



Financial Statement

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DIRECTORS' REPORT

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiary companies of the Group are stated in Note 12 to the financial statements.

There have been no significant changes in these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss after taxation	(15,343)	(4,638)
Minority interests	11,460	-
Net loss attributable to shareholders	<u>(3,883)</u>	<u>(4,638)</u>

DIVIDENDS

No dividends were paid or declared by the Company since 31 December 1999. The Directors do not recommend the payment of any dividend for the financial year ended 31 December 2000.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUE OF SHARES

During the financial year, 105,000 new ordinary shares of RM1.00 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's Employees' Share Option Scheme at RM2.28 per share.

These new shares issued rank pari passu in all respect with the then existing issued shares of the Company.

EMPLOYEES' SHARE OPTION SCHEME

The Company implemented a revised Employees' Share Option Scheme ('ESOS') on 23 December 1999 in place of the previous ESOS which expired on 22 December 1999. The current ESOS is governed by the by-laws which were approved by the shareholders on 9 December 1999.

DIRECTORS' REPORT (cont'd)

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

The main features of the ESOS are:

- (a) The total number of ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any point in time during the duration of the ESOS;
- (b) Eligible employees are those who have been in the service of the Group on a full time basis for a continuous period of at least one year (including any full time executive director of any company in the Group) or those who have served under a contract of employment for a duration of at least 3 years;
- (c) The ESOS shall continue to be in force for a period of five years from 23 December 1999;
- (d) The options can be exercised by notice in writing on any working day for the duration of the option period;
- (e) The price at which the employees are entitled to take up shares under the ESOS is the average of the mean market quotation (calculated as the average of the highest and lowest market prices transacted) of the shares as shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the five market days preceding the respective dates of offer of the options or the par value of the shares of the Company of RM1.00, whichever is the highest; and
- (f) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company within the Group.

During the financial year, 394,000 options granted to eligible employees were cancelled and 105,000 new shares were issued at RM2.28 per share pursuant to the exercise of options.

At 31 December 2000, the Company has 16,879,000 unissued ordinary shares under options granted pursuant to the ESOS at an exercise price RM2.28

The Company has been granted exemption by the Registrar of Companies from having to disclose the list of option holders and their holdings.

DIRECTORS

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

Tan Sri Dato' Seri (Dr) Cheah Fook Ling
Dato' Chew Chee Kin
Dato' Tan Kia Loke
Wong Chin Mun
Yau Kok Seng
Tan Sri Dr Md Noordin Bin Md Sopiee
Datuk Low Seng Kuan
Hamzah Bin Abdul Majid

(appointed on 12 April 2001)
(appointed on 12 April 2001)
(resigned on 12 April 2001)

In accordance with Article 116 of the Company's Articles of Association, Tan Sri Dr Md Noordin Bin Md Sopiee and Datuk Low Seng Kuan retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for election.

In accordance with Article 110 of the Company's Articles of Association, Wong Chin Mun retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' REPORT (cont'd)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the options over shares granted to the Executive Directors of the Company pursuant to the ESOS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration and benefits-in-kind in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any deemed benefits that may accrue to a Director by virtue of transactions negotiated between the Group and companies in which the Director has significant equity interests as disclosed in Note 36 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares, options over shares and warrants in the Company are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.1.2000	Bought	Sold	At 31.12.2000
Direct interest				
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	4,192,094	–	–	4,192,094
Dato' Chew Chee Kin	120,000	–	–	120,000
Hamzah Bin Abdul Majid	250,000	–	–	250,000
Deemed interest				
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	181,187,577	11,784,000	(8,034,000)	184,937,577
Hamzah Bin Abdul Majid	50,000	–	–	50,000
Options over ordinary shares of RM1.00 each				
	At 1.1.2000	Granted	Lapsed	At 31.12.2000
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	500,000	–	–	500,000
Dato' Chew Chee Kin	500,000	–	–	500,000
Dato' Tan Kia Loke	500,000	–	–	500,000
Yau Kok Seng	500,000	–	–	500,000
Warrants 1994/2004				
	At 1.1.2000	Bought	Sold	At 31.12.2000
Direct interest				
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	314,274	–	–	314,274
Deemed interest				
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	26,256,782	–	–	26,256,782

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS (cont'd)

By virtue of the Directors' interest in the Company as shown above, they are deemed to have interest in the shares of the subsidiary companies and associated companies to the extent their shares are held by the Company.

According to the register of Directors' shareholdings, the interests of the Directors who held office at the end of the financial year in the ordinary shares, options over shares, loan stocks and warrants of subsidiary companies of the Company are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.1.2000	Bought	Sold	At 31.12.2000
Sunway Construction Berhad				
Direct interest				
Tan Sri Dato' Seri (Dr) CheahFook Ling	10,000	-	-	10,000
Dato' Chew Chee Kin	10,000	-	-	10,000
Dato' Tan Kia Loke	10,000	-	-	10,000
Yau Kok Seng	10,000	-	-	10,000
Wong Chin Mun	10,000	-	-	10,000
Hamzah Bin Abdul Majid	55,000	-	-	55,000

Deemed interest				
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	112,967,000	-	-	112,967,000

	Number of ordinary shares of RM1.00 each			
	At 28.4.2000 *	Bought	Sold	At 31.12.2000
Sunway Building Technology Berhad				
Direct interest				
Dato' Chew Chee Kin	30,000	-	-	30,000
Deemed interest				
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	64,361,997	-	-	64,361,997

	Options over ordinary shares of RM1.00 each			
	At 28.4.2000*	Granted	Cancelled	At 31.12.2000
Sunway Building Technology Berhad				
Dato' Chew Chee Kin	500,000	-	(500,000)	-
Yau Kok Seng	500,000	-	(500,000)	-

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS (cont'd)

	3% Bank Guaranteed Redeemable Unsecured Loan Stocks (1996/2001)			
	At 28.4.2000*	Bought	Sold	At 31.12.2000
Sunway Building Technology Berhad				
Direct interest				
Dato' Chew Chee Kin	2,000	-	-	2,000
Deemed interest				
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	908,998	-	-	908,998
	Warrants (1996/2006)			
	At 28.4.2000*	Bought	Sold	At 31.12.2000
Sunway Building Technology Berhad				
Direct interest				
Dato' Chew Chee Kin	8,000	-	-	8,000
Deemed interest				
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	26,504,743	-	-	26,504,743

*Date when Sunway Building Technology Berhad became a subsidiary company of the Company.

None of the other Directors in office at the end of the financial year held any interest in shares or debentures of the Company or its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

- (a) to ascertain that proper 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; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

DIRECTORS' REPORT (cont'd)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

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

In the opinion of the Directors,

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, and
- (b) except as disclosed in Note 37 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

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

In accordance with a resolution of the Board of Directors dated 24 April 2001.



TAN SRI DATO' SERI (DR) CHEAH FOOK LING
CHAIRMAN



DATO' CHEW CHEE KIN
PRESIDENT

Petaling Jaya

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Revenue	4	876,932	799,858	8,540	8,356
Cost of sales		(785,384)	(635,470)	-	-
Gross profit		91,548	164,388	8,540	8,356
Other operating income		74,163	239,186	41,153	329,556
Distribution costs		(8,996)	(14,188)	-	-
Administrative expenses		(96,313)	(82,894)	(3,281)	(5,641)
Other operating expenses		(21,468)	(32,835)	(21,395)	(25,417)
Profit from operations	5	38,934	273,657	25,017	306,854
Finance costs	7	(40,065)	(62,664)	(29,655)	(46,945)
Share of results of associated companies		(15,937)	(52,467)	-	-
Share of results of jointly controlled entity		(355)	-	-	-
(Loss)/profit from ordinary activities before taxation		(17,423)	158,526	(4,638)	259,909
Taxation					
- Company and subsidiary companies	8	2,541	623	-	(2,099)
- Associated company	8	(461)	2,687	-	-
		2,080	3,310	-	(2,099)
(Loss)/profit after taxation		(15,343)	161,836	(4,638)	257,810
Minority interests		11,460	(3,610)	-	-
Net (loss)/profit attributable to shareholders		(3,883)	158,226	(4,638)	257,810
(Loss)/earnings per share (sen)					
- basic	9	(0.96)	39.08		

The notes set out on pages 29 to 80 form an integral part of these financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
NON CURRENT ASSETS					
Property, plant and equipment	10	394,515	272,908	1	1
Investment properties	11	13,898	13,898	-	-
Investments in subsidiary companies	12	-	-	469,108	325,026
Investments in associated companies	13	80,254	187,474	2,600	181,006
Investments in jointly controlled entity	14	232	-	-	-
Other investments	15	51,370	27,251	39,674	3,189
Long term debtors	16	80,000	137,087	104,326	-
Other intangible assets	17	44,850	-	-	-
		665,119	638,618	615,709	509,222
CURRENT ASSETS					
Inventories and development properties	18	440,032	409,630	-	-
Debtors	19	660,654	520,588	541,991	593,283
Marketable securities	20	-	41,789	-	41,789
Deposits, bank and cash balances	21	117,039	63,881	9,007	33,987
		1,217,725	1,035,888	550,998	669,059
CURRENT LIABILITIES					
Creditors	22	407,301	308,267	106,715	73,533
Borrowings	23	366,890	390,184	88,700	143,953
3% Bank Guaranteed Redeemable Unsecured Loan Stocks 1996/2001	24	122,429	-	-	-
1.25% Euroconvertible Bonds	25	291,968	-	291,968	-
Taxation		9,906	4,551	-	-
		1,198,494	703,002	487,383	217,486
NET CURRENT ASSETS		19,231	332,886	63,615	451,573

BALANCE SHEETS (cont'd)

AS AT 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
NON CURRENT LIABILITIES					
Borrowings	23	50,357	83,226	-	-
1.25% Euroconvertible Bonds	25	-	276,936	-	276,936
Deferred taxation	26	18,635	18,974	-	-
		<u>68,992</u>	<u>379,136</u>	<u>-</u>	<u>276,936</u>
		<u>615,358</u>	<u>592,368</u>	<u>679,324</u>	<u>683,859</u>
CAPITAL AND RESERVES					
Share capital		404,985	404,880	404,985	404,880
Share premium		171,948	171,950	171,948	171,950
Revaluation reserves		4,581	130	129	129
Capital reserves		53,188	55,103	-	-
Currency translation difference		(3,527)	(2,036)	-	-
(Accumulated losses)/retained earnings	28	(156,919)	(153,036)	102,262	106,900
Shareholders' equity		<u>474,256</u>	<u>476,991</u>	<u>679,324</u>	<u>683,859</u>
Minority interest		141,102	115,377	-	-
		<u>615,358</u>	<u>592,368</u>	<u>679,324</u>	<u>683,859</u>

The notes set out on pages 29 to 80 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

	Note	Issued and fully paid ordinary shares of RMI.00 each		Non-distributable					Total RM'000
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserves RM'000	Capital reserves RM'000	Currency translation difference RM'000	Accumulated losses RM'000	
At 1 January 1999		404,880	404,880	171,959	130	55,103	(2,000)	(296,161)	333,911
– as previously reported	29	–	–	–	–	–	–	(14,866)	(14,866)
– prior year adjustment		–	–	–	–	–	–	–	–
– as restated		404,880	404,880	171,959	130	55,103	(2,000)	(311,027)	319,045
Currency translation differences		–	–	–	–	–	(36)	–	(36)
Goodwill written off		–	–	–	–	–	–	(235)	(235)
Share issue expenses		–	–	(9)	–	–	–	–	(9)
Net profit		–	–	–	–	–	–	158,226	158,226
At 31 December 1999		404,880	404,880	171,950	130	55,103	(2,036)	(153,036)	476,991
At 1 January 2000		404,880	404,880	171,950	130	55,103	(2,036)	(141,228)	488,799
– as previously reported	29	–	–	–	–	–	–	(11,808)	(11,808)
– prior year adjustments		–	–	–	–	–	–	–	–
– as restated		404,880	404,880	171,950	130	55,103	(2,036)	(153,036)	476,991
Currency translation differences		–	–	–	–	–	(1,491)	–	(1,491)
Share issue expenses		–	–	(136)	–	–	–	–	(136)
Share of capital reserves in associated company		–	–	–	–	2,540	–	–	2,540
Issue of shares	27	105	105	134	–	–	–	–	239
Acquisition of subsidiary		–	–	–	–	(4)	–	–	(4)
Reclassification		–	–	–	4,451	(4,451)	–	–	–
Net loss		–	–	–	–	–	–	(3,883)	(3,883)
At 31 December 2000		404,985	404,985	171,948	4,581	53,188	(3,527)	(156,919)	474,256

The notes set out on pages 29 to 80 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

	Note	Issued and fully paid ordinary shares of RM1.00 each		Non-distributable		Distributable	Total
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Revaluation reserves RM'000	(Accumulated) losses)/ retained earnings RM'000	
At 1 January 1999		404,880	404,880	171,959	129	(150,910)	426,058
Share issue expenses		-	-	(9)	-	-	(9)
Net profit		-	-	-	-	257,810	257,810
At 31 December 1999		404,880	404,880	171,950	129	106,900	683,859
At 1 January 2000		404,880	404,880	171,950	129	106,900	683,859
Issue of shares	27	105	105	134	-	-	239
Share issue expenses		-	-	(136)	-	-	(136)
Net loss		-	-	-	-	(4,638)	(4,638)
At 31 December 2000		404,985	404,985	171,948	129	102,262	679,324

The notes set out on pages 29 to 80 form an integral part of these financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		946,958	733,736	244	963
Cash paid to suppliers and employees		(890,484)	(709,786)	(6,135)	(8,006)
Cash from operations		56,474	23,950	(5,891)	(7,043)
Taxation paid		(4,947)	(10,534)	–	–
Interest received		4,284	6,886	–	–
Dividend received		336	593	5,984	5,862
Net cash flow from operating activities		56,147	20,895	93	(1,181)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of shares in subsidiary companies	30	–	354,477	–	315,255
Proceeds from disposal of shares in associated companies		17,784	1,508	–	–
Proceeds from disposal of other investments		19,038	4,291	–	–
Proceeds from disposal of marketable securities		55,357	–	55,357	–
Proceeds from disposal of property, plant and equipment		7,599	3,276	–	–
Purchase of property, plant and equipment		(18,580)	(13,874)	–	–
Purchase of additional shares in subsidiary companies	31	(3,903)	(55,113)	(2,192)	(134,036)
Purchase of additional shares in associated companies		(1,352)	(396)	–	(396)
Purchase of other investments		–	(1,122)	–	(702)
Purchase of marketable securities		–	(41,789)	–	(41,789)
Net cash flow from investing activities		75,943	251,258	53,165	138,332

CASH FLOW STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		239	-	239	-
Share issue expenses		(136)	(9)	(136)	(9)
Dividends paid to minority shareholders		(1,058)	(1,058)	-	-
Bank borrowings obtained		39,690	73,989	16,500	33,000
Repayment of bank borrowings		(134,865)	(273,925)	(69,300)	(104,700)
Redemption of Loan Stocks		-	(70,000)	-	(70,000)
Redemption of Euroconvertible Bonds		-	(102,462)	-	(102,462)
Movement in intercompany balances		-	-	(16,691)	70,544
Interest received		5,757	7,807	8,387	29,387
Interest paid		(27,612)	(32,740)	(14,784)	(25,811)
Transfer to sinking funds		(29,947)	-	-	-
Net cash flow from financing activities		(147,932)	(398,398)	(75,785)	(170,051)
NET DECREASE IN CASH AND CASH EQUIVALENTS					
		(15,842)	(126,245)	(22,527)	(32,900)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR					
		41,042	167,250	31,534	64,434
CURRENCY TRANSLATION DIFFERENCES					
		(99)	37	-	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR					
	21	25,101	41,042	9,007	31,534

The notes set out on pages 29 to 80 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

1 GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiary companies of the Group are stated in Note 12 to the financial statements.

