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MAMEE-DOUBLE DECKER (M) BERHAD

(Incorporated in Malaysia - Co. No. 222363-T)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of MAMEE-DOUBLE DECKER (M) BERHAD (Co. No. 222363-T) will be held at the Conference Room of The Legends Golf & Country Resort Bhd, Lot 1302, Kebun Sedenak, 81000 Kulai, Johor Darul Takzim on Thursday, the 21st day of June, 2001 at 11.00 a.m.

AGENDA

1. To receive the Audited Accounts for the financial year ended 31 December 2000 together with the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To re-appoint Datuk Pang Chin Hin, a director over the age of 70, pursuant to Section 129(6) of the Companies Act, 1965. (Resolution 2)
3. To re-elect Mr Pang Tee Chew, a director retiring pursuant to Para 7.28 of the Revamped Listing Requirements of KLSE. (Resolution 3)
4. To re-elect Mr Pang Tee Suan, a director retiring under Article 81 of the Articles of Association of the Company. (Resolution 4)
5. To approve the payment of Directors' Fees for the financial year ended 31 December 2000. (Resolution 5)
6. To declare a Final Dividend of 3.0% less tax in respect of the financial year ended 31 December 2000. (Resolution 6)
7. To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. (Resolution 7)

Special Business

8. To consider and, if thought fit, pass with or without modification, the following ordinary resolution pursuant to Section 132D of the Companies Act, 1965:

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares so issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 8)
9. To transact any other matters for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

BY ORDER OF THE BOARD

Woo Min Fong
Tan Siew Hua
Company Secretaries

Johor Bahru
29 May 2001

Note :

- i. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a Member appoints two (2) or more proxies, the Member shall specify in each proxy form the proportion of the Member's shareholdings to be represented by each proxy.
- ii. The Proxy Form must be deposited with the Company Secretaries at the Registered Office, Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim not less than 48 hours before the time set for the Meeting.
- iii. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorized.

iv. **Explanatory Notes on Special Business**

Resolution 8

The Ordinary Resolution proposed in Agenda 8 above, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting, unless previously revoked or varied at a general meeting, to issue shares in the Company up to an aggregate number not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company.

CLOSURE OF BOOKS

To determine shareholders entitlement to the dividend payment, if approved at the forthcoming 10th Annual General Meeting of the Company, the Share transfer books and Register of Members will be closed from 22 June 2001 to 26 June 2001, both days inclusive.

The dividend if approved will be paid on 16 July 2001 to shareholders whose names appear in the Register of Members at the close of business on 21 June 2001.

- a. shares deposited into the depositor's securities account before 12.30 p.m. on 19 June 2001 (in respect of shares which are exempted from mandatory deposit);
- b. shares transferred into the depositor's securities account before 12.30 p.m. on 21 June 2001 in respect of ordinary transfers;
- c. shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Datuk Pang Chin Hin

Non-Executive Vice Chairman
Y.A.M. Tunku Osman Ahmad

Managing Director
Pang Tee Chew

Executive Director
Pang Tee Nam

Executive Director
Pang Tee Suan

Non-Executive Director
Mohamed Nizam Bin Tun Abdul Razak

AUDIT COMMITTEE

Y.A.M. Tunku Osman Ahmad (Chairman of the Committee)
Independent Non-Executive Vice Chairman

Pang Tee Chew
Managing Director

Mohamed Nizam Bin Tun Abdul Razak
Independent Non-Executive Director

COMPANY SECRETARIES

Woo Min Fong (ACIS)
Tan Siew Hua (ACIS)

REGISTERED OFFICE

MAMEE-DOUBLE DECKER (M) BERHAD (Co. No. 222363-T)
Suite 1301, 13th Floor, City Plaza,
Jalan Tebrau, 80300 Johor Bahru,
Johor Darul Takzim
Tel : 07-3322088 Fax : 07-3328096

SHARE REGISTRARS

CHUA, WOO & COMPANY SDN BHD (Co. No. 122754 - U)
Suite 1301, 13th Floor, City Plaza,
Jalan Tebrau, 80300 Johor Bahru,
Johor Darul Takzim
Tel : 07-3322088 Fax : 07-3328096

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
HSBC Bank (Malaysia) Berhad
Malayan Banking Berhad
Southern Bank Berhad

AUDITORS

PricewaterhouseCoopers

STOCK EXCHANGE LISTING

Main Board of the Kuala Lumpur Stock Exchange

AUDIT COMMITTEE

Chairman: Tunku Osman Ahmad
(Independent Vice Chairman)
Members: Mohamed Nizam Bin Abdul Razak
(Independent Director)
Pang Tee Chew
(Managing Director)

TERMS OF REFERENCE

MEMBERSHIP

The Committee shall be appointed by the Board from among their members and shall consist of not less than three(3) members, the majority of whom shall be Independent Directors.

At least one of the members of the Committee must be a member of the Malaysian Institute of Accountants (MIA) or he must have at least 3 years' working experience and have either passed the examinations specified in Part 1 of the 1 st Schedule of the Accountants Act 1967 or a member of one of the associations of accountants specified in Part 2 of the 1 st Schedule of the said Act.

No alternate director shall be appointed as a member of the Committee.

The members of the Committee shall elect a Chairman from among their members who shall be an Independent Director.

The term of office and performance of each member shall be reviewed at least once every three years by the Board.

PURPOSE OF THE COMMITTEE

The purpose of the Committee are as follows:

1. To provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices for the Company.
2. To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as the internal auditors.
3. To avail to the external and internal auditors a private and confidential audience at any time they desire and to request such audience through the Chairman of the Committee, with or without the prior knowledge of Management.
4. To act upon the Board's request to investigate and report on any issue of concern with regard to the management of the Company.

SECRETARY

The Secretary of the Committee shall be the Company Secretary.

FREQUENCY AND ATTENDANCE OF COMMITTEE MEETINGS

Meetings shall be held not less than 3 times a year and as and when required during each financial year. The external auditors may request a meeting if they deem necessary.

The Finance Director, the Financial Controller, Chief of Finance Department/Accounts Department/Internal Audit, and a representative of the external auditors shall normally attend meetings. Other Board members may attend meetings upon invitation of the Committee. However, at least once a year the Committee shall meet with the external auditors without any executive board member present. The quorum for meetings shall be 2 members and the majority of members present must be Independent Directors.

In the absence of the Chairman of the Committee, members present shall elect a Chairman for the meeting from amongst the Independent Directors.

MINUTES

The minutes of each meeting shall be kept and distributed to each member. The Chairman of the Committee shall report on each meeting to the Board.

AUTHORITY

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:-

1. have authority to investigate any matters within its terms of reference, where it deems necessary, investigate any matter referred to it or that it has come across in respect of a transaction that raises questions of management integrity, possible conflict of interest, or abuse by a significant or controlling shareholder;
2. have resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company;
4. have direct communication channels with the external auditors and persons carrying out internal audit function or activity (if any); and
5. be able to obtain and seek outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

AUDIT COMMITTEE(CONTINUED)

FUNCTIONS AND DUTIES

The functions and duties of the Committee are as follows :

1. To consider and recommend the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal, and inquire into the staffing and competence of the external auditors in performing their work.
2. To discuss with the external auditors before the audit commences the nature, scope and any significant problems that may be foreseen in the audit, ensure adequate tests to verify the accounts and procedures of the Company and ensure co-ordination where more than one audit firm is involved.
3. To review the quarterly announcements to the Kuala Lumpur Stock Exchange and annual financial statements before submission to the Board, focusing particularly on:-
 - any changes in accounting policies and practice;
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumptions;
 - compliance with the accounting standards;
 - compliance with stock exchange and legal requirements;
 - assess the quality and effectiveness of the internal control system and the efficiency of the Company's operations.
 - the quality and effectiveness of the entire accounting and internal control systems; and
 - the adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group.
4. To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of the management where necessary).
5. To do the following when the internal audit function is established:-
 - review the adequacy of the scope, functions and resources of internal audit department and that it has the necessary authority to carry out its work;
 - review internal audit program;
 - ensure co-ordination of external audit with internal audit;
 - consider major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of the staff of the internal audit function;
 - approve any appointment or termination of senior staff member of the internal audit function;
 - inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason of resignation.
6. To review the external auditors' management letter and management's response;
7. To consider:-
 - any related party transactions that may arise within the Company or group and to ensure that Directors report such transactions annually to shareholders via the annual report, and
 - in respect of the recurrent related party transactions of a revenue or trading nature which are subject of a shareholders' mandate, prescribe guidelines and review procedures to ascertain that such transactions are in compliance with the terms of the shareholders' mandate
8. To consider other topics, as may be defined and directed by the Board from time to time.

EXECUTIVE CHAIRMAN'S STATEMENT

I am happy to present the Tenth Annual Report of the Mamee-Double Decker (M) Berhad group of companies for the financial year ended December 31st, 2000.

For the year under review, group turnover improved by 16.6% from RM175 million to RM204 million while profit before tax and minority interests registered a decrease from RM11.9 million to RM9 million, a drop of 24%.

ECONOMIC REVIEW

The Malaysian economy continued its recovery in the year 2000. The initiatives taken by the government have helped place the economy back on track for sustainable growth. GDP rose an impressive 7% for the year and interest rates remained low throughout the year. The stable exchange rate also helped the company in its operations. Your company continued to reap the benefits of the improving economic climate in the domestic economy.

COMPANY OVERVIEW

Our company pushed ahead in its quest to be the leading food manufacturing company in Malaysia and the region. We built on the cost cutting measures taken during the financial crisis in the previous years. Our range of products was expanded to include fabricated potato chips which was well accepted by the consumers. Our operations in Myanmar are now in full production and managed to become the second largest player in the instant noodle segment.

