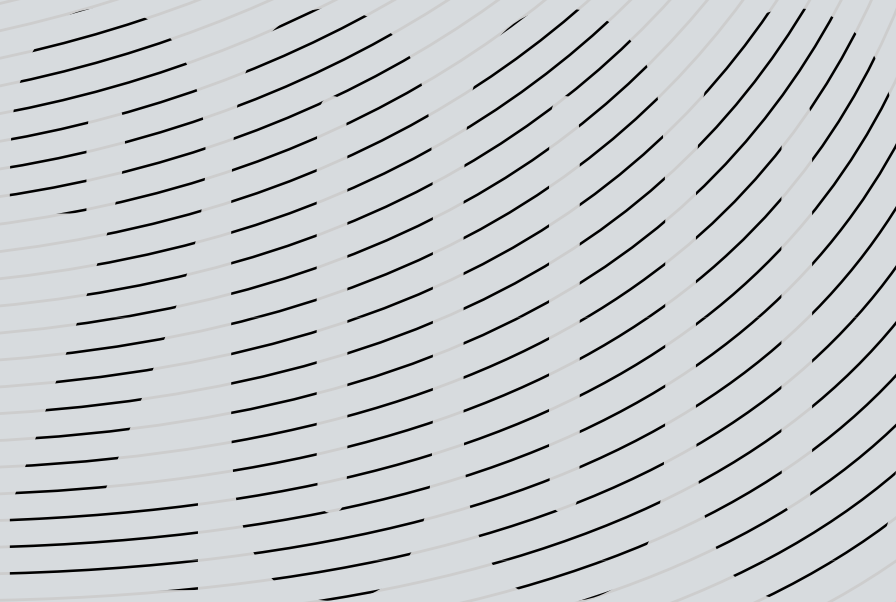




**PERAK
CORPORATION
BERHAD**

(210915-U)

(Incorporated in Malaysia)



A N N U A L R E P O R T

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notice of meeting

Notice is hereby given that the TENTH ANNUAL GENERAL MEETING of the Company will be held at Dewan Persidangan, Tingkat 4, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan on Wednesday, 13 June 2001 at 2.30 p.m. to transact the following businesses:

AGENDA

1. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31 December 2000 together with the Report of the Directors and Auditors thereon. **[Resolution 1]**
2. To approve the payment of a first and final dividend of 2 sen per share less 28% tax for the year ended 31 December 2000. **[Resolution 2]**
3. To approve the payment of Directors' fees for the year ended 31 December 2000. **[Resolution 3]**
4. To re-elect Tuan Haji Iskhak bin Bardan, the retiring Director who retires in accordance with Article 80 of the Company's Article of Association. **[Resolution 4]**
5. To re-appoint Messrs Arthur Andersen & Co as Auditors and to authorise the Directors to fix their remuneration. **[Resolution 5]**
6. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF FIRST AND FINAL DIVIDEND PAYMENT AND CLOSURE OF REGISTER

Subject to the approval of the shareholders, a first and final dividend of 2 sen per share less 28% tax will be paid on 26 July 2001.

Notice is hereby given that the Register of Members of the Company will be closed from 28 June 2001 to 29 June 2001, both days inclusive, to determine shareholders' entitlement to the dividend payment.

A depositor will qualify for entitlement only in respect of:

- a) Shares transferred into the Depositors' Securities account before 12.30 p.m. on 27 June 2001 in respect of ordinary transfers; and
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By order of the board

Cheai Weng Hoong
Company Secretary

Ipoh
25 May 2001

Notes:

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company provided that the provisions of Section 149(1)(b) of the Companies Act, 1965 are complied with. Where a member appoints two (2) or more proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy.
2. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
3. The instrument appointing a proxy must be deposited at Room 305, 3rd Floor, Asia Life Building, 45 Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.



Board Of Directors **Dato' Ir Haji Harun bin Ahmad Saruji** DPMP, AMP Chairman
Kamaldeen bin Abdul Kader
Tuan Haji Iskhak bin Bardan PMP
YM Raja Ahmad Aminollah bin Raja Abdullah PCM, PMP
Dato' Abd Wahab bin Maskan DPTJ
Tuan Haji Megat Dziauddin bin Megat Mahmud (alternate to Dato' Abd Wahab bin Maskan)

Audit Committee **Kamaldeen bin Abdul Kader** Chairman/Independent Non-Executive Director
Dato' Ir Haji Harun bin Ahmad Saruji DPMP, AMP Independent Non-Executive Director
YM Raja Ahmad Aminollah bin Raja Abdullah PCM, PMP Independent Non-Executive Director

Company Secretary **Chei Weng Hoong**

Registered Office **7th Floor, Wisma Wan Mohamed**
Jalan Panglima Bukit Gantang Wahab
30000 Ipoh, Perak Darul Ridzuan
Tel: (05) 242 7277
(05) 242 7279
Fax: (05) 529 6617
E-mail: pkcorp@tm.net.my
pkcorp2@tm.net.my

Registrars **Securities Services (Holdings) Sdn Bhd**
Room 305, 3rd Floor, Asia Life Building
45, Jalan Tun Sambanthan
30000 Ipoh, Perak Darul Ridzuan
Tel: (05) 241 7762
Fax: (05) 241 6761

Auditors
Arthur Andersen & Co.

Solicitors
Azman Davidson & Co.
Rusnah Loh & Ng

Principal Bankers
Southern Bank Berhad
CitiBank Berhad
Malayan Banking Berhad

Stock Exchange **Second Board of the**
Kuala Lumpur Stock Exchange
Stock Code: **8346**
Stock Name: **PRKCORP**



TERMS OF REFERENCE

Composition

The composition of the Audit Committee is as follows:

1. **Kamaldeen bin Abdul Kader**
Chairman of Committee and
Independent Non-Executive Director
2. **Dato' Ir Haji Harun bin Ahmad Saruji** DPMP, AMP
Independent Non-Executive Director
3. **YM Raja Ahmad Aminollah bin Raja Abdullah** PCM, PMP
Independent Non-Executive Director

Quorum

The quorum for a meeting shall be two members.

Authority

The Audit Committee is authorised by the Board to investigate any activities within its terms of reference. It can obtain from all employees any information required and it can seek outside legal or other professional assistance if it considers necessary.

Duties

- (a) To recommend to the Board the appointment and reappointment of the external auditors, audit fee and any question of their resignation or dismissal.
- (b) To discuss with the external auditors before the audit commences, the nature and scope of the audit.
- (c) To review the quarterly financial reports and annual financial statements before submission to the Board.
- (d) To discuss the outcome of the interim and final audit, and any matters the auditors may wish to discuss ensuring that no management restrictions are being placed on the scope of their examinations.
- (e) Reviewing the scope and results of the internal audit reports and the effectiveness of the internal audit function.

board of directors



Dato' Ir. Haji Harun bin Ahmad Saruji
Chairman

Kamaldeen bin Abdul Kader

Dato' Abd Wahab bin Maskan

Tuan Haji Iskhak bin Bardan

YM Raja Ahmad Aminollah bin Raja Abdullah

Tuan Haji Megat Dziauddin bin Megat Mahmud
(alternate to Dato' Abd Wahab bin Maskan)

management team



Dato' Samsudin bin Hashim
Group Chief Executive

Hj Hamsidi bin Hj Shaharah
Group Assistant GM
Business Development

Harbhajan Singh a/l Ujagar Singh
Group GM
Corporate Finance

Sharifah Nor Hashimah bt Syed Kamaruddin
Group Manager
Land & Property

Ibrahim bin Yaacob
Group GM
Property Development

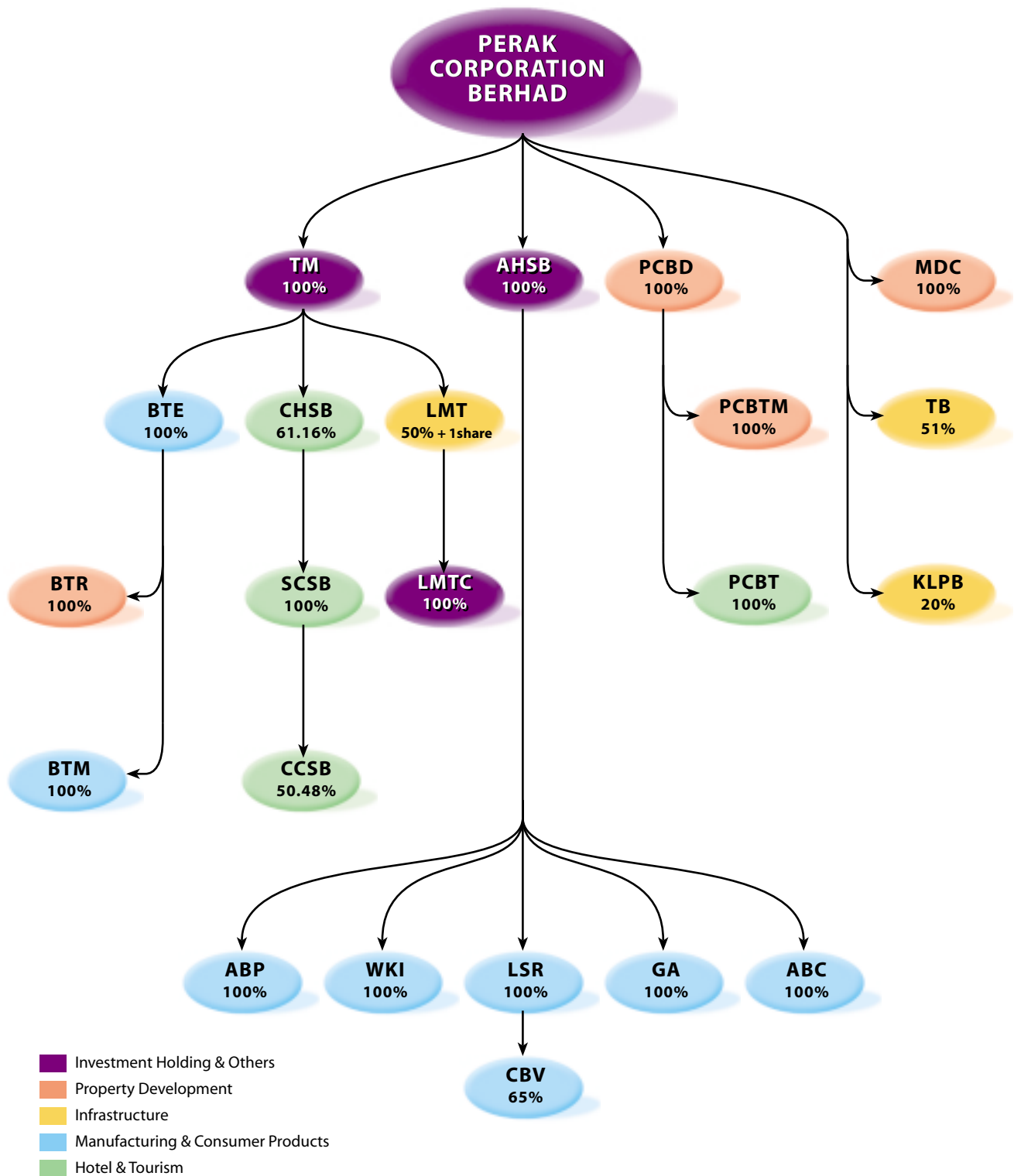
Sharifah Hanizah bt Syed Mustaffa
Group Accountant