The number of employees at the end of the financial year amounted to 1,945 (1999: 1,316) in the Group and 82 (1999: 78) in the Company.

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

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

Level 16, Menara Sunway
Jalan Lagoon Timur
Bandar Sunway
46150 Petaling Jaya

2 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the individual policy statements in Note 3 to the financial statements.

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

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act, 1965 require the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. Actual results could differ from those estimates.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

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

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed during the financial year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Goodwill or reserve on consolidation is reported in the balance sheet as an intangible asset and is amortised using the straight line method over its estimated useful life or 20 years, whichever is shorter. In prior years, goodwill or reserve on consolidation was charged in full to retained earnings; such goodwill or reserve has not been retrospectively capitalised and amortised as the amounts written off were immaterial. The change in accounting policy was effected in order to be consistent with the development in current accounting practice in Malaysia.

The carrying amount of goodwill or reserve on consolidation is reviewed annually and written down for impairment where it is considered necessary.

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

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill or reserve on consolidation and exchange differences which were not previously recognised in the consolidated income statement. Goodwill or reserve on consolidation which have been charged in full to retained earnings in prior financial years is also deducted when determining the gain or loss on disposal of a subsidiary company.

(b) Associated companies

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

Equity accounting involves recognising in the income statement the Group's share of the results of associated companies for the financial year based on the latest audited or management financial statements of the companies concerned. The Group's investments in associated companies are carried in the balance sheet at an amount that reflects its share of the net assets of the associated companies and includes premium or reserve on acquisition. Premium or reserve on acquisition is amortised using the straight line method over its estimated useful life or 20 years, whichever is shorter. Equity accounting is discontinued when share of losses of an associated company exceed the carrying amount of the investment in an associated company, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Jointly controlled entities

The Group's interest in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting based on the latest audited or management financial statements of the companies concerned. Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with the Group.

(d) Investments

Investment in subsidiary companies, associated companies, jointly controlled entities and other non current investments are shown at cost and provision is only made where, in the opinion of the Directors, there is a permanent diminution in value. Permanent diminution in the value of an investment is recognised as an expense in the financial year in which the diminution is identified.

Marketable securities are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount of marketable securities are credited/charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to the income statement.

(e) Investment properties

Leasehold investment properties which are stated at cost are amortised on a straight-line basis over the period of their respective leases except when the Directors are of the opinion that the non-amortisation of leases has no material effect on the financial statements.

Freehold investment property is stated at cost and not amortised.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation.

Freehold land is not amortised as it has infinite life. Leasehold land is amortised on a straight-line basis over the period of their respective leases which range from 12 to 99 years.

All other property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The principal annual depreciation rates used are as follows:

Buildings	2%
Plant and machinery	10% to 20%
Motor vehicles	20%
Furniture, fittings and office equipment	5% to 20%

Depreciation on assets under construction commences when the assets are ready for their intended use. When the carrying value of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit/loss from operations.

(g) Deferred expenditure

Deferred expenditure comprises preliminary and pre-operating expenses. In previous financial years, deferred expenditure were stated at cost and were amortised through the income statement over a period not exceeding eight years commencing from the first full year of operations.

Following the adoption of Malaysian Accounting Standards Board ('MASB') Interpretation Bulletin 1 "Preliminary and Pre-operating Expenses", the Group has changed this accounting policy to recognise deferred expenditure as expense in the financial year in which they arise. The change in accounting policy has been accounted for retrospectively and the effects of the change is disclosed in Note 29 to the financial statements.

(h) Inventories and property development expenditure

Inventories consist of finished goods, trading goods, consumable stocks, spare parts and properties held for resale. Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on the weighted average method except for properties for resale which are on a specific identification basis.

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

Property development expenditure is stated at cost plus profits accrued to date less progress billings and provision for all material estimated losses. Cost includes related development cost common to whole projects and direct building cost.

Interest incurred on borrowings relating to construction and development projects are included in construction and development costs until the completion of the construction and development projects.

The net realisable value of the completed properties and properties held for resale are based on Directors' appraisal at open market value based on appropriate information and indices that are available.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Construction contracts

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

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the financial year of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount to recognise in a given financial year; the stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total costs for the contract or the proportion of architect's certification to end purchasers over total contract revenue. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profit (less recognised losses) exceeds the progress billings, the balance is shown as amounts due from customers on construction contracts under receivables. Where progress billings exceed costs incurred plus recognised profit (less recognised losses), the balance is shown as amounts due to customers on construction contracts under payables.

(j) Debtors

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

(k) Accounting for leases - where a group company is the lessee

Finance lease

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Outstanding obligations due under the finance lease agreements after deducting finance expenses are included as borrowings in the balance sheet. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance charge is charged to the income statement over the lease period.

The property, plant and equipment acquired under finance lease contracts are depreciated over the useful life of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

Operating lease

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Accounting for leases - where a group company is the lessor

Finance leases

When assets are sold under a finance lease, the outstanding obligations due from lessor, net of unearned finance income is recognised as a debtor. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

(m) Euroconvertible Bonds

Redemption premium are accrued over the period from the date of initial issue of the Eurobonds to the date of option to redeem for the redemption of Eurobonds not previously converted to shares by the bondholders.

(n) Taxation and deferred taxation

Current taxation is provided based on the estimated income chargeable to tax for the financial year and represent income taxed at statutory tax rate. Provision for deferred taxation is made using the liability method on all material timing differences, except to the extent that it can be demonstrated with reasonable probability that the timing differences will not crystallise in the foreseeable future.

Deferred tax assets are not recognised unless there is reasonable certainty that the benefits will be realised in the foreseeable future.

(o) Cash and cash equivalents

Cash comprises cash in hand, bank balances and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Foreign currencies

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction.

Foreign currency transactions in Group companies are accounted for at exchange rates ruling at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Foreign currencies (cont'd)

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

Foreign currency	2000 RM	1999 RM
1 US Dollar	3.8000	3.8000
1 Hong Kong Dollar	0.4900	0.4900
1 Thai Baht	0.0875	0.1040
1 Singapore Dollar	2.1915	2.2900
1 Sterling Pound	5.6730	6.1630
1000 Vietnam Dong	0.2618	0.2600
1000 Indonesian Rupiah	0.4150	0.5500

(q) Revenue recognition

- (i) Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales tax and discount, and after eliminating sales within the Group.
- (ii) Sales relating to long term contracts and development projects are recognised on the percentage of completion method based on costs incurred basis and architect certification to end purchasers.
- (iii) Interest on hire purchase and leasing contracts are recognised as income on the 'Rule of 78' basis.
- (iv) Dividend income from other investments is recognised when the shareholder's right to receive payment is established.
- (v) Interest income is recognised on an accrual basis unless collectibility is in doubt in which recognition will be on a receipt basis.
- (vi) Rental income from investment property is recognised on an accrual basis.

(r) Block discounting charges

Block discounting charges are dealt with through the income statement on the 'Rule of 78' basis.

(s) Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings in the financial year in which they are declared or proposed.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Comparatives

Comparative figures have been adjusted to conform with changes in presentation resulting from the change in accounting policy explained in Note 29 to the financial statements. The comparative figures were also extended to comply with the additional disclosure requirements of the thirteen new Malaysian Accounting Standards Board ('MASB') Standards that are applicable for the financial year ended 31 December 2000. In addition, the Group's cash flow statement, which in previous financial years were presented using the indirect method, have been presented using the direct method effective from the financial year ended 31 December 2000.

With the exception of MASB Interpretation Bulletin 1 "Preliminary and Pre-operating Expenses", there are no changes in accounting policy that affect net profit/loss attributable to shareholders as a result of the adoption of the above standards in these financial statements as the Group was already following the recognition and measurement principals in those standards.

4 REVENUE

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Sale of goods	189,890	265,186	-	-
Construction contracts	538,198	422,990	-	-
Development property	125,697	91,108	-	-
Investment property income	14,187	10,499	-	-
Rendering of services	1,119	102	-	-
Interest income	4,233	5,093	-	-
Lease and hire purchase income	3,118	3,766	-	-
Dividend income (gross) from:				
- subsidiary companies	-	-	8,311	8,141
- other investments, quoted in Malaysia	490	1,090	-	-
Management fees	-	24	229	215
	<u>876,932</u>	<u>799,858</u>	<u>8,540</u>	<u>8,356</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

5 PROFIT FROM OPERATIONS

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Profit from operations is arrived at:				
After charging:				
Auditors' remuneration	599	472	58	55
Amortisation of goodwill (Note 17)	1,547	-	-	-
Block discounting charges	1,245	1,040	-	-
Bad debts written off	1,158	377	-	-
Hire of plant and machinery	307	556	-	-
Net exchange losses:				
- unrealised	83	3	-	3
- realised	23	-	-	-
Property, plant and equipment:				
- depreciation (Note 10)	41,650	35,428	*	*
- net loss on disposal	-	545	-	-
- written off	8,047	-	-	-
Provision for doubtful debts	2,560	23,419	20,000	23,860
Provision for stock obsolescence	563	447	-	-
Rent of land and buildings:				
- subsidiary companies	-	-	115	29
- others	2,602	4,571	3	-
Staff costs	57,534	55,678	1,749	1,577
*RM152				
And crediting:				
Bad debts recovered	1,122	-	-	-
Gain on disposal of:				
- subsidiary company	-	98,044	-	192,414
- associated company	8,245	714	-	-
- other investments	11,284	1,854	-	-
- marketable securities	13,568	-	13,568	-
- Euroconvertible Bonds	-	106,852	-	106,852
Interest income from:				
- advances to subsidiary companies	-	-	16,581	24,464
- quoted loan stock of a subsidiary company	-	-	27	27
- others	12,474	8,585	918	4,896
Net gain on disposal of property, plant and equipment	340	-	-	-
Net exchange gain:				
- unrealised	-	-	-	-
- realised	392	128	234	-
Rental income from land and building	3,949	4,417	-	-

Contract cost of the Group recognised as an expenses during the financial year amounted to RM490,054,000 (1999: RM335,556,000). Cost of inventories and services rendered of the Group recognised as an expense during the financial year amounted to RM286,942,000 (1999: RM292,302,000) and RM8,388,000 (1999: RM7,612,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

6 DIRECTORS' REMUNERATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Fees	36	15	24	15
Other emoluments	3,111	2,415	2,644	812
	<u>3,147</u>	<u>2,430</u>	<u>2,668</u>	<u>827</u>

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and Company was RM180,540 (1999: RM208,927) and RM162,655 (1999: RM64,551) respectively.

7 FINANCE COSTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Interest expense on:				
- Bank borrowings	19,018	37,906	6,872	13,602
- 1.25% Euroconvertible Bonds	2,950	3,603	2,950	3,603
- 3% Bank Guaranteed Redeemable Unsecured Loan Stocks 1996/2001	2,463	-	-	-
- 4.5% Bank Guaranteed Redeemable Unsecured Loan Stocks 1994/1999	-	1,575	-	1,575
- Advances from subsidiary companies	-	-	4,801	10,359
	<u>24,431</u>	<u>43,084</u>	<u>14,623</u>	<u>29,139</u>
Premium on redemption of 1.25% Euroconvertible Bonds (Note 25)	15,032	17,806	15,032	17,806
Others	602	1,774	-	-
	<u>40,065</u>	<u>62,664</u>	<u>29,655</u>	<u>46,945</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

8 TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Company and subsidiary companies				
In Malaysia				
Income tax:				
- Current	10,190	(626)	-	1,438
- (Over)/under provision in respect of prior financial years	(2,289)	216	-	661
Deferred taxation (Note 26)	(11,673)	(1,888)	-	-
	(3,772)	(2,298)	-	2,099
Outside Malaysia				
Income tax:				
- Current	787	2,022	-	-
- Under provision in respect of prior financial years	444	-	-	-
Deferred taxation (Note 26)	-	(347)	-	-
	(2,541)	(623)	-	2,099
Associated company				
In Malaysia				
Income tax - current	495	-	-	-
Deferred taxation	(34)	(2,687)	-	-
	461	(2,687)	-	-
	(2,080)	(3,310)	-	2,099

There is no tax charge for the Company during the financial year as the Company has no taxable income. The effective tax rate of the Group was higher mainly due to losses of subsidiary companies that are not available for set-off against taxable profits of other subsidiary companies.

Subject to agreement by the tax authorities, the amount of unutilised tax losses of the Group and of the Company available for which the related tax effects have not been included in the net income amounted to RM218,942,000 at 31 December 2000 (1999: RM51,027,000) and RM20,381,000 at 31 December 2000 (1999: RM19,687,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

9 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the Group's net (loss)/profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2000	1999
Net (loss)/profit attributable to shareholders (RM'000)	(3,883)	158,226
Weighted average number of ordinary shares in issue ('000)	404,976	404,880
Basic (loss)/earnings per share (sen)	(0.96)	39.08

(b) Diluted earnings per share

The fully diluted earnings per share for the Group are not presented as the assumed conversion from the Euroconvertible Bonds, exercise of warrants and options over shares options under the ESOS during the financial year would be antidilutive.

Comparatives earnings per share information has been restated to take into account the effect on net profit attributable to shareholders of the change in accounting policy with respect to recognition of deferred expenditure (Note 29).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

10 PROPERTY, PLANT AND EQUIPMENT

Group	At 1.1.2000 RM'000	Currency translation differences RM'000	Acquisition of subsidiary companies RM'000	Additions RM'000	Disposals RM'000	Reclassifications RM'000	At 31.12.2000 RM'000
Cost							
Purchased assets							
Freehold land	9,019	-	27,454	-	(5,981)	-	30,492
Long term leasehold land	16,400	(75)	5,813	-	-	(5,402)	16,736
Short term leasehold land	6,354	31	35,266	270	(1,991)	-	39,930
Buildings	154,012	(277)	782	4,197	(1,005)	(441)	157,270
Total land and buildings	185,785	(321)	69,315	4,467	(8,975)	(5,843)	244,428
Plant and machinery	117,514	(913)	153,364	7,022	(8,181)	(9,263)	259,543
Motor vehicles	32,622	(149)	21,300	2,127	(3,165)	7,432	60,167
Furniture, fittings and office equipment	32,155	(76)	5,909	2,339	(2,410)	524	38,441
Capital work-in-progress	2,547	-	-	956	(2,374)	-	1,129
	370,623	(1,459)	249,888	16,911	(25,105)	(7,150)	603,708
Assets acquired under finance lease and hire purchase agreements							
Plant and machinery	9,911	(386)	9,427	-	-	(2,534)	16,418
Motor vehicles	8,810	29	735	407	-	(5,355)	4,626
Furniture, fittings and office equipment	78	(3)	-	1,269	-	100	1,444
	18,799	(360)	10,162	1,676	-	(7,789)	22,488
Total	389,422	(1,819)	260,050	18,587	(25,105)	(14,939)	626,196