FINANCIAL HIGHLIGHTS

Despite the 16% increase in turnover, the profit before tax minority fell from RM11.9 million to RM9 million. Profit after tax and interest was RM8.5 million.

The reduction in the profit before tax was due to losses in the overseas division. While the Malaysian operations showed an improvement over the previous year, the overseas division, in particular China, suffered further losses.

In view of the lower profit attributable to shareholders, your directors are recommending a final dividend of 3 sen, bringing the total to 5.5 sen for the year, compared to 6 sen the previous year.

FOOD DIVISION

The domestic food division remained the largest contributor to the group in turnover and profit before tax, registering RM181 million and RM13 million respectively. New products in the pipeline are functional food for the Twenty First Century. These products will be able to enhance our profitability in the near future.

PLANTATION DIVISION

This division incurred losses of RM605,000 on a turnover of RM507,000. The losses were due to lower price of oil palm fresh fruit bunches.

EXECUTIVE CHAIRMAN'S STATEMENT(CONTINUED)

OVERSEAS OPERATIONS

The overseas division came in with losses of RM4 million on a turnover of RM22.9 million, compared to losses of RM284,000 the previous year. The difficult conditions in China endured for the year under review with very keen competition, lower selling prices and higher promotion costs.

COMPANY OUTLOOK

We expect the domestic food division to continue to be the mainstay of our business. New products and flavours will contribute to additional sources of revenue. Despite the forecast of lower than 6% growth for the economy in 2001, the company should be able to improve on its results. Measures have been taken to arrest the problems in China, including cost cutting measures and widening distribution and merchandising.

ACKNOWLEDGEMENTS

On behalf of your Board of Directors I wish to place on record our appreciation to the management and staff of the group of companies for their efforts and dedication throughout the year. We look forward to their commitment in the years to come. The record turnover recorded by the group was due to the collective achievements of all of you.

Our sincere gratitude and thanks also go to our customers, suppliers, business partners and shareholders. Our on-going relationship is very special to the company. We look forward to another year of achievements.

Thank you.

DATUK PANG CHIN HIN
Executive Chairman

DIRECTORS' REPORT

The directors have pleasure in submitting their report to the members together with the financial statements of Mamee-Double Decker (M) Berhad ("the Company") and of the Group for the year ended 31 December 2000.

Principal activities

The principal activity of the Company consists of investment holding. The principal activities of the subsidiary companies are set out in note 13 to the financial statements. There have been no significant changes in these activities during the financial year.

Financial results

	Group RM	Company RM
Profit after taxation	6,901,401	2,919,851
Minority interests	1,613,163	-
Net profit attributable to shareholders	8,514,564	2,919,851

Dividends

The amounts of dividends paid or declared by the Company since 31 December 1999 were as follows:

	RM
In respect of the financial year ended 31 December 1999 as shown in the directors' report of that year -	
Final dividend of 3.5 sen gross per share, less income tax at 28%, paid on 15 August 2000	1,518,460
In respect of the financial year ended 31 December 2000 -	
Interim dividend of 2.5 sen gross per share, less income tax at 28%, paid on 12 January 2001	1,097,568

The directors now recommend the payment of a final dividend of 3.0 sen gross per share, less income tax at 28%, amounting to RM1,317,319, which subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 16 July 2001 to shareholders registered on the Company's register at the close of business on 21 June 2001.

Reserves and provisions

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

DIRECTORS' REPORT (CONTINUED)

Share capital

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM60,256,333 to RM60,987,000 by way of:-

- (i) exercise of the options to subscribe for 299,000 and 431,000 ordinary shares of RM1 each under The Employees' Share Option Scheme at the exercise price of RM1.33 and 2.09 respectively per ordinary share,
- (ii) exercise of nominal amount of 667 warrants to 667 fully paid ordinary shares of RM1 each at the exercise price of RM1.33 per warrant.

The new issued shares rank pari passu in all respects with its then existing ordinary shares of the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions which entitlement date precedes the relevant exercise date of the Scheme.

Employees' share option scheme

The Employees' Share Option Scheme ("the Scheme") was approved by the shareholders at the Extraordinary General Meeting held on 25 May 1998 and became effective on 25 August 1998.

The main features of the Scheme are as follows:

- (a) The total number of new ordinary shares of the Company, which may be made available under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any one point of time during the existence of the Scheme;
- (b) Eligible employees and Executive Directors are full time employees of the Company and/or its subsidiary companies who have been in the service of the Group for at least one continuous year;
- (c) The options granted are valid for five years and may be exercised at any time before the expiry of the Scheme on 25 August 2003 except for certain periods as determined by the Scheme's Options Committee, subject to the annual limit of 20% of the total shares comprised in the option. The option may be exercised in full or in such lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares;
- (d) The price at which the grantees are entitled to subscribe for shares under the Scheme is the average of the mean market quotation of the shares stated in the daily official list issued by the Kuala Lumpur Stock Exchange for the five market days immediately preceding the respective dates of offer of the option;
- (e) The new ordinary shares of the Company to be issued pursuant to the Scheme will, upon allotment and issue, rank pari passu in all respects with its then existing ordinary shares of the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions which entitlement date precedes the relevant exercise date of the Scheme.

DIRECTORS' REPORT (CONTINUED)

Employees' share option scheme (continued)

During the financial year, the number of ordinary shares of RM1 each covered under options granted, exercised and unissued pursuant to the Scheme were as follows:

Tranche	Date	Price	Number of ordinary shares of RM1 each covered under Options			
			At <u>1.1.2000</u>	<u>Granted</u>	<u>Exercised</u>	At <u>31.12.2000</u>
1	31.10.1998	1.33	836,000	-	299,000	537,000
2	30.11.1999	2.09	2,066,000	-	431,000	1,635,000
			2,902,000	-	730,000	2,172,000

Bonds and warrants

The 7% Redeemable Unsecured Bonds 1998/2003 were constituted by a Trust Deed dated 22 June 1998. Unless previously redeemed, purchased and cancelled or surrendered for cancellation pursuant to an exercise of the Warrants in accordance with the Deed Poll and cancelled during the Redemption Period, the Company shall redeem the remaining outstanding Bonds in cash at their nominal value on maturity on 25 June 2003. Interest rate of 7% per annum on the nominal value of the Bonds is payable half yearly in arrears on 30 June and 31 December.

The Bonds were issued with 24,000,000 Detachable Warrants at an offer price of 45.63 sen per warrant on the basis of two warrants for every five ordinary shares held. The warrants are quoted on the Kuala Lumpur Stock Exchange. Each warrant entitles its registered holder at any time not exceeding five years from the date of its issue, to subscribe for one new ordinary shares of RM1 each in the Company at an exercise price of RM1.33 per warrant.

The Company obtained approval from all relevant parties for the extension of the duration and exercise period of the warrants to 16 February 2008.

As at 31 December 2000, the number of warrants remaining unexercised was 23,999,000

Directors

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

Datuk Pang Chin Hin
Y.A.M. Tunku Osman Ahmad
Pang Tee Chew
Pang Tee Nam
Pang Tee Suan
Mohamed Nizam bin Tun Abdul Razak

Datuk Pang Chin Hin retires pursuant to Section 129(2) of the Companies Act, 1965 and seeks re-appointment as director under Section 129(6) of the said Act to hold office until the next Annual General Meeting of the company.

DIRECTORS' REPORT (CONTINUED)

Directors (continued)

In accordance with the Company's Articles of Association, Pang Tee Suan retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Para 7.28 of the Revamped KLSE Listing Requirements, Pang Tee Chew retires at the forthcoming Annual General Meeting, and being eligible, offer himself for re-election.

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the options over shares granted by the Company to eligible employees, including certain directors of the Company, pursuant to the Employees' Share Option Scheme of Mamee-Double Decker (M) Berhad.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits disclosed as directors' remuneration in note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions in the ordinary course of business with companies in which certain of the directors have substantial financial interests and as disclosed in note 31 to the financial statements.

Directors' interests

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

	Number of ordinary shares of RM1 each			
	At <u>1.1.2000</u>	<u>Bought</u>	<u>Sold</u>	At <u>31.12.2000</u>
Datuk Pang Chin Hin	6,954,725	30,000	580,000	6,404,725
	4,701,544	151,000	428,000	4,424,544*
Y.A.M. Tunku Osman Ahmad	190,000	-	-	190,000
Pang Tee Chew	13,723,403	30,000	-	13,753,403
	621,998	31,000	420,000	232,988*
Pang Tee Nam	5,871,181	16,000	-	5,887,181
	631,664	19,000	420,000	230,664*
Pang Tee Chew	5,671,018	10,000	-	5,681,018
	678,331	19,000	420,000	277,331*
Mohamed Nizam bin Abdul Razak	1,133,333	-	-	1,133,333

* Represent the director's indirect interests.

DIRECTORS' REPORT (CONTINUED)

Directors' interests (continued)

	Number of warrants			
	At <u>1.1.2000</u>	<u>Bought</u>	<u>Sold</u>	At <u>31.12.2000</u>
Datuk Pang Chin Hin	2,648,999	-	500,000	2,148,999
	6,616,207	-	500,000	6,116,207*
Pang Tee Chew	5,455,342	-	-	5,455,342
	4,980,655	-	500,000	4,480,655*
Pang Tee Nam	2,346,000	-	-	2,346,000
	4,983,655	-	500,000	4,483,655
Pang Tee Suan	2,268,407	-	-	2,268,407
	4,976,655	-	500,000	4,476,655*

Each warrant entitles its registered holder to subscribe for one new ordinary share of RM1 each in the Company at an exercise price of RM1.33 per warrant.

* Represent the director's indirect interests.