Jimmy Ng
Group GM
Consumer Products



subsidiaries & associate

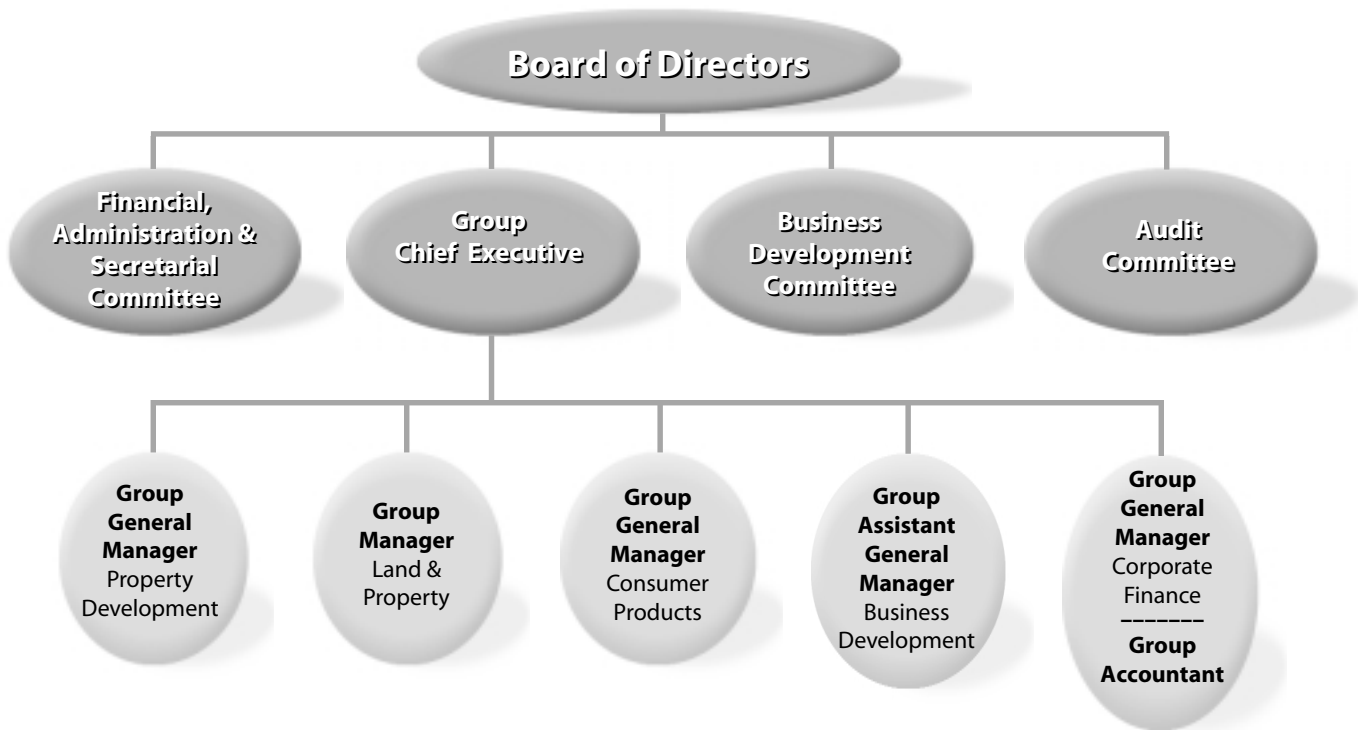
SUBSIDIARY		PRINCIPAL ACTIVITY	BUSINESS ADDRESS	
(TM)	Taipan Merit Sdn Bhd	Investment Holding	Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan.	
(TB)	Trans Bid Sdn Bhd	Water Privatisation and Supply Services		
(PCBD)	PCB Development Sdn Bhd	Investment Holding and Real Property Development		
(PCBTM)	PCB Trading & Manufacturing Sdn Bhd	Trading & Manufacture of Building Materials		
(PCBT)	PCB Transportation Travel & Tours Sdn Bhd	Provision of Transport and Travel Services		
(MDC)	Magni D'Corp Sdn Bhd	Property Investment		
(BTE)	B.T. Engineering Sdn Bhd	Manufacture and Trading of Precision and Telecommunication Products		8, Lengkok Rishah 2, Silibin Industrial Estate, 30100 Ipoh, Perak Darul Ridzuan.
(BTR)	BT Realty Sdn Bhd	Property Development		
(BTM)	BTE Marketing and Service Sdn Bhd	Trading of Automotive Parts		
(LMT)	Lumut Maritime Terminal Sdn Bhd	Operation of Port and Port Related Activities and Industrial Park	Lot 1, Lumut Port Industrial Park, Mukim Lumut, Jalan Kampung Aceh, 32000 Sitiawan, Perak Darul Ridzuan.	
(LMTc)	LMT Capital Sdn Bhd	Issuance and Redemption of Redeemable Preference Shares		
(CHSB)	Cash Hotel Sdn Bhd	Hotelier, Restaurateur and Property Developer	18, Jalan Gopeng, 30250 Ipoh, Perak Darul Ridzuan.	
(SCSB)	Silveritage Corporation Sdn Bhd	Development of Tourism Projects		
(CCSB)	Cash Complex Sdn Bhd	Investment Holding		
(AHSB)	Anakku Holdings Sdn Bhd	Investment Holding	Lot 401, 4th Floor, Bangunan TH Uptown 3, Damansara Uptown 3, 3 Jalan SS 21/39, 47400 Petaling Jaya, Selangor.	
(ABP)	Anakku Baby Products Sdn Bhd	Trading of Children's Wear and Related Products		
(LSR)	Anakku LSR Baby Products Sdn Bhd	Trading of Children's Wear and Related Products		
(WKI)	Weltex Knitwear Industries Sdn Bhd	Manufacture and Trading of Children's Wear and Related Products		
(GA)	Generasi Arif (M) Sdn Bhd	Trading of Children's Wear and Related Products, and Franchisor		
(ABC)	Anakku Baby Connection Sdn Bhd	Trading of Children's Wear and Related Products		
(CBV)	Consobiz Ventures Sdn Bhd	Manufacture and Trading of Disposable Diapers		
ASSOCIATE		PRINCIPAL ACTIVITY		BUSINESS ADDRESS
(KLPB)	Konsortium LPB Sdn Bhd	Construction and Operation of The Westcoast Highway		Level 20, Menara Maxisegar, Jalan Pandan Indah 4/2, Pandan Indah, 55100 Kuala Lumpur.



See page 6 for full names of subsidiary and associate companies.

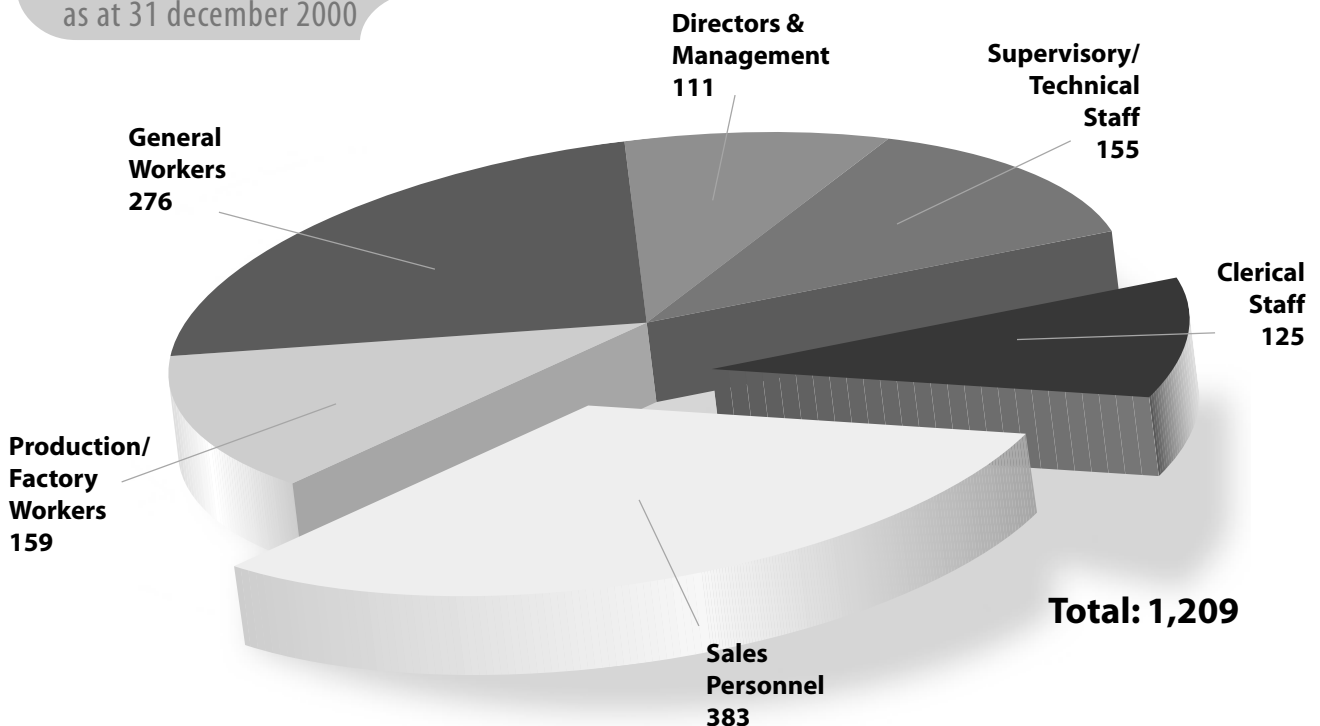


management structure



group human resources

as at 31 december 2000

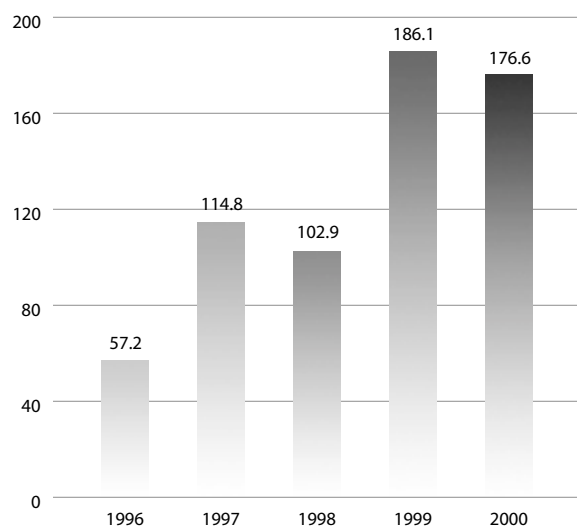


financial highlights



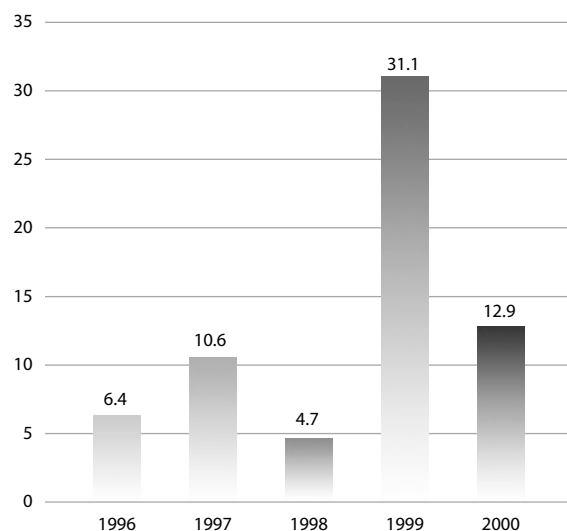
Group Revenue

(RM million)



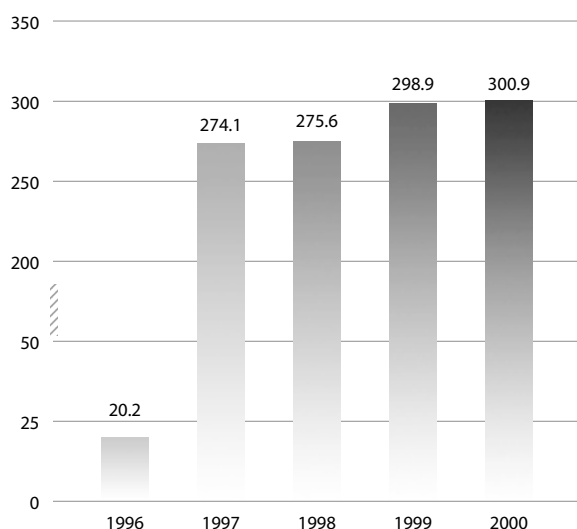
Group Profit Before Tax

(RM million)



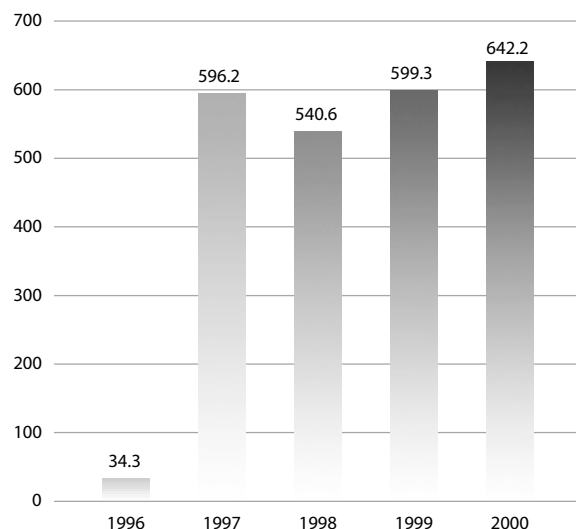
Group Shareholders' Funds

(RM million)



Group Total Assets

(RM million)





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

ECONOMIC REVIEW

The Malaysian economy rebounded strongly in fiscal 2000. It registered a positive growth of 8.5% for the year 2000. However, the operating environment during the financial year remained very challenging for the Group. The growth in the property development segment was very minimal and private domestic consumption was in dire need of a potent stimulus.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2000, the Group registered revenue of RM176.57 million (1999: RM 186.06 million). The Group registered an operating profit before tax of RM12.92 million (1999: RM 31.06 million) and profit after tax for the Group totalled RM5.85 million (1999: RM29.47). The decline is mainly due to lower profit achieved by the property development segment. The net tangible assets backing per share for the Group as at 31 December 2000 was RM3.78 (1999: RM 3.71).

At Company level, revenue of RM3.79 million resulted in profit before tax of RM2.47 million as compared to revenue of RM2.50 million in 1999 which achieved a profit before tax of RM0.97 million. Profit after tax was recorded at RM1.52 million, as against that of RM 0.53 million achieved in 1999.

PROSPECTS IN FINANCIAL YEAR 2001

Due to the larger than expected slowdown of the US economy, the main impetus to growth in the Malaysian economy is expected to come from domestic demand to be provided by fiscal stimulus and accommodative monetary policy stance. The forecasted GDP for year 2001 is in the 4.6% to 6.5% range.

Subject to the above and barring any other unforeseen circumstances, the Group may expect to maintain its performance in most of its segmental activities as compared to year 2000.

DIVIDEND

The Board of Directors of the Company is pleased to recommend a first and final dividend of 2 sen per share less 28% tax for approval at the forthcoming Annual General Meeting.

The recommended dividend upon approval by shareholders in the forthcoming Annual General Meeting will be paid on 26 July 2001.

COMMITMENT TO SHAREHOLDERS

The Board believes that shareholders should be informed of all material business matters which influence the Company and Group. In addition to the various announcements made during the year, the release of financial results on a quarterly basis provides shareholders with an updated overview of the Group's performance and operations.

APPRECIATION

Finally, on behalf of the Board, I wish to express my appreciation to our shareholders, clients, suppliers, business associates and various government authorities for their continuous support and assistance. I would like to thank the management and all the staff of the Group in contributing positively in achieving the results.

Dato' Ir Haji Harun bin Ahmad Saruji DPMP, AMP
Chairman

25 May 2001



Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Akaun yang telah diaudit bagi Kumpulan dan Syarikat untuk tahun berakhir 31 Disember 2000.

TINJAUAN EKONOMI

Pemulihan ekonomi Malaysia pada keseluruhannya berterusan dengan baik dalam tahun 2000. Ekoran dari usaha-usaha pemulihan ini, pertumbuhan Keluaran Dalam Negara Kasar mencatat 8.5%. Walau bagaimanapun, persekitaran operasi yang mencabar berkekalan untuk Kumpulan sepanjang tahun kewangan.

Pertumbuhan di sektor pembangunan hartanah amat rendah serta permintaan domestik yang memerlukan usaha-usaha yang memberangsangkan.

PRESTASI KEWANGAN

Bagi tahun kewangan berakhir 31 Disember 2000, Kumpulan telah mencatat perolehan berjumlah RM176.57 juta (1999: RM 186.06 juta). Kumpulan telah mencapai keuntungan operasi sebelum cukai berjumlah RM12.92 juta (1999: RM 31.06 juta) dan keuntungan selepas cukai bagi Kumpulan berjumlah RM5.85 juta (1999: RM29.47 juta). Kemerosotan ini disebabkan oleh kekurangan keuntungan yang dicapai oleh segmen pemaju hartanah. Nilai bersih aset ketara sesaham bagi Kumpulan pada 31 Disember 2000 ialah RM3.78 (1999: RM3.71).

