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Mission Statement
To create value for
the shareholders and the nation through
Business Diversity, Adaptability to Change
Productivity, Excellence
and Emphasis on Skill and Teamwork

**Notice of Meeting,
Corporate Information
& Audit Committee**



NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting (AGM) of members of Malaysia Mining Corporation Berhad will be held at the Crown Princess Kuala Lumpur, Ballroom 3, 10th floor, City Square Centre, 182, Jalan Tun Razak, 50450 Kuala Lumpur, Malaysia on Tuesday, 20 June 2000 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following as ordinary resolutions:

ORDINARY BUSINESS

1. "THAT the Directors' Report and Accounts for the year ended 31 January 2000 and the Auditor's Report thereon be and are hereby received and adopted."
2. "THAT the final dividend of 3 sen per share, less 28% tax and a special dividend of 2 sen per share, tax exempt for the year ended 31 January 2000 be and are hereby approved and declared payable on 14 July 2000 to the members of the Company registered at the close of business on 23 June 2000."
3. "THAT YBhg. Tan Sri Dato' Dr. Abdul Khalid bin Sahan, who retires by rotation, be and is hereby re-elected a Director of the Company."
4. "THAT Encik Zain Azahari bin Zainal Abidin, who retires by rotation, be and is hereby re-elected a Director of the Company."
5. "THAT YBhg. Datuk Alladin bin Hashim, who was appointed since the last AGM, be and is hereby re-elected a Director of the Company."
6. "THAT YBhg. Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman bin Haji Wan Yaacob, who was appointed since the last AGM, be and is hereby re-elected a Director of the Company."
7. "THAT YBhg. Tan Sri Dato' Thong Yaw Hong, who retires pursuant to Section 129 (6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next AGM."
8. "THAT the Directors' fees for the year ended 31 January 2000 amounting to RM244,310 and the Chairman's allowance of RM10,250 per month with effect from 25 September 1998 be and are hereby approved."
9. "THAT Messrs KPMG, who are eligible and have given their consent for re-appointment, be and are hereby re-appointed the Company's Auditors for the period until the conclusion of the next AGM and that the remuneration to be paid to them be fixed by the Board."

SPECIAL BUSINESS

By way of special business to consider and, if thought fit, pass the following as a special resolution:

10. "THAT the existing Article 115 of the Articles of Association of the Company be and is hereby replaced by the amended Article 115 which shall read as follows:

115. A Managing Director or Executive Director shall, while he continues to hold that office, be subject to retirement by rotation and he shall be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire and he shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he cease to hold the office of Director for any cause shall *ipso facto* and immediately cease to be a Managing Director or Executive Director."

FURTHER NOTICE IS HEREBY GIVEN THAT a Depositor shall be eligible to attend this meeting only in respect of:

- a. Shares deposited into the Depositor's securities account before 12.30 p.m. on 5 June 2000 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 5 June 2000 in respect of

ordinary transfers; and

- c. Shares bought on the Kuala Lumpur Stock Exchange (KLSE) on a cum entitlement basis according to the Rules of the KLSE.

Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No. 2) Act, 1998 which came into force on 1 November 1998, all shares not deposited with the Malaysian Central Depository Sendirian Berhad (MCDSB) by 12.30 p.m. on 1 December 1998 and not exempted from mandatory deposit, have been transferred to the Minister of Finance (MOF). Accordingly, the eligibility to attend this meeting for such undeposited shares will be the MOF.

CLOSURE OF BOOKS

NOTICE IS ALSO HEREBY GIVEN THAT the Register of Members of the Company will be closed from 26 June 2000 to 27 June 2000 (both dates inclusive) for the determination of dividend entitlements. The dividend, if approved, will be paid on 14 July 2000 to shareholders whose duly completed transfers are received by the Company's Registrar, Pemas Charter Management Sendirian Berhad, 32nd Floor, Menara PNB, 201A Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia at the close of business at 5.00 p.m. on 23 June 2000.

FURTHER NOTICE IS HEREBY GIVEN THAT a Depositor shall qualify for dividend entitlement only in respect of:

- a. Shares deposited into the Depositor's securities account before 12.30 p.m. on 21 June 2000 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 23 June 2000 in respect of ordinary transfers; and
- c. Shares bought on the KLSE on a cum entitlement basis according to the Rules of the KLSE.

Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No. 2) Act, 1998 which came into force on 1 November 1998, all shares not deposited with MCDSB by 12.30 p.m. on 1 December 1998 and not exempted from mandatory deposit have been transferred to the MOF. Accordingly, the dividend for such undeposited shares will be paid to MOF.

By Order of the Board

Darmawatti Dahari
Azlina Abdul Aziz
Suseela Sundram
Secretaries

Kuala Lumpur
23 May 2000

Notes :

- i. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- ii. A proxy form is enclosed and to be valid must reach the Registrar's office at Pemas Charter Management Sendirian Berhad, 32nd Floor, Menara PNB, 201A Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the meeting.

Explanatory Note to Special Business:

In line with good corporate governance, the Board propose that the Managing Director and Executive Directors of the Company should also retire by rotation. Hence, the existing Article 115 need to be amended to reflect the proposal.



CORPORATE INFORMATION

BOARD OF DIRECTORS

R.M. Alias (Chairman)
Tan Sri Ibrahim Menudin (Executive Director)
Haji Ab. Sukor Shahar (Executive Director)
Abdul Samad Haji Alias
Dato' Mohd Desa Pachi
Zain Azahari bin Zainal Abidin
Tan Sri Dato' Thong Yaw Hong
Tan Sri Dato Dr. Abdul Khalid bin Sahan
Jamiah Abd Hamid
Datuk Alladin bin Hashim
Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman bin Haji Wan Yaacob

SECRETARIES

Darmawatti Dahari
Azlina Abdul Aziz
Suseela Sundram

MANAGEMENT

Group Chief Executive
Tan Sri Ibrahim Menudin
Executive Director, Operations and Technical
Haji Ab. Sukor Shahar
Group Chief Financial Officer
Phan Leong Kim
Group Company Secretary
Darmawatti Dahari

REGISTERED OFFICE

32nd Floor, Menara PNB
201A Jalan Tun Razak
50400 Kuala Lumpur
Telephone No.: 03-2161 6000
Fax No: 03-2161 2951
E-mail: corpsec@mol.net.my

REGISTRAR

Pernas Charter Management Sendirian Berhad
32nd Floor, Menara PNB
201A Jalan Tun Razak
50400 Kuala Lumpur

AUDITORS

KPMG
Public Accountants

PRINCIPAL BANKER

Bumiputra Commerce Bank Berhad

STOCK EXCHANGE LISTING

The Main Board
Kuala Lumpur Stock Exchange



AUDIT COMMITTEE

MEMBERS OF THE COMMITTEE

Dato' Mohd Desa Pachi
Chairman (Independent Non-Executive Director)

Tan Sri Dato' Thong Yaw Hong
(Independent Non-Executive Director)

Abdul Samad Haji Alias
(Independent Non-Executive Director)

Datuk Alladin bin Hashim
(Independent Non-Executive Director)

The term of office of each member is subject to review every three years.

SECRETARY

One of the Company Secretaries as decided by the Chairman of the Committee.

QUORUM

Two

FREQUENCY OF MEETINGS

At least four times a year and as and when required.
At least once a year, the Committee shall meet with the external auditors without executives being present.