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

10 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	At 1.1.2000 RM'000	Currency translation differences RM'000	Acquisition of subsidiary companies RM'000	Charge for the financial year RM'000	Released on disposals RM'000	Reclassifications RM'000	At 31.12.2000 RM'000
Accumulated depreciation							
Purchased assets							
Long term leasehold land	580	-	-	217	-	-	797
Short term leasehold land	519	2	8,394	1,521	-	-	10,436
Buildings	15,669	(174)	167	4,232	-	-	19,894
Total land and buildings	16,768	(172)	8,561	5,970	-	-	31,127
Plant and machinery	49,611	(678)	60,717	21,775	(4,000)	(976)	126,449
Motor vehicles	20,472	(152)	11,494	7,534	(2,427)	4,151	41,072
Furniture, fittings and office equipment	19,593	(78)	2,881	4,138	(2,396)	245	24,383
	106,444	(1,080)	83,653	39,417	(8,823)	3,420	223,031
Assets acquired under finance lease and hire purchase agreements							
Plant and machinery	5,550	(221)	1,009	1,256	-	(587)	7,007
Motor vehicles	4,508	149	296	526	-	(4,302)	1,177
Furniture, fittings and office equipment	12	(1)	-	451	-	4	466
	10,070	(73)	1,305	2,233	-	(4,885)	8,650
Total	116,514	(1,153)	84,958	41,650	(8,823)	(1,465)	231,681

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

10 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	At 1.1.1999 RM'000	Currency translation differences RM'000	Additions RM'000	Disposal of subsidiary companies RM'000	Disposals RM'000	Reclassifications RM'000	At 31.12.1999 RM'000
Cost							
Purchased assets							
Freehold land	17,747	-	3,876	(12,621)	-	17	9,019
Long term leasehold land	17,985	-	-	(1,585)	-	-	16,400
Short term leasehold land	24,993	(326)	-	(18,313)	-	-	6,354
Buildings	145,010	(3,034)	5,589	(12,281)	(157)	18,885	154,012
Total land and buildings	205,735	(3,360)	9,465	(44,800)	(157)	18,902	185,785
Plant and machinery	324,514	(1,630)	2,042	(205,259)	(2,397)	244	117,514
Motor vehicles	41,639	(862)	572	(7,137)	(2,450)	860	32,622
Furniture, fittings and office equipment	35,930	(284)	1,551	(5,120)	(316)	394	32,155
Quarry development expenditure	35	-	-	(18)	-	(17)	-
Capital work-in-progress	10,645	-	22	(598)	-	(7,522)	2,547
	618,498	(6,136)	13,652	(262,932)	(5,320)	12,861	370,623
Assets acquired under finance lease and hire purchase agreements							
Plant and machinery	23,482	-	-	(13,240)	(109)	(222)	9,911
Motor vehicles	10,979	-	222	(270)	(1,261)	(860)	8,810
Furniture, fittings and office equipment	472	-	-	-	-	(394)	78
Total	34,933	-	222	(13,510)	(1,370)	(1,476)	18,799
	653,431	(6,136)	13,874	(276,442)	(6,690)	11,385	389,422

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

10 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	At 1.1.1999 RM'000	Currency translation differences RM'000	Charge for the financial year RM'000	Disposal of subsidiary companies RM'000	Released on disposals RM'000	Reclassifications RM'000	At 31.12.1999 RM'000
Accumulated depreciation							
Purchased assets							
Long term leasehold land	461	-	187	(68)	-	-	580
Short term leasehold land	1,760	(17)	174	(1,398)	-	-	519
Buildings	15,192	(104)	4,242	(3,657)	(4)	-	15,669
Total land and buildings	17,413	(121)	4,603	(5,123)	(4)	-	16,768
Plant and machinery	133,831	(219)	17,496	(100,739)	(943)	185	49,611
Motor vehicles	20,468	(267)	5,888	(5,003)	(1,264)	650	20,472
Furniture, fittings and office equipment	17,971	(53)	3,601	(2,096)	(151)	321	19,593
Quarry development expenditure	2	-	-	-	(2)	-	-
	189,685	(660)	31,588	(112,961)	(2,364)	1,156	106,444
Assets acquired under finance lease and hire purchase agreements							
Plant and machinery	13,324	-	1,780	(9,324)	(46)	(186)	5,550
Motor vehicles	4,215	-	1,981	(200)	(838)	(650)	4,508
Furniture, fittings and office equipment	254	-	79	-	-	(321)	12
	17,793	-	3,840	(9,524)	(883)	(1,156)	10,070
Total	207,478	(660)	35,428	(122,485)	(3,247)	-	116,514

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

10 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	2000	1999
	RM'000	RM'000
Group		
Net book value		
Purchased assets		
Freehold land	30,492	9,019
Long term leasehold land	15,939	15,820
Short term leasehold land	29,494	5,835
Buildings	137,376	138,343
Total land and buildings	213,301	169,017
Plant and machinery	133,094	67,903
Motor vehicles	19,095	12,150
Furniture, fittings and office equipment	14,058	12,562
Capital work-in-progress	1,129	2,547
	380,677	264,179
Assets acquired under finance lease and hire purchase agreements		
Plant and machinery	9,411	4,361
Motor vehicles	3,449	4,302
Furniture, fittings and office equipment	978	66
	394,515	272,908

Freehold lands with net book value of RM16,514,748 at the end of the financial year (1999: RM12,638,748) are pledged as security by a subsidiary company for term loans (Note 23).

During the financial year, the Group reclassified RM13,474,000 of the net book value of the property, plant and equipment to properties held for resale.

	2000	1999
	RM'000	RM'000
Company		
Furniture, fittings and office equipment		
Cost	3	3
Less: Accumulated depreciation	(2)	(2)
Net book value	1	1

Depreciation charged to income statement during the financial year amounted to RM152 (1999: RM152).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

11 INVESTMENT PROPERTIES

	Group	
	2000 RM'000	1999 RM'000
At cost:		
Long term leasehold land	3,245	3,245
Buildings	10,653	10,653
	<u>13,898</u>	<u>13,898</u>

Directors are of the view that the fair values of the properties held at the balance sheet date are not significantly different from carrying amount shown in the financial statements.

Buildings with carrying value of RM5,808,000 at the end of the financial year (1999: RM5,808,000) are pledged as security by a subsidiary company for term loan (Note 23).

12 INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2000 RM'000	1999 RM'000
At cost:		
Unquoted shares	245,673	245,650
Quoted shares in Malaysia	222,696	79,376
Quoted loan stocks in Malaysia	739	-
	<u>469,108</u>	<u>325,026</u>
Market value:		
Quoted shares	165,100	225,934
Quoted loan stocks	877	-
	<u>165,977</u>	<u>225,934</u>

The Company has pledged 80,601,997 units of the quoted shares in subsidiary companies with a licensed offshore bank as security for a standby letter of credit issued as security for a term loan obtained (Note 23).

Details of subsidiary companies are as follows:

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Sunway Construction Berhad (27175-V)	Construction of building and civil works	62.76	62.76
Sunway Building Technology Berhad (290455-W) ⁺	Investment holding	50.87	50.00

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

12 INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Details of subsidiary companies are as follows:

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Sunwaymas Sdn Bhd (formerly known as Sunway Masalam Sdn Bhd) (130027-K)	Property and housing development	100.00	100.00
Sunway Juarasama Sdn Bhd (111886-A)	Quarrying and premix manufacturing, construction of civil works	100.00	100.00
Sunway Keramo Sdn Bhd (205881-A)	Production of vitrified clay pipes	60.00	60.00
Sunway Marketing Sdn Bhd (formerly known as Sungei Way Marketing Sdn Bhd) (110342-X)	Trading of construction related products	100.00	100.00
Sunway Builders Sdn Bhd (formerly known as Sungei Way Builders Sdn Bhd) (285205-T)	Construction of building and civil works	100.00	100.00
Sunway Marketing (S) Pte Ltd (formerly known as Sungei Way Marketing (S) Pte Ltd) *	Import, export and wholesale of building materials, heavy equipment and industrial hardware	100.00	100.00
Sunway Credit & Leasing Sdn Bhd (formerly known as Sungei Way Leasing Sdn Bhd) (35433-X)	Lease and hire purchase financing	100.00	100.00
Sunway Risk Management Sdn Bhd (130211-V)	General insurance underwriting and consultancy services	100.00	100.00
Sunway Management Sdn Bhd (formerly known as Sungei Way Management Sdn Bhd) (50661-X)	Share registration and secretarial services	100.00	100.00
Sunway Land Sdn Bhd (123532-K)	Investment holding	100.00	100.00
Sunway Holdings (Vietnam) Sdn Bhd (85174-D)	Investment holding	100.00	100.00
Amalan Insaf (M) Sdn Bhd (325217-T)	Investment holding	82.50	82.50
Reptolink Sdn Bhd (432747-P)	Investment holding	100.00	100.00
Menara Sunway Sdn Bhd (218317-K)	Management and renting of properties	51.00	51.00

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

12 INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Ubundi Ltd*	General trading	100.00	100.00
Shahawan (M) Sdn Bhd (454336-K)	Property investment	100.00	100.00
Galaxy Avenue Sdn Bhd (434068-K)	Investment holding	100.00	100.00
Sunway Orient Sdn Bhd (345649-U)	Dormant	60.00	60.00
Myanmar Sungei Way Holdings Ltd*	Dormant	99.90	99.90
Splendid Era Sdn Bhd (282012-M)	Dormant	50.00	50.00
Surplus Synergy Sdn Bhd (511429-A)	Dormant	100.00	-
Subsidiary companies of Sunway Construction Berhad:			
Sunway Construction (Southern) Sdn Bhd (390417-A)	Construction of building and civil works	62.76	62.76
Sunway M&E Sdn Bhd (253771-P)	Contracting in mechanical and electrical works	62.76	62.76
SWC Machinery Sdn Bhd (389253-P)	Renting of machinery and site equipment	62.76	62.76
Binajelata (M) Sdn Bhd (355335-X)	Management and renting of properties	62.76	62.76
Identiti Jelata (M) Sdn Bhd (354314-T)	Management and renting of properties	62.76	62.76
Sunway Engineering Sdn Bhd (341887-W)	Mechanical and engineering works	56.48	56.48
Sunspan Sdn Bhd (390366-D)	Pre fabricated construction	43.93	43.93
Muhibbah Permai Sdn Bhd (216988-V)	Property development	50.21	50.21
SWC Civil Sdn Bhd (389250-V)	Dormant	62.76	62.76
Sunway Construction (Northern) Sdn Bhd (390304-D)	Dormant	62.76	62.76

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

12 INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Subsidiary companies of Sunway Construction Berhad: (cont'd)			
SWC Builders Sdn Bhd (390300-W)	Dormant	62.76	62.76
Baramatics Sdn Bhd (484836-T)	Dormant	62.76	62.76
Classvest Realty Sdn Bhd (485145-T)	Dormant	62.76	62.76
Crosside Realty Sdn Bhd (485140-D)	Dormant	62.76	62.76
Target Beam (M) Sdn Bhd (355669-H)	Management and renting of properties	62.76	62.76
Subsidiary companies of Sunway Building Technology Berhad:			
Sun-Block Sdn Bhd (77490-W)	Manufacturing of concrete blocks and pavers	50.87	50.00
Sunway PMI-Pile Construction Sdn Bhd (154079-X)	Manufacturing and sale of precast concrete, micro concrete and concrete piles, undertaking of piling contracts and hire of heavy machineries	50.57	49.71
Sun-Block (Batang Kali) Sdn Bhd (456798-V)	Manufacturing and sales of eurotiles	50.87	50.00
Sunway Precast Industries Sdn Bhd (231775-X)	Undertaking of precast concrete building contracts and manufacturing precast concrete building components	50.87	50.00
Sunway Pipeplus Technology Sdn Bhd (411837-T)	Production of concrete pipes.	50.87	50.00
Sunway Top-Down Technology Sdn Bhd (416448-A)	Structural works and undertaking of piling contracts	50.87	50.00
Eternal Reserves Sdn Bhd (437774-T)	Investment holding	50.87	50.00
Sunway Modular Construction Sdn Bhd (414012-T)	Dormant	50.87	50.00
Sunway Pipe Pro Sdn Bhd (414014-W)	Dormant	50.87	50.00

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

12 INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Subsidiary companies of Sunway Building Technology Berhad: (cont'd)			
Sunway Building Technology (Vietnam) Sdn Bhd (335077-P)	Dormant	45.78	45.00
City Leader Sdn Bhd (395751-M)	Dormant	50.87	50.00
Gold Kinetic Sdn Bhd (506755-X)	Dormant	50.87	–
Subsidiary companies of Sunway PMI-Pile Construction Sdn Bhd:			
PT Sunway-Yasa PMI Pile	Design, manufacture, supply and installation of concrete based foundation and other concrete products	32.87	32.50
Sunway Geotechnic Sdn Bhd (429140-M)	Dormant	50.87	50.00
Subsidiary company of Sun-Block Sdn Bhd:			
Sunway Machineries Services Sdn Bhd (288977-X)	Ceased operation	50.87	50.00
Subsidiary company of Sunway Top-Down Technology Sdn Bhd:			
Sunway Form-Eze Sdn Bhd (427565-M)	Dormant	50.87	50.00
Subsidiary company of Eternal Reserves Sdn Bhd:			
Sunway Slag Cement Sdn Bhd (431362-X)	Dormant	40.70	40.00
Subsidiary companies of Sunwaymas Sdn Bhd (formerly known as Sunway Masalam Sdn Bhd):			
Ikaz Engineering Sdn Bhd (215920-W)	Property and housing development	94.00	94.00
Mujurmas Sdn Bhd (206849-D)	Property development	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

12 INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Subsidiary companies of SunwayMas Sdn Bhd (formerly known as Sunway Masalam Sdn Bhd): (cont'd)			
Coral-White Sdn Bhd (228583-T)	Property investment and investment holding	100.00	100.00
Pembangunan Risjaya Sdn Bhd (258922-A)	Property development	100.00	100.00
Reliance Outline (M) Sdn Bhd (366270-T)	Investment properties	100.00	100.00
Eaglefield Sdn Bhd (187153-V)	Dormant	100.00	100.00
Usaha Arahmanz Sdn Bhd (157051-K)	Dormant	100.00	100.00
Zafarra Corporation Sdn Bhd (76395-P)	Dormant	100.00	100.00
Subsidiary companies of Sunway Juarasama Sdn Bhd:			
Sunway Concrete Products (S) Pte Ltd*	Ready-mix operation	100.00	100.00
Sunway Precast (S) Pte Ltd*	Dormant	100.00	100.00
Subsidiary companies of Sunway Marketing Sdn Bhd (formerly known as Sungei Way Marketing Sdn Bhd):			
Sunway Marketing (East Malaysia) Sdn Bhd (353248-U)	Trading of industrial products	85.00	85.00
Sunway Auto Mechanika Sdn Bhd (350617-H)	Trading of industrial hardware	85.00	85.00
Sunway Architectural Products Sdn Bhd (146551-W)	Trading of building materials	85.00	85.00
Sunway Industrial Products Sdn Bhd (442583-M)	Dormant	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

12 INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Subsidiary company of Sunway Marketing (S) Pte Ltd (formerly known as Sungei Way Marketing (S) Pte Ltd):			
Sungei Way Nusantara Pte Ltd*	Dormant	65.00	65.00
Subsidiary companies of Sunway Credit & Leasing Sdn Bhd (formerly known as Sungei Way Leasing Sdn Bhd):			
SWL Nominees (Tempatan) Sdn Bhd (388808-U)	Nominee services	100.00	100.00
Eternal Elite Sdn Bhd (433853-H)	Property investment	100.00	100.00
SWL Factoring Sdn Bhd (80767-A)	Dormant	100.00	100.00
Subsidiary companies of Sunway Land Sdn Bhd:			
Sungei Way Resources Sdn Bhd (120068-A)	Property investment	100.00	100.00
Fortuna Gembira Enterpris Sdn Bhd (16634-P)	Property investment and investment holding	100.00	100.00
Subsidiary companies of Sunway Holdings (Vietnam) Sdn Bhd:			
Sungei Way Ha Tay Construction and Building Materials Co. Ltd*	Quarrying and manufacturing of ready-mixed concrete	86.00	86.00
Hochimex Nominee Company Limited *	Property investment	100.00	100.00
Sungei Way Ocean Joint Venture Ltd*	Quarrying	70.00	70.00
Realty Investments (HB) Inc.*	Investment holding	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

12 INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Subsidiary company of Hochimex Nominee Company Limited:			
Sunway Hotel Hanoi Joint- Venture Company*	Hotel operations	71.00	71.00
Subsidiary company of Realty Investments (HB) Inc.:			
Hang Bai Office Complex JVC*	Property investment	74.00	74.00
Subsidiary company of Amalan Insaf (M) Sdn Bhd:			
Sunway Property Sdn Bhd (236233-X)	Dormant	82.50	82.50
Subsidiary company of Menara Sunway Sdn Bhd:			
MSW Parking Sdn Bhd (318333-T)	Car park management	51.00	51.00

* Not audited by PricewaterhouseCoopers, Malaysia.