	Number of options over ordinary shares of RM1 each			
	At <u>1.1.2000</u>	<u>Granted</u>	<u>Exercised</u>	At <u>31.12.2000</u>
Datuk Pang Chin Hin	75,000	-	30,000	45,000
Pang Tee Chew	75,000	-	30,000	45,000
Pang Tee Nam	54,000	-	16,000	38,000
Pang Tee Suan	71,000	-	-	71,000

The share option is granted pursuant to the Employees' Share Option Scheme and entitles the holder to subscribe for one new ordinary share of RM1 each for every option held at either RM1.33 and/or RM2.09 per share.

Statutory information on the financial statements

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

- to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- which would render the 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

DIRECTORS' REPORT (CONTINUED)

Statutory information on the financial statements (continued)

- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

Other statutory information

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

In the opinion of the directors,

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

DIRECTORS' REPORT (CONTINUED)

Auditors

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

In accordance with a resolution of the Board of Directors dated

DATUK PANG CHIN HIN
DIRECTOR

PANG TEE CHEW
DIRECTOR

Melaka

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

We, Datuk Pang Chin Hin and Pang Tee Chew, two of the directors of Mamee-Double Decker (M) Berhad, state that in the opinion of the directors, the financial statements set out on pages 19 to 46 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 cash flows of the Group and of the Company for the 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

DATUK PANG CHIN HIN
DIRECTOR

PANG TEE CHEW
DIRECTOR

Melaka

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

I, Sim Lim Chan, the officer primarily responsible for the financial management of Mamee-Double Decker (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 19 to 46 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.

SIM LIM CHAN

Subscribed and solemnly declared by the abovenamed Sim Lim Chan at Melaka in Malaysia on
, before me.

COMMISSIONER FOR OATHS

REPORT OF THE AUDITORS TO THE MEMBERS OF MAMEE-DOUBLE DECKER (M) BERHAD

(Company No. 222363 - T)

We have audited the financial statements set out on pages 19 to 46. 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 year ended on that date;

and

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

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 13 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
MAMEE-DOUBLE DECKER (M) BERHAD (CONTINUED)**

(Company No. 222363 - T)

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

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

PRICEWATERHOUSECOOPERS

(No. AF-1146)

Public Accountants

MOHD. DARUIS BIN ZAINUDDIN

(No. 969/3/01(J/PH))

Partner of the firm

Melaka

**CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000**

	Note	<u>2000</u> RM	<u>1999</u> RM
Revenue	4	203,511,815	174,998,592
Cost of sales		(139,735,291)	(120,207,267)
Gross profit		63,776,524	54,791,325
Other operating income		1,757,814	1,503,272
Selling and distribution costs		(38,656,089)	(27,633,830)
Administrative expenses		(14,783,354)	(12,300,531)
Other operating expenses		-	(470,012)
Profit from operations	5	12,094,895	15,890,224
Finance costs	6	(3,064,494)	(3,965,355)
Profit from ordinary activities before taxation		9,030,401	11,924,869
Taxation	7	(2,129,000)	(64,897)
Profit from ordinary activities after taxation		6,901,401	11,859,972
Minority interests		1,613,163	117,280
Net profit attributable to shareholders		8,514,564	11,977,252
Earnings per share (sen)			
Basic	8(a)	14.01	19.92
Fully diluted	8(b)	13.07	19.00
Dividends per share (sen)	9	5.5	6.0

The notes on pages 26 to 46 form part of these financial statements.

**INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000**

	Note	<u>2000</u> RM	<u>1999</u> RM
Revenue	4	6,169,815	4,942,005
Other operating income		-	1,156,181
Administrative expenses		(1,149,964)	(1,083,301)
Profit from operations	5	5,019,851	5,014,885
Finance costs	6	(2,100,000)	(2,100,000)
Profit from ordinary activities before taxation		2,919,851	2,914,885
Taxation	7	-	-
Profit after taxation and net profit for the year		2,919,851	2,914,885

The notes on pages 26 to 46 form part of these financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2000

	Note	<u>2000</u> RM	<u>1999</u> RM
Non current assets			
Property, plant and equipment	10	103,233,821	108,333,083
Investments	11	2,590,208	135,608
Intangible assets	12	495,344	516,827
		106,319,373	108,985,518
Current assets			
Inventories	14	18,876,949	17,378,754
Receivables	15	46,130,540	37,845,872
Fixed deposits with licensed banks		5,343,000	5,090,000
Cash and bank balances		9,229,360	6,872,018
		79,579,849	67,186,644
Less: Current liabilities			
Payables	16	34,243,597	27,938,873
Short term borrowings	17	18,647,677	20,794,482
Taxation		2,713,988	266,979
Proposed directors' fees		276,500	208,500
Dividend payable		1,097,568	1,084,614
Proposed dividend		1,317,319	1,518,460
		58,296,649	51,811,908
Net current assets		21,283,200	15,374,736
Less: Non current liabilities	18	31,495,000	34,243,138
		96,107,573	90,117,116
Capital and reserves			
Share capital	19	60,987,000	60,256,333
Share premium		653,270	84,590
Reserve fund	20	526,458	526,458
Retained profits		31,926,474	25,826,797
		94,093,202	86,694,178
Minority interests		2,014,371	3,422,938
		96,107,573	90,117,116

The notes on pages 26 to 46 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2000

	Note	<u>2000</u> RM	<u>1999</u> RM
Non current assets			
Property, plant and equipment	10	41,287	62,967
Investments	11	732,775	-
Investment in subsidiary companies	13	23,815,332	23,815,332
		24,589,394	23,878,299
Current assets			
Receivables	15	1,982,394	98,765
Amounts due from subsidiary companies		73,185,875	68,711,664
Fixed deposits with a licensed bank		2,343,000	2,090,000
Cash and bank balances		1,666,021	477,041
		79,177,290	71,377,470
Current liabilities			
Payables	16	431,450	667,134
Amounts due to subsidiary companies	24	8,716,960	1,650,485
Provision for taxation		266,978	266,978
Proposed directors' fees		256,500	192,500
Dividend payable		1,097,568	1,084,614
Proposed dividend		1,317,319	1,518,460
		12,086,775	5,380,171
Net current assets		67,090,515	65,997,299
Non current liabilities	18	30,000,000	30,000,000
		61,679,909	59,875,598
Capital and reserves			
Share capital	19	60,987,000	60,256,333
Share premium		653,270	84,590
Retained profits	21	39,639	(465,325)
		61,679,909	59,875,598

The notes on pages 26 to 46 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

Note	Issued and fully paid Ordinary shares of RM 1 each		Non-distributable Share premium	Reserve fund	Distributable Retained profits	Total
	Number of shares	Nominal value				
		RM				
Group-2000						
Balance as at 1 Jan						
-as previously stated	60,256,333	60,256,333	84,590	526,458	24,936,224	85,803,605
-prior years' adjustments	25	-	-	-	890,573	890,573
-as restated	60,256,333	60,256,333	84,590	526,458	25,826,797	86,694,178
Net profit		-	-	-	8,514,564	8,514,564
Dividends	9	-	-	-	(2,414,887)	(2,414,887)
Shares issued during the year						
-Pursuant to the Employees' Share						
Option Scheme	730,000	730,000	568,460	-	-	1,298,460
- Exercised of warrants	667	667	220	-	-	887
	60,987,000	60,987,000	653,270	526,458	31,926,474	94,093,202

Group-1999

Balance as at 1 Jan						
-as previously stated	60,012,000	60,012,000	3,960	526,458	15,509,543	76,051,961
-prior years' adjustments	25	-	-	-	971,876	971,876
-as restated	60,012,000	60,012,000	3,960	526,458	16,481,419	77,023,837
Net profit	9	-	-	-	11,977,252	11,977,252
Dividends	-	-	-	-	(2,631,874)	(2,631,874)
Shares issued during the year						
-Pursuant to the Employees' Share						
Option Scheme	244,000	244,000	80,520	-	-	1,298,460
- Exercised of warrants	333	333	110	-	-	887
	60,256,333	60,256,333	84,590	526,458	25,826,797	86,694,178

Company-2000

Balance as at 1 Jan						
-as previously stated	60,256,333	60,256,333	84,590	-	144,404	60,485,327
-prior years' adjustments	25	-	-	-	(609,729)	(609,729)
-as restated	60,256,333	60,256,333	84,590	-	(465,325)	59,875,598
Net profit	9	-	-	-	2,919,851	2,919,851
Dividends	-	-	-	-	(2,414,887)	(2,414,887)
Shares issued during the year						
-Pursuant to the Employees' Share						
Option Scheme	730,000	730,000	568,460	-	-	1,298,460
- Exercised of warrants	667	667	220	-	-	887
	60,987,000	60,987,000	653,270	-	39,639	61,679,909

Company-1999

Balance as at 1 Jan						
-as previously stated	60,012,000	60,012,000	3,960	-	34,951	60,050,911
-prior years' adjustments	25	-	-	-	(783,287)	(783,287)
-as restated	60,012,000	60,012,000	3,960	-	(748,287)	59,267,624
Net profit	9	-	-	-	2,914,885	2,914,885
Dividends	-	-	-	-	(2,631,874)	(2,631,874)
Shares issued during the year						
-Pursuant to the Employees' Share						
Option Scheme	244,000	244,000	80,520	-	-	324,520
- Exercised of warrants	333	333	110	-	-	443
	60,256,333	60,256,333	84,590	-	(465,325)	59,875,598

The notes on pages 26 to 46 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000**

	Note	<u>2000</u> RM	<u>1999</u> RM
Cash flows from operating activities			
Net profit attributable to shareholders		8,514,564	11,977,252
Adjustments for:			
Amortisation of goodwill		21,483	105,779
Depreciation of property, plant and equipment		11,230,372	11,632,464
Interest expense		2,789,499	3,707,826
Interest income		(195,494)	(290,703)
Dividend income		(19,883)	(3,638)
Profit on disposal of investment		(32,371)	-
Profit on disposal of property, plant and equipment		(121,814)	(158,270)
Current year taxation charge		3,004,000	-
Prior year's taxation charge		-	397
Deferred taxation		(875,000)	-
Minority interest		(1,613,163)	(117,280)
		22,702,193	26,853,827
Increase in inventories		(1,498,195)	(815,544)
Increase in receivables		(8,284,668)	(4,753,777)
Increase/(decrease) in payables		6,726,831	(546,861)
Cash generated from operations		19,646,161	2,073,645
Tax paid		(1,229,991)	(675,379)
Net cash generated from operating activities		18,416,170	20,062,266
Net cash outflow from investing activities	27	(8,216,150)	(6,121,444)
Net cash outflow from financing activities	28	(6,082,349)	(13,287,122)
Net increase in cash and cash equivalents		4,117,671	653,700
Cash and cash equivalents at beginning of the year		8,254,469	7,600,769
Cash and cash equivalents at end of the year	29	12,372,140	8,254,469

The notes on pages 26 to 46 form part of these financial statements.