TERMS OF REFERENCE

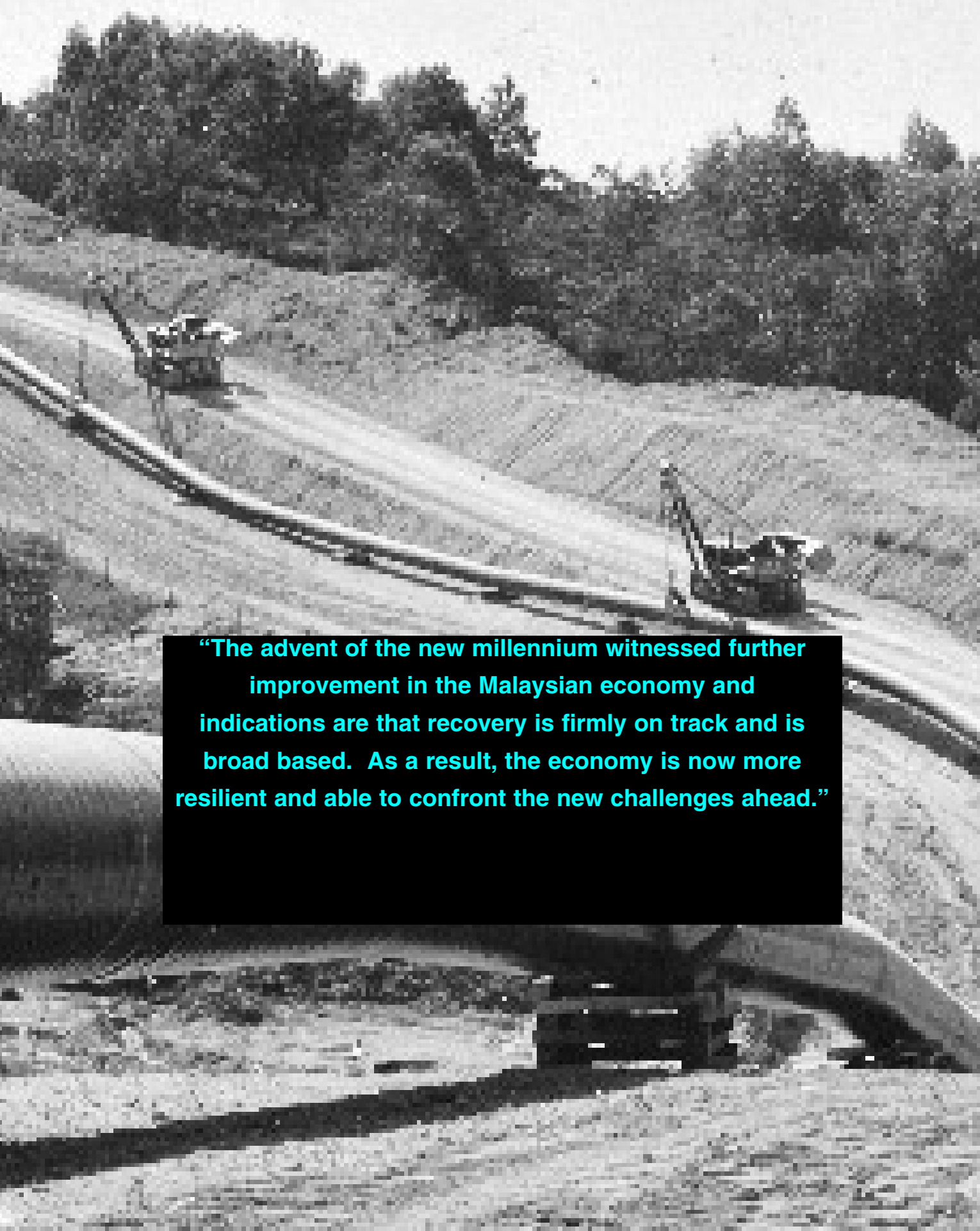
- Consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal, and inquire into the staffing and competence of the external auditors in performing their work.
- Discuss the nature and scope of the audit in general terms and any significant problems that may be foreseen with the external auditors before the audit commences and ensure that adequate tests to verify the accounts and procedures of the Group are performed.
- Discuss the impact of any proposed changes in accounting principles on future financial statements.
- Review the results and findings of the audit and monitor the implementation of any recommendations made therein.

- Review the quarter, half-year and annual financial statements before submission to the Board, focussing particularly on:
 - * any changes in accounting policies and practices;
 - * major judgemental areas;
 - * significant adjustments resulting from the audit;
 - * the going concern assumptions;
 - * compliance with accounting standards;
 - * compliance with stock exchange and legal requirements.
- Discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of Management where necessary).
- Ensure that the Internal Audit is adequately resourced and has appropriate standing within the Company.
- Review the internal audit programme, consider the major findings of internal audit investigations and Management's response and ensure co-ordination between the internal and external auditors.
- Keep under review the effectiveness of internal control systems and, in particular, review the external auditors' management letter and Management's response.
- Consider any related party transactions that may arise within the Company or Group.
- Carry out such other assignments as defined by the Board.

MINING

Berjuntai	430	10
Golden Plus	388	24
Kuchai 50e #	2950	-50
MMC 10s	214	2
Mega First	86	4
Petaling Tin	180	12
Rahman Hyd	66.5	-
Tronoh	825	10

Chairman's Statement



“The advent of the new millennium witnessed further improvement in the Malaysian economy and indications are that recovery is firmly on track and is broad based. As a result, the economy is now more resilient and able to confront the new challenges ahead.”

Chairman's Statement

Dear Shareholders,

The financial year ended 31 January 2000 has been a year of consolidation for the MMC Group. The advent of the new millennium witnessed further improvement in the Malaysian economy and indications are that recovery is firmly on track and is broad based. As a result, the economy is now more resilient and able to confront the new challenges ahead.

Against the backdrop of the improving economic scenario, the MMC Group has made a timely decision to rationalise its overseas investments. The highlight of the year was the sale of 11.2 million shares in Homestake Mining Company (Homestake) which resulted in an exceptional gain of RM245.8 million to the Group in the financial year just ended.

For the year under review, the MMC Group posted a consolidated profit before exceptional and abnormal items of RM69.3 million, down 25.5% from the RM72.9 million recorded the previous year. The decline in performance was due to the higher losses incurred by the Engineering Division and Hillgrove Gold NL (Hillgrove). After providing for exceptional and abnormal items, the Group recorded a profit before taxation of RM216.3 million compared to RM65.9 million the previous year. The exceptional items comprise mainly from the gain on disposal of Homestake shares whilst the abnormal items relate to the MMC Group's share of abnormal loss of RM70.9 million arising from Ashton Mining Limited (Ashton) providing for diminution in value of its investment in Aurora Gold Limited in Indonesia.

The Board has recommended a final dividend of 3 sen per share, less 28% tax and a special dividend of 2 sen per share tax exempt, payable on 14 July 2000. With an interim gross dividend of 1 sen per share tax exempt paid on

10 December 1999, the total annual gross dividend per share is 6 sen amounting to a total net distribution of RM43.145 million.

The Mining and Exploration Division had a mixed year in the financial year 1999/2000. In Australia, Ashton had a good year whilst Hillgrove continued to incur losses. Exploration work carried out during the year involved mainly the completion of evaluation and feasibility study of projects and advancing the major exploration programme to a bankable stage.

The Engineering and Construction Division had a challenging year in view of the lingering effects of the economic downturn. The business environment was extremely competitive and projects providing reasonable margins were difficult to secure.

The Infrastructure Division had a reasonable performance. Gas Malaysia Sendirian Berhad continued to perform well with increased customers. On the other hand, Konsortium Lebuhraya Butterworth-Kulim (KLBK) Sendirian Berhad had a difficult year with traffic volume remaining low.

In line with the economic recovery, the Manufacturing and Processing Division managed to recover from the poor performance of the previous year. Both Seginiaga Rubber Industries Sendirian Berhad and Malaysia Smelting Corporation Berhad showed improved performances.

As reported last year, the implementation of the East Coast Expressway (ECE) would only commence upon getting the green light from the Government. However, due to the circumstances surrounding the project, the construction of the ECE will now not be undertaken by the Group's subsidiary namely, Projek Lebuhraya Timur Sendirian Berhad. Consequently, subject to the approval of the relevant authorities, the balance of the Rights Issue proceeds amounting to RM184.1 million that have been earmarked for the funding of the first phase of the ECE will be utilised for other investments or projects.

As we move forward in the financial year 2000/2001, the Group has undertaken a review of its business strategy.



In this respect, the Group's core businesses have been reorganized and consolidated into 3 main divisions namely, Mining, Engineering and Infrastructure & Utilities. The reorganization involves the restructuring and strengthening of companies within the Group which includes the rationalisation of head office divisions, consolidation of mining activities, strengthening of the Group's Engineering Division and restructuring of inactive public-listed companies.

The three main divisions in the Group are each headed by a Divisional Director. The Group General Manager Finance has been redesignated as the Group Chief Financial Officer. His main responsibilities, amongst others, include overseeing the Group's finance and treasury operations, corporate planning, insurance and risk management and information technology. Efforts are also being undertaken to strengthen other departments within the Head Office.

In striving to optimize the return on shareholders' value whilst ensuring good Corporate Governance, the Board has set the following objectives namely, to ensure that:

- * the Group invests in the right businesses and opportunities which will enhance turnover and profitability;
- * the Group is managed by the best possible management team and that sufficient senior executives in the team are of above average quality;
- * the risks the Group faces are acceptable;
- * the Group complies with the law and good corporate practice and does not engage in improper activities.