+ Investment in associated company at 31 December 1999 (Note 13)

All the subsidiary companies are incorporated in Malaysia with the exception of the following:

Companies	Country of incorporation
Sunway Precast (S) Pte Ltd	Singapore
Sunway Concrete Products (S) Pte Ltd	Singapore
Sunway Marketing (S) Pte Ltd (formerly known as Sungei Way Marketing (S) Pte Ltd)	Singapore
Sungei Way Nusantara Pte Ltd	Singapore
Sungei Way Ha Tay Construction and Building Materials Co. Ltd.	Vietnam
Sunway Hotel Hanoi Joint-Venture Company	Vietnam
Sungei Way Ocean Joint-Venture Ltd	Vietnam
Hang Bai Office Complex JVC	Vietnam
Ubundi Ltd	Hong Kong
Hochimex Nominee Company Limited	Hong Kong
Myanmar Sungei Way Holdings Ltd	Myanmar
Realty Investment (HB) Inc.	Panama
PT Sunway-Yasa PMI Pile	Indonesia

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

13 INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Quoted in Malaysia:				
Shares at cost (net of provision for diminution in value of RM141,841,000 (1999: RM143,216,000) of the Group)	48,527	190,148	-	141,151
Warrants (net of provision for diminution in value of RM20,908,000 (1999: RM47,811,000) of the Group)	7,101	52,752	-	36,516
Transferable subscription rights	-	739	-	739
Share of post-acquisition losses	(6,805)	(66,242)	-	-
Share of non distributable reserves	-	6,571	-	-
	48,823	183,968	-	178,406
Unquoted:				
Shares at cost (net of provision for diminution in value of RM3,406,000 (1999: RM3,406,000) of the Group and of the Company)	57,874	13,772	2,600	2,600
Share of post-acquisition losses	(31,438)	(10,266)	-	-
Share of non-distributable reserve	4,995	-	-	-
	31,431	3,506	2,600	2,600
	80,254	187,474	2,600	181,006
Market value of quoted investments:				
- shares	20,797	145,529	-	92,332
- warrants	3,057	30,654	-	13,517
- transferable subscription rights	-	873	-	873
	23,854	177,056	-	106,722

	Group	
	2000 RM'000	1999 RM'000
Represented by:		
Group's share of net tangible assets	53,639	86,711
Group's share of intangible assets	21,629	1,008
Premium on acquisition	143,671	189,480
Reserve on acquisition	(3,945)	-
Less: Provision for diminution	(141,841)	(143,216)
	73,153	133,983
Quoted investments:		
- warrants (net of provision for diminution in value of RM20,908,000 (1999: RM47,811,000))	7,101	52,752
- transferable subscription rights	-	739
	80,254	187,474

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

13 INVESTMENTS IN ASSOCIATED COMPANIES (cont'd)

The Company has pledged 17,998,000 units of the quoted shares in an associated company with a licensed offshore bank as security for a term loan (Note 23).

Details of associated companies are as follows:

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd* (371220-V)	Toll concessionaire company	50.00	50.00
SILK Concessionaire Holdings Sdn Bhd* (405897-V)	Dormant	50.00	50.00
Sunway-Pioneer Quarry Sdn Bhd* (337094-W)	Investment holding	50.00	50.00
Sungei Way-Saigon-Pilecon Engineering Company*	Constructing, maintaining, contracting, transportation, irrigation and construction projects	42.30	42.30
Gopeng Berhad* (109465-X)	Produce and process natural rubber and palm products on its plantations, construction and infrastructure work	19.33	19.58
Associated companies of Sunway Building Technology Berhad:			
Pioneer Sun-Mix Concrete Sdn Bhd* (327697-K)	Investment holding	25.44	25.00
Suntech Industries Sdn Bhd (451801-A)	Dormant	15.26	15.00
Associated company of Sunway Marketing (S) Pte Ltd (formerly known as Sungei Way Marketing (S) Pte Ltd):			
Sungei Way Marketing* (Thailand) Ltd	Import, export and wholesale of building materials, heavy equipment and industrial hardware	47.00	47.00
Associated companies of Coral-White Sdn Bhd:			
Shah Alam Hotel Sdn Bhd (281158-U)	Hotelier	50.00	50.00
Varich Industries Sdn Bhd* (251877-T)	Dormant	50.00	50.00

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

13 INVESTMENTS IN ASSOCIATED COMPANIES (cont'd)

Name of company	Principal activities	Group's effective interest	
		2000 %	1999 %
Associated company of Sunway Marketing Sdn Bhd (formerly known as Sungei Way Marketing Sdn Bhd):			
Buildtrend B.S.G. (M) Sdn. Bhd* (68350-H)	Distribution of architectural building products	30.00	-

* Not audited by PricewaterhouseCoopers, Malaysia

All the associated companies are incorporated in Malaysia with the exception of the following:

Companies	Country of incorporation
Sungei Way Marketing (Thailand) Ltd	Thailand
Sungei Way-Saigon-Pilecon Engineering Company	Vietnam

On 28 April 2000, Sunway Building Technology Berhad, an associated company as at 31 December 1999, became a subsidiary company (Note 12 and 31).

The Group's share of results and reserves of associated companies are equity accounted for in the consolidated financial statements except for the quarrying and premix businesses of Sunway - Pioneer Quarry Sdn Bhd ("SPQ") which are accounted for under the cost method. Although the Group holds a 50% equity interest in SPQ and jointly managed these businesses with the other investor, the Group's interest in SPQ and its entitlement to future dividends will only be realised on the exercise of an option on 31 March 2002 to maintain its 50% in SPQ. On the basis of fair presentation, the Group will not equity account for its 50% share in SPQ until and unless the option is exercised in 2002. The option has been subsequently terminated on 10 April 2001 (Note 37).

14 INVESTMENTS IN JOINTLY CONTROLLED ENTITY

	Group	
	2000 RM'000	1999 RM'000
Share of net assets of jointly controlled entity	232	-

Sunway PMI-Pile Construction Sdn Bhd, a subsidiary company of the Group, entered into a joint venture agreement on 6 June 1997 for constructing and completing a commercial centre under a joint venture company known as Mentari Contracting (M) Sdn Bhd. All costs, profits, property, material, equipment acquired, working capital and liabilities shall be shared equally by the two parties involved.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

14 INVESTMENTS IN JOINTLY CONTROLLED ENTITY (cont'd)

	Group	
	2000	1999
	RM'000	RM'000
The Group's share of assets and liabilities of the jointly controlled entity is as follows:		
Property, plant and equipment	56	-
Current assets	823	-
Current liabilities	(647)	-
	232	-
The Group's share of income and expenses of the jointly controlled entity is as follows:		
Loss before taxation	(355)	-
Less: Taxation	-	-
Loss after taxation	(355)	-

There are no contingencies and commitments relating to the Group's interest in the jointly controlled entity.

15 OTHER INVESTMENTS

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
At cost:				
Unquoted shares	5,100	5,192	3,158	3,189
Quoted shares in Malaysia	9,754	22,059	-	-
Quoted warrants in Malaysia	36,516	-	36,516	-
	51,370	27,251	39,674	3,189
Market value:				
Quoted shares	8,455	28,627	-	-
Quoted warrants	5,566	-	5,566	-
	14,021	28,627	5,566	-

Quoted warrants in Malaysia are in respect of warrants to subscribe for new ordinary shares in Sunway Building Technology Berhad, which was included as investment in associated companies in previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

16 LONG TERM DEBTORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade debtors	73,406	129,368	-	-
Retention sums	6,594	7,719	-	-
	<u>80,000</u>	<u>137,087</u>	<u>-</u>	<u>-</u>
Amount due from a subsidiary company (non-trade)	-	-	104,326	-
	<u>80,000</u>	<u>137,087</u>	<u>104,326</u>	<u>-</u>

The trade debtors are due from Director related companies of which repayment of the debtors are not due within the next 12 months.

The amount due from a subsidiary company is unsecured, bears interest rate at 7% and is not due within the next 12 months.

17 OTHER INTANGIBLE ASSETS

Group	Goodwill	Other tangible assets	Total
	RM'000	RM'000	RM'000
Net book value at 1 January 1999	-	9,270	9,270
Disposal of subsidiary companies (Note 30)	-	(9,270)	(9,270)
Net book value at 31 December 1999	-	-	-
Acquisition of subsidiary companies (Note 31)	46,397	-	46,397
Amortisation for the financial year (Note 5 and Note 31)	(1,547)	-	(1,547)
Net book value at 31 December 2000	<u>44,850</u>	<u>-</u>	<u>44,850</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

18 INVENTORIES AND DEVELOPMENT PROPERTIES

	Group	
	2000	1999
	RM'000	RM'000
Development properties:		
Freehold land, at cost	22,300	22,625
Leasehold land, at cost	11,710	10,914
Development expenditures incurred to date	336,805	434,068
Accrued profits to date	24,836	72,399
	395,651	540,006
Total costs and accrued profits		
Progress billings to date	(193,094)	(304,571)
	202,557	235,435
Inventories-unsold properties	161,595	135,886
	364,152	371,321
Raw materials	4,961	1,102
Spare parts	2,386	1,212
Manufactured inventories	15,098	4,497
Work in progress	91	-
Trading inventories	32,685	26,527
Properties held for resale	20,659	4,971
	75,880	38,309
	440,032	409,630

Inventories and development properties carried at net realisable value are as follows:

	Group	
	2000	1999
	RM'000	RM'000
Development properties	86,716	94,027
Properties held for resale	12,538	4,311
Manufacturing inventories	12,177	15,349
Raw materials	3,429	-
Spare parts	672	152
Work in progress	75	100
	115,607	113,939

The Group reversed RM1,268,000 (1999: Nil) in respect of part of inventories write down made in prior financial years that was subsequently not required.

Unsold properties with carrying value of RM76,802,626 at the end of the financial year (1999: RM86,495,351) have been pledged as security by a subsidiary company for term loan (Note 23).

Included in development expenditure is interest capitalised during the financial year amounting to RM1,967,231 (1999: RM4,622,107) for the Group and the interest rates ranging from 4.6% to 7.0% (1999: 5.6% to 9.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

19 DEBTORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade debtors (net of provision for doubtful debts of RM80,277,000 (1999: RM54,125,000 of the Group)	388,633	263,228	-	-
Retention sums	58,047	34,101	-	-
	446,680	297,329	-	-
Finance lease debtors	15,549	13,941	-	-
Hire purchase debtors	8,238	5,321	-	-
Amounts due from customers on contracts (Note 32)	79,166	86,819	-	-
Other debtors (net of provision for doubtful debts of RM14,243,000 (1999: RM6,902,000) of the Group)	44,400	33,939	352	1,621
Tax recoverable	6,902	4,549	6,432	4,106
Prepayments	3,512	3,141	1,433	2,822
Amounts due from subsidiary companies (non-trade) (net of provision for doubtful debts of RM43,860,000 (1999: RM23,860,000) of the Company)	-	-	533,466	584,565
Amounts due from associated companies (trade)	56,207	75,549	308	169
	660,654	520,588	541,991	593,283

	Group	
	2000 RM'000	1999 RM'000
Finance lease debtors:		
Due within 1 year	5,734	5,058
Due between 1 to 5 years	14,053	13,180
	19,787	18,238
Less: Unearned interest	(4,238)	(4,297)
	15,549	13,941
Representing finance lease debtors:		
Due within 1 year	3,704	3,183
Due between 1 to 5 years	11,845	10,758
	15,549	13,941

Included in the hire purchase debtors are amounts totalling RM4,065,891 (1999: RM689,318) which are receivable after 12 months.

Amounts due from subsidiary companies are unsecured, have no fixed terms of repayment and bear interest rates ranging from 0.1% to 8.0% (1999: 0.1% to 11.5%).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

20 MARKETABLE SECURITIES

	Group and Company	
	2000	1999
	RM'000	RM'000
Short term marketable securities, at cost	–	41,789
Market value of marketable securities	–	53,187

21 CASH AND CASH EQUIVALENTS

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Deposits with:				
– licensed banks	56,260	34,928	8,048	33,907
– licensed financial institutions	28,817	10,020	667	–
– licensed finance companies	–	420	–	–
	85,077	45,368	8,715	33,907
Bank and cash balances	31,962	18,513	292	80
Deposits, bank and cash balances	117,039	63,881	9,007	33,987
Bank overdrafts (Note 23)	(37,447)	(22,839)	–	(2,453)
	79,592	41,042	9,007	31,534
Less: Deposits held as sinking fund	(54,491)	–	–	–
	25,101	41,042	9,007	31,534

Included in bank and cash balances of the Group is an amount totalling RM7,297,631 (1999: RM8,082,025) held under the Housing Development Account by a subsidiary company which are not freely remissible to the holding company.

A subsidiary company (previously an associated company at 31 December 1999) had on 31 July 1996 issued RM123.2 million nominal amount of 3% Bank Guaranteed Redeemable Unsecured Loan Stock 1996/2001 ('3% BGRULS') which will mature on 30 July 2001 (Note 24). Under the Guarantee Facility Agreement dated 27 May 1996 executed between the subsidiary company and the participating guarantor banks for the guarantee facility arranged in connection with the 3% BGRULS, the subsidiary company is required to deposit a total RM123.2 million into a sinking fund progressively between 31 July 1999 and 31 May 2001 to be used for the redemption of the 3% BGRULS.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

22 CREDITORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade creditors	269,563	199,661	-	-
Other creditors and accruals	68,789	74,809	14,650	29,205
Amounts due to customers on contracts (Note 32)	31,786	3,970	-	-
Advances received on contracts	79	-	-	-
Amounts due to subsidiary companies (non-trade)	-	-	92,065	44,328
Amount due to associated companies (trade)	37,084	29,827	-	-
	407,301	308,267	106,715	73,533

Included in the creditors of the Group are amount due to companies connected to certain Directors totalling RM3,980,000 (1999: RM4,455,000).

Amounts due to subsidiary companies are unsecured and have no fixed terms of repayment. An interest rate of 5% (1999: 8%) per annum is charged on the outstanding balances.

23 BORROWINGS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<u>Current</u>				
<u>Secured</u>				
Term loans	46,072	61,900	33,500	49,000
Revolving credits	3,500	-	-	-
Finance lease and hire purchase obligations	1,308	2,085	-	-
	50,880	63,985	33,500	49,000
 <u>Unsecured</u>				
Term loans	972	3,608	-	-
Bankers' acceptances	35,185	27,274	-	-
Revolving credits	239,400	268,308	55,200	92,500
Bank overdrafts (Note 21)	37,447	22,838	-	2,453
Block discount creditors	3,006	4,171	-	-
	316,010	326,199	55,200	94,953
	366,890	390,184	88,700	143,953

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

23 BORROWINGS (cont'd)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<u>Non current</u>				
Secured				
Term loans	38,368	69,042	-	-
Finance lease and hire purchase obligations	3,144	4,069	-	-
	41,512	73,111	-	-
Unsecured				
Block discount creditors	6,988	7,249	-	-
Term loans	1,857	2,866	-	-
	8,845	10,115	-	-
	50,357	83,226	-	-

Secured bank borrowings of the Group are secured by fixed and floating charges over freehold lands (Note 10), buildings held as investment properties (Note 11) and unsold properties (Note 18) of certain subsidiary companies.

