equipment during the financial year is as follows:

	<b>Group</b>	
	<b>2000</b>	1999
	<b>RM</b>	RM
Total acquisition	<b>4,006,511</b>	5,177,874
Less : amount financed by hire purchase	<b>(1,206,175)</b>	(1,165,950)
Net cash outlay for the financial year	<b><u>2,800,336</u></b>	<u>4,011,924</u>

### 34 Cash and cash equivalents

Cash and cash equivalents at end of the financial year comprise the following balance sheet items:

	<b>Group</b>		<b>Company</b>	
	<b>2000</b>	1999	<b>2000</b>	1999
	<b>RM</b>	RM	<b>RM</b>	RM
Cash and bank balances	<b>2,579,429</b>	7,219,988	<b>10,309</b>	103,973
Project accounts	<b>6,241,943</b>	11,030,579	-	-
Deposits with licensed banks (net of deposits pledged as collateral (Note 25))	<b>2,102,616</b>	1,100,000	-	-
Bank overdrafts	<b>(6,708,812)</b>	(5,373,109)	<b>(2,621,161)</b>	(622,018)
	<b><u>4,215,176</u></b>	<u>13,977,458</u>	<b><u>(2,610,852)</u></b>	<u>(518,045)</u>

### 35 Contingent liabilities

	<b>Group</b>		<b>Company</b>	
	<b>2000</b>	1999	<b>2000</b>	1999
	<b>RM</b>	RM	<b>RM</b>	RM
<b>Secured:</b>				
Corporate guarantees issued to financial institutions in respect of credit facilities granted to subsidiary companies	-	-	<b>66,965,000</b>	19,466,000
<b>Unsecured:</b>				
Bankers guarantees	<b>1,154,700</b>	2,245,960	-	-
Corporate guarantees issued to financial institutions in respect of credit facilities granted to subsidiary companies	-	-	<b>40,236,000</b>	48,128,000
	<b><u>1,154,700</u></b>	<u>2,245,960</u>	<b><u>107,201,000</u></b>	<u>67,594,000</u>

### 35 Contingent liabilities (cont'd)

There is a legal suit against the Company and certain of its subsidiary companies for alleged breach of copyright and confidential information, which is still pending hearing at the High Court of Malaya in Kuala Lumpur. Based on legal opinion obtained, the Group accrued for an amount of RM0.8 million for the potential legal and other costs to be incurred. No further provision has been made in the financial statements as the Directors are of the opinion that such action will not give rise to any significant further loss.

In the ordinary course of business, certain companies in the Group are defendants in various legal actions. In the opinions of the Directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss.

### 36 Segmental information

#### Analysis by activity and geographical location - Group

Activities	Country	Turnover RM	Profit/(loss) before taxation RM	Total assets employed RM
<b>2000</b>				
Plastics	Malaysia	49,155,287	625,371	55,089,665
	Indonesia	13,559,609	(3,704,572)	15,912,782
		<b>62,714,896</b>	<b>(3,079,201)</b>	<b>71,002,447</b>
Mineral water	Malaysia	4,539,510	(1,885,582)	6,053,754
Motorcycle	Malaysia	397,854	254,724	468,975
Property	Malaysia	64,873,948	3,220,350	197,907,112
Investment holding	Malaysia	–	(336,683)	896,650
Others	Malaysia	2,496	(55,218)	28,532
<b>Total</b>		<b>132,528,704</b>	<b>(1,881,610)</b>	<b>276,357,470</b>
<b>1999</b>				
Plastics	Malaysia	42,094,490	(1,161,503)	56,169,928
	Indonesia	6,577,094	(170,729)	21,371,690
		48,671,584	(1,332,232)	77,541,618
Mineral water	Malaysia	6,894,078	(872,050)	8,027,662
Motorcycle	Malaysia	3,487,598	(924,570)	771,368
Property	Malaysia	95,232,877	7,854,012	115,096,353
Investment holding	Malaysia	298,938	(1,119,216)	1,743,383
Others	Malaysia	63,215	(1,260,398)	107,430
<b>Total</b>		<b>154,648,290</b>	<b>2,345,546</b>	<b>203,287,814</b>



### 37 Capital commitments

Capital commitments in respect of property, plant and equipment are as follows:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Approved and contracted for	<b>1,119,572</b>	–	–	–

### 38 Significant event

During the financial year, Mah Sing Properties Sdn Bhd, a wholly-owned subsidiary company of Mah Sing Group Berhad, entered into a conditional Sale and Purchase Agreement with Southern Integrated City Sdn Bhd for the acquisition of a parcel of freehold land held under Geran 25081, Lot 241, Mukim Pulau, Daerah Johor Baru, Johor Darul Takzim measuring approximately 302.74 acres of land for a cash consideration of RM87,000,000. The acquisition was approved by the relevant authorities and the Company's shareholders at the Extraordinary General Meeting held on 13 June 2000. The acquisition was completed during the financial year.