Di peringkat syarikat, perolehan sebanyak RM3.79 juta menghasilkan keuntungan sebelum cukai sebanyak RM2.47 juta dibandingkan perolehan sebanyak RM2.50 juta pada 1999 yang mencapai keuntungan sebelum cukai RM0.97 juta. Keuntungan selepas cukai telah dicatatkan pada RM1.52 juta, dibandingkan dengan pencapaian sebanyak RM0.53 juta pada 1999.

PROSPEK DALAM TAHUN KEWANGAN 2001

Kesan kemerosotan ekonomi Amerika Syarikat menular ke ekonomi Malaysia dan seterusnya untuk menjana permintaan domestik memerlukan usaha-usaha dan dorongan polisi fiskal dan dasar kewangan yang bersesuaian. Sejurus dengan usaha ini jangkaan Keluaran Dalam Negara Kasar tahun 2001 adalah pada tahap 4.6% ke 6.5%.

Berdasarkan keadaan seperti di atas dan perkara-perkara yang tidak dapat dijangkakan, Kumpulan mungkin akan dapat mengekalkan pencapaian oleh kebanyakan segmen aktiviti perniagaannya berbanding Tahun 2000.

DIVIDEN

Lembaga Pengarah dengan sukacitanya mengesyorkan dividen pertama dan akhir sebanyak 2 sen tolak cukai 28% untuk diluluskan di Mesyuarat Agung Tahunan akan datang.

Pembayaran dividen yang dicadangkan, setelah kelulusan para pemegang saham diperolehi semasa Mesyuarat Agung Tahunan nanti, akan dibuat pada 26 Julai 2001.

KOMITMEN KEPADA PEMEGANG-PEMEGANG SAHAM

Lembaga Pengarah percaya bahawa pihak pemegang-pemegang saham perlu diberi maklumat berkenaan perkara-perkara perniagaan 'material' yang akan mempengaruhi pencapaian Syarikat dan Kumpulan. Juga, beberapa pengumuman telah dibuat sepanjang tahun kewangan dan keputusan kewangan bagi setiap suku tahun dikeluarkan untuk memberi pemegang-pemegang saham maklumat semasa secara keseluruhan terhadap pencapaian dan operasi Kumpulan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan ucapan penghargaan kepada para pemegang saham, pelanggan, pembekal, rakan niaga dan badan-badan kerajaan atas sokongan dan bantuan mereka yang berterusan. Saya juga ingin mengucapkan ribuan terima kasih kepada pihak pengurusan dan kakitangan Kumpulan atas usaha positif di dalam mencapai keputusan demikian.

Dato' Ir Haji Harun bin Ahmad Saruji DPMP, AMP
Pengerusi

25 Mei 2001



PROPERTY DEVELOPMENT



Bandar Meru Raya, the township being developed by our subsidiary company **PCB Development Sdn Bhd**, has 1,500 units of houses under various stages of construction. Phase 2D comprising single and double storey terrace houses was launched in November 2000. Phase 1B comprising single and double storey bungalows will start construction by June 2001, and Phase 1C bungalow lots are now ready for sale.

During the launch of Halaman Meru Damai, the low-cost housing scheme in Bandar Meru Raya, the Board of Directors were given a tour of the township and later briefed on its development. Also present at this briefing was the guest-of-honour, YAB Dato' Seri DiRaja Mohd Tajol Rosli, Menteri Besar of Perak, seen in this photo accompanied by our Chairman, YBhg Dato' Ir Harun Ahmad Saruji.

Kolej Utara in the heart of Bandar Meru Raya is now ready for operation. In addition, earthworks for the inter-state bus terminal has just been completed and construction will commence soon.



HOSPITALITY & TOURISM

Perak Splendour Tour had a kickstart at its launch on 10 January 2001 by YB Dato' Hjh Mazidah, the State Executive Councillor for Culture, Tourism and Women's Affairs. Our subsidiary companies, **PCB Transportation**

Travel & Tours Sdn Bhd and **Silveritage Corporation**

Sdn Bhd have been entrusted to spearhead this project. The Tour offers a complete package pampering tourists from pick-up at KLIA to the hotels and to all tourist destinations.



group activities

MANUFACTURING & CONSUMER PRODUCTS

Anakku Holdings Sdn Bhd joined the Rotary Club of Pantai Valley in the launching of "Smiles Across Malaysia", a charity drive for underprivileged children and the elderly. Subsidiary companies under the Anakku Group have also been active this year. **Anakku Baby Products Sdn Bhd** introduced a new brand of apparel into its range: HOOP – the hip, cool and trendy all-American brand for Malaysians. **Anakku Baby Connection Sdn Bhd** is the main distributor.

Generasi Arif (M) Sdn Bhd which deals with character licensing has acquired the license for distribution and retailing of Disney Babies, Baby Looney Tunes, Sesame Street, from the USA and Smiley Babies from the UK. Photos show Mr Jimmy Ng, Group GM (Consumer Products), at the launch of Smiley Babies on 1 November 2000 (right) and the cheque presentation ceremony at the charity drive (far right).



Our subsidiary company, **B.T. Engineering Sdn Bhd** is the approved supplier to Ghana Telecom, Africa, acting as the main turnkey contractor for its Customer Access Network Project with a contract value of USD16 million. B.T. Engineering also exports its Torque Rod Bush, a high technology automotive product to Australia, Hong Kong and the Middle-East. In addition, it supplies a complete range of precision gears, pump rollers and replacement parts for use in the palm oil industry.

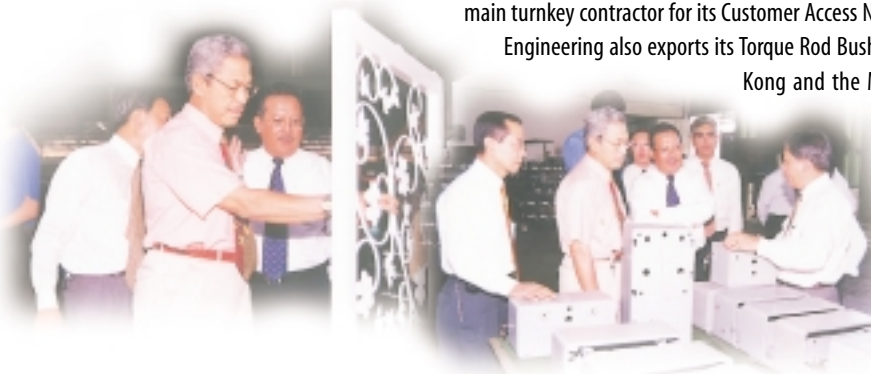


Photo shows our Chairman observing the Legate Automatic Folding Gate System, designed to cater for the discerning taste of modern Malaysian homes. **BTE Marketing & Service Sdn Bhd** has been appointed the promoter and main distributor.

INFRASTRUCTURE

Lumut Port is undergoing expansion, overseen by our subsidiary company, **Lumut Maritime Terminal Sdn Bhd**. Work commenced in the fourth quarter of 2000 on a 280 m berth extension with depth alongside of 12 m ACD. Preparatory and civil works had already commenced when the Board of Directors visited the site in November 2000 (photo at far right) and is expected to be completed by the end of third quarter 2001. The berth extension will expand capacity and permit the berthing of larger vessels of Handymax size discharging or loading dry and liquid bulk cargoes. The design provisions include for the installation of cranes along the entire berth length in the future. Photo on the right shows the mobilisation of truck crane for deck works.





analysis of shareholdings

Authorised capital	: RM500,000,000
Issued and fully paid-up capital	: RM70,000,000
Class of shares	: Ordinary shares of RM1.00 each fully paid
Voting rights	: One vote per RM1.00 share

Distribution of shareholders as at 25 April 2001

Size of Holdings	Number of Shares	% of Shareholding	Number of Shareholders	% of Shareholders
1 – 1,000	1,300,000	1.86	1,300	47.94
1,001 – 5,000	3,203,500	4.58	1,119	41.26
5,001 – 10,000	1,478,500	2.11	187	6.89
10,001 and above	64,018,000	91.45	106	3.91
Total	70,000,000	100.00	2,712	100.00

List of twenty largest shareholders as at 25 April 2001

	Number of Shares	% of Shareholding
1. RC Nominees (Tempatan) Sdn Bhd • Perbadanan Kemajuan Negeri Perak	41,215,000	58.88
2. Amanah Raya Nominees (Tempatan) Sdn Bhd • Skim Amanah Saham Bumiputera	12,000,000	17.14
3. Golden Hope Plantations Berhad	4,900,000	7.00
4. Sisma Holdings Sdn Bhd	786,000	1.12
5. KBB Nominees (Tempatan) Sdn Bhd • Exempted ESOS (PRKCRP)	655,000	0.94
6. Mayfin Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Perbadanan Kemajuan Negeri Perak	612,000	0.87
7. Cartaban Nominees (Asing) Sdn Bhd • Bank Of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG	550,000	0.79
8. Public Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Chow Yoke Yee	420,000	0.60
9. Mayfin Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Fawziah Binti Hussein Sazally	268,000	0.38
10. Cheong Yoke Choy	200,000	0.29
11. Sergap Berkat Sdn Bhd	198,000	0.28
12. MIDF Sisma Securities Sdn Bhd	125,000	0.18
13. Arab-Malaysian Nominees (Tempatan) Sdn Bhd • Arab-Malaysian Trustee Bhd for BHLB Pacific Dana Al-Ihsan	113,000	0.16
14. Lim Cheong Goh	87,000	0.12
15. PB Securities Nominees (Tempatan) Sdn Bhd • Pledged Securities Account for Sin Chee Boon	60,000	0.09
16. Hiong Yee Tian @ Peter Hiong	53,000	0.08
17. Ismail Mokhtar Bin Mohd Noor	50,000	0.07
18. Low Bee Eng	48,000	0.07
19. Hong Boon Siong	44,000	0.06
20. Ng Kam Weng	44,000	0.06
	62,428,000	89.18

Substantial shareholders as at 25 April 2001

	Number of shares	% of Shareholding
1. Perbadanan Kemajuan Negeri Perak	42,057,000	60.08
2. Skim Amanah Saham Bumiputera	12,000,000	17.14
3. Golden Hope Plantations Berhad	4,900,000	7.00

FINANCIAL



STATEMENTS

2000

The directors hereby submit their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 December, 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of property and investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 14 to the financial statements.

There were no significant changes in these activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the year	3,032,952	1,523,943

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors recommend a final dividend of 2% less taxation, amounting to RM1,008,000 in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity and Note 27 to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amounts written off as bad debts or provided for as doubtful debts in the financial statements of the Company and of the Group inadequate to any substantial extent.



CURRENT ASSETS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Company and of the Group have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company and the Group misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company or of the Group to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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 of the Company or of the Group which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

SIGNIFICANT EVENTS

During the financial year,

- (a) PCB Development Sdn. Bhd. ("PCBD"), a wholly owned subsidiary, acquired the entire issued and paid up capital of PCB Trading & Manufacturing Sdn. Bhd. ("PCBTM"), a company incorporated in Malaysia, for a total consideration of RM2. Subsequently, PCBD subscribed for additional 4,998 ordinary shares of RM1 each for a cash consideration of RM4,998, representing the entire enlarged paid up capital of PCBTM;
- (b) PCBD acquired the entire issued and paid up capital of PCB Transportation Travel & Tours Sdn. Bhd. ("PCBT"), a company incorporated in Malaysia, for a total consideration of RM2. Subsequently, PCBD subscribed for additional 200,000 ordinary shares of RM1 each for a cash consideration of RM200,000, representing the entire enlarged paid up capital of PCBT.
- (c) PCBD entered into a shareholders agreement with Cherry Blossom Sdn. Bhd., a subsidiary of Perbadanan Kemajuan Negeri Perak ("PKNP"), and a third party for the purpose of acquiring 35% of the equity interests in PCB Communications Sdn. Bhd. ("PCB Communication"), a company incorporated in Malaysia.

PCB Communication has an authorised share capital of RM1 million with the main objective of setting up a factory for the manufacture, fabrication, integration and trading of specialised products and components of base material composite and metal and for the supply and integration of telecommunication and IT services.

As at todate, the above proposed acquisition has yet to be finalised.

- (d) On 15 January, 1996, Cash Hotel Sdn. Bhd. ("CHSB"), a subsidiary incorporated in Malaysia, entered into an agreement with Keris Properties Sdn. Bhd. ("KP") to jointly develop the land held by the subsidiary company by way of mixed development of condominiums and offices blocks.

Due to the recent economic downturn, the proposed development project has been deferred. During the financial year, KP had proposed to the subsidiary company to vary certain terms and conditions as stated in the agreement.



The proposed variations have been finalised subsequent to the financial year end. The directors of the Group are of the opinion that the variations are in the interest of the Group and no less favourable than the original terms and conditions.

- (e) Weltex Knitwear Industries Sdn. Bhd. ("WKI"), a wholly owned subsidiary incorporated in Malaysia, entered into a Sale and Purchase Agreement with a third party to dispose off a parcel of leasehold land and building for a consideration of RM491,000.

SUBSEQUENT EVENT

Subsequent to the end of the financial year, Anakku Baby Products Sdn. Bhd., a wholly owned subsidiary incorporated in Malaysia, entered into a Sale and Purchase Agreement with a third party to dispose off four parcels of leasehold land and buildings for a total consideration of RM1,300,000.

DIRECTORS

The directors who served since the date of last report are:

Dato' Ir. Haji Harun bin Ahmad Saruji DPMP, AMP

Kamaldeen bin Abdul Kader

Tuan Haji Iskhak bin Bardan PMP

YM Raja Ahmad Aminollah bin Raja Abdullah PCM, PMP

Dato' Abd. Wahab bin Maskan DPTJ

Tuan Haji Megat Dziauddin bin Megat Mahmud (alternate director to Dato' Abd. Wahab bin Maskan DPTJ)

In accordance with Article 80 of the Company's Articles of Association, Tuan Haji Iskhak bin Bardan PMP retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 30 to the financial statements or the fixed salary of a full time employee of the Company or its subsidiaries) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than as disclosed in Notes 4, 5, 12, 13 and 40 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1 January 2000	Bought	Sold	31 December 2000
The Company				
Dato' Ir. Haji Harun bin Ahmad Saruji DPMP, AMP	9,000	-	-	9,000
Tuan Haji Iskhak bin Bardan PMP	10,000	-	-	10,000

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

There were no changes in the interest of each of the directors in the shares in the Company or its related corporations as at 21 days after the end of the financial year.