Secured bank borrowings of the Company is secured by a standby letter of credit issued by a licensed offshore bank. The standby letter of credit is secured by 80,601,997 units of quoted shares in subsidiary companies (Note 12) and 17,998,000 units of quoted shares in an associated company (Note 13).

Borrowings of the Group and of the Company bear interest rates ranged from 3.1% to 9.8% (1999: 5.0% to 10.6%) per annum and 4.4% to 8.5% (1999: 5.5% to 10.5%) per annum respectively.

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Maturity of term loans:				
- Due within 1 year	47,044	65,508	33,500	49,000
- Due between 1 to 5 years	30,025	58,356	-	-
- Due after 5 years	10,200	13,552	-	-
	87,269	137,416	33,500	49,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

23 BORROWINGS (cont'd)

	Group	
	2000 RM'000	1999 RM'000
Finance lease and hire purchase obligations are repayable in the following periods:		
- Due within 1 year	1,432	2,338
- Due between 1 to 5 years	1,459	4,668
- Due after 5 years	2,220	-
	5,111	7,006
Less: Future finance charges	(659)	(852)
	4,452	6,154
Representing finance lease and hire purchase obligations:		
Current		
- Due within 1 year	1,308	2,085
Non current		
- Due within 1 to 5 years	1,332	4,069
- Due after 5 years	1,812	-
	3,144	4,069
	4,452	6,154

24 3% BANK GUARANTEED REDEEMABLE UNSECURED LOAN STOCKS 1996/2001

	Group	
	2000 RM'000	1999 RM'000
At beginning of the financial year	-	-
Acquisition of a subsidiary company (Note 31)	122,429	-
At end of the financial year	122,429	-

The 3% Bank Guaranteed Redeemable Unsecured Loan Stocks 1996/2001 ('BGRULS') of RM122,429,000 constituted by a Trust Deed dated 5 June 1996 were issued with detachable Warrants by a subsidiary company (previously an associated company at 31 December 1999). The BGRULS and Warrants are transferable and are quoted on the Kuala Lumpur Stock Exchange.

The BGRULS carry a coupon interest rate of 3% per annum payable annually in arrears to registered holders on 30 July. Redemption of BGRULS may be made in the following manner:

- (a) The subsidiary company may purchase BGRULS at any time in the open market for cancellation;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

24 3% BANK GUARANTEED REDEEMABLE UNSECURED LOAN STOCKS 1996/2001 (cont'd)

- (b) The holders of Warrants may surrender BGRULS for redemption at par value when exercising their rights to subscribe for ordinary shares in the subsidiary company; or
- (c) Unless previously purchased or surrendered or cancelled, the BGRULS will be redeemed by the subsidiary company at par together with any outstanding accrued interest on 30 July 2001.

25 1.25% EUROCONVERTIBLE BONDS

	Group and Company	
	2000	1999
	RM'000	RM'000
Principal amount		
At beginning of the financial year	234,251	418,000
Redemption on Eurobonds	–	(183,749)
At end of the financial year	234,251	234,251
Premium on redemption	57,717	42,685
At end of the financial year	291,968	276,936
Premium on redemption		
At beginning of the financial year	42,685	50,444
Premium on redemption accrued during the financial year (Note 7)	15,032	17,806
Redemption of Eurobonds	–	(25,565)
At end of the financial year	57,717	42,685
Maturity of 1.25% Euroconvertible Bonds:		
– Due within 1 year	291,968	–
– Due between 1 to 5 years	–	276,936
	291,968	276,936

On 11 December 1996, the Company issued USD 110 million 5-year Unsecured Euroconvertible Bonds ('Eurobonds') to offshore institutional buyers and on the same day, the Eurobonds were listed on the Luxembourg Stock Exchange.

The Eurobonds were constituted by a Trust Deed dated 11 December 1996 between the Company and the Trustee, to act for the benefit of the bondholders.

The Eurobonds bear interest of 1.25% per annum, payable annually in arrears on 11 December each financial year, commencing on 11 December 1997.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

25 1.25% EUROCONVERTIBLE BONDS (cont'd)

Redemption and purchase of the Eurobonds may be made in the following manner:

(i) Redemption at the option of the Company

The Eurobonds may be redeemed at the option of the Company at the principal amount in US Dollars together with accrued interest anytime on or after 11 December 1999 at the relevant Early Redemption Amount (as defined in the Offering Document) in US Dollars, if the closing price of the shares of the Company on the Kuala Lumpur Stock Exchange exceeds 135% of the applicable conversion price (as provided in the Offering Document) for 30 consecutive trading days;

Notwithstanding the above, the Company may redeem all or some only of the Eurobonds if at least 90 per cent in principal amount of the Eurobonds has already been converted, redeemed or purchased and cancelled.

(ii) Redemption for taxation reasons

At any time, the Company may redeem all of the Eurobonds in US Dollars at the relevant Early Redemption Amount together with accrued interest if the Company is obliged to pay additional amounts of principal, premium or interest as a result of any change in law or regulations of Malaysia.

(iii) Purchases

The Company or any of its subsidiary companies may at any time and from time to time purchase Eurobonds at any price in open market or otherwise.

(iv) Cancellation

All Eurobonds which are redeemed or converted or purchased by the Company or any of its subsidiary companies will forthwith be cancelled.

The Eurobonds may, at the option of the bondholders, be converted into fully paid ordinary shares of the Company at a conversion price of RM7.82 (initial conversion price is RM16.20) and with a fixed rate of exchange of RM2.524 = US\$1.00 on or after 11 March 1997 to 27 November 2001.

The Eurobonds unless previously purchased and cancelled, redeemed or converted, as provided above will be redeemed on 11 December 2001 at 130.17% of their principal amount in US Dollars.

The Eurobonds, though unsecured, are supported by a negative pledge on the assets of the Company in relation to the "Relevant Debt", as provided in the Offering Document.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

26 DEFERRED TAXATION

	Group	
	2000	1999
	RM'000	RM'000
At beginning of the financial year	18,975	31,210
Transfer to income statement (Note 8)	(11,673)	(2,235)
Disposal of subsidiary companies (Note 30)	-	(10,001)
Acquisition of subsidiary companies (Note 31)	11,375	-
Currency translation differences	(42)	-
	18,635	18,974

27 SHARE CAPITAL

	Group and Company	
	2000	1999
	RM'000	RM'000
Authorised:		
Ordinary shares of RM1.00 each, at beginning and end of the financial year	1,000,000	1,000,000

During the financial year, 105,000 new ordinary shares of RM1.00 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's Employees' Share Option Scheme at an exercise price of RM2.28 per share. The shares issued during the financial year rank pari passu in all respects with the then existing issued shares of the Company.

The movements during the financial year in the number of options over shares of the Company are as follows:

	Group and Company		
	2000	1999	
	Option price per share at RM2.28 '000	Option price per share at RM2.28 '000	Option price per share at RM4.79 '000
At beginning of the financial year	17,378	-	2,329
Granted	-	17,378	-
Exercised	(105)	-	-
Lapsed	-	-	(2,329)
Cancelled	(394)	-	-
At end of the financial year	16,879	17,378	-

The Company has warrants which were constituted by a Deed Poll dated 21 June 1994. The warrants are transferable and are quoted on the Kuala Lumpur Stock Exchange. Each warrant entitles its registered holder, at anytime from the date of its issues up to and including 29 June 2004, to subscribe for one (1) new ordinary share of RM1.00 each in the Company at a revised subscription price of RM3.34 per share which is subject to adjustments under the terms set out in the Deed Poll.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

27 SHARE CAPITAL (cont'd)

There was no exercise by the registered holders of the warrants to subscribe for new ordinary shares in the Company during the financial year. As at 31 December 2000, there were 42,457,137 (1999: 42,457,137) warrants outstanding which entitle the holders to subscribe for 42,457,137 (1999: 42,457,137) ordinary shares of RM1.00 each in the Company at a price of RM3.34 (1999: RM3.34) per share.

28 RETAINED EARNINGS

Subject to the agreement with the tax authorities, the Company has sufficient Section 108(6) tax credits under the Malaysian Income Tax Act, 1967 to frank approximately RM25,844,000 (1999: RM25,844,000) of its retained earnings as at 31 December 2000 if paid out as dividends.

29 PRIOR YEAR ADJUSTMENT

During the financial year, the Group changed its accounting policy with respect to the recognition of preliminary and pre-operating expenses in the financial statements in compliance with the new MASB Interpretation Bulletin 1 "Preliminary and Pre-operating Expenses".

In previous financial years, preliminary and pre-operating expenses were stated at cost and were amortised through the income statement over a period of not exceeding eight years commencing from the first full year of operations.

The Group has changed this accounting policy to recognise preliminary and pre-operating expenses as expenses in the financial year in which they arise.

This change in accounting policy has been accounted for retrospectively.

Comparative information have been restated to conform with the changed accounting policy. This change in accounting policy has the effect of reducing net loss attributable to shareholders for the financial year ended 31 December 2000 by RM1,149,000 for the Group. The other effects of the change on the Group's financial statements are:

	As previously reported RM'000	Effect of change in policy RM'000	As restated RM'000
Accumulated losses at 1 January 1999	(296,161)	(14,866)	(311,027)
Net profit attributable to shareholders for the financial year ended 31 December 1999	155,168	3,058	158,226
Accumulated losses at 1 January 2000	(141,228)	(11,808)	(153,036)
Deferred expenditure at 31 December 1999	12,263	(12,263)	-
Minority interests at 31 December 1999	115,832	(455)	115,377

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

30 DISPOSAL OF SUBSIDIARY COMPANIES

	Group	
	2000	1999
	RM'000	RM'000
Net assets disposed		
Property, plant and equipment (Note 10)	–	153,957
Other investment	–	78
Working capital	–	116,528
Cash and bank balances	–	5,523
Deferred expenditure	–	1,494
Other intangible assets (Note 17)	–	9,270
Deferred taxation (Note 26)	–	(10,001)
Minority interests	–	(14,893)
	–	261,956
Gain on disposal	–	98,044
Total consideration received from disposal	–	360,000
Less: Cash and bank balances of subsidiary companies disposed	–	(5,523)
Net cash inflow from disposal of subsidiary companies	–	354,477

There were no disposals in the current financial year.

31 ACQUISITION OF SUBSIDIARY COMPANIES

The Company acquired an additional 0.87% equity interest of Sunway Building Technology Berhad from the open market on 28 April 2000 by cash. As a result, on 28 April 2000, Sunway Building Technology Berhad, an associated company, became a subsidiary company of the Company via an increase in the Group's shareholding from 50.00% to 50.87% (Note 13).

The effect of the acquisition on the financial results of the Group during the financial year is shown below. For ease of comparability, the Group's share of the results of Sunway Building Technology Berhad, during the period it was an associated company, is also disclosed.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

31 ACQUISITION OF SUBSIDIARY COMPANIES (cont'd)

			2000	1999
	As an associated company RM'000	As a subsidiary company RM'000	Total RM'000	As an associated company RM'000
Revenue	-	69,277	69,277	-
Operating costs	-	(107,731)	(107,731)	-
Loss from operations	-	(38,454)	(38,454)	-
Share of results of associated company	(6,410)	(8,649)	(15,059)	(49,180)
Share of results of jointly controlled entity	-	(355)	(355)	-
Loss from ordinary activities before taxation	(6,410)	(47,458)	(53,868)	(49,180)
Taxation	33	12,150	12,183	4,541
Loss after taxation	(6,377)	(35,308)	(41,685)	(44,639)
Minority interest	-	17,351	17,351	-
Net loss attributable to shareholders	(6,377)	(17,957)	(24,334)	(44,639)
Less: Group's share of loss had the Group not acquired the additional equity interest			24,030	44,639
Increase in Group's net loss attributable to shareholders			(304)	-

The effect of this acquisition on the financial position at the financial year end is as follows:

	2000 RM'000
Property, plant and equipment	148,481
Associated companies	26,656
Investments	234
Goodwill	44,850
Inventories	31,296
Debtors	105,662
Deposits, bank and cash balances	58,788
Creditors	(178,868)
Borrowings	(148,997)
Taxation	(100)
Deferred taxation	(136)
Minority interest	(21,134)
Group's share of net assets	66,732
Less: Amount accounted for as an associated company prior to 28 April 2000	(81,067)
Add: Group's share of loss had the Group not acquired the additional interest	17,653
Increase in Group's net assets	3,318

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

31 ACQUISITION OF SUBSIDIARY COMPANIES (cont'd)

Details of net assets acquired, goodwill and cash flow arising from the acquisition of subsidiary companies are as follows:

	At date of acquisition RM'000
Property, plant and equipment (Note 10)	175,092
Associated companies	30,999
Jointly controlled entity	587
Other investments	2
Inventories	15,407
Debtors	108,775
Deposits, bank and cash balances (including deposits held in sinking fund of RM24,544,000)	28,734
Bank overdraft	(5,934)
Creditors	(121,871)
Taxation	(1,174)
Borrowings	(24,404)
3% Bank Guaranteed Redeemable Unsecured Loan Stocks 1996/2001 (Note 24)	(122,429)
Deferred taxation (Note 26)	(11,375)
Less: Minority interest	(35,580)
Less: Amount accounted for as an associated company at 28 April 2000	(81,067)
	(44,238)
Fair value of net assets acquired at 28 April 2000	46,397
	2,159
Total purchase consideration	2,159
Add: Cash and cash equivalents (bank overdrafts) in subsidiary companies acquired	1,744
	3,903
Cash outflow on acquisition	3,903

There were no acquisition of subsidiary companies in prior financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

32 CONSTRUCTION CONTRACTS

	Group	
	2000	1999
	RM'000	RM'000
Contract work-in-progress, at cost	3,071,881	2,675,013
Accrued profits to date	281,693	226,070
Recognised loss to date	(9,418)	-
	<hr/>	<hr/>
Total costs and accrued profits	3,344,156	2,901,083
Progress billings to date	(3,296,776)	(2,818,234)
	<hr/>	<hr/>
	47,380	82,849
Amounts due from customers on contract (Note 19)	(79,166)	(86,819)
Amounts due to customers on contracts (Note 22)	31,786	3,970
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

33 CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

- Amount authorised and contracted for	24,645	24,605
- Amount authorised but not contracted for	2,671	2,237
	<hr/>	<hr/>
	27,316	26,842
	<hr/>	<hr/>
Analysed as follows:		
- Property, plant and equipment	27,289	26,842
- Others	27	-
	<hr/>	<hr/>
	27,316	26,842
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

34 SEGMENTAL ANALYSIS

	Revenue		(Loss)/profit before taxation		Total assets employed	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Analysis by activity:						
Construction	618,681	400,623	(28,072)	10,341	611,404	460,678
Property development and investment	145,427	135,390	8,895	15,611	497,002	501,505
Manufacturing and trading	231,179	223,892	2,738	7,750	323,119	197,550
Investment holding	18,303	13,019	22,615	181,334	213,892	166,164
Others	37,203	61,825	(7,307)	(4,043)	156,941	161,135
	<u>1,050,793</u>	<u>834,749</u>	<u>(1,131)</u>	<u>210,993</u>	<u>1,802,358</u>	<u>1,487,032</u>
Inter-segment revenue	(173,861)	(34,891)				
Group turnover	<u>876,932</u>	<u>799,858</u>				
Share of results of:						
- Associated companies			(15,937)	(52,467)	80,254	187,474
- Jointly controlled entity			(355)	-	232	-
Group (loss)/profit before taxation			<u>(17,423)</u>	<u>158,526</u>		
Group total assets employed					<u>1,882,844</u>	<u>1,674,506</u>
Analysis by geographical location:						
Malaysia	943,088	685,388	14,475	218,757	1,650,243	1,331,660
Singapore	89,484	132,934	1,337	5,097	64,436	73,587
Vietnam	11,439	13,662	(17,310)	(12,843)	70,432	80,430
Others	6,782	2,765	367	(18)	17,247	1,355
	<u>1,050,793</u>	<u>834,749</u>	<u>(1,131)</u>	<u>210,993</u>	<u>1,802,358</u>	<u>1,487,032</u>
Inter-segment revenue	(173,861)	(34,891)				
Group turnover	<u>876,932</u>	<u>799,858</u>				
Share of results of:						
- Associated companies (in Malaysia)			(15,937)	(52,467)	80,254	187,474
- Jointly controlled entity (in Malaysia)			(355)	-	232	-
Group (loss)/profit before taxation			<u>(17,423)</u>	<u>158,526</u>		
Group total assets employed					<u>1,882,844</u>	<u>1,674,506</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

34 SEGMENTAL ANALYSIS (cont'd)

The Group is organised into four main business segments:

- (a) Construction – Construction of civil and building works and contracting in mechanical, electrical and piling works.
- (b) Property development and investment – Development of housing and commercial properties, investment in properties and management and renting of properties.
- (c) Manufacturing and trading – Manufacturing of vitrified clay pipes and concrete products and trading of construction and industrial products and building materials.
- (d) Investment holding – Holding of investment in the shares of subsidiary companies, associated companies and other investments.