In trying to meet the above objectives, the Board has constituted three additional committees namely, the Executive Committee, the Nomination Committee and the Remuneration Committee. The Executive Committee meets monthly to review and monitor the progress and results of business activities and strategies. In addition, non-executive directors of the Board are now invited to serve on the boards of subsidiary and major associate companies. It is hoped that such a move will facilitate good rapport between Board members and the relevant levels of management for the benefit of the Group. I am grateful that non-executive members of the Board have accepted this additional responsibility despite their busy schedules.

With the above strategies in place and the nation's economic outlook looking positive, the Group is ready to take on new challenges and pursue opportunities for business expansion. Our core competencies will enable the Group to expand locally as well as internationally. Barring any unforeseen circumstances, the Group is optimistic of a better operating performance in the next financial year.

On behalf of the Board of Directors, I would like to welcome YBhg. Datuk Alladin bin Hashim and YBhg. Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman bin Haji Wan Yaacob who joined the Board on 24 July 1999 and 26 August 1999 respectively. I would also like to express my gratitude and appreciation to the shareholders, bankers, business associates and the various relevant authorities for their invaluable co-operation and unwavering support to the Group's undertakings. On behalf of Board members, I take this opportunity to thank the Management and staff of the Group for their continued effort and contribution. Finally, my heartfelt gratitude and appreciation goes to my fellow Directors for their counsel, guidance and undivided and unstinting support throughout the year.

R.M. Alias
Chairman

Kuala Lumpur
28 March 2000

Mining & Exploration



MINING

MALAYSIA

The Group continued with minor mining activities involving open cast tin mining on a tribute basis and retreatment of old among dumps.

During the year, a dredge at Berjantai Tin Dredging Berhad (BTD) was reactivated to mine its remaining reserves under a contract arrangement. A total of 98.37 tonnes of tin concentrates was produced for the year ended 31 January 2000.

The Group sold two of its idle dredges in the same year, one each from Southern Kinta Consolidated Limited and BTD. Consequently, the Group is left with three dredges namely, the reactivated dredge at BTD and one idle dredge each at Southern Malayan Tin Dredging (M) Berhad and Timah Dermawan Sendirian Berhad.

AUSTRALIA

ASHTON MINING LIMITED

Ashton Mining Limited (Ashton) experienced a year of substantial progress in all its key projects in 1999. The Argyle Diamond Mine (Argyle), in which Ashton has a 40.1% effective interest, continued to be its primary source of profits and cashflow during the year under review.

At Argyle, work on expanding the current open pit continued during the year. Its completion will allow open pit mining to continue until at least Year 2006. Diamond production levels however will continue to be impacted over the next two years as this work reduces access to the higher grade areas. The potential for an underground mine after Year 2006 was boosted with the release in November 1999 of the initial results of a deep drilling programme which highlighted a major new area of mineralisation in an area previously thought to be barren.

As anticipated, Argyle's total production for 1999 was lower at 29.7 million carats from 40.8 million carats recorded in 1998. Ashton's equity share of diamond production for 1999 amounted to 11.9 million carats compared to 16.4 million carats the year before. The market for Argyle diamonds continued to strengthen in 1999, reflecting the increased consumer demand during a year of strong economic growth in the United States of America.

During the year under review, the Merlin Project located in Australia's Northern Territory, moved out of the commissioning phase into trial mining. The year 2000 mining programme will allow a decision to be made on the long term plans for Merlin. The Cempaka Alluvial Diamond Project in Indonesia is moving towards trial mining with the commencement of the commissioning of its recently completed dredge. It is anticipated that commissioning activities will be completed by mid - 2000. The year also saw the first full year of production at the Cuango Alluvial Diamond project in Angola since diamond production commenced in August 1998.

For the financial year ended 31 December 1999, Ashton recorded a 13.6% increase in diamond sales revenue to AUD246.0 million from AUD216.6 million in 1998. The record turnover combined with strong customer support allowed a reduction in Argyle stocks, thus further strengthening Ashton's balance sheet. Ashton registered an operating profit before taxation and abnormal items of AUD29.6 million, 8.8% higher than the AUD27.2 million recorded in 1998. Net profit after taxation and before abnormal charges was AUD17.5 million compared to AUD14.6 million in 1998. After taking into account abnormal items after taxation of AUD62.1 million, Ashton incurred a loss after taxation of AUD44.6 million as against a profit of AUD11.6 million previously. The abnormal item of AUD62.1 million relates to a reduction in the carrying value of investments in Aurora Gold Limited (Aurora), which is primarily due to equity accounting for Ashton's 35% share of abnormal charges booked by Aurora. The uncertain and unsuitable environment in Indonesia has impacted both Aurora's operations and development projects and its share market valuation.

In January 2000, Ashton has also commenced an on market share buy-back of up to 5% of its share capital, leading to an improvement in its average share prices. Pursuant to the share buy-back, the MMC Group's equity interest in Ashton has increased to 47.5% as at 8 February 2000 compared to 47.2% held as at 31 January 2000. Looking ahead, Ashton remains focussed on achieving further improvement in profits through transformation of its trial mining and development projects into long term operations which will in turn provide a sound basis for long term growth

in profits and dividends.

HILLGROVE GOLD NL

The Group's interest in Hillgrove Gold NL (Hillgrove) is through its 52.3% subsidiary, Tronoh Mines Malaysia Berhad (Tronoh) which owns 61.9% equity interest in Hillgrove.

During the year under review, Hillgrove had successfully completed the first of the three phases of the implementation of its feasibility study with the commissioning of the Pressure Oxidation Plant in November 1999. The plant, which is the first operating in Australia, will enable recovery of the gold held within arsenopyrite mineralisation which represents over 50% of the gold available in the Hillgrove field. Following this, the issue to be addressed amongst others would be the development of a process to convert antimony concentrates into antimony trioxide. The preparation to increase mine output from 60,000 tonnes to over 230,000 tonnes per annum is also well advanced, with the target output to coincide with the completion of the new Antimony Trioxide Plant at the end of the next financial year.

During the year, its mining operation's emphasis was on development activity with reduced ore production. The output of antimony concentrates declined by 14% to 2,320 tonnes from 2,691 tonnes previously due to lower quantity of ore processed. Gold bullion output increased by 48%, reflecting the operation of the Pressure Oxidation Plant in the last quarter of the financial year.

For the year ended 31 January 2000, Hillgrove incurred a higher operating loss of AUD5.7 million compared to AUD3.3 million previously. This is primarily due to the continued weakness of the antimony concentrate market and reflect the high fixed cost component of the ore treatment facilities on site.

EXPLORATION

MALAYSIA

TAVAI NICKEL-COBALT LATERITE PROSPECT, SABAH

The prospecting licence for a four year period covering some 102 square kilometres in Telupid, Central Sabah was issued on 4 September 1999. A programme to drill 30 holes spaced at about 500 to 800 metres apart was proposed to evaluate the nickel and cobalt contents as well as other precious and non-precious metals. Preliminary results were encouraging, indicating that the laterite cover may be thicker than that shown by previous exploration work and assay results show a good correlation of cobalt values with the nickel grades. It is envisaged that a sizeable resource could be delineated in the prospect. A programme of evaluation drilling and metallurgical test work is planned for the coming year.

MERAPOH GOLD PROSPECT, PAHANG DARUL MAKMUR

An additional programme of 11 reverse circulation holes, aggregating 954 metres in length and 4 diamond drill holes, aggregating 732 metres in length were completed in Ulu Melin to check the lateral and dip extension of the gold mineralisation. The results obtained indicate that gold mineralisation is confined to a shallow zone of chargeable ground delineated by the induced polarisation survey to a depth of about 100 metres below the surface. Based on the results of the latest drilling, gold mineralisation at Ulu Melin is thought to be more restricted than was indicated by early exploration work. More extensive close-in drilling would be necessary to define any economic resource in the area. Trenching and detailed geological mapping within the anomalous gold areas covered by the remainder prospecting licences indicate that North Serunai, Sungai Yu and Sungai Timah areas warrant further exploration work.

NEGERI SEMBILAN GOLD PROSPECT

The Memorandum of Understanding (MOU) with the Negeri Sembilan State Government aimed at exploring for gold in some 4,690 square kilometres of prospective area in the state was signed on 1 September 1999. An agreement setting out the detailed terms is to be signed within six months after the execution of the MOU. Systematic exploration work will be conducted upon the signing of the agreement.



