

1999

The Company

Cost	At Beginning of Year RM	Additions RM	Disposals RM	At End of Year RM
Freehold land				
At 1978 valuation	293,000	-	-	293,000
At cost	184,170	-	-	184,170
Land under long leases				
At 1978 valuation	714,000	-	-	714,000
At cost	144,501	-	-	144,501
Land under short leases				
At 1978 valuation	68,000	-	-	68,000
Buildings				
At 1978 valuation	3,320,000	-	-	3,320,000
At cost	2,384,846	-	-	2,384,846
Plant, machinery and crates	1,219	-	(1,139)	80
Renovation, furniture, fixtures and equipment	552,770	107,850	(145,105)	515,515
Motor vehicles	3,690	-	-	3,690
Motor vehicles under hire-purchase	1,532,060	-	(59,738)	1,472,322
Total	<u>9,198,256</u>	<u>107,850</u>	<u>(205,982)</u>	<u>9,100,124</u>

(Forward)

Accumulated Depreciation	At Beginning of Year RM	Charge For The Year RM	Disposals RM	At End of Year RM	Net Book Value At End of Year RM
Freehold land					
At 1978 valuation	-	-	-	-	293,000
At cost	-	-	-	-	184,170
Land under long leases					
At 1978 valuation	188,122	9,406	-	197,528	516,472
At cost	41,117	1,880	-	42,997	101,504
Land under short leases					
At 1978 valuation	27,756	1,388	-	29,144	38,856
Buildings					
At 1978 valuation	2,689,762	154,324	-	2,844,086	475,914
At cost	1,252,362	71,854	-	1,324,216	1,060,630
Plant, machinery and crates	306	121	(400)	27	53
Renovation, furniture, fixtures and equipment	223,420	108,202	(92,945)	238,677	276,838
Motor vehicles	1,680	840	-	2,520	1,170
Motor vehicles under hire-purchase	<u>1,047,995</u>	<u>203,560</u>	<u>(31,917)</u>	<u>1,219,638</u>	<u>252,684</u>
Total	<u><u>5,472,520</u></u>	<u><u>551,575</u></u>	<u><u>(125,262)</u></u>	<u><u>5,898,833</u></u>	<u><u>3,201,291</u></u>

Land and buildings of the Company were last revalued by directors in 1978 based on valuation made by independent firms of professional valuers using as bases, the fair market value and highest present utility of the Company's land and buildings. The directors are of the opinion that the fair values of the land and buildings at the end of the financial year are equal to or higher than their book carrying value.

The carrying values of revalued the property, plant and equipment of the Group and of the Company based on historical costs are as follows:

2000

	Cost RM	Accumulated Depreciation RM	Net Book Value RM
Freehold land	114.644	-	114.644
Land under long leases	500.928	158.073	342.855
Land under short leases	47.707	22.709	24.998
Buildings	<u>2.482.489</u>	<u>2.330.090</u>	<u>152.399</u>

1999

Freehold land	114.644	-	114.644
Land under long leases	500.928	153.013	347.915
Land under short leases	47.707	21.916	25.793
Buildings	<u>2.482.489</u>	<u>2.247.340</u>	<u>235.149</u>

Included in property, plant and equipment of the Group are idle plant and machineries with a carrying book value of RM1,493,585 (RM1,305,537 in 1999) as of December 31, 2000.

9. INVESTMENT IN SUBSIDIARY COMPANIES

Investment in subsidiary companies consists of:

	2000 RM	1999 RM
Unquoted shares in subsidiary companies - at cost	11,151,954	11,151,954
Provision for diminution in value	<u>(1,076,198)</u>	<u>(1,076,198)</u>
Net	<u>10,075,756</u>	<u>10,075,756</u>

The auditors' reports on the financial statements of four subsidiary companies, Southern Farms Sdn. Bhd., Goldkist (M) Sdn. Bhd., Universal Goldquest (M) Sdn. Bhd. and Excel Food Sdn. Bhd., together with three sub-subsidiary companies namely Central Feedmill Sdn. Bhd., Kuala Lumpur Feedmill Sdn. Bhd. and Goldkist (NS) Sdn. Bhd., have been modified to include an emphasis of matter relating to the appropriateness of presenting their financial statements on the basis of accounting principles applicable to a going-concern in view of their significant capital deficiencies resulting from operating losses sustained over the years.