Other operations of the Group mainly comprise of quarry and asphalt production, lease and hire purchase financing, general insurance underwriting, consultancy services and hotel operator.

Inter-segment sales have been transacted at arms length basis between the companies in the relevant business segments.

35 CONTINGENT LIABILITIES (UNSECURED)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Guarantees given to bankers for facilities granted to:				
– subsidiary companies	662,820	629,673	598,833	591,845
– third parties	38,796	20,902	–	–
	<u>701,616</u>	<u>650,575</u>	<u>598,833</u>	<u>591,845</u>
Trade and performance guarantees given to third parties in respect of contracts of subsidiary companies	284,525	115,413	281,398	115,413
	<u>986,141</u>	<u>765,988</u>	<u>880,231</u>	<u>707,258</u>

- (a) A subsidiary company has given undertakings to indemnify banks on the repayment of housing loans granted to house purchasers in respect of end financing facilities given by the banks to these purchasers. The Directors are of the opinion that no losses are expected to arise in respect of the above undertakings.
- (b) There is a claim against a subsidiary company for damages and specific performance in respect of an alleged breach/wrongful termination of a sale and purchase agreement. In the event the specific performance of the said agreement is granted by the Court, the subsidiary company will be liable to pay the sum of RM77,766,000 on the execution of the sale and purchase agreement or to pay general damages of a sum that the Court may order. The subsidiary company has not provided for the claim as the Directors are of the opinion that the claim will not succeed as one of the conditions precedent was not fulfilled prior to expiration of the said agreement.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

36 SIGNIFICANT RELATED PARTY DISCLOSURES

The following related parties which the Company has transacted with during the financial year are deemed to be related by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling and Dato' Chew Chee Kin being the common directors of the related parties and the Company as well as by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's mutual interest in both the related parties and the Company:

- Sunway City Berhad and its subsidiary companies
- Monash University Sunway Campus Malaysia Sdn Bhd
- Sunway College Sdn Bhd
- Asian Strategy and Leadership Incorporated Sdn Bhd

The following related parties which the Company has transacted with during the financial year are deemed to be related by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's mutual interest in both the related parties and the Company:

- Sungei Way Enterprise (1988) Sdn Bhd
- Sunway Business Applications Sdn Bhd
- Sunway Computer Services Sdn Bhd
- Sunway Hydraulic Industries Sdn Bhd

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

	2000 RM'000
(a) Contract revenue from :	
Associated company :	
- Sistem Lingkaran-Lebuh raya Kajang Sdn Bhd	53,674
Companies connected to major shareholder/common directors (Sunway City Berhad and its subsidiaries) :	
- Sunway City Berhad	5,141
- Sunway City (Penang) Sdn Bhd	2,525
- Syarikat Shoib Properties Sdn Bhd	293
- Sunway Kinrara Sdn Bhd	9,013
- Sunway Tunas Sdn Bhd	7,437
- Sunway Damansara Sdn Bhd	22,997
- Sunway Pyramid Sdn Bhd	27,218
- Sunway Lagoon Sdn Bhd	2,799
- Sunway Resort Hotel Sdn Bhd	29,415
- Sunway Medical Centre Sdn Bhd	1,427
Company connected to major shareholder/common directors	
- Monash University Sunway Campus Malaysia Sdn Bhd	1,183

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

36 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

	2000 RM'000
(b) Sales of goods to :	
Associated company :	
- Sunway Marketing (Thailand) Ltd	2,128
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(c) Purchases of goods from:	
Associated company:	
- Sunway-Pioneer Quarry Sdn Bhd	3,609
Subsidiary companies of Sunway-Pioneer Quarry Sdn Bhd:	
- Sungei Way Quarry Industries Sdn Bhd	2,873
- Sunway Masai Granite Sdn Bhd	6,045
- Sunway Asphalt Industries Sdn Bhd	219
- Sungei Way Quarry Industries (Northern) Sdn Bhd	225
- Sungei Way Premix Sdn Bhd	9,304
Subsidiary company of Pioneer Sun-Mix Concrete Sdn Bhd:	
- Sun-Mix Concrete Sdn Bhd	7,899
Companies connected to major shareholder/common directors (Sunway City Berhad and its subsidiaries) :	
- Sunway City Berhad	100
- Sunway Travel Sdn Bhd	180
- Sunway Resort Hotel Sdn Bhd	378
- Sunway Medical Centre Sdn Bhd	174
Companies connected to major shareholder :	
- Sungei Way Enterprise (1988) Sdn Bhd	125
- Sunway Business Applications Sdn Bhd	384
- Sunway Computer Services Sdn Bhd	257
- Sunway Hydraulic Industries Sdn Bhd	2,067
	<hr/>
(d) Purchase of fixed assets :	
Subsidiary company of Pioneer Sun-Mix Concrete Sdn Bhd:	
- Sun-Mix Concrete Sdn Bhd	189
Company connected to major shareholder :	
- Sungei Way Enterprise (1988) Sdn Bhd	330
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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

36 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

	2000 RM'000
(e) Rental expense :	
Subsidiary companies of Sunway-Pioneer Quarry Sdn Bhd:	
– Sunway Masai Granite Sdn Bhd	432
– Other subsidiary companies	108
Companies connected to major shareholder/common directors (Sunway City Berhad and its subsidiaries) :	
– Sunway City Berhad	619
– Sunway City (Penang) Sdn Bhd	147
	1266

Rental expense paid to other subsidiary companies of Sunway-Pioneer Quarry Sdn Bhd are aggregated because these transactions are similar in nature and no single transaction is significant enough to warrant separate disclosure.

	2000 RM'000
(f) Rental income on premises :	
Associated company :	
– Sunway-Pioneer Quarry Sdn Bhd	424
Companies connected to major shareholder/common directors: (Sunway City Berhad and its subsidiaries):	
– Sunway City Berhad	418
– Sunway Damansara Sdn Bhd	412
Companies connected to major shareholder/common directors:	
– Sunway College Sdn Bhd	354
– Asian Strategy and Leadership Incorporated Sdn Bhd	107
Companies connected to major shareholder :	
– Sungei Way Enterprise (1988) Sdn Bhd	223
– Sunway Computer Services Sdn Bhd	468
	1686

(g) Rental income on plant and machinery :

Subsidiary company of Pioneer Sun-Mix Concrete Sdn Bhd:	
– Sun-Mix Concrete Sdn Bhd	174
Other subsidiary companies of Sunway-Pioneer Quarry Sdn Bhd	124

Rental income on plant and machinery from other subsidiary companies of Sunway-Pioneer Quarry Sdn Bhd are aggregated because these transactions are similar in nature and no single transaction is significant enough to warrant separate disclosure.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

36 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

	2000 RM'000
(h) Interest income :	
Companies connected to major shareholder/common directors (Sunway City Berhad and its subsidiaries) :	
– Sunway City Berhad	2,765
– Sunway Pyramid Sdn Bhd	1,113
– Sunway Resort Hotel Sdn Bhd	5,886
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(i) Rental of land:	
Subsidiary company of Sunway-Pioneer Quarry Sdn Bhd:	
– Sungei Way Quarry Industries (Northern) Sdn Bhd	456
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(j) Share registration and secretarial fee:	
Company connected to major shareholder/common directors:	
– Sunway City Berhad	224
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(k) Insurance commission :	
Other companies connected to major shareholder	608
	<hr/>
Commission from other companies connected to major shareholder is aggregated because these transactions are similar in nature and no single transaction is significant enough to warrant separate disclosure.	
	2000 RM'000
(l) Lease and hire purchase interest:	
Companies connected to major shareholder/common directors (Sunway City Berhad and its subsidiaries):	
– Sunway City Berhad	711
– Sunway Pyramid Bowl Sdn Bhd	175
– Sunway Medical Centre Sdn Bhd	1,516
	<hr/>
(m) Other expenses:	
Associated companies:	
– Sunway Masai Granite Sdn Bhd	221
– Sunway Asphalt Industries Sdn Bhd	380
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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

37 SIGNIFICANT POST BALANCE SHEET EVENTS

(a) Termination of Quarry Option

The Company has on 10 April 2001 entered into an agreement, named the SPQ Restructure Agreement ("the Agreement") with Pioneer International Holdings Pty Limited ("PIH"), a company incorporated in Australia, and a wholly owned subsidiary company of Hanson plc, a company incorporated in England, and Sunway-Pioneer Quarry Sdn Bhd ("SPQ"). SPQ is a joint venture company undertaking quarry an asphalt business, in which both the Company and PIH have 50% equity each.

The Company and SPQ had, on 26 March 1999 entered into a SW Option Agreement whereby SPQ has granted the Company a call option to subscribe for new ordinary shares in SPQ in order for the Company to maintain its 50% equity in SPQ ("SW Option").

Accordingly, pursuant to the SPQ Restructure Agreement, the rights of the Company and the liabilities and obligations of SPQ to honour the SW Option is extinguished. PIH shall be deemed to exercise its Call Option granted by the Company to PIH pursuant to the PIH Call Option Agreement dated 26 March 1999 and the Company will transfer its entire shareholding of 100,003 shares in SPQ representing 50% of the equity in SPQ to PIH. In consideration of the early termination of SW Option and deemed exercise of the Call Option, PIH will pay a total sum of RM18 million to the Company.

The reason for early termination of SW Option by the Company is because if the Company were to maintain its 50% equity in SPQ by exercising the SW Option upon its expiry in March 2002, it will cost Suninc about RM230 million and result in increased gearing for the Company.

The net tangible assets of SPQ as at 31 December 2000 is RM109 million.

Given the above, the Directors of the Company are of the opinion that it is not beneficial for the Company to exercise the option to retain its 50% equity in SPQ and hence, it is in the best interest of the Company to terminate the SW Option. The proceeds of RM18 million will be used to reduce Suninc's outstanding debts.

(b) Supplemental agreement between Pioneer Sun-Mix Concrete Sdn Bhd, an associated company of Sunway Building Technology Berhad, and Pioneer International Holdings Pty Limited.

On 8 October 1998, Pioneer International Holdings Pty Limited ("PIH"), a company incorporated in Australia and a wholly owned subsidiary of Hanson plc, a company incorporated in England, and Sunway Building Technology Berhad ('Suntech') (had entered into a joint venture agreement and several transaction agreements relating thereto ("collectively Concrete Agreements") whereby both PIH and Suntech merged their respective ready-mixed concrete business on a joint venture basis under a joint-venture company named Pioneer Sun-Mix Concrete Sdn Bhd ("PSMC"). Both Suntech and PIH have 50% equity in PSMC.

On 10 April 2001, Suntech entered into a PSMC Supplemental Agreement ("the Agreement") with PIH and to modify the terms of the Concrete Agreements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2000

37 SIGNIFICANT POST BALANCE SHEET EVENTS (cont'd)

The PSMC Supplemental Agreement provides for:

- (i) the updating and streamlining of certain clauses of the Concrete Agreements

The joint venture between Suntech's holding company, namely Sunway Holdings Incorporated Berhad ("Suninc"), and PIH, in respect of their quarry operations, shall be restructured pursuant to a SPQ Restructure Agreement which was entered into between Suninc and PIH on 10 April 2001. Accordingly certain terms of the Concrete Agreements shall be modified to delink references to the agreements between Suninc and PIH.

- (ii) Inclusion of additional clause regarding rights to purchase shares

Either Suntech or PIH may, anytime after 26 March 2002, make an offer to the other joint venture shareholder of PSMC to purchase his shares in PSMC and specifying his offer price. The recipient of the offer may accept the offer or require the offeror to sell his own shares at the same price.

- (iii) Proposed Acquisition of Hanson Concrete (M) Sdn Bhd ("Hanson concrete")

Subject to a due diligence exercise, availability of funds in PSMC, necessary regulatory and statutory approvals and on terms to be mutually agreed, PIH and Suntech have agreed that they will procure PSMC to acquire Hanson Concrete. The consideration for Hanson Concrete shall be RM15 million, on the basis that the net tangible assets of Hanson Concrete shall be RM12 million.

The rationale for the proposed acquisition is for consolidation of PSMC's and Hanson Concrete's ready-mix interests in Malaysia. This will help eliminate over capacity in certain operational areas and increase efficiencies.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Dato' Seri (Dr) Cheah Fook Ling and Dato' Chew Chee Kin, two of the Directors of Sunway Holdings Incorporated Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 22 to 80 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 24 April 2001.

TAN SRI DATO' SERI (DR) CHEAH FOOK LING
CHAIRMAN

DATO' CHEW CHEE KIN
PRESIDENT

Petaling Jaya

STATUTORY DECLARATION

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

I, Yau Kok Seng, the Director primarily responsible for the financial management of Sunway Holdings Incorporated Berhad, do solemnly and sincerely declare that the financial statements set out on pages 22 to 80 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.

YAU KOK SENG

Subscribed and solemnly declared by the abovenamed YAU KOK SENG at Petaling Jaya in the State of Selangor Darul Ehsan on 24 April 2001, before me.