NUMBER OF EMPLOYEES AND PRINCIPAL PLACE OF BUSINESS

The number of employees in the Company and the Group at the end of the year were 7 (1999 : 7) and 1,209 (1999 : 1,123) respectively. The principal place of business of the Company is located at 7th Floor Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan.

ULTIMATE HOLDING CORPORATION

The directors regard Perbadanan Kemajuan Negeri Perak, a body corporate established under Perak Enactment No. 3 of 1967 as the ultimate holding corporation.

AUDITORS

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

Signed on behalf of the Board in accordance with a resolution of the directors:

DATO' IR. HAJI HARUN BIN AHMAD SARUJI DPMP, AMP

TUAN HAJI ISKHAK BIN BARDAN PMP

Dated : 27 April 2001
Ipoh



statement by directors

We, DATO' IR. HAJI HARUN BIN AHMAD SARUJI ^{DPMP, AMP} and TUAN HAJI ISKHAK BIN BARDAN ^{PMP}, being two of the directors of PERAK CORPORATION BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 23 to 65 give a true and fair view of the state of affairs of Group and of the Company as at 31 December, 2000 and of the results and cash flows of the Group and of the Company for the year then ended, and have been properly drawn up in accordance with applicable approved accounting standards in Malaysia.

Signed on behalf of the Board in accordance with a resolution of the directors:

DATO' IR. HAJI HARUN BIN AHMAD SARUJI ^{DPMP, AMP}

TUAN HAJI ISKHAK BIN BARDAN ^{PMP}

Dated: 27 April 2001
Ipoh

statutory declaration

I, DATO' SAMSUDIN BIN HASHIM ^{DPMP, PMP, AMP}, the officer primarily responsible for the financial management of PERAK CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 23 to 65 are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed DATO' SAMSUDIN
BIN HASHIM ^{DPMP, PMP, AMP} at Ipoh
in the State of Perak Darul Ridzuan
on 27 April 2001.

**DATO' SAMSUDIN
BIN HASHIM** ^{DPMP, PMP, AMP}

Before me:

ABD. RAHIM BIN HJ. MAT TAIB ^{AMN, AMP}
Commissioner for Oaths
Registration No. A010
Malaysia

To the Shareholders of PERAK CORPORATION BERHAD

We have audited the financial statements set out on pages 23 to 65. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion,

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia and give a true and fair view of:
 - (i) 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 of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, as indicated in Note 14 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

ARTHUR ANDERSEN & CO.

No. AF 0103

Public Accountants

ADRIAN TSEN KENG YAM

No. 1314/5/02(J)

Partner of the Firm

Dated: 27 April 2001

Ipoh

FINANCIAL STATEMENTS 2000



consolidated balance sheet – 31 december 2000

	Note	2000 RM	1999 RM
CURRENT ASSETS			
Cash and bank balances	3	10,430,446	14,113,928
Trade debtors	4	105,377,945	92,773,546
Other debtors, deposits and prepayments	5	24,280,110	20,605,676
Stocks	6	28,863,812	21,622,106
Development properties	7	56,037,835	53,568,091
Due from ultimate holding corporation	8	81,445,688	81,660,554
Due from related companies	9	21,171,043	7,296,041
		327,606,879	291,639,942
CURRENT LIABILITIES			
Short term borrowings	11	120,167,308	93,564,616
Trade creditors	12	22,668,471	20,557,047
Other creditors and accruals	13	29,926,444	24,973,209
Due to ultimate holding corporation	8	472,065	3,525,886
Due to related companies	9	110,000	169,854
Dividend payable		1,008,000	–
Taxation		4,490,543	566,854
		178,842,831	143,357,466
NET CURRENT ASSETS		148,764,048	148,282,476
INVESTMENT IN SUBSIDIARIES	14	–	–
ASSOCIATED COMPANY	15	3,020,816	3,247,137
OTHER INVESTMENTS	16	4,662,500	5,040,000
FIXED ASSETS	17	123,151,556	118,853,091
LAND AND DEVELOPMENT EXPENDITURE	18	142,189,043	141,368,639
GOODWILL ARISING ON CONSOLIDATION	19	36,635,903	38,925,647
OTHER INTANGIBLE ASSETS	20	29,829	272,650
SINKING FUND ACCOUNT	21	4,870,570	–
DUE TO ULTIMATE HOLDING CORPORATION	8	(11,659,710)	(8,570,000)
LONG TERM BORROWINGS	22	(15,396,012)	(15,209,827)
RETIREMENT BENEFITS	23	(176,218)	(130,354)
HIRE PURCHASE CREDITORS	24	(645,755)	(1,702,338)
DEFERRED TAXATION	25	(2,916,000)	(2,222,000)
		432,530,570	428,155,121
REPRESENTED BY:			
Share capital	26	70,000,000	70,000,000
Share premium		190,497,543	190,497,543
Retained profits		40,427,637	38,402,685
Shareholders' funds		300,925,180	298,900,228
Reserve arising on consolidation	27	992,000	1,050,353
Minority interests	28	130,613,390	128,204,540
		432,530,570	428,155,121

The accompanying notes are an integral part of this balance sheet.

consolidated income statement for year ended 31 december 2000

	Note	2000 RM	1999 RM
Revenue		176,573,793	186,064,422
Cost of sales		(103,317,796)	(104,074,079)
Gross profit	29	73,255,997	81,990,343
Other operating income		1,785,207	1,470,554
Distribution costs		(4,090,955)	(4,814,307)
Administrative expenses		(19,454,305)	(19,224,664)
Other operating expenses		(34,529,218)	(24,639,310)
Profit from operations		16,966,726	34,782,616
Finance costs		(3,817,586)	(2,854,568)
Share of loss of an associated company		(226,321)	(177,128)
Profit before taxation	30	12,922,819	31,750,920
Taxation	31	(7,071,691)	(1,584,274)
Profit after taxation		5,851,128	30,166,646
Minority interests		(2,818,176)	(4,660,505)
Profit attributable to shareholders		3,032,952	25,506,141
Earnings per share	32	4.3 sen	36.4 sen

The accompanying notes are an integral part of this statement.

FINANCIAL STATEMENTS 2000



consolidated statement of changes in equity for year ended 31 december 2000

	Share capital RM	Non Distributable Share premium RM	Distributable Retained profits RM	Total RM
At 1 January, 1999	70,000,000	190,497,543	13,941,638	274,439,181
Prior year adjustments				
- Intangible assets written off (Note 33)	-	-	(476,566)	(476,566)
- Share of losses of an associated company (Note 15)	-	-	(568,528)	(568,528)
At 1 January, 1999 as restated	70,000,000	190,497,543	12,896,544	273,394,087
Net profit for the year	-	-	25,506,141	25,506,141
At 31 December, 1999 as restated	70,000,000	190,497,543	38,402,685	298,900,228
At 31 December, 1999 as previously stated	70,000,000	190,497,543	39,469,927	299,967,470
Prior year adjustments				
- Intangible assets written off (Note 33)	-	-	(321,586)	(321,586)
- Share of losses of an associated company (Note 15)	-	-	(745,656)	(745,656)
At 1 January, 2000 as restated	70,000,000	190,497,543	38,402,685	298,900,228
Net profit for the year	-	-	3,032,952	3,032,952
Dividends (Note 34)	-	-	(1,008,000)	(1,008,000)
At 31 December, 2000	70,000,000	190,497,543	40,427,637	300,925,180

The accompanying notes are an integral part of this statement.

consolidated cash flow statement for the year ended 31 december 2000

	2000	1999
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,922,819	31,750,920
Adjustments for:		
Amortisation of goodwill arising on consolidation	2,289,744	2,289,744
Amortisation of intangible assets	79,808	152,059
Amortisation of reserve arising on consolidation	(58,353)	(58,352)
Attributable profits from development	(9,175,369)	(7,945,262)
Bad debts written back	(21,153)	(46,578)
Bad debts written off	42,064	105,167
Depreciation	6,377,079	6,111,670
Fixed assets written off	115,255	5,262
Gain on disposal of fixed assets	(95,339)	(79,980)
Gain on disposal of quoted shares	(186,830)	-
Intangible assets written off	180,663	-
Investment written off	-	1
Overprovision in term loan interest	-	(265,120)
Provision for doubtful debts	728,319	1,139,175
Provision for stock obsolescence	1,371,139	-
Retirement benefits	52,118	130,354
Share of loss of associated company	226,321	177,128
Stocks written back	(77,172)	(3,644)
Stocks written off	112,275	719,934
Dividend income	(184,900)	-
Interest expense	3,699,420	2,673,986
Interest income	(1,279,935)	(380,401)
Operating profit before working capital changes	17,117,973	36,476,063
Decrease in development properties	278,409	4,085,541
(Increase)/decrease in due from ultimate holding corporation	(725,693)	491,691
Increase in debtors	(16,678,062)	(30,495,671)
Increase in short term borrowings	4,724,772	918,722
Increase in stocks	(8,647,948)	(5,656,410)
Increase in creditors	6,167,422	8,596,825
Cash generated from operations	2,236,874	14,416,761
Interest paid	(2,717,624)	(1,661,080)
Taxes paid	(2,454,003)	(2,626,344)
Retirement benefits paid	(6,254)	-
Net cash (used in)/generated from operating activities	(2,941,007)	10,129,337

The accompanying notes are an integral part of this statement.

FINANCIAL STATEMENTS 2000



consolidated cash flow statement for the year ended 31 december 2000

	2000 RM	1999 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Land and development expenditure	7,150,503	2,726,760
Payments for pre-operating expenses	-	(11,386)
Payments for trademarks	(17,650)	-
Proceed from disposal of quoted shares	564,330	-
Proceeds from disposal of fixed assets	125,747	123,260
Purchase of fixed assets *	(12,001,997)	(5,019,577)
Purchase of investments	-	(5,000,000)
Share application monies	(350,000)	-
Dividend received	184,900	-
Interest received	15,585	284,360
Net cash used in investing activities	<u>(4,328,582)</u>	<u>(6,896,583)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances to related companies	(12,670,506)	(7,030,146)
Advances from ultimate holding corporation	4,860,348	4,044,156
Deposits pledged	(1,284,500)	(384,000)
Drawdown of loan and financing facilities	7,418,694	16,450,000
Revolving credit, net	15,412,094	-
Repayment of advances to minority shareholders	(409,328)	-
Repayment of hire purchase and lease creditors	(1,504,042)	(1,495,310)
Repayment of loan and financing facilities	(2,936,349)	(7,334,156)
Repayment to ultimate holding corporation	(3,883,900)	(1,381,653)
Placement for sinking fund	(4,870,570)	-
Net cash generated from financing activities	<u>131,941</u>	<u>2,868,891</u>
Net (decrease)/increase in cash and cash equivalents	<u>(7,137,648)</u>	6,101,645
Cash and cash equivalents at beginning of year	<u>12,364,133</u>	<u>6,262,488</u>
Cash and cash equivalents at end of year	<u><u>5,226,485</u></u>	<u><u>12,364,133</u></u>
Cash and cash equivalents comprise		
Cash on hand and at bank	3,545,967	6,702,836
Deposits with licensed banks	6,834,479	7,361,092
Deposits with licensed finance companies	50,000	50,000
Bank overdrafts	(2,891,961)	(722,295)
	<u>7,538,485</u>	<u>13,391,633</u>
Deposits pledged for guarantees and hire purchase facilities granted to certain subsidiaries	<u>(2,312,000)</u>	<u>(1,027,500)</u>
	<u><u>5,226,485</u></u>	<u><u>12,364,133</u></u>
* Fixed assets additions during the financial year were acquired by means of:		
Cash payments	12,001,997	5,019,577
Hire purchase and lease financing	362,900	1,659,971
	<u>12,364,897</u>	<u>6,679,548</u>

The accompanying notes are an integral part of this statement.

balance sheet – 31 december 2000

	Note	2000 RM	1999 RM
CURRENT ASSETS			
Cash and bank balances	3	184,040	526,330
Other debtors, deposits and prepayments	5	10,005,942	7,118,460
Due from ultimate holding corporation	8	80,681,744	81,660,554
Due from related companies	9	21,171,043	7,296,041
Due from subsidiaries	10	4,317,162	4,219,384
		116,359,931	100,820,769
CURRENT LIABILITIES			
Short term borrowings	11	100,580,844	85,168,750
Other creditors and accruals	13	1,787,457	986,198
Dividend payable		1,008,000	-
Taxation		530,262	-
		103,906,563	86,154,948
NET CURRENT ASSETS		12,453,368	14,665,821
INVESTMENT IN SUBSIDIARIES	14	234,616,378	231,319,712
ASSOCIATED COMPANY	15	3,992,793	3,992,793
OTHER INVESTMENTS	16	4,647,500	5,025,000
FIXED ASSETS	17	11,430,663	11,592,786
OTHER INTANGIBLE ASSETS	20	-	43,447
HIRE PURCHASE CREDITORS	24	(15,725)	(30,525)
DEFERRED TAXATION	25	(14,000)	(14,000)
		267,110,977	266,595,034
SHAREHOLDERS' FUNDS			
Share capital	26	70,000,000	70,000,000
Share premium		190,497,543	190,497,543
Retained profits		6,613,434	6,097,491
		267,110,977	266,595,034

The accompanying notes are an integral part of this balance sheet.