**COMPANY CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000**

	Note	<u>2000</u> RM	<u>1999</u> RM
Cash flows from operating activities			
Net profit for the year		2,919,851	2,914,885
Adjustments for:			
Depreciation of property, plant and equipment		21,680	21,397
Interest expense		2,100,000	2,100,000
Interest income		(1,763,310)	(1,940,505)
Dividend income		(4,411,505)	(3,001,500)
		(1,133,284)	94,277
(Increase)/decrease in receivables		(1,883,629)	945,386
Decrease in payables		(171,684)	(16,634)
Balance with subsidiary companies		1,991,517	(7,115,541)
Net cash used in operating activities		(1,197,080)	(6,092,512)
Cash flows from investing activities			
Purchase of additional shares issued by subsidiaries		-	(2,999,998)
Purchase of property, plant and equipment		-	(5,690)
Purchase of investments		(732,775)	-
Interest received		1,763,310	1,940,505
Dividends received		5,012,252	-
Net cash generated/(used in) from investing activities		6,042,787	(1,065,183)
Cash flows from financing activities			
Proceeds from issuance of shares		1,299,347	324,963
Contribution to sinking fund		(1,299,347)	(324,963)
Dividends paid		(2,603,074)	(2,189,016)
Interest paid		(2,100,000)	(2,100,000)
Net cash used in financing activities		(4,703,074)	(4,289,016)
Net increase/(decrease) in cash and cash equivalents		142,633	(8,445,211)
Cash and cash equivalents at beginning of the year		2,242,078	10,687,289
Cash and cash equivalents at end of the year	29	2,384,711	2,242,078

The notes on pages 26 to 46 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The principal activity of the company consists of investment holding. The principal activities of the subsidiary companies are set out in note 13 to the financial statements.

The average number of employees during the year amounted to 1,801(1999: 1,770) for the group and 5 (1999: 8) for 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 Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor.

The principal place of business of the company is Lot 1, Ayer Keroh Industrial Estate, Ayer Keroh, 75450 Melaka.

2. Basis of preparation

The financial statements of the company have been prepared under the historical cost convention (as modified by the revaluation of land and buildings) 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 requires 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 period. Actual results could differ from those estimates.

3. Summary of significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all subsidiary companies made up to the end of the period. 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 using the acquisition method of accounting except for certain subsidiaries which meet the criteria for merger accounting under Malaysian Accounting Standard No. 2 "Accounting for Acquisition and Mergers" are accounted for under the merger method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the 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 on consolidation. Under the merger method of accounting, the results of the subsidiary companies are presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the carrying value of the investment over the nominal value of the shares acquired is taken to merger reserve.

(b) Property, plant and equipment

Freehold land and capital work-in-progress are not depreciated. Land and buildings are stated at directors' valuation with subsequent additions at cost, less accumulated depreciation. Directors' valuation is based on a valuation done by an independent firm of professional valuers in 1991 using the open market basis. The land and buildings have not been revalued since the last valuation exercise as the directors have not adopted a policy of regular revaluations of such assets.

Accordingly, the valuation of the revalued assets has not been updated and they continue to be stated at their last revalued amounts less depreciation as allowed under the transitional provisions issued by Malaysian Accounting Standards Board on adoption of International Accounting Standard No.16 (revised).

The other property, plant and equipment are stated at cost less accumulated depreciation.

Leasehold land and plantation and development expenditure are amortised over the remaining periods of the respective leases ranging from 50 to 99 years. The other property, plant and equipment are depreciated on the straight line basis to write off the cost or valuation of each asset over its estimated useful life. The principal annual rates of depreciation used for this purpose are as follows:

	%
Buildings	2 - 20
Plant and machinery	7 - 50
Furniture, fittings and equipment	10 - 50
Motor vehicles	20 - 50

(c) Investments

Investments in subsidiaries and other long term investments are stated at cost. Provision for diminution in value of investments is only made when the directors consider that there has been a permanent diminution in their values.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of significant accounting policies (continued)

(d) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes where relevant, appropriate proportion of overheads and is determined on the first-in, first-out or weighted average basis, after providing for all items considered obsolete or slow moving.

(e) Deferred taxation

Deferred taxation is provided using the liability method on all material timing differences between taxable and accounting profits. Debit balances on the deferred taxation account are not recognised unless there is reasonable expectation of their recovery.

(f) Foreign currencies

Financial statements of foreign operations that are integral to the operations of the company are translated using the procedures in the following paragraph as if the transactions of the foreign operations had been those of the Company.

Foreign currency transactions in Group companies are accounted for at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date. 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.

Details of the change in this accounting policy from that of prior year is set out in Note 25.

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

Foreign currency	<u>31.12.2000</u> RM	<u>31.12.1999</u> RM
1 US Dollar	3.800	3.800
1 Singapore Dollar	2.170	2.260
1 Australian Dollar	2.000	2.415
1 Renminbi	0.4604	0.4604

(g) New planting expenditure and replanting expenditure

All expenditure incurred on new planting from land clearing to the point of maturity is capitalised and included in property, plant and equipment under plantation development expenditure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Summary of significant accounting policies (continued)

(h) Trade receivables

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

(i) Cash and cash equivalents

Cash consists of cash and demand deposits. Cash equivalents are short term, highly liquid investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, less short term borrowings payable on demand.

(j) Income recognition

Sales is recognised upon delivery of goods and acknowledgement of acceptance by customers.

Interest and rental income are recognised on the accrual basis.

Dividend income is recognised when the shareholder's right to receive payment is established.

4. Revenue

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Sale of goods	203,004,319	174,256,836	-	-
Sale of oil palm fresh fruit bunches	507,496	741,756	-	-
Investment income:				
- Dividends	-	-	4,406,505	3,001,500
- Interest	-	-	1,763,310	1,940,505
	203,511,815	174,998,592	6,169,815	4,942,005

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Profit from operations

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

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Amortisation of goodwill	21,483	105,779	-	-
Auditors' remuneration				
- current year	48,260	46,580	8,000	8,000
- prior year's overprovision	(3,990)	-	-	-
Depreciation of property, plant and equipment	11,230,372	11,632,464	21,680	21,397
Directors' remuneration				
- fees	196,000	208,500	180,000	192,500
- other emoluments	1,855,710	1,285,998	88,000	34,000
Rental of buildings	417,565	489,681	10,010	-
Realised loss on foreign exchange	234,602	165,922	73,062	1,504
Provision for doubtful debts (net of recoveries)	255,275	80,020	-	-
Staff costs	22,378,053	19,144,200	530,205	497,143
Gross dividends from unquoted subsidiary companies	-	-	(4,406,505)	(3,001,500)
Gain on forward contract	-	(1,156,181)	-	(1,156,181)
Income from investments (gross):				
Quoted in Malaysia	(18,981)	(1,873)	(5,000)	-
Quoted outside Malaysia	(752)	(1,765)	-	-
Unquoted	(150)	-	-	-
Interest income	(195,494)	(290,703)	(1,763,310)	(1,940,505)

The estimated monetary value of non-cash benefits provided to certain directors of the Company amounted to RM33,825 (1999: RM51,590).

6. Finance costs

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Interest on bonds	2,100,000	2,100,000	2,100,000	2,100,000
Interest on trade financing	454,664	539,942	-	-
Interest on finance lease and hire purchase	14,344	88,618	-	-
Interest on overdraft	94,484	339,312	-	-
Interest on term loan	126,007	639,954	-	-
Other bank charges	274,995	257,529	-	-
	3,064,494	3,965,355	2,100,000	2,100,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Taxation

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
The taxation (charge)/credit comprise: In respect of the financial year				
Income taxation in Malaysia	(3,004,000)	-	-	-
Deferred taxation (Note 23)	875,000	(64,500)	-	-
	(2,129,000)	(64,500)	-	-
In respect of prior year				
Income taxation in Malaysia	-	(397)	-	-
	(2,129,000)	(64,897)	-	-

The lower effective tax rate of the Group was due to the availability of tax incentives of certain of its subsidiaries.

There was no tax charge for the Company as its dividend income was mainly tax exempt.

8. Earnings per share

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the weighted average number of ordinary shares in issue.

	<u>2000</u>	<u>1999</u>
Net profit attributable to shareholders	8,514,564	11,977,252
Weighted average number of ordinary shares in issue	60,761,250	60,119,639
Basic earnings per share (sen)	14.01	19.92

(b) Diluted earnings per share

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all diluted potential ordinary shares. The company has two categories of dilutive potential ordinary share: warrants with a right to subscribe for ordinary shares and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Earnings per share (continued)

(b) Diluted earnings per share (continued)

In calculating diluted earnings per share, the redeemable unsecured bonds is assumed to have been redeemed by cash and the net profit is adjusted to eliminate the applicable interest expense less the tax effect. For the warrants and the share options granted to employees, they are assumed to have been exercised and converted into ordinary shares and a calculation is done to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding warrants and share options. This calculation serves to determine the 'unpurchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit attributable to shareholders for the warrants and share options calculation.