OVERSEAS

LAO PEOPLE'S DEMOCRATIC REPUBLIC (LAO PDR)

LAO GOLD AND BASE METAL PROJECT

Exploration during the year was focused on the northwestern and south-central sectors of the mineral tenement in Xieng Khouang Province, Lao PDR. In the northeastern sector, field investigations comprising detailed geological mapping, soil surveys and trenching were conducted in the Nammouan, Phu Kang and Nam O areas to define potential drill targets. Silicified band sections up to 10 metres in width and grading close to 1 g/t gold were uncovered in a number of the trenches excavated in the Nammouan area suggesting potential presence of gold mineralisation.

In the southern sector, results of additional surveys conducted in the area confirmed the gold-copper-lead geochemical anomaly of about 0.6 square kilometres in the drainage of Houay May Pong. The extent of the soil geochemical anomaly indicates that the area has the dimension to host a sizeable deposit. Gold-copper mineralisation in the area is believed to be associated with a copper-gold porphyry system.

INDONESIA

CEMPAKA-DANAU SERAN ALLUVIAL DIAMOND PROJECT, KALIMANTAN

The construction of the bucketline dredge was completed in October 1999, together with the construction of the mine camp and other infrastructure. Trial dredging operations commenced on 1 November 1999 advancing in a northerly direction over a 150-metre face. Initial dredging operations encountered several teething problems that are associated with the start-up of a dredge in a new area. These have been identified and rectified accordingly.

The diamond recovery plant was commissioned in December 1999. The diamonds recovered were below expectation due to the low volume treated and dredging in the ground outside the inferred palaeochannel. Efforts are being made to advance the dredge to the main northern palaeochannel where diamonds are believed to be concentrated. The operations are currently being closely monitored and all relevant geological and technical data are being gathered for the bulk sampling programme aimed at evaluating the diamond deposit.

KYRGYZSTAN

TALDYBULAK GOLD PROJECT

The bankable feasibility study by SNC-Lavalin Engineers and Constructors Inc (SLE & C) was completed in April 1999. The study called for a very high capital cost resulting in the project yielding a low Internal Rate of Return. Consequently, Minproc Limited (Minproc) of Australia was engaged in August 1999 to review the feasibility study. In addition to capital cost reduction, Minproc's review also included optimisation of mining and processing, reserve recalculation as well as addressing technical issues raised by the relevant Kyrgyz agencies in SLE & C's report. The new study indicated a major reduction in capital cost that may make the project feasible.

Engineering



ENGINEERING

The year under review continued to be a challenging year for the Group's Engineering Division. Despite the unfavourable economic scenario, the Division registered an improvement in turnover compared to the previous year and managed to secure several projects.

CIVIL AND BUILDING CONSTRUCTION

SLOPE REHABILITATION WORKS TAMPARULI - RANAU, SABAH (PACKAGE V)

MMC Engineering Services Sendirian Berhad (MMCES) was awarded Package V of the project in September 1998. In November 1999, MMCES successfully negotiated for additional three slopes to be included in the package. The works in Package V involve the design and construction of remedial works for five slopes to be completed within sixteen months. The works are progressing well ahead of schedule.

KUANTAN - KERTEH RAILWAY PROJECT - CIVIL WORKS (PACKAGE 2)

The MMCES-Franky Consortium was awarded Package 2 of the contract by Petronas on 7 December 1999. The works involve the construction of the civil works of a new stand alone railway system which will provide a container shuttle service for refinery products between the Kerteh Industrial Complex, Terengganu Darul Iman and Gebeng Industrial Area as well as the harbour facilities at Kuantan Port, Pahang Darul Makmur.

The general scope of works consist of site clearance and earthworks, bridge construction, road and drainage works, relocation of existing services for telephone and power lines, and the laying of the water mains, box culverts as well as pipeline crossings. The project is scheduled for completion in July 2001 and has a contract value of RM167.0 million.

MENARA GREAT EASTERN LIFE, JALAN AMPANG, KUALA LUMPUR

MMC-GTM Bina Sama Sendirian Berhad is the sub-contractor to Obayashi Corporation, the main contractor for the construction of Menara Great Eastern Life at Jalan Ampang, Kuala Lumpur. The scope of works involve earthworks and sub-structure reinforced concrete works of a five-storey basement car park cum commercial area, with a construction period of sixty-six weeks from 19 July 1999.

POWER ENGINEERING

The Division, through MMC Power Sendirian Berhad (MMC Power), continues its activities in power-related construction and services. Major works undertaken during the year include electrical transmission lines and mechanical and electrical services for buildings. MMC Power also secured a breakthrough in securing the contract for the Supervisory Control and Data Acquisition services for the Peninsular Gas Utilisation Loop 2 (PGU Loop 2) project.

MMC Power's Transmission department continued the construction of the 275kV-transmission line in the Northern States which was deferred by Tenaga Nasional Berhad (TNB) last year. The project is expected to be completed by mid-2000. The department has also submitted four major tenders which are currently being evaluated by TNB. Its Operations and Maintenance department continued its substation maintenance activities in the Southern Region, coupled with building management services in Nilai and Shah Alam. During the year, the Mechanical and Electrical department completed their projects at Putrajaya. It has also secured other projects scheduled for construction and completion in the year 2000.

ENGINEERING DESIGN CONSULTANCY SERVICES

Although the overall design engineering contracts available in Malaysia for last year was low, MMC Oil & Gas Engineering Sendirian Berhad's (MMC O&G) performance remained steady by concentrating more on modification and retrofit projects of existing facilities. For the year under review, MMC O&G had successfully secured various projects for refinery and processing plants as well as offshore platform.

MMC O&G had on 7 October 1999 signed a Memorandum of Understanding with AMEC Process and

Energy Ltd (AMEC).

of the United Kingdom. Together with AMEC, MMC O&G anticipates to develop new business areas in turnaround management and operation-maintenance services which has potential for growth. MMC O&G will also form strategic alliances with local fabricators as well as hook-up and commissioning contractors on project basis to undertake engineering, procurement, construction and commissioning (EPCC) projects.

GAS AND PIPELINE ENGINEERING

The contract for the procurement, construction and commissioning for the PGU Loop 2 project valued at about RM250.0 million was awarded on 30 November 1998 by Petronas Gas Berhad (PGB) to the MMCES-led MMCES-IPCO-MURPHY Joint Venture. The project involves the procurement, construction and commissioning of 267 kilometres of 36 -inch diameter natural gas pipeline from Segamat, Johor Darul Takzim to Kelang, Selangor Darul Ehsan. Although the contractual completion for the contract is 31 March 2001, the project is anticipated to be completed ahead of schedule by end 2000.

HEAVY ENGINEERING AND MECHANICAL FABRICATION

The Engineering Division performed well in the Heavy Engineering and Fabrication sector through Tepat Teknik Sendirian Berhad (Tepat Teknik). During the financial year under review, Tepat Teknik posted a profit before taxation of RM4.7 million, a favourable variance of RM1.2 million from the previous year. Total orders intake amounting to RM78.7 million, 21.0% lower than the previous year, is a reflection of Tepat Teknik's prudent approach in the pursuit of jobs. The major contribution to total turnover continues to be derived from its traditional business sectors such as oil & gas, power generation, petrochemical and general industries.

On the business front, Tepat Teknik will continue to look at strategic alliances to enhance its competitive edge. Tepat Teknik is bullish on its outlook for this financial period in view of the revival of mega projects such as the Janamanjung Power Station, the Malaysia LNG-3 Liquifaction Plant and the continued expansion of the Malaysian Petrochemical industries in Kuantan, Pahang Darul Makmur and Terengganu Darul Iman.

DEFENCE AND TRANSPORTATION

For the year under review, the Division's Defence and Transport Engineering Sector continued with the contract to overhaul 150 units Condor Armoured Personnel Carrier for the Ministry of Defence (Mindef). Turnover during the year was significantly higher than the previous year even though the number of vehicles delivered for overhaul is reduced due to the cut in the Defence Budget. Negotiations to extend the contract for another three years is in its final phase. The sector has also successfully completed the R&D work to overhaul one unit of Sibmas Armoured Fire Support Vehicle (AFSV) for Mindef and is currently pursuing the award of the contract.

In the Railway Wagon Manufacturing Sector, the contract to design, manufacture and commission thirty-seven units of urea wagon for Petronas Fertilizer (Kedah) Sendirian Berhad was successfully completed during the year. The contract has enlarged the company's customer base to include Petronas and has strengthened its reputation as the most reputable rolling stock manufacturer in the country.

FOUNDRY

Bradken Malaysia Sendirian Berhad changed its name to MMC Metal Industries Sendirian Berhad (MMC Metal) following the Group's acquisition of an additional 43.4% equity interest in the company in October 1999.