FINANCIAL STATEMENTS 2000



income statement for the year ended 31 december 2000

	Note	2000 RM	1999 RM
Revenue		3,788,449	2,503,549
Cost of sales		-	-
Gross profit	29	3,788,449	2,503,549
Other operating income		977,549	194,093
Administrative expenses		(802,102)	(716,849)
Other operating expenses		(555,762)	(881,271)
Profit from operations		3,408,134	1,099,522
Finance costs		(934,191)	(127,851)
Profit before taxation	30	2,473,943	971,671
Taxation	31	(950,000)	(444,247)
Net profit for the year		1,523,943	527,424

The accompanying notes are an integral part of this statement.

statement of changes in equity for the year ended 31 december 2000

	Share capital RM	Non Distributable Share premium RM	Distributable Retained profits RM	Total RM
At 1 January, 1999	70,000,000	190,497,543	5,570,067	266,067,610
Net profit for the year	-	-	527,424	527,424
At 31 December, 1999	70,000,000	190,497,543	6,097,491	266,595,034
Net profit for the year	-	-	1,523,943	1,523,943
Dividends (Note 34)	-	-	(1,008,000)	(1,008,000)
At 31 December, 2000	70,000,000	190,497,543	6,613,434	267,110,977

The accompanying notes are an integral part of this statement.



cash flow statement for the year ended 31 december 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,473,943	971,671
Adjustments for:		
Depreciation	169,133	170,088
Amortisation of intangible assets	43,447	43,447
Interest expense	876,781	125,679
Interest income	(778,719)	(182,093)
Dividend income	(1,484,900)	(200,000)
Profit on disposal of investment	(186,830)	-
Operating profit before working capital changes	1,112,855	928,792
Increase in debtors	(2,887,482)	(2,154,687)
Increase in creditors	967,769	445,174
Decrease in due from ultimate holding corporation	2,362	55,515
Cash used in operations	(804,496)	(725,206)
Interest received	764,544	112,791
Interest paid	(869,381)	(118,279)
Taxes paid	(55,738)	(602,744)
Net cash used in operating activities	(965,071)	(1,333,438)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	328,900	144,000
Interest received	14,175	69,302
Advance to related companies	(16,477,446)	(9,099,483)
Proceeds from disposal of quoted shares	564,330	-
Purchase of fixed assets	(7,010)	(4,770)
Purchase of quoted shares	-	(5,000,000)
Net cash used in investing activities	(15,577,051)	(13,890,951)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(7,400)	(7,400)
Advances from ultimate holding corporation	4,860,348	4,044,156
Increase in short term borrowings	15,245,584	10,168,750
Repayment to ultimate holding company	(3,883,900)	(1,381,653)
Repayment of hire purchase creditors	(14,800)	(14,800)
Net cash generated from financing activities	16,199,832	12,809,053
Net decrease in cash and cash equivalents	(342,290)	(2,415,336)
Cash and cash equivalents at beginning of year	526,330	2,941,666
Cash and cash equivalents at end of year	184,040	526,330
Cash and cash equivalents comprise		
Cash and bank balances	84,040	26,330
Deposits with licence banks	100,000	500,000
	184,040	526,330

The accompanying notes are an integral part of this statement.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company consist of property and investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 14.

There were no significant changes in these activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention and comply with applicable approved accounting standards in Malaysia.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The Company treats as a subsidiary, a company in which a long term equity interest of more than 50% is held and there is control over the financial and operating policies so as to obtain benefits from its activities.

The results of the subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of the subsidiary acquired during the year are included in the consolidated income statement from the effective date of the acquisition only. Inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are incorporated in the consolidated financial statements. The difference between the acquisition cost and fair value of the net assets of the subsidiaries are reflected as goodwill or reserve on consolidation, where appropriate.

Goodwill or reserve on consolidation are amortised through the income statement over a period of twenty years, except, where in the opinion of the directors it is permanently impaired, goodwill arising on consolidation is written off to the income statement.

(c) Associated Company

Investment in an associated company (which is stated at cost less provision for any permanent diminution in value) is an investment in which the Group has a long term equity interest of between 20 and 50 percent and where it exercises significant influence through management participation.



2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Associated Company (continued)

The Group's share of post acquisition profits less losses of the associated company is included in the consolidated income statement and the Group's interest in the associated company is stated at cost less the Group's share of post acquisition accumulated losses and reserves.

The results of the associated company has not been equity accounted for in the previous year's at Group level as there was no operating results for those financial years.

In the current financial year, the associated company's policy of recognising preliminary and pre-operating expenses in the balance sheet and its realisation upon commencement of business operations was changed to an immediate write off to the income statement in the year these expenses are incurred. The change in accounting policy is to comply with applicable approved accounting standards in Malaysia. Following this change in accounting policy, the amounts for the current and comparative years have been accounted for based on the new basis and a prior year adjustment has been made in the financial statements of the associated company. Consequently, the Group's share of the results of the associated company have been equity accounted for retrospectively in accordance with the change and the effects of these changes are disclosed in Note 15.

(d) Currency Conversion and Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at the rates of exchange ruling at that date. All exchange differences are taken to the income statement.

The exchange rates ruling at the balance sheet date used are as follows:

	2000	1999
United States Dollar	3.80	3.80

(e) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Freehold land and capital work-in-progress are not depreciated. Leasehold land is depreciated over the period of the lease. Depreciation of other fixed assets is provided on a straight line basis calculated to write off the cost of each asset over the following estimated useful lives:

Land and buildings	
Long term leasehold land and building	over 51 - 99 years
Short term leasehold land and buildings	over 30 years
Buildings	2% - 5%
Plant and machinery	10% - 20%
Other assets	
Equipment, furniture and fittings	5% - 25%
Motor vehicles	10% - 25%
Linen and tableware	20% - 25%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Debtors

Known bad debts are written off and specific provisions are made for all debts which are considered doubtful.

(g) Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis except that in certain subsidiaries, it is determined on a first-in, first-out basis. Cost of finished goods and work-in-progress includes where appropriate direct materials, direct labour and an appropriate portion of production overheads. Cost of raw material comprises the purchase price and cost of bringing the stocks to location.

The impact of adopting different accounting policies as stated above does not have a material impact on the Group's results.

(h) Revenue Recognition

- (i) Dividends from subsidiaries are recognised on a receivable basis.
- (ii) Dividends from quoted investments are recognised on a receipt basis.
- (iii) Franchise fees are fully recognised as income in the year the related franchise agreements are entered into.
- (iv) Revenue from the sales of goods is recognised on a receivable basis net of discounts when significant risks and rewards of ownership have been transferred completely.
- (v) Revenue from the sales of port development land is recognised on a percentage of completion basis.
- (vi) Revenue from the sales of vacant land is recognised on a receivable basis.
- (vii) Rental income is recognised on a receivable basis.

(i) Deferred Taxation

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

(j) Hire Purchase and Leased Assets

Fixed assets acquired under hire purchase and finance lease arrangements are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 2(e). The corresponding outstanding obligations due under the hire purchase and finance lease arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance expenses are charged to the income statement over the period of the respective agreements.

Lease rental payments on operating leases are charged to the income statement in the year they become payable.



2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Retirement Benefits

A subsidiary operates an unfunded defined benefit scheme under a Collective Agreement with the National Union of Hotel, Bar and Restaurant Workers, Peninsular Malaysia. The retirement benefits in respect of eligible employees as set out in the Collective Agreement will be provided for in the financial statements upon ten years prior to the respective employee's retirement age.

The subsidiary has done its own computation to determine the provision needed in respect of the scheme and an actuarial valuation has not been carried out. The Directors of the subsidiary are of the opinion that the effect of such provision in the financial statements is not material and as such does not justify the cost of the engagement of an actuary.

(l) Development Properties

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle are classified as development properties. Development properties are stated at lower of cost and net realisable value plus attributable profits less foreseeable losses and applicable progress billings.

Cost includes cost of land and other related development expenditure which comprise of construction and other development costs.

Income and property development expenditure are recognised in the income statement using the percentage of completion method. Where foreseeable losses on development projects are anticipated, full provision for these losses will be made in the financial statement.

Profit from joint development project of the subsidiary is recognised based on guaranteed amount received or receivable during the year.

(m) Land and Development Expenditure

(i) *Land held for future development*

Land held for future development are stated at cost including all related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use.

These lands are transferred to development properties when significant development work is to be undertaken and is expected to be completed within the normal operating cycle.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Land and Development Expenditure (continued)

(ii) *Development of port facilities and properties*

Land is stated at the lower of cost and net realisable value. Development expenditure comprises cost of land and all direct expenses relating to the development of port facilities and properties.

The principal annual rates of depreciation are:

Leasehold portland	over 99 years
Port structure	over 50 years
Port equipment	over 10 – 20 years

All expenditure incurred, associated with capital development of port facilities inclusive of interest cost, are capitalised in accordance with Note 2 (n) and amortised over the estimated useful life.

Amortisation of the port structure is based on the revenue method where the cost is amortised based on the total actual revenue in the year over total expected revenue to be generated from the port operations during the period of its estimated useful life.

(n) Interest Capitalisation

The related interest charges on external borrowings are capitalised until the:

- (i) Port construction is completed and ready for use; and
- (ii) Properties under development are brought to their saleable position.

(o) Other Intangible Assets

The Company's other intangible assets represent expenses and fees incidental to the listing of and quotation for the entire issued and paid up capital of the Company on the Kuala Lumpur Stock Exchange and are amortised over a period of ten years.

The Group's other intangible assets include the following:

- (i) Preliminary expenses of subsidiaries which in previous years were amortised over a period of up to five years upon commencement of their business operations.*
- (ii) Pre-operating expenses of subsidiaries which in previous years were amortised over a period of up to five years upon commencement of their business operations.*



2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Other Intangible Assets (continued)

- (iii) Direct expenses incurred for franchise concept which in previous years were amortised over a period of three years.*
- (iv) Cost incurred in the registration of trademarks which are amortised over a period of three years.
- (v) Pre-branding expenses in relation to hotel operations which in previous years were written off over a period of five years. These expenses have been fully written off during the financial year as the directors consider that its realisation would not result in the inflow of future economic benefits.

* In the current financial year, the prior year's policy of recognising preliminary and pre-operating expenses in the balance sheet and its amortisation over its respective periods was changed to an immediate write off to the income statement in the year these expenses are incurred. The change in accounting policy is to comply with applicable approved accounting standards in Malaysia. Following this change in accounting policy, the amounts for the current and comparative years have been accounted for based on the new basis and a prior year adjustment has been made. The effects of this change in accounting policy are disclosed in Note 33.

(p) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and bank balances net of bank overdrafts, and exclude deposits with licensed financial institutions which have been pledged and are not freely remissible to the Group.

(q) Other Investments

Investments in subsidiaries and other investments are stated at cost less provision for any permanent diminution in value.

3. CASH AND BANK BALANCES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Cash on hand and at banks	3,545,967	6,702,836	84,040	26,330
Deposits with licensed banks	6,834,479	7,361,092	100,000	500,000
Deposits with licensed finance companies	50,000	50,000	-	-
	10,430,446	14,113,928	184,040	526,330

Included in the deposits with licensed banks and finance companies of the Group are amounts of RM2,312,000 (1999 : RM1,027,500) pledged for guarantees and hire purchase facilities granted to certain subsidiaries.

4. TRADE DEBTORS

	Group	
	2000	1999
	RM	RM
Trade debtors	106,052,054	93,640,772
Less: Provision for doubtful debts	(674,109)	(867,226)
	105,377,945	92,773,546
	105,377,945	92,773,546

Included in trade debtors are amounts of RM4,429,536 (1999 : RM5,252,968) owing by companies in which certain directors of the subsidiaries have substantial interests.

5. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Other debtors	10,079,526	9,274,566	11,831	13,994
Less: Provision for doubtful debts	(1,930,322)	(1,700,000)	-	-
	8,149,204	7,574,566	11,831	13,994
Deposits	10,072,508	6,975,277	9,659,141	6,765,948
Prepayments	6,058,398	6,055,833	334,970	338,518
	24,280,110	20,605,676	10,005,942	7,118,460
	24,280,110	20,605,676	10,005,942	7,118,460

Included in the Group's other debtors, deposits and prepayments are amounts owing by a company in which a director of a subsidiary has substantial interest of RM4,495 (1999 : RM7,647)

Included in the Group's other debtors, deposits and prepayments are share application monies of RM350,000 (1999 : Nil) (Note 38 (c)).



6. STOCKS

	Group	
	2000	1999
	RM	RM
Raw materials	2,527,097	2,431,713
Work-in-progress	1,875,080	3,117,211
Finished goods	26,618,942	16,931,303
Sundry supplies	163,519	39,915
Food and beverage	86,266	145,983
	31,270,904	22,666,125
Less: Provision for stocks obsolescence*	(2,407,092)	(1,044,019)
	28,863,812	21,622,106

* The carrying amount of the stocks provided for are stated as RMNil (1999 : RMNil) at their respective net realisable amounts.

7. DEVELOPMENT PROPERTIES

	Group	
	2000	1999
	RM	RM
Land, at cost	35,594,708	23,490,374
Add: Transfer from land and development expenditure (Note 18)	14,289,950	18,817,930
Add: Transfer from fixed assets (Note 17)	2,440,375	-
Add: Additions	918,488	12,104,335
Less: Transfer to development expenditure	(7,454,506)	-
Less: Disposals	(224,655)	(4,006,790)
	45,564,360	50,405,849
Add: Development expenditure, at cost	34,124,382	12,066,371
	79,688,742	62,472,220
Add: Guaranteed profit	7,734,426	7,200,000
Estimated profits accrued	7,180,191	4,663,521
Less: Foreseeable losses	(308,981)	-
	94,294,378	74,335,741
Less: Proceeds received by a subsidiary	(8,534,426)	(8,000,000)
Less: Progress billings received	(18,664,599)	(5,392,597)
Less: Progress billings receivable	(11,057,518)	(7,375,053)
	56,037,835	53,568,091

8. DUE FROM/(TO) ULTIMATE HOLDING CORPORATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Due from ultimate holding corporation				
- Trade balance	2,954,438	2,192,856	2,190,494	2,192,856
- Non-trade balance	78,491,250	79,467,698	78,491,250	79,467,698
	81,445,688	81,660,554	80,681,744	81,660,554

The remaining amounts due to ultimate holding corporation are trade in nature.

The amounts due from/(to) ultimate holding corporation are unsecured, interest free and have no fixed terms of repayment.

9. DUE FROM/(TO) RELATED COMPANIES

Included in the amounts due from related companies are advances together with accrued interest of RM21,171,043 (1999: RM7,296,041) which are unsecured, bear interest rates between 4.7% to 7.5% (1999: 7.5%) per annum, and have no fixed term of repayment.