	<u>2000</u>	<u>1999</u>
Net profit attributable to shareholders	8,514,564	11,977,252
Elimination of interest expense on 7% Redeemable Unsecured Bonds (net of tax effect)	1,512,000	1,512,000
Net profit used to determine diluted earnings per share	10,026,564	13,489,252
Weighted average number of ordinary shares in issue	60,761,250	60,119,639
Adjustments for:		
- warrants	14,956,884	10,300,286
- share options	1,001,643	571,605
Weighted average number of ordinary shares for diluted earnings per share	76,719,777	70,991,530
Diluted earnings per share (sen)	13.07	19.00

9. Dividends

Dividends declared or proposed are as follows:

	<u>Group and Company</u>			
	<u>2000</u>		<u>1999</u>	
	<u>Gross per share</u>	<u>Amount of dividend net of tax</u>	<u>Gross per share</u>	<u>Amount of dividend net of tax</u>
	<u>Sen</u>	<u>RM</u>	<u>Sen</u>	<u>RM</u>
Interim dividend paid	2.5	1,097,568	2.5	1,084,614
Proposed final dividend	3.0	1,317,319	3.5	1,518,460
Underprovision of dividend declared in respect of prior year	-	-	-	28,800
	5.5	2,414,887	6.0	2,631,874

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Property, plant and equipment

	Freehold land	Buildings on freehold land	Long leasehold land	Buildings on long leasehold land	Plantation and development expenditure	Plant and machinery	Furniture, fittings, equipment and motor vehicles	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group-2000									
At cost or valuation									
Balance as at 1 Jan									
At cost	2,501,980	13,352,293	13,563,321	22,152,026	1,111,674	84,551,938	24,431,448	185,464	161,850,144
At valuation	2,318,000	277,000	3,279,820	6,502,170	3,283,010	-	-	-	15,660,000
	4,819,980	13,629,293	16,843,141	28,654,196	4,394,684	84,551,938	24,431,448	185,464	177,510,144
Additions	249,508	184,475	17,710	2,418,123	450,133	1,624,612	1,524,954	81,684	6,551,199
Transfer	-	-	-	267,148	-	(183,051)	-	(267,148)	(183,051)
Disposals	-	-	-	-	-	(589,980)	(393,530)	-	(983,510)
Balance as at 31 Dec									
At cost	2,751,488	13,536,768	13,581,031	24,837,297	1,561,807	85,403,519	25,562,872	-	167,234,782
At valuation	2,318,000	277,000	3,279,820	6,502,170	3,283,010	-	-	-	15,660,000
	5,069,488	13,813,768	16,860,851	31,339,467	4,844,817	85,403,519	25,562,872	-	182,894,782
Accumulated depreciation									
Balance as at 1 Jan	-	1,531,760	1,358,502	6,197,945	535,552	43,945,346	15,607,956	-	69,177,061
Charge for the year	-	550,190	245,801	1,270,532	89,307	6,750,084	2,324,458	-	11,230,372
Disposals	-	-	-	-	-	(435,753)	(310,719)	-	(746,472)
Balance as at 31 Dec	-	2,081,950	1,604,303	7,468,477	624,859	50,259,677	17,621,695	-	79,660,961
Net book value as at 31 Dec	5,069,488	11,731,818	15,256,548	23,870,990	4,219,958	35,143,842	7,941,177	-	103,233,821

Group-1999

At cost or valuation

Balance as at 1 Jan									
At cost	2,501,980	13,104,297	13,505,326	22,266,747	789,259	80,579,582	23,045,418	81,686	155,874,295
At valuation	2,318,000	277,000	3,279,820	6,502,170	3,283,010	-	-	-	15,660,000
	4,819,980	13,381,297	16,785,146	28,768,917	4,072,269	80,579,582	23,045,418	81,686	171,534,295
Additions	-	247,996	57,995	235,135	322,415	3,913,545	1,738,478	185,464	6,701,028
Transfer	-	-	-	74,019	-	7,667	-	(81,686)	-
Reclassification	-	-	-	(423,875)	-	422,853	1,022	-	-
Disposals	-	-	-	-	-	(371,709)	(353,470)	-	(725,179)
Balance as at 31 Dec									
At cost	2,501,980	13,352,293	13,563,321	22,152,026	1,111,674	84,551,938	24,431,448	185,464	161,850,144
At valuation	2,318,000	277,000	3,279,820	6,502,170	3,283,010	-	-	-	15,660,000
	4,819,980	13,629,293	16,843,141	28,654,196	4,394,684	84,551,938	24,431,448	185,464	177,510,144
Accumulated depreciation									
Balance as at 1 Jan	-	988,660	1,112,895	5,040,276	459,751	37,375,802	13,213,065	-	58,190,449
Charge for the year	-	543,100	245,607	1,157,669	75,801	6,925,819	2,684,468	-	11,632,464
Disposals	-	-	-	-	-	(356,275)	(289,577)	-	(645,852)
Balance as at 31 Dec	-	1,531,760	1,358,502	6,197,945	535,552	43,945,346	15,607,956	-	69,177,061
Net book value as at 31 Dec	4,819,980	12,097,533	15,484,639	22,456,251	3,859,132	40,606,592	8,823,492	185,464	108,333,08

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Property, plant and equipment (continued)

Company - 2000

Furniture, fittings, equipment and motor vehicles

RM

At cost

Balance as at 1 January	219,863
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Balance as at 31 December	219,863
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Accumulated depreciation

Balance as at 1 January	156,896
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Charge for the year	21,680
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Balance as at 31 December	178,576
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Net book value as at 31 December	41,287
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Company - 1999

Furniture, fittings, equipment and motor vehicles

At cost

Balance as at 1 January	214,173
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Additions	5,690
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Balance as at 31 December	219,863
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Accumulated depreciation

Balance as at 1 January	135,499
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Charge for the year	21,397
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Balance as at 31 December	156,896
---------------------------	---------

Net book value as at 31 December	62,967
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Property, plant and equipment (continued)

Land and buildings were revalued in 1991 by the directors based on an independent firm of professional valuers and are stated at valuation on the open market basis as approved by the then Capital Issues Committee.

Had the property, plant and equipment been included in the financial statements at cost less depreciation, the net book value of the revalued assets would have been as follows:

	Group	
	<u>2000</u>	<u>1999</u>
	RM	RM
Freehold land	2,111,314	2,111,314
Buildings on freehold land	165,000	176,000
Long leasehold land	916,996	929,428
Buildings on long leasehold land	1,959,973	2,121,276
Plantation development expenditure	2,228,729	2,260,229
	7,382,012	7,598,247

Certain of the land and buildings with net book value of RM4,743,937 (1999: RM4,956,362) have been charged as security for borrowings.

11. Investments

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
At cost				
Shares in corporations:				
Quoted in Malaysia	2,579,099	124,499	732,775	-
Quoted outside Malaysia	9,109	9,109	-	-
Unquoted	2,000	2,000	-	-
	2,590,208	135,608	732,775	-
Market value of quoted investments	2,045,621	163,766	565,000	-

No provision has been made for diminution in the value of long term quoted investments as the directors are of opinion that the diminution is not permanent in nature.

12. Intangible assets

	Group	
	<u>2000</u>	<u>1999</u>
	RM	RM
Goodwill arising on consolidation		
Balance as at 1 January	516,827	622,606
Less: Amount amortised	(21,483)	(105,779)
Balance as at 31 December	495,344	516,827

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Investment in subsidiary companies

The investments in subsidiary companies are stated at cost. Details of the subsidiaries, which are unquoted are as follows:

<u>Name of company</u>	<u>Group's effective equity interest</u>		<u>Principal activities</u>	<u>Country of incorporation and principal place of business</u>
	<u>2000</u> %	<u>1999</u> %		
Pacific Food Products Sendirian Berhad	100	100	Manufacturing and marketing of food products	Malaysia
Kilang Makanan Mamee Sdn Bhd	100	100	Manufacturing and marketing of food and dairy products	Malaysia
Pacific Plantations Sdn Bhd	98	98	Cocoa and oil palm production	Malaysia
Mamee-Double Decker Foods (Suzhou) Co. Ltd *	60	60	Manufacturing and marketing of food products	People's Republic of China
Milk Specialities Sdn Bhd	100	100	Providing motor vehicle rental services	Malaysia
MDD Beverage Sdn Bhd	99.7	99.7	Manufacturing, marketing and contract packing of soft drinks	Malaysia
Pure Products Sdn Bhd	99.7	99.7	Marketing of soft drinks	Malaysia
MDD Distribution (M) Sdn Bhd	100	100	Marketing of food products and soft drinks	Malaysia
Mamee-Double Decker Ltd *	100	100	Dormant	The Union of Myanmar
Myanmar Mamee-Double Decker Ltd *	60	60	Manufacturing and marketing of food products	The Union of Myanmar
Milk Specialities Distribution Sdn Bhd	100	100	Marketing of dairy products	Malaysia
MDD Bulk Foods Sdn Bhd	70	70	Marketing of food products	Malaysia
MDD Properties Sdn Bhd	100	100	Dormant	Malaysia

* Overseas subsidiaries audited by an associated firm of PricewaterhouseCoopers, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Inventories

	Group	
	<u>2000</u>	<u>1999</u>
	RM	RM
At cost		
Finished goods	5,612,887	6,036,910
Work-in-progress	1,368,301	1,075,846
Raw materials	10,866,959	8,639,072
Consumable stores	1,028,802	1,572,926
Cocoa	-	54,000
	18,876,949	17,378,754
At net realisable value		
Finished goods	-	40,134
Less: Provision for obsolete inventories	-	(40,134)
	-	-
	18,876,949	17,378,754