Despite the decline in turnover, the company has successfully completed the order for railway rolling stocks in the previous year. Aggressive efforts have been made to penetrate new markets with investment in casting products, medical and the glass wall mounting sectors.



Infrastructure & Utilities



INFRASTRUCTURE AND UTILITIES

BUTTERWORTH-KULIM HIGHWAY PRIVATISATION PROJECT

Konsortium Lebuhraya Butterworth-Kulim (KLBK) Sendirian Berhad (KLBK), a wholly-owned subsidiary of the MMC Group turned in a better performance in its third year of full operations as the Group's highway concessionaire. The improved performance was achieved despite the drop in traffic volume, mainly due to the toll rate increase in March 1999.

For the financial year ended 31 January 2000, the company recorded a profit before taxation of RM6.2 million as compared to RM1.4 million the previous year. This was due to an increase in total revenue collected following the new toll rates although traffic volume reduced by 5.6% compared to the previous year. Various promotional activities were carried out to attract the motorists to use the highway and to stop over at its elevated restaurant.

During the year, MMC had paid down RM130 million of KLBK's RM230 million syndicated loan to the banks. Following this and coupled with the current low interest rate levels, the interest paid to banks has been significantly lowered. KLBK experienced a cashflow surplus for 1999 compared to the severe cashflow deficit it faced in the previous year.

NATURAL GAS DISTRIBUTION PROJECT

The year under review has been a period of continued growth for Gas Malaysia Sendirian Berhad (Gas Malaysia). This is reflected in the increase in total sales volume, sales revenue and number of customers as well as continued expansion of the natural gas distribution system (NGDS).

The sales volume of 24 million mmBtu for the year under review represents a 13% increase over the past year. The growth was mainly attributable to increased consumption by existing customers whilst new customers contributed 11% of the growth in sales.

Turnover for the financial year 1999/2000 was RM382.8 million, 48% higher than the previous year due to higher sales volume and higher average tariff charged reflecting the higher average indexation factor for the year under review. In the same year, Gas Malaysia recorded a profit before taxation of RM77.4 million.

During the year under review, a total of 148 industrial customers, 81 commercial customers and 642 residential customers were supplied with natural gas. Expansion of the gas supply in the residential and commercial sectors was impeded by the economic slowdown as the progress of a number of projects were delayed or postponed. Some of the customers scheduled to be supplied in 1999 deferred commissioning to Year 2000 and beyond.

As at January 2000, a total of 428 kilometres of pipeline have been completed. Natural gas was supplied to customers in the new areas of Petaling Jaya and Putrajaya in the Central Region as well Kamunting in the Northern Region.

Gas Malaysia continued to support the revival of the Malaysian economy by supplying viable businesses beyond its usual trading terms during the year under review. In line with Government initiatives, customers consuming below 750,000 mmBtu were offered a 10% energy rebate on the existing gas tariff with effect from September 1999 until December 2000.

The year also saw the completion of Phase I of the Supervisory Control and Data Acquisition System (SCADA) project and Phase II of the Geographic Information System (GIS) project. Gas Malaysia also implemented the Enterprise Resources Planning (ERP) system which provides an integrated solution to improve customer service, streamline operations, better management controls and better management of assets. Other significant milestones achieved in the financial year 1999/2000 include attainment of the MS ISO 9002 accreditation by SIRIM and Government approval of the gas tariff as proposed by Gas Malaysia.





Manufacturing & Processing



MANUFACTURING AND PROCESSING

SMELTING

The Group's tin smelting operations undertaken by Malaysia Smelting Corporation Berhad (MSC) maintained its creditable performance in 1999. For the financial year ended 31 December 1999, MSC posted a group profit before taxation of RM24.8 million, 2.0% lower than the RM25.3 million recorded in 1998. Despite a lower 4.9% average tin price during the year, turnover rose 5.9% to RM742.1 million, on the back of an increase in the volume of concentrates smelted and sales of tin metal. The group's cash position also strengthened considerably due to improvement in operating efficiencies and higher metal production.

During the year under review, MSC was able to sustain a high level intake of tin concentrates and tin-bearing materials. The high feed intake, coupled with the higher level of unprocessed stock of concentrates brought forward from the previous year as well as the capacity constraint, provided greater operating challenges to the company in its objective to optimize performance in terms of costs and metal production. Greater attention was focused on improving turnaround time in smelting and refining operations, especially in treating intermediate stocks of more complex feed materials with higher level of impurities. The positive results enabled MSC to increase the volume of concentrates treated and record a significant increase in the production of refined tin metal during the year. Including the premium grade high purity tin metal of 99.99% Sn, the company produced 28,978 tonnes of refined tin metal during the year, an increase of 12.7% from 25,702 tonnes produced in 1998. The higher production volume had to a certain extent minimised the negative impact of the significant increase in fuel costs as well as the general increase in manpower costs during 1999.

In its efforts to diversify its operations, MSC had in December 1999 announced the acquisition of 40% equity interest in Redring Solder (M) Sendirian Berhad, whose principal activities are the manufacturing and sale of solder products which are tin-based alloys used for jointing and semiconductor applications in the electrical and electronics industries. This will provide a vertical integration to MSC's tin smelting business and an entry into a profitable downstream solder manufacturing business with significant growth potential.

WEATHERSTRIP

The economic recovery during 1999 coupled with the relaxation of lending by financial institutions, saw a 74% increase of automobile sales of 240,000 vehicles from 138,000 vehicles in 1998.

Following this, Seginiaga Rubber Industries Sendirian Berhad (Seginiaga) which is involved in the manufacturing of weatherstrips mainly for the motor vehicle industry, registered a remarkable improvement in its turnover for the financial year 1999/2000, which increased by 85.7% to RM27.3 million from RM14.7 million the previous year. Seginiaga posted a net profit before taxation of RM4.3 million for the financial year 1999/2000, a turnaround from the losses of RM3.3 million incurred previously.

DUCTILE IRON PIPES

The Group's interest in Suasa Unik (M) Sendirian Berhad (Suasa Unik) is through its subsidiary, Tronoh Mines Malaysia Berhad (Tronoh) which owns 50% equity interest in Suasa Unik.

The plant is still feeling the after effects of the economic crisis which hit the country in late 1997. However, this is gradually wearing off as efforts to restructure its financial standing are showing signs of success as the plant resumed operations in August 1999. Tronoh has contributed substantially to the revival of Suasa Unik. The plant had undergone maintenance and upgrading works in January 2000.

For the year under review, Suasa Unik incurred a significant loss due to low production attributed to plant shutdown from January to July 1999. Its future prospects will depend on its ability to finalise the restructuring of its financial standing and achievement of optimum production levels.

Investment



SIME DARBY BERHAD

The Sime Darby Berhad (Sime Darby) group experienced a period of consolidation for the financial year ended 30 June 1999, recording a profit before taxation of RM1,018.2 million, which is a turnaround from the loss of RM70.7 million incurred the previous year. The turnaround is a result of the prudent measures undertaken during the year together with the completion of the sale of the Sime Bank group and the Sandestin Resort in Florida. After taking into account taxation and minority interest, Sime Darby reported a profit of RM821.8 million against a loss of RM540.9 million previously. This was achieved on a turnover of RM9,910.5 million, down 17.9% from RM12,075.8 million reported the previous year.

For the half-year ended 31 December 1999, Sime Darby reported a group pre-tax profit of RM463.7 million, down 29.4% from RM656.8 million recorded in the same period of 1998 on a turnover of RM5,273.8 million against RM4,867.3 million in the corresponding period of 1998. The lower profit is as a result of the sharp decline in contribution from the plantations division which had been affected by the steep fall in the price of crude palm oil.

Looking ahead, Sime Darby expects the pre-tax profit for the current financial year ending 30 June 2000 to be better than the previous year. The group's second half results will benefit from the consolidation of its purchase of a 20% stake in Port Dickson Power Berhad as the transaction has been completed. In addition, the sale of Sime Darby's 51.2% interest in its insurance firm, Sime AXA Sendirian Berhad would be reflected in the group's second half results.