The amounts due from/(to) related companies are non trade in nature.

The remaining amounts due from/(to) related companies are unsecured, interest free and have no fixed terms of repayment.

10. DUE FROM SUBSIDIARIES

Included in the amount due from subsidiaries is an advance of RM323,000 (1999: RM250,000) which is unsecured, bear interest rates of between 5.2% to 6.7% (1999: 6.7%) per annum and has no fixed term of repayment.

The remaining amount due from subsidiaries are non trade in nature.

The remaining amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.



11. SHORT TERM BORROWINGS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Secured:				
Bank overdrafts	2,891,961	722,295	-	-
Bankers acceptance	5,509,000	1,674,000	-	-
Trust receipts	2,432,503	1,542,731	-	-
	10,833,464	3,939,026	-	-
Unsecured:				
Revolving credit	100,580,844	85,168,750	100,580,844	85,168,750
Term loan	2,500,000	-	-	-
Long term borrowings due within twelve months (Note 22)	6,253,000	4,456,840	-	-
	8,753,000	4,456,840	-	-
Total	120,167,308	93,564,616	100,580,844	85,168,750

The short term borrowings of the Group are secured by:

- long term and leasehold land and buildings of certain subsidiaries;
- fixed deposits of certain subsidiaries;
- fixed and floating charge over properties and assets of certain subsidiaries;
- corporate guarantees from the Company, corporate shareholder and directors of a subsidiary;
- first charge over land and buildings of a subsidiary;
- debenture creating a first fixed and floating charge for RM3,484,000 over all asset properties and undertakings of a subsidiary whatsoever and wheresoever situated both present and future;

The above facilities bear interest rates ranging from 4.70% to 11.15% (1999: 6.75% to 14.50%) per annum.

12. TRADE CREDITORS

Included in trade creditors of the Group is an amount of RM3,191,078 (1999: RM2,694,050) owing to companies in which a director of a subsidiary has substantial interest.

13. OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Hire purchase creditors (Note 24)	1,399,517	1,484,076	14,800	14,800
Other creditors and accruals	28,526,927	23,489,133	1,772,657	971,398
	29,926,444	24,973,209	1,787,457	986,198

Included in other creditors and accruals of the Group is an amount of RM185,865 (1999: Nil) owing to a company in which a director of a subsidiary has substantial interest.

Included in other creditors and accruals of the Group are amounts of approximately RM1,000,000 (1999: RM1,000,000) representing the balance of amount due arising from the acquisition of certain properties. This will be later classified as Class B preference shares of a subsidiary when approval from the relevant authorities is obtained.

14. INVESTMENTS IN SUBSIDIARIES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Unquoted shares, at cost				
Ordinary shares	10,200	10,200	12,004,831	12,004,831
Preference shares	-	-	5,100,000	5,100,000
	10,200	10,200	17,104,831	17,104,831
Less: Provision for diminution in value	(10,200)	(10,200)	-	-
	-	-	17,104,831	17,104,831
Due from subsidiaries	-	-	218,861,107	215,564,421
Due to a subsidiary	-	-	(1,349,560)	(1,349,540)
	-	-	234,616,378	231,319,712

Included in the amount due from subsidiaries is an advance of RM3,575,000 (1999: RM1,000,000) which is unsecured, bear interest rates of between 7.0% to 7.6% (1999: 7.5%) per annum and has no fixed term of repayment.

The amounts due from subsidiaries are non trade in nature.

The remaining amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.



14. INVESTMENTS IN SUBSIDIARIES (continued)

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

Name of Company	Paid-up Capital RM	Effective Interest		Principal Activities
		2000 %	1999 %	
Anakku Holdings Sdn. Bhd.	11,352,326	100	100	Investment holding
Magni D'Corp Sdn. Bhd.	500,000	100	100	Property investment
PCB Development Sdn. Bhd.	100,000	100	100	Investment holding and real property development
Taipan Merit Sdn. Bhd.	50,000	100	100	Investment holding
Trans Bid Sdn. Bhd.	1,000	51	51	Distribution, operation and management of the water supply services
Held by Anakku Holdings Sdn. Bhd.				
Anakku Baby Products Sdn. Bhd.	4,000,000	100	100	Trading of children's wear and related products
Anakku LSR Baby Products Sdn. Bhd.	2,500,000	100	100	Trading of children's wear and related products
Weltex Knitwear Industries Sdn. Bhd.	2,000,000	100	100	Manufacture and trading of children's wear and related products
Generasi Arif (M) Sdn. Bhd.	500,000	100	100	Trading of children's wear and related products
Anakku Baby Connection Sdn. Bhd.	100,000	100	100	Trading of children's wear and related products and entering into franchise agreements and to act as managers or consultants as in the business operations of the franchisees
Held by Anakku LSR Baby Products Sdn. Bhd.				
Consobiz Ventures Sdn. Bhd.	3,500,000	65	65	Manufacture and trading of disposable baby diapers
Held by PCB Development Sdn. Bhd.*				
PCB Trading & Manufacturing Sdn. Bhd.	5,000	100	-	Trading and manufacture of building materials
PCB Transportation Travel & Tours Sdn. Bhd.	200,002	100	-	Provision of transport and travel services
Held by Taipan Merit Sdn. Bhd.				
B.T. Engineering Sdn. Bhd.**	800,000	100	100	Manufacture and trading of parts and accessories for telecommunication, automatic and precision products, light mechanical and electrical engineering works
Lumut Maritime Terminal Sdn. Bhd.**	9,800,000 200,000 redeemable preference shares	50 plus 1 share	50 plus 1 share	Development of an integrated privatised project encompassing an industrial park and multipurpose port facilities
Cash Hotel Sdn. Bhd.	42,800,000 51,000 preference shares	61.16	61.16	Hotelier, restaurateur and property developer

14. INVESTMENTS IN SUBSIDIARIES (continued)

Name of Company	Paid-up Capital RM	Effective Interest		Principal Activities
		2000 %	1999 %	
Held by B.T. Engineering Sdn. Bhd.				
BT Realty Sdn. Bhd.**	150,002	100	100	Property development
BTE Marketing and Service Sdn. Bhd.**	1,000	100	100	Trading of automotive parts
Held by Lumut Maritime Terminal Sdn Bhd				
LMT Capital Sdn. Bhd.**	10 7,339 redeemable preference shares	100	100	Issuance and redemption of Redeemable Preference Shares in accordance with debts restructuring scheme. (Note 36 (b))
Held by Cash Hotel Sdn. Bhd.				
Luceri Cash Hotel Sdn. Bhd.***	20,000	51	51	Dormant
Silveritage Corporation Sdn. Bhd.	5,000,000	100	100	Development of tourism project
Held by Silveritage Corporation Sdn. Bhd.				
Cash Complex Sdn. Bhd.	1,840,000	50.48	50.48	Investment holding

* Refer to Note 38 (a) and 38 (b).

** Audited by firms of auditors other than Arthur Andersen & Co.

*** The results were not consolidated as the investment in this subsidiary has been fully written off. An application has been made to the Registrar of Companies by a director of the subsidiary to strike the subsidiary off from the Register under Section 308 of the Companies Act, 1965

The latest available audited financial statements of the subsidiary for the year ended 31 August, 1995 are annexed as required under the Ninth Schedule of the Companies Act, 1965.

The directors are of the opinion that the fair value of the subsidiaries is not less than the carrying value as at 31 December, 2000. The Company and its ultimate holding corporation will continue to assist in the development of the projects undertaken by the respective subsidiaries as and when required.



15. ASSOCIATED COMPANY

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Unquoted share, at cost	3,992,793	3,992,793	3,992,793	3,992,793
Share of post acquisition losses *	(971,977)	(745,656)	-	-
	3,020,816	3,247,137	3,992,793	3,992,793
Represented by:				
Share of net assets (tangible)	3,020,816	3,247,137		

* The Group's share of results for the financial years ended 31 December, 1999 and 2000 arising from the change in accounting policy of the associated company (Note 2 (c)) is summarised as follows:

	2000 RM	1999 RM
Share of loss before taxation	226,321	177,128
Share of prior year adjustment (Note 2 (c))	-	568,528
	226,321	745,656
Share of taxation	-	-
Share of loss after taxation	226,321	745,656

Name of Company	Paid-up Capital RM	Effective Interest		Principal Activities
		2000 %	1999 %	
Konsortium LPB Sdn. Bhd.	18,147,325	20	20	To construct, operate and manage the operation of the privatised project West Coast Highway for a 30 year concession period

16. OTHER INVESTMENTS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
At cost:				
Quoted shares	4,622,500	5,000,000	4,622,500	5,000,000
Unquoted shares	40,000	40,000	25,000	25,000
	<u>4,662,500</u>	<u>5,040,000</u>	<u>4,647,500</u>	<u>5,025,000</u>
Market value of quoted shares	<u>3,143,300</u>	<u>6,200,000</u>	<u>3,143,300</u>	<u>6,200,000</u>

The directors are of the opinion that the investment in quoted shares shall be held for the long term in view of the current depressed market conditions with no intention of disposal below cost. Provision for diminution shall only be provided for any permanent diminution in value.

17. FIXED ASSETS

Group 2000	Land and buildings* RM	Plant and machinery RM	Other assets RM	Total RM
At Cost				
Beginning of year	106,121,850	17,836,645	24,935,458	148,893,953
Additions	2,488,401	5,130,818	4,745,678	12,364,897
Disposals	-	(75,000)	(165,850)	(240,850)
Write offs	-	(64,440)	(650,104)	(714,544)
Transfer to development properties (Note 7)	(2,440,375)	-	-	(2,440,375)
Transfer from land and development expenditure (Note 18)	-	-	56,000	56,000
End of year	<u>106,169,876</u>	<u>22,828,023</u>	<u>28,921,182</u>	<u>157,919,081</u>
Accumulated Depreciation				
Beginning of year	7,427,912	7,842,020	14,770,930	30,040,862
Charge	1,388,755	1,703,920	2,436,253	5,528,928
Disposals	-	-	(210,443)	(210,443)
Write offs	-	(64,426)	(534,863)	(599,289)
Transfer from land and development expenditure (Note 18)	-	-	7,467	7,467
End of year	<u>8,816,667</u>	<u>9,481,514</u>	<u>16,469,344</u>	<u>34,767,525</u>



17. FIXED ASSETS (continued)

Net Book Value

At 31 December, 2000	97,353,209	13,346,509	12,451,838	123,151,556
At 31 December, 1999	98,693,938	9,994,625	10,164,528	118,853,091
Depreciation charge for year 1999	1,388,754	1,649,465	2,198,149	5,236,368

* LAND AND BUILDINGS

Group 2000	Long term leasehold land RM	Short term leasehold land and building RM	Buildings RM	Capital work-in- progress RM	Freehold land RM	Total RM
<i>At Cost</i>						
Beginning of year	29,781,486	999,433	47,578,056	400,000	27,362,875	106,121,850
Additions	-	-	-	2,488,401	-	2,488,401
Transfer to development properties (Note 7)	-	-	-	-	(2,440,375)	(2,440,375)
End of year	29,781,486	999,433	47,578,056	2,888,401	24,922,500	106,169,876
<i>Accumulated Depreciation</i>						
Beginning of year	1,588,106	399,771	5,440,035	-	-	7,427,912
Charge	346,609	33,315	1,008,831	-	-	1,388,755
End of year	1,934,715	433,086	6,448,866	-	-	8,816,667
<i>Net Book Value</i>						
At 31 December, 2000	27,846,771	566,347	41,129,190	2,888,401	24,922,500	97,353,209
At 31 December, 1999	28,193,380	599,662	42,138,021	400,000	27,362,875	98,693,938
Depreciation charge for year 1999	346,609	33,314	1,008,831	-	-	1,388,754

17. FIXED ASSETS (continued)

Company 2000	Long term leasehold land and building RM	Equipment, furniture and fittings RM	Motor vehicles RM	Total RM
<i>At Cost</i>				
Beginning of year	11,934,000	34,078	106,000	12,074,078
Additions	-	7,010	-	7,010
End of year	<u>11,934,000</u>	<u>41,088</u>	<u>106,000</u>	<u>12,081,088</u>
<i>Accumulated Depreciation</i>				
Beginning of year	426,215	12,677	42,400	481,292
Charge	142,071	5,862	21,200	169,133
End of year	<u>568,286</u>	<u>18,539</u>	<u>63,600</u>	<u>650,425</u>
<i>Net Book Value</i>				
At 31 December, 2000	<u>11,365,714</u>	<u>22,549</u>	<u>42,400</u>	<u>11,430,663</u>
At 31 December, 1999	<u>11,507,785</u>	<u>21,401</u>	<u>63,600</u>	<u>11,592,786</u>
Depreciation charge for year 1999	<u>142,072</u>	<u>6,816</u>	<u>21,200</u>	<u>170,088</u>

Included in the fixed assets of the Group are the following cost of fully depreciated assets which are still in use:

	Group	
	2000	1999
	RM	RM
Plant and machinery	2,215,509	2,008,820
Other assets:		
Equipment, furniture and fittings	5,821,319	5,343,046
Motor vehicles	423,536	441,335
	<u>8,460,364</u>	<u>7,793,201</u>



17. FIXED ASSETS (continued)

(a) Assets Held Under Hire Purchase and Finance Lease Arrangements

Net book value of fixed assets held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Plant and machinery	1,692,622	2,359,813	-	-
Other assets:				
Office equipment	925,202	1,346,015	-	-
Electrical accessories	16,400	22,550	-	-
Furniture and fittings	-	139,601	-	-
Motor vehicles	659,925	629,347	42,400	63,600
	3,294,149	4,497,326	42,400	63,600

- (b) Included in the fixed assets of the Group are assets with net book value of RM60,173,332 (1999 : RM68,553,206) which have been pledged for banking facilities granted to the subsidiaries.