10. **OTHER INVESTMENTS**

	The Group		The Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Unquoted ordinary shares (at cost)	592.072	592.072	591.070	591.070
Gold bullion	<u>5.250</u>	<u>5.250</u>	<u>5.250</u>	<u>5.250</u>
Total	<u>597.322</u>	<u>597.322</u>	<u>596.320</u>	<u>596.320</u>

Certain unquoted ordinary shares of the Group at a cost of RM1.002 (RM1.002 in 1999) are registered in a director's name and are held in trust for one of its subsidiary companies.

11. **EXPENDITURE CARRIED FORWARD**

Expenditure carried forward of the Group consists of:

	2000	1999
	RM	RM
At cost:		
Preliminary expenses	24.223	24.223
Pre-operating expenses	<u>212.783</u>	<u>212.783</u>
	237.006	237.006
Less: Amount written off during the year	(155.785)	-
Cumulative amortisation	<u>(81.221)</u>	<u>(81.221)</u>
Net	<u>-</u>	<u>155.785</u>

Included in pre-operating expenses is audit fee of Nil (RM1,200 in 1999).

12. **INVENTORIES**

Inventories of the Group consist of:

	2000	1999
	RM	RM
Raw materials	3,981,443	2,563,162
Livestocks	3,442,757	2,664,282
Finished goods	667,660	224,876
Spare parts	<u>634,664</u>	<u>834,677</u>
Total	<u><u>8,726,524</u></u>	<u><u>6,286,997</u></u>

13. **TRADE RECEIVABLES**

Trade receivables of the Group are as follows:

	2000	1999
	RM	RM
Trade receivables	22,322,804	27,661,250
Less: Provision for doubtful debts	<u>(12,678,388)</u>	<u>(12,593,638)</u>
Net	<u><u>9,644,416</u></u>	<u><u>15,067,612</u></u>

14. **OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	The Group		The Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Other receivables, Deposits and Prepayments	13,748,508	15,466,559	11,913,358	13,623,547
Less: Provision for doubtful debts	<u>(9,807,505)</u>	<u>(9,935,164)</u>	<u>(8,868,107)</u>	<u>(9,036,049)</u>
Net	<u><u>3,941,003</u></u>	<u><u>5,531,395</u></u>	<u><u>3,045,251</u></u>	<u><u>4,587,498</u></u>

Included in other receivables, deposits and prepayments of the Group and of the Company is an amount of RM196,368 (RM227,499 in 1999), owing by a company of which Dato' Choo Keng Weng is also a director. The amount represents mainly payments made on behalf and rental of premises. During the year, rental of premises of the Group and of the Company paid and payable to a related party amounted to RM554,886 (RM522,864 in 1999).

15. **MARKETABLE SECURITIES**

Marketable securities of the Company consist of:

	2000	1999
	RM	RM
Quoted shares in Malaysia - at cost	3,429,740	3,847,430
Provision for diminution in value	<u>(1,395,532)</u>	<u>(322,606)</u>
Net	<u>2,034,208</u>	<u>3,524,824</u>
Market value	<u>2,034,208</u>	<u>3,531,849</u>

16. **FIXED DEPOSITS, CASH AND BANK BALANCES**

	The Group		The Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Fixed deposits with licensed banks	752,504	1,659,036	108,409	-
Cash and bank balances	<u>3,049,391</u>	<u>3,685,729</u>	<u>534,044</u>	<u>733,094</u>
	<u>3,801,895</u>	<u>5,344,765</u>	<u>642,453</u>	<u>733,094</u>

Fixed deposits with licensed banks of the Group of RM120,053 (RM90,000 in 1999) are charged to banks for overdraft facilities granted and guarantees issued by the said bank.