15. Receivables

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	RM	RM	RM	RM
Trade receivables	45,633,428	38,353,745	-	-
Less: Provision for doubtful debts	(4,484,624)	(4,229,349)	-	-
	41,148,804	34,124,396	-	-
Other receivables, deposits and prepayments	4,981,736	3,721,476	1,982,394	98,765
	46,130,540	37,845,872	1,982,394	98,765

16. Payables

Trade payables	24,189,205	19,243,480	-	-
Other payables	1,926,468	6,936,137	431,450	591,416
Trade accruals	8,127,924	1,609,745	-	75,718
Finance lease and hire purchase liabilities (Note 18)	-	149,511	-	-
	34,243,597	27,938,873	431,450	667,134

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Short term borrowings

	Group	
	<u>2000</u> RM	<u>1999</u> RM
Secured:		
Trade finance	-	914,000
Short term loan	1,842,400	1,842,400
	1,842,400	2,756,400
Unsecured:		
Portion of long term loan repayable within 12 months (Note 18)	-	1,897,476
Bank overdrafts (Note 28)	575,910	3,382,586
Trade finance	16,229,367	12,758,020
	16,805,277	18,038,082
	18,647,677	20,794,482

The secured bank overdrafts and trade finance are secured by a legal charge on land and buildings and fixed and floating charge over certain assets of a subsidiary company. Interest on borrowings is chargeable at the rate of 1% (1999: 1%) per annum above the banks' base lending rates.

The short term loan is secured by certain assets of a subsidiary company and bears interest at 5.16% (1999: 5.16%) per annum.

18. Non current liabilities

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Bank term loans (unsecured)	-	3,770,614	-	-
Portion repayable within 12 months included in short term borrowings (Note 17)	-	(1,897,476)	-	-
Amount repayable after 12 months	-	1,873,138	-	-
Finance lease and hire purchase creditors	-	149,511	-	-
Portion repayable within 12 months included in payables (Note 16)	-	(149,511)	-	-
Amount repayable after 12 months	-	-	-	-
Redeemable unsecured bonds (Note 22)	30,000,000	30,000,000	30,000,000	30,000,000
Deferred taxation (Note 23)	1,495,000	2,370,000	-	-
	31,495,000	34,243,138	30,000,000	30,000,000

Interest on bank term loans is chargeable ranging from 0.5% to 0.75% (1999: 0.5% to 0.75%) per annum above the bank's base lending rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Share capital

	Group and Company	
	2000	1999
	RM	RM
<u>Ordinary shares of RM1 each</u>		
Authorised:		
Balance as at 1 January/31 December	500,000,000	500,000,000
Issued and fully paid:		
Balance as at 1 January	60,256,333	60,012,000
Issued during the year		
- Pursuant to the Employees' Share Option Scheme	730,000	244,000
- Exercise of warrants	667	333
Balance as at 31 December	60,987,000	60,256,333

The company implemented the Employees' Share Option Scheme ("the Scheme") as approved by the shareholder, at the Extraordinary General Meeting held on 25 May 1998 and became effective on 25 August 1998.

The main features of the Scheme are as follows:

- (a) The total number of new ordinary shares of the Company, which may be made available under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any one point of time during the existence of the Scheme;
- (b) Eligible employees and Executive Directors are full time employees of the Company and/or its subsidiary companies who have been in the service of the Group for at least one continuous year;
- (c) The options granted are valid for five years and may be exercised at any time before the expiry of the Scheme on 25 August 2003 except for certain periods as determined by the Scheme's Options Committee, subject to the annual limit of 20% of the total shares comprised in the option. The option may be exercised in full or in such lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares;
- (d) The price at which the grantees are entitled to subscribe for shares under the Scheme is the average of the mean market quotation of the shares stated in the daily official list issued by the Kuala Lumpur Stock Exchange for the five market days immediately preceding the respective dates of offer of the option;
- (e) The new ordinary shares of the Company to be issued pursuant to the Scheme will, upon allotment and issue, rank pari passu in all respects with its then existing ordinary shares of the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions which entitlement date precedes the relevant exercise date of the Scheme.

A total of 730,000 options were exercised during the period where 299,000 options were exercised at an issue price of RM1.33 while 431,000 options were exercised at an issue price of RM2.09.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Share capital (continued)

The movements during the year in the number of options over the shares of the company were as follows:

	<u>2000</u> RM	<u>1999</u> RM
At 1 January	2,902,000	1,080,000
Granted	-	2,066,000
Exercised	(730,000)	(244,000)
At 31 December	2,172,000	2,902,000

As at 31 December 2000, the company had 537,000 and 1,635,000 unissued ordinary shares under option at an exercise price of RM1.33 and 2.09 respectively.

20. Reserve fund

	<u>2000</u> RM	<u>Group</u> <u>1999</u> RM
At 1 January	526,458	526,458
At 31 December	526,458	526,458

The reserve fund is maintained by a subsidiary in compliance with the provisions of People's Republic of China Business Law.

21. Retained profits

As at 31 December 2000, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax exempt income, subject to agreement with the tax authorities to frank in full all of its retained profits if paid out as dividends.

22. Redeemable unsecured bonds

	<u>Group and Company</u> <u>2000</u> RM	<u>1999</u> RM
7% Redeemable Unsecured Bonds 1998/2003		
Balance as at 31 December	30,000,000	30,000,000

The 7% Redeemable Unsecured Bonds 1998/2003 were constituted by a Trust Deed dated 22 June 1998. Unless previously redeemed, purchased and cancelled or surrendered for cancellation pursuant to an exercise of the Warrants in accordance with the Deed Poll and cancelled during the Redemption Period, the Company shall redeem the remaining outstanding Bonds in cash at their nominal value on maturity on 25 June 2003.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Redeemable unsecured bonds (continued)

Interest of 7% per annum on the nominal value of the Bonds is payable half yearly in arrears on 30 June and 31 December.

The Bonds were issued with 24,000,000 Detachable Warrants at an offer price of 45.63 sen per warrant on the basis of two warrants for every five ordinary shares held. The warrants are quoted on the Kuala Lumpur Stock Exchange. Each warrant entitles its registered holder at any time not exceeding five years from the date of its issue, to subscribe for one new ordinary shares of RM1 each in the Company at an exercise price of RM1.33 per warrant.

The Company obtained approval from all relevant parties for the extension of the duration and exercise period of the warrants to 16 February 2008.

Proceeds from the exercise of the warrants and options will be placed in a sinking fund account for purposes of redeeming the Bonds.

As at 31 December 2000, the number of warrants remaining unexercised was 23,999,000.

23. Deferred taxation

	Group	
	<u>2000</u>	<u>1999</u>
	RM	RM
Balance as at 1 January	2,370,000	2,305,500
Credited/(charged) to income statement (Note 7)	(875,000)	64,500
Balance as at 31 December	1,495,000	2,370,000

Deferred taxation not provided for in the financial statements:

Arising from revaluation of certain land and buildings held for long term purposes	783,000	783,000
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24. Amounts due to subsidiary companies

The amounts due to subsidiary companies are unsecured, interest free with no fixed terms of repayment.

25. Prior years' adjustments

Following the adoption of MASB 1, Presentation of Financial statements, the Group has changed its accounting policy to expense the preliminary and pre-operating expenses and the other deferred expenditure in the year in which they are incurred. Previously, the preliminary and pre-operating expenses were capitalised and amortised over a period of five years while the other deferred expenditure was amortised over a period of two years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. Prior years' adjustments (continued)

The Group has also changed its accounting policy with respect to the translation of foreign operations in compliance with the MASB 6 "The Effect of Changes in Foreign Exchange Rates". In the previous years, the Group has treated the foreign entities' operations as not an integral part of the operations of the Group and exchange differences arising from the restratation of the net investment in foreign entities are taken to 'foreign currency translation reserve' in shareholders' equity.

The above changes in accounting policy have been accounted for retrospectively resulting in cumulative adjustments to consolidated retained profits as at 1.1.1999 of RM971,876 and 1.1.2000 of RM890,573 respectively and the company's retained profits as at 1.1.1999 of RM783,287 and 1.1.2000 of RM609,729 respectively.

Comparative information have been restated to conform to the changed policy:-

	Group		Company	
	As restated	As previously stated	As restated	As previously stated
	RM	RM	RM	RM
Income statement for the financial year ended 31 December 1999				
Profit from ordinary activities before taxation	12,006,172	11,924,869	2,741,327	2,914,885
Taxation	(64,897)	(64,897)	-	-
Profit from ordinary activities after taxation	11,941,275	11,859,972	2,741,327	2,914,885
Minority interests	117,280	117,280	-	-
Net profit attributable to shareholders	12,058,555	11,977,252	2,741,327	2,914,885
Balance sheet as at 31 December 1999				
Intangible assets	516,827	1,400,721	-	-
Other receivables, deposits and prepayments	3,721,476	7,206,548	98,765	708,494
Foreign currency translation reserve	-	4,270,551	-	-
Minority interest	3,422,938	3,770,948	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Segment information

	2000	Group
	RM	1999
		RM
<u>Analysis by activity</u>		
Revenue		
Manufacturing and marketing	203,004,319	174,256,836
Plantation	507,496	741,756
	203,511,815	174,998,592
Profit before taxation		
Manufacturing and marketing	9,465,197	10,943,510
Plantation	(650,173)	(469,163)
Investment and interest income	215,377	1,450,522
	9,030,401	11,924,869
Gross assets employed		
Manufacturing and marketing	171,831,164	165,060,668
Plantation	6,134,850	5,885,886
Investment	7,933,208	5,225,608
	185,899,222	176,172,162
<u>Analysis by geographical location</u>		
Revenue		
Malaysia	180,628,488	153,336,007
China	14,341,258	15,064,204
Myanmar	8,542,069	6,598,381
	203,511,815	174,998,592
Profit before taxation		
Malaysia	13,045,999	12,208,465
China	(4,162,639)	(673,571)
Myanmar	147,041	389,975
	9,030,401	11,924,869