18. LAND AND DEVELOPMENT EXPENDITURE

	Group	
	2000 RM	1999 RM
Freehold land, at cost	61,445,553	63,680,374
Development of properties and port facilities and projects in progress:		
Cost incurred to date	82,279,759	81,009,931
Add: Profit recognised to date	68,536,314	62,103,060
Less: Progress billings received	(84,003,509)	(78,457,267)
Progress billings receivable	(40,449,340)	(35,036,554)
Transfer from current leasehold land	141,178	-
Transfer to long term leasehold land	-	(1,513,036)
Transfer to development properties (Note 7)	(14,289,950)	(18,817,930)
	73,660,005	72,968,578
Development of port facilities*	68,529,038	68,400,061
	142,189,043	141,368,639

18. LAND AND DEVELOPMENT EXPENDITURE (continued)

Included in the development expenditure for the year are :

	Group	
	2000	1999
	RM	RM
Management fees paid to a company in which a director of a subsidiary has substantial financial interest	120,000	120,000

* The development of port facilities comprises the following:

2000	Long term leasehold portland RM	Port structure RM	Port equipment RM	Total RM
At Cost				
Beginning of year	13,617,269	53,857,107	5,648,332	73,122,708
Additions	-	111,613	531,660	643,273
Transfer from properties	382,388	-	-	382,388
Transfer to fixed assets (Note 17)	-	-	(56,000)	(56,000)
End of year	13,999,657	53,968,720	6,123,992	74,092,369
Accumulated Depreciation				
Beginning of year	534,387	1,427,168	2,761,092	4,722,647
Charge	141,095	141,991	565,065	848,151
Transfer to fixed assets (Note 17)	-	-	(7,467)	(7,467)
End of year	675,482	1,569,159	3,318,690	5,563,331
Net Book Value				
At 31 December, 2000	13,324,175	52,399,561	2,805,302	68,529,038
At 31 December, 1999	13,082,882	52,429,939	2,887,240	68,400,061
Depreciation charge for year 1999	132,094	178,654	564,554	875,302



19. GOODWILL ARISING ON CONSOLIDATION

	Group	
	2000 RM	1999 RM
At 1 January	45,794,879	45,794,879
Less: Accumulated amortisation	(9,158,976)	(6,869,232)
At 31 December	36,635,903	38,925,647

20. OTHER INTANGIBLE ASSETS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
<i>At cost:</i>				
Listing expenses	434,472	434,472	434,472	434,472
Pre-branding expenses	297,464	297,464	-	-
Preliminary expenses	6,075	6,075	-	-
Pre-operating expenses	4,063	3,790	-	-
Trademarks	164,223	146,846	-	-
	906,297	888,647	434,472	434,472
Less: Accumulated amortisation	(695,805)	(615,997)	(434,472)	(391,025)
Write offs	(180,663)	-	-	-
	29,829	272,650	-	43,447

Included in the previous year's pre-operating expenses of the Group was auditors' remuneration of RM500.

21. SINKING FUND ACCOUNT

The sinking fund account of a subsidiary has been restructured in accordance with the Settlement Agreement dated 24 December, 1999. Thereafter, funds shall be deposited by the subsidiary company which shall be utilised progressively for the redemption of the Redeemable Preference Shares ("RPS") issued by the sub-subsiidiary to the syndicated lenders and the payment of the Final Settlement Sum over the tenure of the RPS according to the terms and conditions of the agreement (Note 36 (b)).

22. LONG TERM BORROWINGS

	2000	Group 1999
	RM	RM
Secured:		
Term loans		
- repayable by 11 half yearly instalments commencing May, 2000	11,000,000	12,500,000
- repayable by 54 equal monthly instalments *	4,620,694	-
- repayable by 54 equal monthly instalments commencing June, 1998	2,915,167	3,916,667
- repayable by 60 equal monthly instalments commencing January, 2000 **	1,815,151	2,250,000
- repayable by 60 equal monthly instalments commencing May, 2000	1,298,000	1,000,000
	21,649,012	19,666,667
Less: Repayments due within 12 months included in short term borrowings (Note 11)	(6,253,000)	(4,456,840)
	15,396,012	15,209,827

* The first principal repayment of this loan shall commence 6 months after the last drawdown or January 2002, whichever is earlier. As at the end of the financial year, the loan has not been fully drawdown.

** This term loan is secured by a first charge over a piece of land held by the subsidiary together with the building erected thereon, a debenture creating a first fixed and floating charge for RM3,848,000 over all the assets of the subsidiary and corporate guarantee from the Company.

The term loans carry interest rates of between 6.5% to 11.15% (1999: 7.50% to 11.05%) per annum.

The long term borrowings are secured by:

- (a) long term leasehold land and factory buildings of certain subsidiaries;
- (b) fixed deposits of certain subsidiaries;
- (c) fixed and floating charge over the assets of certain subsidiaries; and
- (d) corporate guarantee from the Company, directors and corporate shareholder of a subsidiary.



23. RETIREMENT BENEFITS

	Group	
	2000 RM	1999 RM
At 1 January	130,354	-
Provision for the year	52,118	130,354
At 31 December	182,472	130,354
Payment made during the year	(6,254)	-
At 31 December	176,218	130,354

24. HIRE PURCHASE CREDITORS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Future minimum payments are as follows:				
Payable within one year	1,786,814	1,908,970	23,850	22,200
Payable between one and five years	776,923	2,105,600	22,400	46,250
	2,563,737	4,014,570	46,250	68,450
Less: Finance charges	(518,465)	(828,156)	(15,725)	(23,125)
	2,045,272	3,186,414	30,525	45,325
Representing hire purchase and lease liabilities:				
Due within twelve months (Note 13)	1,399,517	1,484,076	14,800	14,800
Due after 12 months	645,755	1,702,338	15,725	30,525
	2,045,272	3,186,414	30,525	45,325

25. DEFERRED TAXATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
At 1 January	2,222,000	1,040,000	14,000	14,000
Transfer from income statement	694,000	1,182,000	-	-
At 31 December	<u>2,916,000</u>	<u>2,222,000</u>	<u>14,000</u>	<u>14,000</u>

Deferred taxation is in respect of the following:

Timing differences between depreciation and corresponding capital allowances	19,930,000	15,197,000	50,000	50,000
Other timing differences:				
Unabsorbed tax losses carried forward	(740,000)	(865,000)	-	-
Unabsorbed capital allowances carried forward	(8,774,000)	(6,395,000)	-	-
	<u>10,416,000</u>	<u>7,937,000</u>	<u>50,000</u>	<u>50,000</u>

26. SHARE CAPITAL

	Group and Company	
	2000 RM	1999 RM
Ordinary shares of RM1 each:		
Authorised	500,000,000	500,000,000
Issued and fully paid	<u>70,000,000</u>	<u>70,000,000</u>

27. RESERVE ARISING ON CONSOLIDATION

	Group	
	2000 RM	1999 RM
At 1 January	1,167,059	1,167,059
Less : Accumulated amortisation	(175,059)	(116,706)
At 31 December	<u>992,000</u>	<u>1,050,353</u>



28. MINORITY INTERESTS

Included in minority interests are amounts of RM73,390,000 representing redeemable preference shares ("RPS") issued by a subsidiary in connection with the subsidiary's debts restructuring scheme (Note 36 (b)).

29. GROSS PROFIT

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Revenue				
Sales of goods net of discounts	122,924,808	107,591,311	-	-
Dividend income	184,900	-	1,484,900	200,000
Hotel related operations	12,211,625	11,707,015	-	-
Management fees	-	-	280,000	280,000
Port services	9,186,089	11,333,799	-	-
Property	29,753,272	53,408,748	-	-
Rental income	2,313,099	2,023,549	2,023,549	2,023,549
	176,573,793	186,064,422	3,788,449	2,503,549
Cost of sales				
Cost of land sold	673,115	19,109,263	-	-
Cost of property development	14,632,081	6,178,107	-	-
Cost of sales	80,555,013	70,037,440	-	-
Cost of services	7,457,587	8,749,269	-	-
	103,317,796	104,074,079	-	-
Gross profit	73,255,997	81,990,343	3,788,449	2,503,549

30. PROFIT BEFORE TAXATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
<i>Profit before taxation is stated after charging:</i>				
Amortisation of goodwill arising on consolidation	2,289,744	2,289,744	-	-
Amortisation of intangible assets	79,808	152,059	43,447	43,447
Auditors' remuneration				
- current year	150,100	136,000	12,000	10,000
- under provision in respect of prior year	-	700	-	-
Bad debts written off	42,064	105,167	-	-
Directors' emoluments*				
- current year	558,668	435,060	96,000	83,226
- under/(over) provision in respect of prior year	16,000	(2,500)	-	-
Depreciation	6,377,079	6,111,670	169,133	170,088
Fixed assets written off	115,255	5,262	-	-
Intangible assets written off	180,663	-	-	-
Interest expense	3,699,420	2,673,986	876,781	125,679
Investment written off	-	1	-	-
Lease rental	50,107	97,939	-	-
Loss of foreign exchange	33,146	-	-	-
Management fees	227,501	453,083	-	-
Provision for doubtful debts	728,319	1,139,175	-	-
Provision for stock obsolescence	1,371,139	-	-	-
Rental of premises	-	2,475,503	-	203,834
Retirement benefits	52,118	130,354	-	-
Royalty	2,032,474	1,622,318	-	-
Stocks written off	112,275	719,934	-	-
<i>and crediting:</i>				
Amortisation of reserve arising on consolidation	58,353	58,352	-	-
Bad debts recovered	6,860	18,972	-	-
Bad debts written back	21,153	46,578	-	-
Gain on disposal of fixed assets	95,339	79,980	-	-
Gain on disposal of investment	186,830	-	186,830	-
Gain on foreign exchange	-	39,779	-	-
Interest income	1,279,935	380,401	778,719	182,093
Overprovision in term loan interest	-	265,120	-	-
Rental income	284,470	274,800	-	-
Stocks written back	77,172	3,644	-	-

* The estimated monetary value of other benefits not included in the above received by the directors of the Group are RM11,650 (1999: RM11,100).



31. TAXATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Current year's provision	6,695,400	55,475	950,000	56,000
Taxation (over)/under provided in respect of prior years	(317,709)	346,799	-	388,247
	6,377,691	402,274	950,000	444,247
Transfer to deferred taxation	694,000	1,182,000	-	-
	7,071,691	1,584,274	950,000	444,247

The effective tax rate on the Company's profit is higher than the statutory tax rate principally due to certain expenses being disallowed for tax purposes.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and sufficient balance in the tax exempt account to declare its entire retained earnings as dividends without incurring additional tax liabilities, subject to agreement with the Inland Revenue Board.

32. EARNINGS PER SHARE

The basic earnings per share are calculated as follows:

	Group	
	2000 RM	1999 RM
Profit attributable to shareholders	3,032,952	25,506,141
Weighted average number of shares	70,000,000	70,000,000
Basic earnings per share	4.3 sen	36.4 sen

The comparative figure for the basic earnings per share has been restated after taking into consideration the changes in accounting policy as mentioned in Notes 2 (c) and 2 (o).

33. PRIOR YEAR ADJUSTMENT

The prior year adjustment represents the effect of the change in accounting policy for intangible assets as referred to in Note 2 (o). This change in accounting policy has been accounted for retrospectively.

The change in accounting policy has no effect on the profit before taxation in 2000 and increasing the profit before taxation by RM198,121 in 1999 for the Group.

The effects relating to periods prior to 1999 of RM692,868 for the Group have been adjusted against the opening retained earnings for the year ended 31 December, 1999.

34. DIVIDENDS

	Amount		Dividend per share	
	RM	RM	Sen	Sen
Final ordinary dividend of 2% less 28% taxation	1,008,000	-	1.4	-

35. CAPITAL COMMITMENTS

	Group	
	2000 RM	1999 RM
Approved and contracted for	12,750,000	21,138,485
Authorised but not contracted for	442,000	2,245,450

36. CONTINGENT LIABILITIES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
(a) Guarantees given to banks in respect of facilities granted to subsidiaries (unsecured)	25,751,278	11,136,886	9,969,356	6,265,982
Performance guarantee given to a third party on behalf of a subsidiary	1,094,178	431,136	1,094,178	431,136



36. CONTINGENT LIABILITIES (continued)

- (b) In accordance to the Settlement Agreement dated 24 December, 1999 between Lumut Maritime Terminal Sdn. Bhd. ("LMT"), a subsidiary incorporated in Malaysia and the financial institutional creditors ("the lenders") to restructure its syndicated loan, in the event that the Redeemable Preference Shares ("RPS") issued to the syndicated lenders to LMT are not fully redeemed by LMT Capital Sdn. Bhd. ("LMTC") within six years or there occurs a default by LMTC, the RPS holders have a put option to redeem the RPS from LMT ("Put Option I") and thereafter by a put option on the Company as one of the shareholders of LMT on a several and proportionate basis ("Put Option II").

The Put Option I on LMT is fully secured as follows:

- (i) a first legal charge on both portland which includes the land held for investment and industrial land;
- (ii) a fixed and floating charge over all the assets and undertakings of the subsidiaries, both present and future;
- (iii) an assignment of the relevant insurance policies;
- (iv) assignment of port revenues less port operating expenses and proceeds of industrial land sales less development cost.

In the event at any time the total issue price of all RPS (which have not been redeemed) plus the Cumulative Dividend attributable thereto (hereinafter referred to as the "Amount Outstanding") is less than RM30,000,000 and the total value of the assets of LMT is at least three times the value of the Amount Outstanding, the Put Option II on the Company shall lapse and the RPS holders shall not have any rights or claims against the Company and other shareholders of LMT under this Put Option II.

- (c) There is a contingent liability amounting to approximately RM106,000 in respect of a claim by supplier against a subsidiary for breach of contract. However, the subsidiary have in defence, counter claimed against the supplier for costs, expenses, loss and damages based on the breach of contract by the suppliers to provide the services agreed. The directors of the subsidiary are of the opinion that no provision is required to be made in the financial statements.
- (d) There is a contingent liability of a subsidiary amounting to approximately RM371,525 in respect of a claim by a supplier against a subsidiary for preparatory works done and costs incurred to commence or complete the contract works. However, this subsidiary has in defence, counter claimed against the supplier for costs, expense, loss and damages based on the breach of contract by the supplier to provide the services agreed and within the stipulated period. The directors of the subsidiary are of the opinion that no provision is required.

The subsidiary has also filed a civil action against a land buyer for default payment of the balance purchase price amounting to RM3,299,964 for the purchase of land. However, the buyer has in defence, counter claimed against the company for the repayment of 10% deposit amounting to RM326,439. The directors of the subsidiary are of the opinion that no provision is required.