17. **OTHER PAYABLES AND ACCRUED EXPENSES**

Included in other payables and accrued expenses of the Group and of the Company are:

- a) an amount of RM9,009,040 (RM9,009,040 in 1999) and RM6,835,579 (RM6,835,579 in 1999) respectively which represents disputed debts owing to a company of which certain of its directors were former directors and shareholders of the Company as mentioned in Note 25
- b) an amount of RM19,337 (RM12,346 in 1999) and RM6,991 (RM Nil in 1999) respectively owing to a director. The amount represents expenses paid on behalf.

18. **RELATED COMPANIES TRANSACTIONS**

The amount owing by/(to) the subsidiary companies arose mainly from trade transactions and interest-free advances with no fixed terms of repayment except for certain advances which bear interest at rates determined at the discretion of the management. These are as follows:

	2000	1999
	RM	RM
Amount owing by subsidiary companies - net of provision for doubtful debts of RM9,929,634 (RM9,553,697 in 1999)	<u>1,382,755</u>	<u>3,759,173</u>
Amount owing to subsidiary companies	<u>5,941,815</u>	<u>6,417,215</u>

Significant transactions with subsidiary companies during the financial year are as follows:

	2000	1999
	RM	RM
Management fees receivable from subsidiary companies	240,000	-
Rental of premises received from subsidiary company	144,000	-
Interest expense on advances from subsidiary companies	-	188,985
Sale of property, plant and equipment to a subsidiary company	<u>-</u>	<u>2,165</u>

19. **BANK BORROWINGS**

Bank borrowings consist of:

	2000	1999
	RM	RM
The Company:		
Bankers' acceptances	4,350,000	9,630,000
Short-term loan	3,075,000	3,075,000
Bank overdrafts	<u>14,810,384</u>	<u>9,539,972</u>
	<u>22,235,384</u>	<u>22,244,972</u>
Subsidiary companies:		
Bankers' acceptances	6,934,000	6,383,000
Bank overdrafts	14,961,020	15,271,899
Long-term loans - current portion	<u>2,222,236</u>	<u>660,592</u>
	<u>24,117,256</u>	<u>22,315,491</u>
The Group	<u>46,352,640</u>	<u>44,560,463</u>

The Group and the Company have bank overdrafts and other credit facilities amounting to RM61.3 million and RM19.2 million respectively (RM40.8 million and RM19.2 million in 1999). The credit facilities of the Group and of the Company bear interest at rates ranging from 3.3% to 10.50% (3.35% to 12.75% in 1999) per annum.

Certain banks and financial institutions of the Group and of the Company amounting to about RM33,091,000 and RM21,225,000 respectively, form part of the Scheme Creditors under the Proposal as mentioned in Note 28.

The credit facilities of the Group and of the Company are obtained by a negative charge over all its assets. The credit facilities of the subsidiary companies from certain banks are guaranteed by the Company.

The existing credit facilities of one of the subsidiary companies amounting to RM1.0 million (RM1.0 million in 1999) are also secured by the following:

- (i) first and second legal charge over the said subsidiary's freehold land and building with carrying value totalling RM303,000 (RM303,000 in 1999);
- (ii) loan agreement cum assignment over one of its directors' property;
- (iii) debenture by way of a first fixed and floating charge on the subsidiary's assets both present and future; and
- (iv) jointly and severally guaranteed by its directors.

20. HIRE-PURCHASE CREDITORS

	The Group		The Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Total outstanding principal	988,169	1,184,631	43,876	141,486
Less: Portion due within one year	<u>(862,489)</u>	<u>(253,135)</u>	<u>(30,404)</u>	<u>(110,802)</u>
Non-current portion	<u>125,680</u>	<u>931,496</u>	<u>13,472</u>	<u>30,684</u>

The non-current portion of the hire-purchase creditors is repayable as follows:

	The Group		The Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Due within:				
2 years	52,472	326,903	13,472	30,404
3 years	39,000	28,666	-	280
4 years	34,208	16,500	-	-
Greater than 4 years	<u>-</u>	<u>559,427</u>	<u>-</u>	<u>-</u>
	<u>125,680</u>	<u>931,496</u>	<u>13,472</u>	<u>30,684</u>