SHAREHOLDING STATISTICS

20 LARGEST SHAREHOLDERS AS AT 14 APRIL 2000

Name	No. of Shares	% of Issued Capital
1. Permodalan Nasional Berhad	405,375,232	48.48
2. Amanah Raya Nominees (Tempatan) Sendirian Berhad - Sekim Amanah Saham Nasional	61,730,400	7.38
3. Employees Provident Fund Board	61,410,300	7.34
4. Amanah Raya Nominees (Tempatan) Sendirian Berhad - Sekim Amanah Saham Bumiputra	57,000,000	6.82
5. Amanah Raya Nominees (Tempatan) Sendirian Berhad - Amanah Saham Wawasan 2020	25,182,000	3.01
6. Cartaban Nominees (Asing) Sendirian Berhad	22,882,071	2.74
7. The Central Depository (Pte) Limited	22,684,390	2.71
8. Pacific Nominees (Asing) Sendirian Berhad	16,846,947	2.01
9. HSBC Nominees (Asing) Sendirian Berhad	11,553,183	1.38
10. Citicorp Nominees (Asing) Sendirian Berhad	10,071,400	1.21
11. Mayban Nominees (Tempatan) Sendirian Berhad	9,991,000	1.20
12. Rothputra Nominees (Tempatan) Sendirian Berhad	6,952,000	0.83
13. Chase Malaysia Nominees (Asing) Sendirian Berhad	5,836,000	0.70
14. Amanah Raya Nominees (Tempatan) Sendirian Berhad - Kuala Lumpur Index Fund	3,702,000	0.44
15. Amanah Raya Nominees (Tempatan) Sendirian Berhad - Kuala Lumpur Growth Fund	3,639,000	0.44
16. Universal Trustee (Malaysia) Berhad	3,114,000	0.37
17. BBMB Securities Nominees (Tempatan) Sendirian Berhad	2,888,000	0.35
18. DB (Malaysia) Nominee (Asing) Sendirian Berhad	2,465,000	0.30
19. Amanah Raya Nominees (Tempatan) Sendirian Berhad - Amanah Saham Nasional	2,297,000	0.27
20. Amanah Raya Nominees (Tempatan) Sendirian Berhad - Kuala Lumpur Savings Fund	1,762,000	0.21
Total	737,381,923	88.19



SHAREHOLDING STATISTICS

HOLDINGS OF ISSUED SHARE CAPITAL AS AT 14 APRIL 2000

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1- 499	804	5.92	162,877	0.02
500 - 1,000	2,707	19.93	2,617,269	0.31
1,001 - 5,000	6,618	48.73	19,337,831	2.31
5,001 - 10,000	1,759	12.95	14,507,042	1.74
10,001 - 100,000	1,538	11.32	41,805,715	5.00
100,001 - 1,000,000	117	0.86	30,809,107	3.68
1,000,001 and above	39	0.29	726,899,369	86.94
Total	13,582	100.00	836,139,210	100.00

GEOGRAPHICAL

Malaysia	12,658	93.20	807,322,549	96.55
Singapore	493	3.63	26,416,275	3.16
United Kingdom and others	431	3.17	2,400,386	0.29

Total	13,582	100.00	836,139,210	100.00
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CATEGORY

Individuals	10,671	78.57	56,895,487	6.80
Banks	45	0.33	63,369,500	7.58
Nominee Companies	2,432	17.91	275,018,714	32.89
Insurance Companies	6	0.04	10,800	0.00
Other Limited Companies	269	1.98	436,605,181	52.22
Pension Funds and Trustees	125	0.92	4,009,158	0.48
Others	34	0.25	230,370	0.03

Total	13,582	100.00	836,139,210	100.00
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SUBSTANTIAL SHAREHOLDERS AS AT 14 APRIL 2000

Name	No. of Shares Held	% of Issued Capital
Permodalan Nasional Berhad	404,571,232	48.39
Employees Provident Fund Board	60,308,300	7.21
Amanah Raya Nominees (Tempatan) Sendirian Berhad		
- Sekim Amanah Saham Nasional	61,718,000	7.38
Amanah Raya Nominees (Tempatan) Sendirian Berhad		
- Sekim Amanah Saham Bumiputera	57,000,000	6.82
Amanah Raya Nominees (Tempatan) Sendirian Berhad		
- Amanah Saham Wawasan 2020	25,182,000	3.01
Cartaban Nominees (Asing) Sendirian Berhad (as bare trustee)	23,447,479	2.80
The Central Depository (Pte) Ltd (as bare trustee)	22,684,390	2.71
HSBC Nominees (Asing) Sendirian Berhad (as bare trustee)	16,861,779	2.02
Chase Malaysia Nominees (Asing) Sendirian Berhad (as bare trustee)	16,869,800	2.01
The Straits Trading Company Limited	16,846,947	2.01

CLASS OF SHARES: ORDINARY SHARES OF 10 SEN EACH
VOTING RIGHTS : ONE (1) VOTE PER SHARE

LIST OF PROPERTIES HELD BY MMC AND ITS SUBSIDIARIES AS AT 31 JANUARY 2000

LOCATION	TENURE	AREA (HECTARES)	YEAR OF EXPIRY	DESCRIPTION	NET BOOK VALUE RM '000	AGE OF BUILDING (YEARS)
MALAYSIA						
Perak Darul Ridzuan						
Batang Padang, Batang Padang	Freehold	23.35	-	Agricultural Land	494	-
Bidor, Batang Padang	Freehold	1.21	-	Agricultural Land	14	-
Changkat Jong, Hilir Perak	Freehold	8.51	-	Agricultural Land	99	-
Chenderiang, Batang Padang	Freehold	84.97	-	Agricultural Land	612	-
Kampar, Kinta	Freehold	4.93	-	Agricultural Land	43	-
Kampung Gajah, Perak Tengah	Freehold	1.12	-	Agricultural Land	6	-
Pasir Panjang Ulu, Perak Tengah	Freehold	113.26	-	Agricultural Land	937	-
Sungai Trap, Kinta	Freehold	2.42	-	Agricultural Land	13	-
Kampar, Kinta	Leasehold	0.41	2885	Agricultural Land	4	-
Chenderiang, Batang Padang	Leasehold	60.30	Pending Registration	Industrial Land	34	-
Tanjung Tualang, Kinta	Leasehold	15.35	2011	Industrial Land	135	-
Chenderiang, Batang Padang	Freehold	5.73	-	Camp Site	141	-
Lot Nos. 42772 & 155488, Mukim Sungai Trap, District of Kinta, Tanjung Tualang, Kinta	Leasehold	35.63	2009	Housing Development Site	-	-
Lot Nos. 1166 & 29667 Tanjung Tualang, Kinta	Leasehold	9.91	2001	Camp Site	77	-
Lot Nos. 74651,1007 & 158405, Mukim of Sungai Trap/Ulu Kinta, Kinta	Leasehold	7.29	2030/2050	Factory Building	4,825	8-30
Batang Padang, Batang Padang	Leasehold	141.86	2002/2004	Mining Titles	1	-
Chenderiang, Batang Padang	Leasehold	94.20	2002/2004	Mining Titles	1	-



LOCATION	TENURE	AREA (HECTARES)	YEAR OF EXPIRY	DESCRIPTION	NET BOOK VALUE RM '000	AGE OF BUILDING (YEARS)
Kampung Gajah, Perak Tengah	Leasehold	881.07	2002/2008	Mining Titles	1	-
Pasir Panjang Ulu, Perak Tengah	Leasehold	214.70	2002/2004	Mining Titles	1	-
Chenderiang, Batang Padang	Leasehold	161.87	2002	Mining Sublease	1	-
Selangor						
Darul Ehsan						
Lot No. 3, Jalan Waja, Kawasan Perindustrian Bukit Raja, Bukit Raja, Kelang	Leasehold	2.33	2088	Industrial Land	1,547	19
Ulu Selangor, Ulu Bernam	Leasehold	9.11	2004	Campsite	80	-
Ulu Selangor, Batang Kali	Freehold	6.03	-	Agricultural Land	53	-
Lot No.P.T. 720, Bandar Shah Alam, District of Petaling, Shah Alam	Leasehold	0.71	2018	Workshop/ Office Building	1,632	10
Lot Nos. 1604, 1605 & 1608 Mukim of Klang, District of Klang	Freehold	4.25	-	Workshop	7,876	4-9
Lot Nos. 3521, 3522 & 7437, Batu 14, Jalan Puchong, Ulu Langat, Kajang	Freehold	5.84	-	Residential Building	471	32
Negeri Sembilan						
Darul Khusus						
C.T No. 7626, Lot No. 7932, Mukim of Labu, District of Seremban, Nilai	Freehold	0.43		Residential Building	1,389	-