### 39 Related party disclosures

#### (a) Related party and relationship

<u>Name of company</u>	<u>Relationship</u>
Principal View Sdn Bhd	Company in which a director has an interest

#### (b) Significant related party transaction and balance

In the normal course of business, the Group undertakes on agreed terms a variety of transactions with the related parties. The significant related party transaction undertaken by the Group with the related party during the financial year is as follows:

	Group	
	2000 RM	1999 RM
Renting of premises from Principal View Sdn Bhd	<b>206,508</b>	<b>206,508</b>

There is no outstanding related party balance at the end of the financial year.

### 40 Comparative figures

Comparative figures were extended to comply with the additional disclosure requirements of the 13 new MASB standards that are applicable for the financial year ended 31 December 2000.

# Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965



**Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

We, Jen (R) Tan Sri Yaacob Bin Mat Zain and Dato' Dr Leong Hoy Kum, being two of the Directors of Mah Sing Group Berhad state that, in the opinion of the Directors, the financial statements set out on pages 16 to 54 are drawn up so as to exhibit a true and fair view of the state of affairs of the Group and the Company as at 31 December 2000 and of the results and cash flows of the Group and 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 25 April 2001.

**Jen (R) Tan Sri Yaacob Bin Mat Zain**

Chairman

**Dato' Dr Leong Hoy Kum**

Managing Director

## Statutory declaration

I, Yap Keong @ Yap Kong Nam, being the Director responsible for the financial management of Mah Sing Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 16 to 54 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

**Yap Keong @ Yap Kong Nam**

Director

Subscribed and solemnly declared at Kuala Lumpur this 25 April 2001.

Before me:

**T. Tharumarajah PPN**

Commissioner for Oaths

# Report of the auditors

to the members of Mah Sing Group Berhad



**Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

We have audited the financial statements set out on pages 16 to 54. 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 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 31 December 2000 and of the results and cash flows of the Group and the 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 its subsidiary companies have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in note 18 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies 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 of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under subsection (3) of section 174 of the Act.

**PricewaterhouseCoopers**

[AF:1146]

Public Accountants

**Yap Kim Swee**

[1654/10/02(J)]

Partner

Kuala Lumpur  
25 April 2001

# Statistics of shareholdings



**Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

## As at 4 May 2001

Authorised Share Capital	:	RM100,000,000.00
Issued and Fully Paid Share Capital	:	RM43,978,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One Vote Per Ordinary Share (On a Poll)

## DISTRIBUTION OF SHAREHOLDINGS AND NUMBER OF SHAREHOLDERS AS AT 4 MAY 2001

Size of Shareholding	No. of Shares Held	% of Issued Share Capital	No. of Shareholders	% of Total Shareholders
1 – 1,000	2,798,461	6.36	2,837	46.63
1,001 – 5,000	7,277,022	16.55	2,553	41.96
5,001 – 10,000	3,643,400	8.28	447	7.35
10,001 & above	30,259,117	68.81	247	4.06
Total	43,978,000	100.00	6,084	100.00

# Statistics of shareholdings (cont d)



**Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

## TWENTY LARGEST SHAREHOLDERS AS AT 4 MAY 2001

Name	No. of Shares Held	% of Issued Share Capital
1. OUB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Dr Leong Hoy Kum (T88-6310468939)	11,100,000	25.24
2. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Dato' Dr Leong Hoy Kum (01-00124-000)	8,000,000	18.19
3. Dato' Dr Leong Hoy Kum	928,683	2.11
4. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Chong Kee	826,000	1.88
5. Wong Kem Chen	724,000	1.65
6. KE-ZAN Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Ee Seng	571,000	1.30
7. Chua Chong Kee	500,000	1.14
8. Affin-UOB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Chong Kee	500,000	1.14
9. HLG Nominee (Asing) Sdn Bhd Commerzbank (Sea) Ltd for Hacienda Limited	343,000	0.78
10. Wang Tai Hsiang	241,000	0.55
11. Poon Yen Yen Angeline	200,000	0.45
12. Lee Lee Kong	191,000	0.43
13. Mclaren Saksama (Malaysia) Sdn Bhd	180,000	0.41
14. Ng Tiong Seng Corporation Sdn Bhd	173,000	0.39
15. Mohamed Tamrin Bin Munir	158,000	0.36
16. Teoh Hin Heng	117,000	0.27
17. Amanah Saham Mara Berhad	100,000	0.23
18. Jeng Huat (Bahau) Realty Sdn Bhd	95,000	0.22
19. HDM Nominees (Asing) Sdn Bhd Phillip Securities Pte Ltd for Shen Xiao Ming	90,000	0.20
20. HDM Nominees (Asing) Sdn Bhd Phillip Securities Pte Ltd for Lin Yunzhi	90,000	0.20
	25,127,683	57.14



**SUBSTANTIAL SHAREHOLDERS  
AS AT 4 MAY 2001**

<b>Name</b>	<b>No. of Shares Held</b>	<b>% of Issued Share Capital</b>
1. Dato' Dr Leong Hoy Kum	20,028,683*	45.54
2. Chua Chong Kee	1,826,000**	4.15

\* Beneficial interest held under his own name, Malaysia Nominees (Tempatan) Sendirian Berhad and OUB Nominees (Tempatan) Sdn Bhd.