ASIRVATHAM
COMMISSIONER FOR OATHS
24 April 2001

REPORT OF THE AUDITORS

TO THE MEMBERS OF SUNWAY HOLDINGS INCORPORATED BERHAD

(Company No. 37465 A)

We have audited the financial statements set out on pages 22 to 80. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;

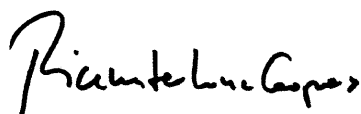
and

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

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 12 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

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

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



PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Public Accountants



LEE YOKE KHAI
(No. 1589/8/01 (J))
Partner of the firm

Kuala Lumpur
24 April 2001

LIST OF PROPERTIES

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
Lot 2989, Mukim of Dengkil District of Hulu Langat Selangor	Agricultural land	Freehold	26.55 hectares	Vacant	-	261
Lot 6489 & 6490 Mukim of Kapar, Klang Selangor	Industrial land and factory building	Freehold	4.087 hectares	Office and factory	9	11,755
Menara Sunway Jalan Lagun Timur Bandar Sunway 46150 Petaling Jaya, Selangor	Office tower	99 years leasehold expiring on 1 Apr 2097	6.24 acres	Office	8	72,159
No 30 Jalan Dagangan SB/42 Taman Sungei Besi Indah 43300 Sri Kembangan Selangor	4 storey shop office	99 years leasehold expiring on 12 Nov 2088	2,200/8,263 sq. ft.	Shoplot rented out	5	1,004
No 32 Jalan Dagangan SB/42 Taman Sungei Besi Indah 43300 Sri Kembangan Selangor	4 storey shop office	99 years leasehold expiring on 12 Nov 2088	2,200/8,338 sq. ft.	Shoplot rented out	5	1,004
No. 10, Jalan PJS7/3A Bandar Sunway 46150 Petaling Jaya Selangor	3 storey shop office	99 years leasehold expiring on 25 May 2097	3,750/11,250 sq. ft.	Shoplot rented out	5	3,102
Lot 25, H.S. (D). 74606, P.T. No 543 Mukim of Bukit Raja Daerah Petaling, Selangor	Bungalow lot	99 years leasehold expiring on 14 Feb 2092	24,273 sq. ft.	Vacant	-	1,021
Lot 16, H.S. (D). 74606, P.T. No 543 Mukim of Bukit Raja Daerah Petaling, Selangor	Bungalow lot	99 years leasehold expiring on 14 Feb 2092	24,784 sq. ft.	Vacant	-	1,042
Lot 15, H.S. (D). 74606, P.T. No 543 Mukim of Bukit Raja Daerah Petaling, Selangor	Bungalow lot	99 years leasehold expiring on 14 Feb 2092	26,700 sq. ft.	Vacant	-	1,122
Subang Square Commercial Complex Section SS15/4G Subang Jaya, Selangor	Car park	Freehold	287,635 sq. ft.	Car Park	2	17,661

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
Subang Square Commercial Complex Section SS15/4G Subang Jaya, Selangor	Commercial Building	Freehold	352,409 sq. ft.	Vacant	1	35,483
No. 15, Jalan Kasturi 1 Kasturi Plaza Off Jalan Belakong Batu 11, Cheras 43200 Kuala Lumpur	4 storey shop office	99 years leasehold expiring on 27 Oct 2093	12,836 sq. ft.	Vacant	2	1,679
No. 2, Jalan Kasturi 3 Kasturi Plaza Off Jalan Belakong Batu 11, Cheras 43200 Kuala Lumpur	4 storey shop office	99 years leasehold expiring on 27 Oct 2093	10,752 sq. ft.	Vacant	2	1,424
No. 4, Jalan Kasturi 3 Kasturi Plaza Off Jalan Belakong Batu 11, Cheras 43200 Kuala Lumpur	3 storey shop office	99 years leasehold expiring on 27 Oct 2093	4,380 sq. ft.	Vacant	2	549
No. 22, Jalan Kasturi 3 Kasturi Plaza Off Jalan Belakong Batu 11, Cheras 43200 Kuala Lumpur	4 storey shop office	99 years leasehold expiring on 27 Oct 2093	5,912 sq. ft.	Vacant	2	659
21 Senoko Drive, Singapore 758208	Industrial building	30 years leasehold expiring on 31 Aug 2011	6,560 sq. metres	Warehouse and office	19	3,997
55 Cairnhill Road (Block 2) Singapore	Residential apartment	Freehold	265 sq. metres	Residential apartment rented out	22	3,151
Palmville Unit 10-02 Block B HS (D) 59436 P.T. No 9311 HS (D) 23565 P.T. No 9313 Mukim of Damansara District of Petaling	Residential condominium	99 years leasehold expiring on 1 Apr 2097	2,147 sq. ft.	Residential condominium rented out	3	614
Sunway Lagoonview A09-02 HS (D) 103073 P.T. No 9314 HS (D) 23565 P.T. No 9313 Mukim of Damansara District of Petaling	Residential condominium	99 years leasehold expiring on 1 Apr 2097	1,390 sq. ft.	Residential condominium rented out	3	362

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
Unit 13-G (Ground & Mezzanine Floor) The Highway Centre Jalan 51/205 46050 Petaling Jaya	2 storey shoplot	99 years leasehold expiring on 24 Oct 2067	1,890 sq. ft.	Vacant	11	418
Parcel No 1 Storey No 23 Block B Desa Bistari Phase II Lot No 147 Sec. DTL Mukim 13 District of North East Penang	Residential premises	Freehold	700 sq. ft.	Residence	3	129
Lot 1157 Jalan SS13/8 Subang Jaya Industrial Estate 47500 Petaling Jaya	Industrial building	99 years leasehold expiring on 19 Apr 2086	150,737 sq. ft.	Office and warehouse	13	901
Greenfield Apartment Apt No: A-2-10, Jalan 1/1553 Bukit Jalil 57000 Kuala Lumpur	Residential apartment	Freehold	999 sq. ft.	Vacant	2	176
Unit no:6-8-1 Storey No:8, Building No:6, Cloud View Tower Condo Lorong Jintan Tiga Taman Supreme Cheras Kuala Lumpur	Residential condominium	99 years leasehold expiring on Apr 2076	1,400 sq. ft.	Vacant	2	254
3 Jalan 241, Section 51A, Petaling Jaya, Selangor	Semi-detached office and warehouse	99 years leasehold expiring on 9 Aug 2072	59,595 sq.ft.	Office and warehouse rented out	15	8,090
Lot 361, 1257 and 1259 Mukim 20 Province Wellesley Central Penang	Quarry land	Freehold	8 acres	Quarry land rented out	-	3,876
43, Jln Jejarum 2 Section BB9 Bandar Bukit Beruntung 48300 Rawang	Single storey light industrial terrace factory	Freehold	185.81 sq. metres	Vacant	5	130
Lot 3069 Kemayan City Shopping Mall	Commercial shopping lot	Freehold	312.16 sq. ft.	Vacant	2	309

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
PT No. 9215, HS(D) 83402 Mukin of Labu District of Seremban Gala Industrial Park	2 storey shoplot	Freehold	1,400 sq. ft.	Vacant	2	230
No. 23 Jln Berlian 3 Taman Rengam Jaya 86200 Simpang Rengam	2 storey shoplot	Freehold	1,540 sq. ft.	Vacant	2	198
Parcel no D-11-2 Block Rengas Amansari Resort Condominium Taman Seri Alam, JB	Residential condominium	Freehold	175.3 sq. metres	Vacant	3	350
No. 15 Jln Beladau 7 Taman Puteri Wangsa Ulu Tiram	2 storey shoplot	Freehold	1,738 sq. ft.	Vacant	3	325
No. 24 Jln Gunung 4 Taman Seri Alam 81750 Masai Johor	4 storey shoplot 24' x 80'	Freehold	1,920 sq. ft.	Vacant	3	754
18 Jalan Kasturi 3 Plaza Kasturi Off Jalan Balakong Batu 11 43200 Cheras Selangor Darul Ehsan	4 storey shoplot	99 years leasehold expiring on 27 Oct 2093	11,827 sq. ft.	Vacant	2	1,400
20 Jalan Kasturi 3 Plaza Kasturi Off Jalan Balakong Batu 11 43200 Cheras Selangor Darul Ehsan	4 storey shop office	99 years leasehold expiring on 27 Oct 2093	11,827 sq. ft.	Vacant	2	1,400
28 Jalan Kasturi 3 Plaza Kasturi Off Jalan Balakong Batu 11 43200 Cheras Selangor Darul Ehsan	4 storey shoplot	99 years leasehold expiring on 27 Oct 2093	11,165 sq. ft.	Vacant	2	1,256
13 Jalan Kasturi 1 Plaza Kasturi Off Jalan Balakong Batu 11 43200 Cheras Selangor Darul Ehsan	4 storey shoplot	99 years leasehold expiring on 27 Oct 2093	12,836 sq. ft.	Vacant	2	1,578

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
B4-1-2 Block 4 Evergreen Park Kondo Bandar Sungai Long 43000 Cheras	Residential condominium	Freehold	1,141 sq. ft.	Residential condominium rented out	3	175
No.1 Lorong Dengkil Aman 7 Taman Desa Dengkil Selangor Darul Ehsan	Shoplot	Freehold	129.4 sq. metres	Tenanted (as store)	13	60
Lot 746 & 743, Mukim 16 Daerah SPT, Pulau Pinang	Industrial Land	Freehold	7.593 acres	Casting Yard	5	4,904
Lot 2788, 2796 and 2797 Lorong Industrial 3 Kawasan Perindustrian Bukit Panchor Mukim 7 Nibong Tebal, Seberang Perai Selatan	Industrial Land	Freehold	5.907 acres	Block-making plant	6	6,416
Lot 2396 Held Under Title No. 10140 Mukim of Batang Kali Daerah Ulu Selangor	Industrial Land and Building	Freehold	44 acres	Manufacturing of concrete products	3.5	34,560
No. 1095, 1074, 1073, 3020, 1062, 1084, 3003, 3029, 1090, 306, 1075, 1082, 3004, 1088, 1085, 2861, 1086, 1078, 1010, 1014, 1069, 2863, 873, 1066, 1011, 2762, 1094 Persil No. 107 Desa Kedungringin Kecamatan Beji Jawa Timur, Indonesia	Agricultural Land	Leasehold 30 years expiring on 1 Oct 2027	534,535 sq ft	Vacant	4	335
Palmville Resort Condominium HS (D) 118319, PT 148836 Block 13 Unit No. 02-03 Bandar Sunway	Residential Building	Freehold	1,390 sq. ft.	Staff hostel	9	294
Lot No. P/A/1/12, 1st Floor Block A, PJ Industrial Park Jalan Kemajuan, 46200 Petaling Jaya, Selangor Darul Ehsan	Industrial Building	Freehold	1,268 sq. ft	Office Lot	5	286

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
Lot 2564, Jalan 39 Kawasan 16 Off Jalan Connaught Brighe 41300 Klang Selangor Darul Ehsan	Building	Leasehold 24 years expiring in 2005	5.5 acres	Block & Paver Plant and Pile Casting Yard	20	260
PT 9315 off Jalan SS 13/1K Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan	Building	Leasehold 93 years expiring in 2086	42 acres	Hollow Core Plant and Pile Casting Yard	8	1,328
Lot 550, Off 15th Mile Jalan Puchong Daerah Sepang Kuala Lumpur	Building	Leasehold 27 years expiring on 1 Jan 2021	19 acres	Pile Casting Yard and Batching and Concrete pipe plant	7	3,466
44, 2nd Floor, Jalan Todak 4, Pusat Bandar Seberang Jaya 13700 Prai	Building	Leasehold 14 years expiring in 2007	2.5 acres	Batching Plant Pile Casting Yard	8	131
2208, Jalan Percham Taman Ria 31400 Ipoh, Perak	Building	Leasehold 7 years expiring in 2004	1.5 acres	Pile Casting Yard	4	1
Batu 14 Jalan Pelabuhan Kuantan Pahang Darul Makmur	Building	Leasehold 7 years expiring in 2004	1.5 acres	Pile Casting Yard	4	142
19, Milestone, TNT No 30, 81100 Kulai	Building	Leasehold 11 years expiring in 2004	2.5 acres	Pile Casting Yard	8	54
Lot 6241, Mukim Plentong Batu 12, Ulu Tiram Jalan Kota Tinggi	Building	Leasehold 7 years expiring in 2004	2.5 acres	Pile Casting Yard	4	320
No. PT 1089 Taman Perindustrian Lukut 71010 Lukut, Port Dickson	Industrial Building	Leasehold 99 years expiring in 2090	2,000 sq. ft.	Vacant	9	158

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
No 15-3-1 Menara Hartamas Condominium Jln Sri Hartamas 3 50480 Kuala Lumpur.	Residential Building	Freehold	1,935 sq. ft.	Vacant	7	589
No. 1356 Jln Semarak 36, Taman Panchor Jaya 70400 Seremban	Residential Building	Freehold	256 sq. metres	Vacant	4	123
No. 1355 Jln Semarak 28/1, Taman Panchor Jaya 70400 Seremban	Residential Building	Freehold	323 sq. metres	Vacant	4	123
No. 1297 Jln Semarak 28/1, Taman Panchor Jaya 70400 Seremban	Residential Building	Freehold	256 sq. metres	Vacant	4	123
E-6-4 Block Mawar (E) Anjung Seri Condominium Persiaran Seri Alam Bandar Seri Alam 81750 Masai, Johor.	Residential Building	Freehold	947 sq. ft.	Vacant	3	252
No. 5, Jln Beringin 12, Taman Rinting 81750 Plentong, Johor Darul Takzim	Residential Building	Freehold	1,760 sq. ft.	Vacant	2	198
No. 6, Jln Beringin 12, Taman Rinting 81750 Plentong, Johor Darul Takzim	Residential Building	Freehold	1,760 sq. ft.	Vacant	2	198
No. 15, Jln Karunmas 11, Taman Karunmas Ehsan 43300 Selangor	Residential Building	Freehold	1,400 sq. ft.	Vacant	1	230
Lot No. 607 Desa Karunmas	Residential Building	Freehold	1,300 sq. ft.	Vacant	Expected completion year 2002	200
Lot No. 608 Desa Karunmas	Residential Building	Freehold	1,300 sq. ft.	Vacant	Expected completion year 2002	200

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
No. 1005 Pangsapuri Aman Jln PJS 10/11, Taman Sri Subang Subang Jaya 46000 Petaling Jaya	Residential Building	Leasehold 99 years expiring in 2094	1,100 sq. ft.	Vacant	5	198
No. 1006 Pangsapuri Aman Jln PJS 10/11, Taman Sri Subang Subang Jaya 46000 Petaling Jaya	Residential Building	Leasehold 99 years expiring in 2094	1,100 sq. ft.	Vacant	5	198
No. 58, Unit.A-1-2 Sunway Business Park Jln Todak 4 Pusat Bandar Seberang Jaya Perai 13700 Seberang Jaya Penang	Residential Building	Leasehold 99 years expiring in 2092	1,284 sq. ft.	Vacant	1	304
No. 58, Unit.A-1-3 Sunway Business Park Jln Todak 4 Pusat Bandar Seberang Jaya Perai 13700 Seberang Jaya Penang	Residential Building	Leasehold 99 years expiring in 2092	1,284 sq. ft.	Vacant	1	304
No. 58, Unit.A-1-9 Sunway Business Park Jln Todak 4 Pusat Bandar Seberang Jaya Perai 13700 Seberang Jaya Penang	Residential Building	Leasehold 99 years expiring in 2092	1,284 sq. ft.	Vacant	1	304
No. 58, Unit.A-1-10 Sunway Business Park Jln Todak 4 Pusat Bandar Seberang Jaya Perai 13700 Seberang Jaya Penang	Residential Building	Leasehold 99 years expiring in 2092	1,284 sq. ft.	Vacant	1	304
No. 58, Unit.A-1-11 Sunway Business Park Jln Todak 4 Pusat Bandar Seberang Jaya Perai 13700 Seberang Jaya Penang	Residential Building	Leasehold 99 years expiring in 2092	2,012 sq. ft.	Vacant	1	447