LIST OF PROPERTIES HELD BY MMC AND ITS SUBSIDIARIES AS AT 31 JANUARY 2000

LOCATION	TENURE	AREA (HECTARES)	YEAR OF EXPIRY	DESCRIPTION	NET BOOK VALUE RM '000	AGE OF BUILDING (YEARS)
Lot Nos. P. T. 1483 & 1484, Mukim of Setul, District of Seremban, Nilai	Leasehold	5.59	2089	Industrial Land/ Factory	29,014	9
Lot No. P.T. 1479, Mukim of Setul, District of Seremban, Nilai	Leasehold	2.02	2089	Workshop/Office	1,130	9
Lot Nos. 3920 & 3921 Mukim Pasir Panjang, District of Port Dickson, Port Dickson	Freehold	0.11	-	Residential Building	281	19
Faircove, Batu 9, Jalan Pantai, Mukim Pasir Panjang, District of Port Dickson, Port Dickson	Freehold	0.51	-	Residential Building	1,916	52
Terengganu Darul Iman Lot Nos. 986-1009 & 1071-1095, Mukim of Banggol, District of Kemaman, Kemaman	Freehold	1.92	-	Residential Building	503	10



LOCATION	TENURE	AREA (HECTARES)	YEAR OF EXPIRY	DESCRIPTION	NET BOOK VALUE RM '000	AGE OF BUILDING (YEARS)
Lot 580, Bukit Banggol, District of Kemaman, Kemaman	Freehold	0.81	-	Workshop	1,415	5
P.T. 4734, Mukim of Teluk Kalong, District of Kemaman, Kemaman	Leasehold	4.05	2056	Industrial Land	553	-
Pahang						
Darul						
Makmur						
Lot 211, Mukim of Tanah Rata District of Cameron Highland, Cameron Highland	Leasehold	0.35	2040	Building Site	150	-
Lot 1821, Mukim of Tras, District of Raub, Fraser's Hill	Leasehold	0.41	2028	Residential Building	375	48
Lot No. P.T. 2846 Mukim Chenor, District of Maran	Leasehold	0.81	2045	Factory Building	498	15
Pulau						
Pinang						
Lot Nos. 87, 88 & 89, Mukim 17, North East Penang, District of Batu Ferringhi,	Freehold	11.98	-	Building Site	6,775	
Batu Ferringhi	Freehold	0.92	-	Building Site*		
	Freehold	3.72	-	Residential Building *		

* The title has been transferred under a Development Agreement dated 12 May 1994 to the developer in exchange for a banker's guarantee of RM3.5 million. A private caveat has been registered over the land

LIST OF PROPERTIES HELD BY MMC AND ITS SUBSIDIARIES AS AT 31 JANUARY 2000

LOCATION	TENURE	AREA (HECTARES)	YEAR OF EXPIRY	DESCRIPTION	NET BOOK VALUE RM '000	AGE OF BUILDING (YEARS)
Kuala Lumpur						
33 to 33-3, Jalan Setiawangsa, 11-55A, Taman Setiawangsa	Strata Title	4 Storey (Approx 450 sq. m)	-	Shop/Office Building	273	12
4, Persiaran Hampshire	Freehold	0.51	-	Residential Building	2,378	48
26 & 28, Jalan Langgak Golf	Freehold	1.01	-	Residential Buildings	6,257	47
Section 19, Persiaran Raja Chulan	Freehold	0.60	-	Building Site	3,377	-
2, Persiaran Hampshire	Freehold	0.52	-	Residential Building	2,408	57
"Sri Kenny," 28, Jalan Tun Ismail	Strata Title	22 units (Approx.5,574 sq. m)	-	Condominium Units	4,502	6
16, Jalan Ampang Hilir	Freehold	0.42	-	Apartment Unit (Under Construction)	1,961	-
OVERSEAS						
United Kingdom						
Flat No. 15, Macready House, 75 Crawford Street London WIH IHS		(Approx. 130 sq. m)	2112	Residential Flat	912	10



LOCATION	TENURE	AREA (HECTARES)	YEAR OF EXPIRY	DESCRIPTION	NET BOOK VALUE (AUD)	AGE OF BUILDING (YEARS)
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Australia
Hillgrove Gold NL

Freehold Mine #1 Part Portion 15*	Freehold	5.4	-	Mining	15,700	-
Freehold Mine #2 Lot 2, DP 979339*	Freehold	10.9	-	Mining	31,900	-
Freehold Mine #3 Lot 4, DP 596696*	Freehold	10.9	-	Mining	31,900	-
Smiths Mine Lots 122 to 124, DP 755834*	Freehold	48.6	-	Mining	48,600	-
NTH Proposed Tails Dam Part Portion 128*	Freehold	14.2	-	Mining	41,300	-
Mill Site Lot 2, DP 597107*	Freehold	15.9	-	Mining Land and Building	296,800	-
Proposed Tailings Dam Site Lot 380, DP 755834*	Freehold	15.6	-	Mining	45,700	-
Proposed Tailings Dam Site Lot 406, DP 755834*	Freehold	13.3	-	Mining	44,000	-

*All located at Shire of Dumaresq, Parish of Metz, Armidale, NSW 2350, Australia.



Financial Statements

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report and the audited accounts of the Group and of the Company for the year ended 31 January 2000.

PRINCIPAL ACTIVITIES

The Company undertakes mining and mineral exploration activities and also derives income from its investments.

The principal activities of the Group are described in Note 27 to the accounts.

There have been no significant changes in the nature of these activities during the year.

RESULTS

The financial results for the year ended 31 January 2000 are summarised as follows:

	Group RM'000	Company RM'000
Profit before taxation	216,306	10,153
Taxation	(17,973)	-
	<hr/>	<hr/>
Profit after taxation	198,333	10,153
Minority interests	(81,810)	-
	<hr/>	<hr/>
Profit attributable to shareholders	116,523	10,153
Appropriations:		
Transfer to capital reserves	(167,666)	-
Dividends	(43,145)	(43,145)
	<hr/>	<hr/>
Transfer from revenue reserves	(94,288)	(32,992)

DIVIDENDS

The Directors recommend the payment of a final dividend of 3.0 sen per share, less 28% tax amounting to RM18.061 million and a special dividend of 2.0 sen per share, tax exempt amounting to RM16.723 million which, subject to the approval of members at the forthcoming Annual General Meeting (AGM) of the Company, will be paid on 14 July 2000 to members registered on the Company's register at the close of business at 5.00 p.m. on 23 June 2000.

The proposed final dividend, proposed special dividend and the interim dividend of 1.0 sen per share, tax exempt paid on 10 December 1999 amount to a total distribution of RM43.145 million.

Since the end of the previous financial year, the Company paid a final dividend of 3.0 sen per share, tax exempt amounting to RM25.084 million as proposed in the Report of the Directors for that year.

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year are disclosed in the accounts.

SHARE CAPITAL

There were no changes in the issued and paid-up capital of the Company during the year.

OPTIONS GRANTED OVER UNISSUED SHARES AND DEBENTURES

No options were granted to any person to take-up unissued shares of the Company during the year.



SUBSTANTIAL INTERESTS IN THE CAPITAL OF THE COMPANY

As at the date of this report, notifications received by the Company regarding shareholdings of 2% and above in the issued capital of the Company were from:

Name	No. of shares held or beneficially interested in	% of total issued capital
Permodalan Nasional Berhad	404,571,232	48.39
Employees Provident Fund Board	60,308,300	7.21
Amanah Raya Nominees (Tempatan) Sendirian Berhad		
- Sekim Amanah Saham Nasional	61,718,000	7.38
Amanah Raya Nominees (Tempatan) Sendirian Berhad		
- Sekim Amanah Saham Bumiputera	57,000,000	6.82
Amanah Raya Nominees (Tempatan) Sendirian Berhad		
- Amanah Saham Wawasan 2020	25,182,000	3.01
Cartaban Nominees (Asing) Sendirian Berhad		
(as bare trustee)	23,447,479	2.80
The Central Depository (Pte) Ltd (as bare trustee)	22,684,390	2.71
HSBC Nominees (Asing) Sendirian Berhad		
(as bare trustee)	16,861,779	2.02
Chase Malaysia Nominees (Asing) Sendirian Berhad		
(as bare trustee)	16,869,800	2.01
The Straits Trading Company Limited	16,846,947	2.01

Yayasan Pelaburan Bumiputra (YPB) is deemed interested in 404,571,232 shares (48.39%) in the Company through Permodalan Nasional Berhad (PNB). YPB owns 100% less one share of PNB.