\*\* Beneficial interest held under his own name, TA Nominees (Tempatan) Sdn Bhd and Affin-UOB Nominees (Tempatan) Sdn Bhd.

**DIRECTORS' SHAREHOLDINGS  
AS AT 21 JANUARY 2001**

<b>Name</b>	<b>No. of Shares Held</b>	<b>% of Issued Share Capital</b>
1. Dato' Dr Leong Hoy Kum	20,028,683*	45.54
2. Dato' Mohd Ghazali Bin Mohd Khalid	20,434	0.05
3. Jen. (R) Tan Sri Yaacob Bin Mat Zain	—	—
4. Wahid Bin Othman	—	—
5. Yap Keong @ Yap Kong Nam	—	—
6. Leong Yuet Mei	—	—

\* Beneficial interest held under his own name, Malaysia Nominees (Tempatan) Sendirian Berhad and OUB Nominees (Tempatan) Sdn Bhd.



# Properties owned by the group

as at 31 December 2000



**Mah Sing Group Berhad** (230149 P)  
(Incorporated In Malaysia)

Description	Location	Existing Use	Tenure	Land Area	Estimated Age of Buildings (years)	Net Book Value RM
1. Leasehold land and single storey detached industrial building with a two-storey office section	Lot 9, Lingkaran 1, Taiwanese Industrial Park North Klang Strait Selangor Darul Ehsan	Factory	Lease expiring on 02.03.2019	304,920 sq. ft.	9	12,914,207
2. 31 units office premises in Wisma Mah Sing	GM No. 930 Lot No 1796 Section 93, Jalan Sungai Besi, Kuala Lumpur	Office	Freehold	17,280 sq. ft.	6	6,593,952
3. Freehold land and single storey detached industrial building with an office section	Lot 919, EMR No 2529 Mukim Batang Kali Selangor Darul Ehsan	Factory	Freehold	122,404 sq. ft.	4	2,202,762
4. Leasehold land and detached industrial building with an office section	Kawasan Industri Jababeka Jl. Jababeka Blok Raya W17-20 Cikarang Industrial Estate Bekasi, Indonesia	Factory	Lease expiring on 29.06.2022	224,947 sq. ft.	5	2,848,995
						24,559,916

# FORM OF PROXY



**MAH SING GROUP BERHAD**  
(Company No. 230149 P)

No. of Shares Held

I/We \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(FULL ADDRESS)

being Member/Members of MAH SING GROUP BERHAD, hereby appoint \* the Chairman of the Meeting or failing him \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him, \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(FULL ADDRESS)

as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company, to be held at Wisma Mah Sing, Penthouse Suite 1, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur on Tuesday, 26 June 2001 at 10.00 a.m. and at any adjournment thereof, on the following resolutions referred to in the notice of the Ninth Annual General Meeting:-

My/Our proxy is to vote as indicated below:

No.	Resolutions	FOR	AGAINST
1.	Receive the Audited Financial Statements for the financial year ended 31 December 2000 together with the Directors' and Auditors' Report thereon		
2.	Approval of Directors' fees		
3.	Re-election of Encik Wahid Bin Othman as Director		
4.	Re-election of Captain (Rtd) Izaham Bin Abd. Rani as Director		
5.	Re-appointment of Messrs PricewaterhouseCoopers as Auditors		

(Please indicate with a cross "X" in the spaces provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit).

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2001.

\_\_\_\_\_  
Signature: Shareholder or  
Common Seal of Appointor

\* Delete the words "*the Chairman of the Meeting or*" if you wish to appoint some other person to be your proxy.

## NOTES:

1. A member entitled to attend and vote at the Ninth Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy or attorney or duly authorised representative need not be a member of the Company.
2. The power of attorney or a notarially certified copy thereof or the instrument appointing the proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, it must be executed under its seal or in the manner authorised in its constitution.
3. The instrument appointing a proxy together with the power of attorney (if any) under which is signed or a duly notarially certified copy thereof must be deposited at the registered office of the Company at Wisma Mah Sing, Penthouse Suite 1, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

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Stamp

**THE COMPANY SECRETARY**  
**MAH SING GROUP BERHAD (230149 P)**  
Wisma Mah Sing  
Penthouse Suite 1  
No. 163, Jalan Sungai Besi  
57100 Kuala Lumpur

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