37. HOLDING AND ULTIMATE HOLDING CORPORATION

The holding and ultimate holding corporation of the Company is Perbadanan Kemajuan Negeri Perak, a body corporate established under Perak Enactment No. 3 of 1967.

38. SIGNIFICANT EVENTS

During the financial year,

- (a) PCB Development Sdn. Bhd. ("PCBD"), a wholly owned subsidiary, acquired the entire issued and paid up capital of PCB Trading & Manufacturing Sdn. Bhd. ("PCBTM"), a company incorporated in Malaysia, for a total consideration of RM2. Subsequently, the PCBD subscribed for additional 4,998 ordinary shares of RM1 each for a cash consideration of RM4,998, representing the entire enlarged paid up capital of PCBTM;
- (b) PCBD acquired the entire issued and paid up capital of PCB Transportation Travel & Tours Sdn. Bhd. ("PCBT"), a company incorporated in Malaysia, for a total consideration of RM2. Subsequently, the PCBD subscribed for additional 200,000 ordinary shares of RM1 each for a cash consideration of RM200,000, representing the entire enlarged paid up capital of PCBT.
- (c) PCBD entered into a shareholders agreement with Cherry Blossom Sdn. Bhd., a subsidiary of Perbadanan Kemajuan Negeri Perak ("PKNP"), and a third party for the purpose of acquiring 35% of the equity interests in PCB Communications Sdn. Bhd. ("PCB Communication"), a company incorporated in Malaysia.

PCB Communication has an authorised share capital of RM1 million with the main objective of setting up a factory for the manufacture, fabrication, integration and trading of specialised products and components of base material composite and metal and for the supply and integration of telecommunication and IT services.

As at todate, the above proposed acquisition has yet to be finalised.

- (d) On 15 January, 1996, Cash Hotel Sdn. Bhd. ("CHSB"), a subsidiary incorporated in Malaysia, entered into an agreement with Keris Properties Sdn. Bhd. ("KP") to jointly develop the land held by the subsidiary company by way of mixed development of condominiums and offices blocks.

Due to the recent economic downturn, the proposed development project has been deferred. During the financial year, KP had proposed to the subsidiary company to vary certain terms and conditions as stated in the agreement.

The proposed variations have been finalised subsequent to the financial year end. The directors of the Group are of the opinion that the variations are in the interest of the Group and no less favourable than the original terms and conditions.

- (e) Weltex Knitwear Industries Sdn. Bhd. ("WKI"), a wholly owned subsidiary incorporated in Malaysia, entered into a Sale and Purchase Agreement with a third party to dispose off a parcel of leasehold land and building for a consideration of RM491,000.

39. SUBSEQUENT EVENT

Subsequent to the financial year, Anakku Baby Products Sdn. Bhd., a subsidiary incorporated in Malaysia, entered into a Sale and Purchase Agreement with a third party to dispose off four parcels of leasehold land and buildings for a total consideration of RM1,300,000.



40. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions of the Company and of the Group for the year are as follows:

		Group		Company	
		2000	1999	2000	1999
		RM	RM	RM	RM
Transactions with the ultimate holding corporation					
Perbadanan	Advances received	4,860,348	4,044,156	4,860,348	4,044,156
Kemajuan	Disbursements	47,300	390,080	11,411	375,230
Negeri	Purchase of land	-	17,779,053	-	-
Perak	Management fee expenses	150,000	250,000	150,000	250,000
	Project expenditure	1,714,500	1,250,000	1,714,500	1,250,000
	Project entitlement	-	750,000	-	-
	Rental expenses	150,000	325,160	150,000	203,834
	Project income	727,500	-	-	-
	Management fee income	36,444	-	-	-
	Rental income	2,023,549	2,023,549	2,023,549	2,023,549
	Repayment of land purchased	-	6,569,343	-	-
	Repayment of advances	3,883,900	1,381,653	3,883,900	1,381,653
Transactions with subsidiaries					
Anakku Holdings Sdn. Bhd.	Gross dividend income received	-	-	600,000	200,000
BT Engineering Sdn. Bhd.	Interest income	-	-	16,796	16,750
PCB Development Sdn. Bhd.	Accounting fees	-	-	12,000	12,000
	Advances paid	-	-	2,575,000	1,000,000
	Interest income	-	-	234,298	-
	Gross dividend income received	-	-	700,000	-
	Management fee	-	-	280,000	280,000

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

		Group		Company	
		2000	1999	2000	1999
		RM	RM	RM	RM
Transactions with related companies:					
Cherry Blossom Sdn. Bhd.	Advances paid	-	7,200,000	-	7,200,000
	Interest income	513,450	96,041	-	96,041
Kuda Sejati Sdn. Bhd.	Advances paid	13,700,000	-	13,700,000	-
	Development expenditure payable	-	140,000	-	-
Halim Rasip Holdings Sdn. Bhd.	Management fees paid	120,000	120,000	-	-
	Recharges payable	1,500	100,494	-	-
Perak Freight Services Sdn. Bhd.	Port charges	786,942	2,685,854	-	-
	Port revenue	-	1,404,919	-	-
Perak Industrial Resources Sdn. Bhd.	Sale of land	8,185,795	9,095,328	-	-
Tri Alliance Advance Sdn. Bhd.	Sales of land	-	6,500,285	-	-
Tri Alliance Building Sdn. Bhd.	Sales	-	1,686	-	-
	Purchases	2,700	2,450	-	-
Tri Alliance Engineering Sdn. Bhd.	Sales	202,473	50,483	-	-
	Purchases	3,448,455	7,760,474	-	-
Tri Alliance Services Sdn. Bhd.	Consultancy fees paid	180,000	216,000	-	-
Tri Alliances Plastics Industries Sdn. Bhd.	Purchases	198,763	136,774	-	-

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

Account balances with significant related parties of the Company at year end are as follows:

		Group		Company	
		2000	1999	2000	1999
		RM	RM	RM	RM
Account balances with the ultimate holding corporation:					
Perbadanan Kemajuan Negeri Perak		81,445,688	81,660,554	80,681,744	81,660,554



40. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Account balances with subsidiaries:				
Anakku Holdings Sdn. Bhd.	-	-	3,236,373	3,158,373
BT Engineering Sdn. Bhd.	-	-	356,546	339,750
Trans Bid Sdn. Bhd.	-	-	14,870	11,888
Cash Hotel Sdn. Bhd.	-	-	697,840	697,840
Silveritage Corporation Sdn. Bhd.	-	-	11,533	11,533
Magni D' Corp Sdn. Bhd.	-	-	(1,439,560)	(1,439,540)
PCB Development Sdn. Bhd.	-	-	115,130,515	111,833,829
Taipan Merit Sdn. Bhd.	-	-	103,730,592	103,730,592
Account balances in which certain directors have substantial interest:				
Perak Freight Services Sdn. Bhd.	3,527,218	3,144,634	-	-
Tri Alliance Advance Sdn. Bhd.	878,822	878,822	-	-
Tri Alliance Building Sdn. Bhd.	-	9,753	-	-
Tri Alliance Engineering Sdn. Bhd.	23,496	1,219,759	-	-
BT Motorcycle Manufacturing Sdn. Bhd.	4,495	3,802	-	-
Unity Rally Sdn. Bhd.	-	3,845	-	-
Tri Alliance Engineering Sdn. Bhd.	(2,820,037)	(2,479,407)	-	-
Tri Alliance Plastic Industries Sdn. Bhd.	(371,041)	(214,643)	-	-
Tri Alliance Advance Sdn. Bhd.	(4,965)	-	-	-
Tri Alliance Building Sdn. Bhd.	(2,900)	-	-	-
Tri Alliance Services Sdn. Bhd.	(178,000)	-	-	-
Account balances with related parties:				
Cherry Blossom Sdn. Bhd.	7,129,256	7,296,041	7,129,256	7,296,041
Kuda Sejati Sdn. Bhd.	14,041,787	-	14,041,787	-

41. SEGMENTAL INFORMATION

Analysis by Activity:

		Profit/(Loss) Before Taxation	Total Assets Employed
	Revenue RM	RM	RM
2000			
Manufacturing and consumer products	122,924,808	5,851,195	109,921,459
Hotel and tourism	13,030,606	(1,173,526)	66,514,305
Infrastructure	20,175,779	8,385,708	153,257,135
Property development	18,234,151	1,171,122	146,003,617
Management services and others	3,788,449	2,471,322	476,165,057
	178,153,793	16,705,821	951,861,573
Group's share of associated company's results	-	(226,321)	-
Consolidation adjustments	(1,580,000)	(3,556,681)	(309,694,477)
	176,573,793	12,922,819	642,167,096
1999			
Manufacturing and consumer products	101,091,026	4,994,241	91,242,394
Hotel and tourism	11,707,015	(2,109,795)	66,889,758
Infrastructure	23,812,833	11,487,453	147,382,849
Property development	47,429,999	18,708,152	151,453,258
Management services and others	2,503,549	969,809	457,169,444
	186,544,422	34,049,860	914,137,703
Group's share of associated company's results	-	(177,128)	-
Consolidation adjustments	(480,000)	(2,121,812)	(314,790,597)
	186,064,422	31,750,920	599,347,106

The activities of the Group are wholly carried out in Malaysia.

42. CURRENCY

All amounts are stated in Ringgit Malaysia.



43. COMPARATIVE FIGURES

The following balance sheet comparative figures of the Group and of the Company have been reclassified to conform with the current year's presentation:

	Group		Company	
	As amended RM	As previously reported RM	As amended RM	As previously reported RM
CURRENT ASSETS				
Other investments	-	5,000,000	-	5,000,000
LONG TERM ASSETS				
Other investments	9,032,793	4,032,793	9,017,793	4,017,793

The presentation of the financial statements for the current year has been changed to adopt the format as prescribed in Malaysian Accounting Standards Board (MASB) No. 1 – Presentation of Financial Statements. Certain comparative figures have been reclassified and restated to conform with the current year's presentation, where necessary.



summary of properties

as at 31 December 2000

	Location	Land Area (acres)	Tenure	Description	Approximate Age Of Buildings (years)	Net Book Value (RM000)	Existing Use
1	Lot 6407N (PN 67134) Bandar Ipoh, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan	0.73	Leasehold (99 years) expiring year 2081	9 storey office tower	20 years	11,366	Leased to Perbadanan Kemajuan Perak (PKNP)
2	Part of Lot 140407, 15437, 25459, 33004, 52566, 21310, 18202. Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan	194.62	Freehold	Agricultural Land	-	24,923	Agriculture (proposed for mixed development)
3	Lot 13894S (PN 43395) Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan	5.36	Leasehold (99 years) expiring year 2085	Hotel	14 years	55,933	Consists of a 4 star Hotel
4	Lot PT 154616 (amalgamated from 128214, 128215, 128253, 128254, 128255) Silibin Industrial Estate, Mukim Ulu Kinta, District of Kinta, Perak Darul Ridzuan	1.99	Leasehold (60 years) expiring year 2045	Industrial factory	9 years	627	Industrial factory and office use
5 i	Lot PT 2273, Mukim Lumut, Daerah Manjung, Perak Darul Ridzuan	27.45	Leasehold (99 years) expiring year 2094	Waterbody	5 1/2 years	345 *	Port operations
5 ii	Lot PT 6973, Mukim Lumut Daerah Manjung, Perak Darul Ridzuan * The value is inclusive of extension of building and port structures.	72.54	Leasehold (99 years) expiring year 2094	Wharf, warehouse & office complex building	5 1/2 years	65,379 *	Port operations
6 i	Lot No. PT 21862, 59 Jalan Segambut, Kuala Lumpur	2,000 sq. ft	Leasehold (99 years) expiring year 2067	Industrial shophouse	33 years	190	Rented to a Third party
6 ii	Lot No. PT 7517-7520, Jalan Perusahaan Satu, Seri Kembangan Light Industrial, Off Jalan College, Seri Kembangan, Selangor Darul Ehsan	8,700 sq. ft	Leasehold (40 years) expiring year 2017	Industrial shophouse	24 years	451	Rented to a Third party
6 iii	Lot No. PT 7522, Jalan Perusahaan Satu, Seri Kembangan Light Industrial, Off Jalan College, Seri Kembangan, Selangor Darul Ehsan	1,300 sq. ft	Leasehold (40 years) expiring year 2017	Industrial shophouse	24 years	115	Rented to a Third party



proxy form

I/We _____

of _____

being a member/members of the abovementioned Company, hereby appoint* the Chairman of the Meeting or

of _____

or failing him/her _____

of _____

as *my/our proxy to vote for *me/us and on *my/our behalf at the Tenth Annual General Meeting of the Company to be held at Dewan Persidangan, Tingkat 4, Wisma Wan Mohamed, Jalan Panglima Bukit Gantang Wahab, 30000 Ipoh, Perak Darul Ridzuan on Wednesday, 13 June 2001 at 2.30 p.m. and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy will vote as he thinks fit or abstain from voting):-

Resolutions	Ordinary Resolutions	For	Against
Resolution 1	To receive, consider and adopt the Audited Statement of Accounts for the year ended 31 December 2000 together with the Report of the Directors and Auditors thereon.		
Resolution 2	To approve the payment of a first and final dividend of 2 sen per share less 28% tax for the year ended 31 December 2000.		
Resolution 3	To approve the payment of Directors' fees for the year ended 31 December 2000.		
Resolution 4	To re-elect Tuan Haji Iskhak bin Bardan, the retiring Director who retires in accordance with Article 80 of the Company's Articles of Association.		
Resolution 5	To re-appoint Messrs Arthur Andersen & Co. as Auditors and to authorise the Directors to fix their remuneration.		

Dated this _____ day of _____ 2001

No. of shares held	
--------------------	--

 Signature/Seal of member

Notes:

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company provided that the provisions of Section 149(1) (b) of the Companies Act, 1965 are complied with. Where a member appoints two (2) or more proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy.
2. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
3. The instrument appointing a proxy must be deposited at Room 305, 3rd Floor, Asia Life Building, 45 Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

* Strike out if inapplicable.



THE SECRETARY

PERAK CORPORATION BERHAD Co. No. 210915-U

Room 305, 3rd Floor, Asia Life Building,
45 Jalan Tun Sambanthan,
30000 Ipoh,
Perak Darul Ridzuan,
Malaysia.