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Segment information (continued)

	<u>2000</u> RM	Group <u>1999</u> RM
Gross assets employed		
Malaysia	148,367,789	136,642,704
China	26,442,823	28,461,111
Myanmar	11,088,610	11,068,347
	185,899,222	176,172,162

27. Net cash outflow from investing activities

	<u>2000</u> RM	Group <u>1999</u> RM
Proceeds from disposal of investments	1,275,275	-
Proceeds from disposal of property, plant and equipment	358,850	237,597
Preliminary and pre-operating expenses paid	-	210,080
Purchase of investments	(3,697,504)	-
Purchase of property, plant and equipment	(6,368,148)	(6,701,028)
Purchase of additional interest in subsidiary **	-	(162,434)
Interest received	195,494	290,703
Dividends received	19,883	3,638
	(8,216,150)	(6,121,444)

** Purchase of additional interest in subsidiary:-

Additional net assets of subsidiary acquired	-	(204,581)
Reserve on consolidation	-	42,147
Discharged by cash	-	(162,434)

28. Net cash outflow from financing activities

Dividends paid	(2,603,074)	(2,189,016)
Interest paid	(2,789,499)	(3,707,826)
Repayment of hire purchase and lease liabilities	(149,511)	(542,933)
Repayment of bank term loans	(3,097,614)	(4,324,367)
Net drawdown/(repayment) of trade finance	2,557,349	(2,522,980)
Proceeds from issuance of shares	1,299,347	324,963
Contribution to sinking fund	(1,299,347)	(324,963)
	(6,082,349)	(13,287,122)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. Cash and cash equivalents

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Fixed deposits with licensed banks	5,343,000	5,090,000	2,343,000	2,090,000
Less: Fixed deposits designated for the bonds redemption under sinking fund	(1,624,310)	(324,963)	(1,624,310)	(324,963)
	3,718,690	4,765,037	718,690	1,765,037
Cash and bank balances	9,229,360	6,872,018	1,666,021	477,041
Bank overdrafts (Note 17)	(575,910)	(3,382,586)	-	-
	12,372,140	8,254,469	2,384,711	2,242,078

30. Comparatives

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

There are no changes in accounting policy that affect profit from operations resulting from the adoption of the above standards other than as disclosed in note 25 to the financial statements as the Group was already following the recognition and measurement principles in those standards.

31. Significant related party disclosures

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.

	<u>2000</u> RM
(a) Sale of goods to PT Pacific Food Indonesia	2,296,604
Purchase of property, plant and equipment from PT Pacific Food Indonesia	<u>64,276</u>

PT Pacific Indonesia is a company wholly-owned by Datuk Pang Chin Hin, Pang Tee Chew, Pang Tee Suan and Pang Tee Nam, who are the directors and major shareholder of Mamee-Double Decker (M) Berhad ("MDD").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. Significant related party disclosures (continued)

2000
RM

- (b) Sale of goods to Yang-Yang Co., Ltd. 647,976

Yang-Yang Co., Ltd is a company wholly-owned by persons connected to Datuk Pang Chin Hin, Pang Tee Chew, Pang Tee Suan and Pang Tee Nam, who are the directors and major shareholder of MDD.

2000
RM

- (c) Purchase of raw materials from Pemprosesan Ayam S.H. 242,611

Pemprosesan Ayam S.H. is a sole proprietorship owned by Shariff bin Puteh, the son of Haji Puteh bin Talip, who is a director of Pacific Food Products Sdn Bhd ("PFP"), a subsidiary company of MDD.

Analysis Of Shareholdings As At 16 April 2001

AUTHORISED SHARE CAPITAL	:	RM500,000,000.00
ISSUED AND FULLY PAID-UP CAPITAL	:	RM60,988,000.00
CLASS OF SHARES	:	Ordinary Shares Of One Ringgit Each
VOTING RIGHTS	:	One Vote Per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

	<u>No. of Holders</u>	<u>Holdings</u>	<u>Total Holdings</u>	<u>Percentage (%)</u>
	218	Less than 1,000	112,547	0.19
	3,918	1,000 to 10,000	10,972,038	17.99
	285	10,001 to 100,000	7,142,878	11.71
	30	100,001 to less than 5% of issued shares	21,334,268	34.98
	3	5% and above of issued shares	21,426,269	35.13
	-----		-----	-----
Total:	<u>4,454</u>		<u>60,988,000</u>	<u>100.00</u>

TOP 20 LARGEST SHAREHOLDERS (as shown in the Register Of Members)

<u>No</u>	<u>Name</u>	<u>No. Of Shares Held</u>	<u>Percentage (%)</u>
1.	PANG TEE CHEW	9,858,070	16.16
2.	PANG TEE NAM	5,887,181	9.65
3.	PANG TEE SUAN	5,681,018	9.32
4.	PANG CHIN HIN	2,829,726	4.64
5.	SYARIKAT NOMINEE BUMIPUTRA (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR PANG TEE CHEW</i>	2,700,000	4.43
6.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD <i>PLEDGED SECURITIES ACCOUNT FOR PANG CHIN HIN</i>	2,241,666	3.68
7.	TIW LAN @ YONG TIW LAN	1,876,882	3.08
8.	PERMODALAN NASIONAL BERHAD	1,783,333	2.92
9.	UOBM NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR PANG TEE CHEW</i>	1,333,333	2.19
10.	SYARIKAT NOMINEE BUMIPUTRA (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR PANG CHIN HIN</i>	1,333,333	2.19
11.	WONG KIE CHIE	1,070,000	1.75
12.	PB SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR MOHAMED NIZAM BIN ABDUL RAZAK</i>	983,333	1.61
13.	PANG SOON PENG	774,999	1.27
14.	PANG SOON LUAN	768,333	1.26
15.	PANG SOON WAH	628,332	1.03
16.	JF APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM GAIK BWAY @ LIM CHIEW AH</i>	385,000	0.63
17.	MALAYSIA EXPORT CREDIT INSURANCE BERHAD	250,000	0.41
18.	JF APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LEE PUAY CHING</i>	195,000	0.32
19.	TUNKU OSMAN AHMAD	190,000	0.31
20.	TCL NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEE ENG TUAN @ TEE HENG CHAI</i>	173,000	0.28
		-----	-----
	Total:	40,942,539	67.13
		=====	=====

LIST OF SUBSTANTIAL SHAREHOLDERS
(As shown in the Register of Substantial Shareholders
as at 16.4.2001)

No	Name Of Shareholders	No. Of ORDINARY SHARES		Percentage (%)
		Direct	Indirect	
1.	PANG TEE CHEW	13,891,403 ^{*1}	232,998 ^{*3}	23.16
2.	DATUK PANG CHIN HIN	6,404,725 ^{*2}	4,427,544 ^{*4}	17.76
3.	PANG TEE NAM	5,887,181	230,664 ^{*5}	10.03
4.	PANG TEE SUAN	5,681,018	297,331 ^{*5}	9.80
5.	TIW LAN @ YONG TIW LAN	1,876,882	78,332 ^{*6}	3.21
6.	PERMODALAN NASIONAL BHD	1,783,333	-	2.92
7.	YAYASAN PELABURAN BUMIPUTRA	-	1,783,333 ^{*7}	2.92
8.	MALAYSIA NOMINEES (TEMPATAN) SDN BHD	2,484,998 ^{*8}	-	4.07
	<i>Beneficial holders :-</i>			
	Chua Chong Seng @ Chua Bah Bee	43,333		
	Chua Kian Wee	16,666		
	Neo Tong Tiong @ Neo Teong Hian	3,000		
	Ng Yee Tiong	3,333		
	Pang Chin Hin	2,241,666		
	Pang Soon Wah	170,000		
	Fu Kau Cherng	2,000		
	Lau King Lian	5,000		
9.	SYARIKAT NOMINEE BUMIPUTRA (TEMPATAN) SDN BHD	4,033,333 ^{*8}	-	6.61
	<i>Beneficial holders :-</i>			
	Pang Chin Hin	1,333,333		
	Pang Tee Chew	2,700,000		
10.	UOBM NOMINEES (TEMPATAN) SDN BHD	1,335,000 ^{*8}	-	2.19
	<i>Beneficial holders :-</i>			
	Mahmud @ Mahmud Zuhdi Bin Adam	1,667		
	Pang Tee Chew	1,333,333		

Note :

- *1 2,700,000 and 1,333,333 ordinary shares of MDD are held through Syarikat Nominee Bumiputra (Tempatan) Sdn Bhd and UOBM Nominees (Tempatan) Sdn. Bhd. respectively.
- *2 2,241,666 and 1,333,333 ordinary shares of MDD are held through Malaysia Nominees (Tempatan) Sdn. Bhd. and Syarikat Nominee Bumiputra (Tempatan) Sdn Bhd respectively.
- *3 Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in MDD and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd and his daughter's direct shareholdings in MDD.
- *4 Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholding in MDD and indirect shareholding via Pacific Food Sales and Service Sdn. Bhd. and his daughters' direct shareholdings in MDD.
- *5 Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in MDD and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd.
- *6 Deemed interested by virtue of her shareholdings in Pacific Food Sales and Service Sdn. Bhd.
- *7 Deemed interested by virtue of its shareholdings in Permodalan Nasional Berhad
- *8 Bare Trustee.