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
No. 58, Unit.B-G-3 Sunway Business Park Jln Todak 4 Pusat Bandar Seberang Jaya Perai 13700 Seberang Jaya Penang	Residential Building	Leasehold 99 years expiring in 2092	1,023 sq. ft.	Vacant	1	274
No. 58, Unit.C-2-8 Sunway Business Park Jln Todak 4 Pusat Bandar Seberang Jaya Perai 13700 Seberang Jaya Penang	Residential Building	Leasehold 99 years expiring in 2092	807 sq. ft.	Vacant	1	151
No. 58, Unit.C-G-5 Sunway Business Park Jln Todak 4 Pusat Bandar Seberang Jaya Perai 13700 Seberang Jaya Penang	Residential Building	Leasehold 99 years expiring in 2092	1,023 sq. ft.	Vacant	1	274
No. 58, Unit.C-G-6 Sunway Business Park Jln Todak 4 Pusat Bandar Seberang Jaya Perai 13700 Seberang Jaya Penang	Residential Building	Leasehold 99 years expiring in 2092	1,023 sq. ft.	Vacant	1	274
No.1, Jln Salung 33/2 Seksyen 33, 40400 Shah Alam Selangor	Residential Building	Freehold	6,210 sq. ft.	Vacant	1	505
B12-2, No.6 Jln Sungei Emas Batu Ferringhi, 11100 Penang	Residential Building	Freehold	1,925 sq. ft.	Vacant	2	330
Lot No. 40 A, Section 4, Phase : 2A, Pulau Indah Industrial Park West Port	Industrial Land	Leasehold 99 years expiring in 2096	270,072 sq. ft.	Vacant	3	5,401
Sri Mahligai Condominium Jalan Tengku Ampuan Rahimah 9/20, Section 9 40100 Shah Alam	Residential Condominium	Leasehold 99 years expiring on 29 Aug 2094	14,301 sq. ft.	Vacant	3	1,158

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
Sri Kemunchak Condominium Jalan Tengku Ampuan Rahimah 9/20, Section 9 40100 Shah Alam Selangor Darul Ehsan	Residential Condominium	Leasehold 99 years expiring on 29 Aug 2094	26,360 sq. ft.	Vacant	3	2,280
Plaza Masalam, No 2, Jalan Tengku Ampuan Zabedah E9/E, 40100 Shah Alam Selangor Darul Ehsan	Office Tower	Leasehold 99 years expiring on 29 Aug 2094	112,868 sq. ft.	Office/ Tenanted/ Vacant	4	21,087
No. 1, 23 Jln Cemperai 4C No. 21, 13, 14, 5, 23 Jln Cemperai 4D Taman Rasa Utama 44200 Rasa	Shop House	Leasehold 99 years expiring on 13 Jan 2087	15,400 sq. ft.	Vacant	2	1,333
Lot 1, Jalan Tengku Ampuan Zabedah C 9/C Section 9 40100 Shah Alam	Office Building	Leasehold 99 years	173,035 sq. ft.	Tenanted/ Vacant	4	55,715
No. 7, Jalan H9/H No. 1, 3, 11, 13, 15, 23, 25, 27 Jalan J9/J, No. 8, 26, 29 Jalan K9/K Section 9 40100 Shah Alam	Shop Office	Leasehold 99 years	68,484 sq. ft.	Tenanted/ Vacant	0	6,023
Taman Bukit Rawang Jaya 48000, Rawang	Land	Freehold	15,766 sq. ft.	Vacant	1	194
No.7, 12, 14, 25, Jalan RP 9/1 Taman Rawang Perdana 48000 Rawang	Bungalow Lots	Freehold	31,570 sq. ft.	Vacant	1	361
No. 2, Jalan Tengku Ampuan Zabedah E9/E 40100 Shah Alam	Shopping Mall	Leasehold 99 years	145,000 sq. ft.	Shopping mall	3	42,443
Geran No 28698, Lot 1858 Mukim Serendah, District of Hulu Selangor and State of Selangor Darul Ehsan	Land	Freehold	100 acres	Future development	-	12,639

LIST OF PROPERTIES (cont'd)

Held At 31 December 2000

Location/Address	Description	Tenure	Site/Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31/12/2000 RM'000
Geran No 26156, Lot 1219 Mukim Rawang, District of Hulu Selangor State of Selangor Darul Ehsan	Land	Freehold	10.61 acres	Future development	-	2,046
Lot 1361 & Lot 1362 Mukim of Rawang	Land	Freehold	0.39 acres	Future development	-	87
CTT No 13382, Lot 270, Mukim of Sungei Buloh, District of Kuala Lumpur	Land	Freehold	9.76 acres	Future development	-	7,528
West Port, Port Klang, Selangor Darul Ehsan	Land	Leasehold 99 years	28 acres	Future development	-	795
HSD No 26671 PT No 12054, HSD No 25423 PT No 11894, HSD No 26690 PT No 12139 and No Pendaftaran 7363 Lot 14256, Section 19 Mukim of Rawang District of Gombak State of Selangor Darul Ehsan	Land	Leasehold 99 years expiring in 2094	219.8 acres	Future development	-	10,914
Geran No 26156, Lot 1219 Mukim Rawang, District of Hulu Selangor, State of Selangor Darul Ehsan	Land	Freehold	87.55 acres	Property development	-	7,358
CTT No 13382, Lot 270, Mukim of Sungei Buloh, District of Kuala Lumpur	Land	Freehold	10.09 acres	Property development	-	9,168
H.S.(M) 7090, P.T No 4964, Tempat Kampong Sungai Kayu Ara, Mukim of Sungei Buluh, Negeri Selangor.	Land	Freehold	4.16 acres	Property development	-	3,313
West Port, Port Klang, Selangor Darul Ehsan	Land	Leasehold 99 yrs	19.97 acres	Property development	-	282
Daerah Hulu Langat, Mukim Kajang, Negeri Selangor	Land	Leasehold 99 years expiring in 2097	3.65 acres	Property development	-	1,256

ANALYSIS OF SHAREHOLDINGS

As At 20th April 2001

Authorised Share Capital	-	RM1,000,000,000
Issued & Fully Paid-up Capital	-	RM404,984,879
Class of Shares	-	Ordinary Share of RM1.00 Each
Voting Rights	-	One Vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
1 - 499	255	2.16	39,990	0.01
500 - 5,000	8,940	75.60	19,737,188	4.87
5,001 - 10,000	1,352	11.43	11,202,685	2.77
10,001 - 100,000	1,118	9.46	31,741,690	7.84
100,001 - 1,000,000	126	1.07	40,828,460	10.08
1,000,001 - and above	33	0.28	301,434,866	74.43
	11,824	100.00	404,984,879	100.00

TWENTY LARGEST SHAREHOLDERS AS PER REGISTER OF DEPOSITORS AS AT 20.04.2001

NAME OF SHAREHOLDERS	NO. OF SHARES	%
1 #1 SUNGEI WAY CORPORATION SDN BHD	181,113,396	44.72
2 #2 EMPLOYEES PROVIDENT FUND BOARD	40,961,800	10.11
3 #3 CHEMICAL COMPANY OF MALAYSIA BERHAD	10,040,000	2.48
4 MALAYSIA NOMINEES (TEMPATAN) SDN BHD - GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD	8,127,000	2.01
5 SWASTARIA HOLSDINGS SDN BHD	7,984,000	1.97
6 AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD - SEKIM AMANAH SAHAM NASIONAL	7,351,500	1.82
7 #4 TAN SRI DATO' SERI (DR) CHEAH FOOK LING	4,192,094	1.04
8 MALAYSIA NATIONAL INSURANCE BERHAD	3,975,000	0.98
9 AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD - KUALA LUMPUR INDEX FUND	3,364,000	0.83
10 AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD - KUALA LUMPUR GROWTH FUND	2,988,000	0.74
11 AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD - KUALA LUMPUR SAVINGS FUND	2,966,000	0.73
12 PB SECURITIES NOMINEES (ASING) SDN BHD - JCG SECURITIES LIMITED FOR JEFFERSON AGENCIES LIMITED	2,670,000	0.66
13 PERUSAHAAN INDAH SDN BHD	2,491,897	0.62
14 MAYBAN NOMINEES (TEMPATAN) SDN BHD - KUALA LUMPUR BALANCED FUND	2,478,000	0.61
15 ERAMALINGAM A/L S.MURUGIAH	2,370,498	0.59
16 #5 DATO' LIM CHENG POW	1,914,000	0.47
17 #6 PERTUBUHAN KESELAMATAN SOSIAL	1,863,000	0.46
18 MAYBAN NOMINEES (TEMPATAN) SDN BHD - KUALA LUMPUR AGGRESSIVE FUND	1,859,000	0.46

ANALYSIS OF SHAREHOLDINGS (cont'd)

As At 20th April 2001

TWENTY LARGEST SHAREHOLDERS AS PER REGISTER OF DEPOSITORS AS AT 20.04.2001 (cont'd)

NAME OF SHAREHOLDERS	NO. OF SHARES	%
19 UNIVERSAL TRUSTEE (M) BHD – MAYBAN BALANCED TRUST FUND	1,846,000	0.46
20 UNIVERSAL TRUSTEE (M) BHD – SBB PREMIUM CAPITAL FUND	1,779,000	0.44
	<u>292,334,185</u>	<u>72.20</u>
TOTAL PAID-UP CAPITAL AS AT 20.04.2001	<u>404,984,879</u>	
TOTAL HOLDERS	<u>11,824</u>	
TOTAL FOREIGN SHAREHOLDINGS	<u>27,010,095</u>	
% OF FOREIGN SHAREHOLDERINGS	<u>6.67</u>	

Notes:

- #1 Inclusive of shares held in Mayban Nominees (Tempatan) Sdn Bhd, Arab-Malaysian Nominees (Tempatan) Sdn Bhd and HSBC Nominees (Tempatan) Sdn Bhd
- #2 Inclusive of shares held in SBBAM Nominees (Tempatan) Sdn Bhd and Rothputra Nominees (Tempatan) Sdn Bhd
- #3 Inclusive of shares held in Cimsec Nominees (Tempatan) Sdn Bhd
- #4 Inclusive of shares held in OUB Nominees (Asing) Sdn Bhd
- #5 Inclusive of shares held in Amsec Nominees (Tempatan) Sdn Bhd, Hong Leong Finance Bhd and Southern Nominees (Tempatan) Sdn Bhd
- #6 Inclusive of shares held in BAM Nominees (Tempatan) Sdn Bhd, AM Nominees (Tempatan) Sdn Bhd and SBBAM Nominees (Tempatan) Sdn Bhd

SUBSTANTIAL SHAREHOLDERS AS AT 20.04.2001

SUBSTANTIAL SHAREHOLDER(S)	NO. OF SHARES	%
1. #1 TAN SRI DATO' SERI (DR) CHEAH FOOK LING	189,129,671	46.70
2. #2 SUNGEI WAY CORPORATION SDN BHD	183,605,293	45.34
3. #3 TIMAH DUNIA DREDGING SDN BHD	183,605,293	45.34
4. #4 ACTIVE EQUITY SDN BHD	183,605,293	45.34
5. #5 EMPLOYEES PROVIDENT FUND BOARD	40,961,800	10.11
6. #6 CHEMICAL COMPANY OF MALAYSIA BERHAD	11,800,000	2.91
7. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD	8,127,000	2.01
8. #7 OVERSEA-CHINESE BANKING CORPORATION LIMITED	8,127,000	2.01
9. #7 GREAT EASTERN HOLDINGS LIMITED	8,127,000	2.01
10. #7 THE GREAT EASTERN LIFE ASSURANCE CO LTD	8,127,000	2.01
13. #7 GEL CAPITAL (MALAYSIA) BERHAD	8,127,000	2.01

Notes:

- #1 Direct and deemed interest through Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd, Sungei Way Corporation Sdn Bhd and spouse.
- #2 Direct and deemed interest through Perusahaan Indah Sdn Bhd.
- #3 Deemed interest through Sungei Way Corporation Sdn Bhd.
- #4 Deemed interest through Timah Dunia Dredging Sdn Bhd and Sungei Way Corporation Sdn Bhd.
- #5 Inclusive of shares held in Bumiputra Merchant Bank Berhad and SBB Asset Management Sdn Bhd
- #6 Direct and deemed interest through Kibaran Kemas Sdn Bhd.
- #7 Deemed interested in the shares by virtue of Section 6A of the Companies Act, 1965

TERMS OF REFERENCE OF AUDIT COMMITTEE

Formation	The Audit Committee was formed by the Board of Directors at its meeting on 7th March 1994
Composition	Members of the Committee shall be appointed by the Board from among its members and shall compose of not fewer than 3 members of whom a majority shall not be executive directors of the Company.
Quorum	The quorum for a meeting shall be two members.
Authority	The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee can obtain from all employees any information required and can seek outside legal or other professional assistance if it considers necessary.
Duties	<ol style="list-style-type: none">1. To approve the Internal Audit Charter which defines the independent purpose, authority, scope and responsibility of the internal audit function in the Company and Group.2. To review and approve the annual Audit Plan on audit work and programme and Budget of the Internal Audit Department and ensure the department has adequate and competent resources and that the goals and objectives of the audit function are in tandem with corporate goals.3. To review the scope, approach and results of internal audit procedures to ensure compliance with internal auditing standards, company policies, laws and other regulatory requirements.4. To recommend to the Board, the nomination of External Auditors after evaluating their performance and to consider their audit fee and any questions of resignation or dismissal.5. To review with the Internal and External Auditors the effectiveness of the financial reporting process and the internal control systems of the Group.6. To review with Management and the External Auditors the audited balance sheets and profit and loss accounts of the Company and of the Group for purposes of approval before the financial statements are presented to the Board of Directors for adoption.7. To review the follow-up actions by Management on the weaknesses of internal accounting procedures and controls as highlighted by the Internal and External Auditors.8. To review any significant transactions which are not within the normal course of business and any related party transactions within the Company or the Group.9. To review the sufficiency of and compliance with ethical guidelines and Group policies affecting corporate governance, financial quarterly reporting as well as corporate control and compliance with relevant laws and external regulations.10. To review quarterly and final financial reports for announcements to the authorities, of the results of the Company and of the Group.

The above functions are in addition to such other functions as may be agreed to from time to time by the Audit Committee and the Board of Directors.

FORM OF PROXY

23rd Annual General Meeting



SUNWAY HOLDINGS INCORPORATED BERHAD (37465-A)

(Incorporated in Malaysia)
Registered Office of the Company
Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: 03-5635 8889 Fax:03-5634 1349

*I/We _____
(Please use Block Letters)

*NRIC No./Passport No./Company No. _____ of _____

being (a) member (s) of SUNWAY HOLDINGS INCORPORATED BERHAD and entitled to vote hereby appoint _____

_____ *NRIC No./Passport No. _____

of _____

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the 23rd Annual General Meeting of the Company to be held at Grand Bahamas, Level 12, Sunway Lagoon Resort Hotel, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28th June 2001 at 11.30am and at any adjournment thereof.

Dated this _____ day of _____ 2001

Signature(s) _____

COMMON
SEAL

NUMBER OF SHARE(S) HELD					

Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion.

RESOLUTION	FOR	AGAINST
1. To receive the Reports and Audited Financial Statements for the financial year ended 31st December 2000		
2. To approve the payment of Directors' fees		
To re-elect the following Directors:-		
3. Mr Wong Chin Mun		
4. Tan Sri Dr Md Noordin Bin Md Sopiee		
5. Datuk Low Seng Kuan		
6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
7. To authorise the issue of shares up to 10% of the Issued Capital		
8. To approve the proposed amendment to Clause 3 of the Memorandum of Association		
9. To approve the proposed adoption of new Articles of Association		

NOTES:

1. A member of the Company entitled to attend and vote, is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, under its common seal, or under the hand of its attorney or duly authorised officer.
3. The instrument appointing a proxy must be deposited at the registered office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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STAMP

THE COMPANY SECRETARY
SUNWAY HOLDINGS INCORPORATED BERHAD (37465-A)
LEVEL 16, MENARA SUNWAY
JALAN LAGOON TIMUR
BANDAR SUNWAY, 46150 PETALING JAYA
SELANGOR DARUL EHSAN, MALAYSIA
TEL : 03-5635 8889
FAX: 03-5634 1349

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