LIST OF PROPERTIES HELD

The details of the landed properties owned by MDD Group are as follows :

Location	Description	Existing use	Approximate age of building (Year)	Land Area	NBV as at 31.12.2000 (RM)
Plot 1 & Plot PT3659, Mukim of Bukit Katil, District of Melaka Tengah Melaka	Leasehold industrial building (99 years expiring 15.07.2070 & 27.02.2090)	Factory/ Head Office	26	2.54 acres (Built-up : 80,000 sq. ft.)	4,784,165
Lots 6998S & 6999S, Bandar Ipoh, Daerah Kinta Perak Darul Ridzuan	Freehold two-storey intermediate shophouses	Vacant	18	3,080 sq. ft. (Built-up : 2,200 sq. ft.)	187,874
Lot PTD, 10081, HS(D) 12482, Township of Johore Bahru, Johor Darul Takzim	Freehold two-storey intermediate shophouses	Vacant	20	1,540 sq. ft. (Built-up : 2,700 sq. ft.)	172,469
GM 6374, PT 20705 Mukim of Kuala Kuantan, District of Kuantan, Pahang Darul Makmur	Freehold two-storey corner terrace house	Vacant	17	2,228 sq. ft. (Built-up : 1,400 sq. ft.)	113,575
Lot No : 8177 Town of Seremban District of Seremban Negeri Sembilan	Freehold two-storey end-terrace shophouses	Vacant	25	1,600 sq. ft. (Built up : 3,060 sq. ft.)	123,275
PT 10182 HS (D) 3990 Mukim of Kuala Kuantan District of Kuantan Pahang Darul Makmur	Leasehold industrial building (66 years expiring 1.1.2045)	Factory/ Office	22	5.129 acres (Built up : 48,800 sq. ft.)	1,104,714
Lot 203 & Lot 204 Pengkalan Maju Industrial Park Mukim Maju Kinta, Perak.	Leasehold 1½ storey industrial building (99 years expiring 18.7.2092)	Office/ Store	5	20,000 sq. ft. (Built-up : 5,810 sq. ft.)	483,259
No. 9, 1130 Lane, TongPu Road, PuTuo District, Shanghai China 200333	Leasehold 3 storey industrial building (50 years expiring 15.08.2050)	Office/ Store	1	2,923.25 sq. meter (Built-up : 2,102 sq. meter)	2,646,036
CL24531946 District of Kunak, Sabah	Leasehold cocoa plantation (99 years expiring 31.12.2071)	Plantation		1,000 acres	1,240,504

LIST OF PROPERTIES HELD (CONTINUED)

Location	Description	Existing use	Approximate age of building (Year)	Land Area	NBV as at 31.12.2000 (RM)
Lot PT13, Mukim of Bukit Katil, District of Melaka Tengah Melaka	Leasehold industrial building (99 years expiring 13.06.2071)	Factory	18	2 acres (Built-up : 95,000 sq. ft.)	3,704,430
Lot 793, Mukim of Damansara, District of Petaling	Freehold industrial land	Office/ Store	6	2.87 acres	13,495,196
Lot 794, Mukim of Damansara District of Petaling	Freehold industrial land	Vacant		2.875 acres	2,459,408
PT 10034, HS (D) 3928, Mukim of Kuala Kuantan District of Kuantan Pahang Darul Makmur	Leasehold industrial building (66 years expiring 18.07.2044)	Office/ Store	17	6,424 sq. ft. (Built-up : 8,721 sq. ft.)	141,410
Lot 9 & 10, Air Keroh Industrial Estate Phase IV Air Keroh, Melaka	Leasehold industrial land (99 years expiring year 2091)	Vacant		517,806 sq. ft.	3,320,577
Luzhi Economic Development Zone Luzhi Town Wu County Suzhou Jiang Su Province China, 215127	Leasehold (50 years expiring year 2042)	Factory/ Office		4 Hectares	8,494,225
Level 1, Block AD, Good Year Court 10, Subang Perdana, Phase 9, Selangor	Apartment	Apartment			194,216
Lot 35, Kawasan Perusahaan Pengkalan Chepa 2, Mukim Pachor, Seksyen 44, Kota Bahru	Leasehold 2 storey building (66 years expiring 19.12.2060)	Warehouse/Office	3	11,000 sq. ft.	1,061,778
Lot 4338, Mukim Bukit Katil Daerah Melaka Tengah Melaka	Leasehold 1 storey industrial building (expiring 30.05.2072)	Warehouse	25	150,523 sq. ft.	6,926,198
Plot No.41, Trunk Road, Pyinmabin Industrial Complex, Mingaladon Township, Htauk Kyant Yangon Myanmar	Leasehold (25 years expiring year 2022)	Warehouse/ Office	3	17,011 sq. metres	2,754,749
Lot 259 Tebrau IV Industrial Area, Johor Bahru, Johor Darul Takzim	Leasehold industrial land (99 years)	Vacant		2.456 acres	1,800,627
					55,208,985

BRANCH NETWORK

The Group now has a widening branch network that spans across Peninsula Malaysia and East Malaysia. With an increasing number of branches strategically located in the main towns, we are able to serve our dealers and retailers more effectively and efficiently.

Our sales network includes over 150 sales vans to directly service numerous outlets.

- **BUTTERWORTH**
ADD : No 12, Lorong Perusahaan Maju 12
Taman Pelangi Prai, Juru
13600 Penang
TEL : 04-507 5755
FAX : 04-507 5595
- **IPOH**
ADD : No 14, Off Jalan Persiaran
Kilang Pengkalan 28,
Kawasan Perindustrian Pengkalan Maju
31500 Pengkalan Ipoh
Perak Darul Ridzuan
TEL : 05-322 2318/9886
FAX : 05-322 9885
- **JOHOR BAHRU**
ADD : No 4, Jalan Arung
Kawasan Perindustrian Taman Johor
81200 Johor Bahru
Johor Darul Takzim
TEL : 07-236 6610/3
FAX : 07-238 2917
- **KOTA BAHRU**
ADD : Lot 35,
Kawasan Perusahaan Pengkalan Chepa II
Mukim Panchor, Seksyen 44,
Daerah Kemumin, 16100 Kota Bharu
Kelantan Darul Naim
TEL : 09-774 2811/6388
FAX : 09-774 1197
- **KUALA TERENGGANU**
ADD : Lot 12042, Kampung Banggol Pauh
21300 Kuala Nerus, Kuala Terengganu
Terengganu Darul Iman
TEL : 09-667 1698
FAX : 09-667 1695
- **SUBANG JAYA**
ADD : Lot 793, Jalan SS 13/1K
Off Jalan Persiaran Subang Indah,
Taman Industry Subang
47500 Subang Jaya, Selangor
TEL : 03-5632 5588
FAX : 03-5631 0822
- **KUANTAN**
ADD : Lot 28, Kawasan Perindustrian Semambu
25350 Kuantan, Pahang Darul Makmur
TEL : 09-566 7662
FAX : 09-566 5493
- **MELAKA**
ADD : Lot 1 Air Keroh Industrial Estate
75450 Melaka
TEL : 06-232 4466-9
FAX : 06-231 2812
- **MENTAKAB**
ADD : No 16 & 17, Jalan Seraya
Taman Rimba, 28400 Mentakab
Pahang Darul Makmur
TEL : 09-278 3309/277 8997
FAX : 09-277 8997
- **SEREMBAN**
ADD : No 4, Jalan Lombong Emas 12
Seremban Light Industrial Park 2
Jalan Tun Dr Ismail
70200 Seremban
TEL : 06-761 1850
FAX : 06-764 9451
- **SABAH**
ADD : 1/3 Lot 17, Block C
Inanam Business Centre
Mile 6, Jalan Tuaran
88450 Kota Kinabalu
TEL : 088-422834
FAX : 088-429 469
- **SARAWAK**
ADD : Lot 7576, 1st Floor
Wisma Hii Yii Ngilik
Jalan Kwong Lee Bank
93450 Kuching Sarawak
TEL : 082-337 166
FAX : 082-334 391

MAMEE-DOUBLE DECKER (M) BERHAD

(Incorporated in Malaysia - Co. No. 222363-T)

FORM OF PROXY

I/We _____ of _____

_____ being a member/members of MAMEE-DOUBLE DECKER (M) BERHAD do hereby appoint _____ (IC. No. _____)

_____ of _____ or failing him, _____ (IC. No. _____) of _____ as my/our proxy to vote for me/us on my/our behalf at the Tenth Annual General Meeting of the Company to be held on Thursday, 21st June, 2001 at 11.00 a.m. at the Conference Room of The Legends Golf & Country Resort Bhd, Lot 1302, Kebun Sedenak, 81000 Kulai, Johor Darul Takzim and at any adjournment thereof.

No.	RESOLUTION	FOR	AGAINST
1	Adoption of Reports and Accounts.		
2	Re-appointment of Director - Datuk Pang Chin Hin.		
3	Re-election of Director – Mr Pang Tee Chew		
4	Re-election of Director – Mr Pang Tee Suan		
5	Approval of Directors' Fees.		
6	Declaration of Final Dividend.		
7	Re-appointment of PricewaterhouseCoopers as Auditors		
	Special Business :		
8	Ordinary Resolution pursuant to Section 132D of the Companies Act, 1965.		

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

Number of shares held _____

Dated this _____ day of _____, 2001.

Signature

- NOTE : (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a Member appoints two (2) or more proxies, the Member shall specify in each proxy form the proportion of the Member's shareholdings to be represented by each proxy.
- (ii) The Proxy Form must be deposited with the Company Secretaries at the Registered Office, Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim not less than 48 hours before the time set for the meeting.

fold

STAMP

COMPANY SECRETARY
MAMEE-DOUBLE DECKER (M) BERHAD
Suite 1301, 13th Floor, City Plaza, Jalan Terbrau,
80300 Johor Bahru, Johor Darul Takzim

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