DIRECTORS

The following Directors served on the Board of the Company since the date of the last report:

R.M. Alias, Chairman
Tan Sri Ibrahim Menudin
Haji Ab. Sukor Shahar
Abdul Samad Haji Alias
Dato' Mohd Desa Pachi
Zain Azahari bin Zainal Abidin
Tan Sri Dato' Thong Yaw Hong
Tan Sri Dato' Dr. Abdul Khalid bin Sahan
Jamiah Abd Hamid
Datuk Alladin bin Hashim (appointed on 24.7.1999)
Tan Sri Dato' Ir. (Dr.) Haji Wan Abdul Rahman Haji Wan Yaacob (appointed on 26.8.1999)

In accordance with the Articles of Association of the Company, Tan Sri Dato' Dr. Abdul Khalid bin Sahan and Encik Zain Azahari bin Zainal Abidin retire by rotation. Datuk Alladin bin Hashim and Tan Sri Dato' Ir. (Dr.) Haji Wan Abdul Rahman Haji Wan Yaacob, who were appointed during the year, also retire at the forthcoming AGM. All the four Directors, being eligible, offer themselves for re-election.

Tan Sri Dato' Thong Yaw Hong, who will attain the age of 70 years at the date of the proposed AGM, would have to retire in accordance with Section 129 of the Companies Act 1965 and will offer himself for re-appointment in accordance with Section 129(6) of the said Act to hold office until the conclusion of the next AGM of the Company.

None of the retiring Directors has a service contract whilst the two Executive Directors, Tan Sri Ibrahim Menudin and Haji Ab. Sukor Shahar, are not subject to retirement by rotation.

DIRECTORS' INTEREST IN SHARES

According to the register kept by the Company for the purpose of Section 134 of the Companies Act, 1965, none of the Directors held any beneficial interests in the shares of the Company or its related corporations during the year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest, except as disclosed in the accounts.

There were no arrangements during or at the end of the year to which the Company was a party which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other company.



OTHER STATUTORY INFORMATION

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- i) to ascertain that proper action has 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 have been written off and that adequate provision has been made for doubtful debts, and
- ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and Company accounts misleading, or
- iii) that would render adherence to the existing method of valuation of assets or liabilities of the Group and Company accounts misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the accounts of the Group and Company that would render any amount stated in the respective accounts misleading.

At the date of this report there does not exist:

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, except as disclosed in the accounts, the results of the operations of the Group and of the Company for the financial year ended 31 January 2000 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

YEAR 2000

The Group addressed this issue for the systems that produced financial and other information and at 31 December 1999 was Year 2000 ready. The Group has since monitored for any Year 2000 problems that may surface and, at the date of this report, we have not encountered any significant problems. The cost involved in the preparation for the Year 2000 issue was not significant.

AUDITORS

The retiring auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

R.M. Alias

Tan Sri Ibrahim Menudin

Directors

Kuala Lumpur
28 March 2000



BALANCE SHEETS OF THE GROUP AND THE COMPANY

AT 31 JANUARY 2000

(All amounts in RM thousand unless indicated)

	Note	Group		Company	
		2000	1999	2000	1999
Fixed assets	2	463,801	449,773	7,630	9,434
Subsidiary companies	3	-	-	715,486	575,269
Associated companies	4	420,598	469,282	107,868	127,695
Investments	5	359,085	499,227	2,000	2,000
Other assets	6	148,161	133,459	14,154	14,708
CURRENT ASSETS					
Stocks	7	38,311	57,370	-	-
Debtors	8	167,316	162,289	25,627	41,736
Deposits and bank balances	9	633,019	455,667	216,361	387,868
		838,646	675,326	241,988	429,604
CURRENT LIABILITIES					
Creditors	10	150,195	134,486	8,268	10,515
Borrowings	11	17,356	54,777	-	38,000
Provision for taxation		25,122	41,221	11,371	22,263
Dividend payable		34,784	25,084	34,784	25,084
		227,457	255,568	54,423	95,862
NET CURRENT ASSETS					
		611,189	419,758	187,565	333,742
		2,002,834	1,971,499	1,034,703	1,062,848
Provision for employees' retrenchment benefits		(1,355)	(1,231)	(813)	(813)
Term loans	11	(104,665)	(230,924)	-	-
Deferred taxation	12	(1,922)	(1,922)	-	-
		1,894,892	1,737,422	1,033,890	1,062,035
Financed by:					
Share capital	13	83,614	83,614	83,614	83,614
Share premium	14	487,129	487,129	487,129	487,129
Capital reserves	15	1,075,921	908,255	366,325	366,325
Revenue reserves	16	1,462	91,555	96,822	124,967
		1,648,126	1,570,553	1,033,890	1,062,035
Shareholders' funds		246,766	166,869	-	-
		1,894,892	1,737,422	1,033,890	1,062,035

The notes on pages 49 to 72 form an integral part of these accounts.

PROFIT AND LOSS ACCOUNTS OF THE GROUP AND THE COMPANY

FOR THE YEAR ENDED 31 JANUARY 2000

(All amounts in RM thousand unless indicated)

		Group		Company	
	Note	2000	1999	2000	1999
Turnover					
Company and subsidiaries	25	275,951	339,144	-	-
Share of turnover of associated companies	25	740,787	640,318	-	-
Operating(loss)/profit before exceptional items	17	(6,050)	2,482	23,605	68,098
Share of results of associated companies before abnormal items		75,364	70,462	-	-
Profit before exceptional items and associated companies' abnormal items		69,314	72,944	23,605	68,098
Exceptional items	17	217,881	11,754	(13,452)	(38,301)
Share of abnormal items of associated companies	17	(70,889)	(18,732)	-	-
Profit before taxation		216,306	65,966	10,153	29,797
Taxation	18	(17,973)	(33,688)	-	(13,445)
Profit after taxation		198,333	32,278	10,153	16,352
Minority interests		(81,810)	887	-	-
Profit after minority interests		116,523	33,165	10,153	16,352
Appropriations:					
Transfer to capital reserves	15	(167,666)	(67,395)	-	-
Dividends	19	(43,145)	(31,104)	(43,145)	(31,104)
Transfer from revenue reserves	16	(94,288)	(65,334)	(32,992)	(14,752)
Earnings per share (sen)	24				
- before exceptional and abnormal items		5.7	3.5		
- after exceptional and abnormal items		13.9	4.0		

The notes on pages 49 to 72 form an integral part of these accounts.



CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2000
 (All amounts in RM thousand unless indicated)

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	216,306	65,966
Adjustments for:		
Interest equalisation amortised	618	1,573
Deferred cost expensed	332	1,223
Depreciation and depletion	13,635	22,984
Profit on sale of fixed assets	(1,829)	(1,294)
Provision for employees' retrenchment benefits	124	236
Loss/(profit) retained in associated companies	20,459	(43,109)
Provision for mining exploration expenditure	6,386	15,044
Gain on sale of investments	(245,845)	(67,395)
Gain on sale of associated companies	(447)	-
Goodwill written off	1,163	2,829
Investment written down	10,295	1,529
Interest income	(26,926)	(57,769)
Interest expense	3,407	15,065
Dividend income	(23,970)	(19,398)
Investment in mineral properties written down	33,990	-
Operating profit/(loss) before working capital changes	7,698	(62,516)
(Increase)/Decrease in working capital		
Stocks	23,792	7,646
Debtors	8,801	8,401
Creditors	8,766	(19,929)
Cash generated from/(absorbed by) operations	49,057	(66,398)
Mining exploration expenditure	(6,386)	(15,044)
Deferred expenditure incurred	142	(92)
Income taxes paid	(12,974)	(8,138)
Interest paid deferred	(12,678)	(28,928)
Other interest paid	(3,407)	(15,065)
Net cash generated from/(absorbed by) operating activities	13,754	(133,665)

	2000	1999
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary	(5,948)	-
Purchase of interest in associated companies	-	(77,772)
Purchase of fixed assets	(26,508)	(42,744)
Purchase of investments	-	(2,230)
Purchase of interest in mineral properties	(33,981)	(21,248)
Proceeds from sale of investments	385,987	364,288
Proceeds from sale of associated companies	2,476	-
Proceeds from sale of fixed assets	8,425	5,091
Foreign deposits for foreign projects	(3,125)	(33,742)
Interest received	26,926	57,769
Dividends received	7,969	19,398
Net cash generated from investing activities	<u>362,221</u>	<u>268,810</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued to minority interests of a subsidiary	-	12,242
Share issue expenses	-	(2,061)
Repayment of term loans	(126,259)	(283,604)
Dividends paid	(33,445)	(36,823)
Repayment of short term borrowings	(35,347)	(18,996)
Net cash absorbed by financing activities	<u>(195,051)</u>	<u>(329,242)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>180,924</u>	<u>(194,097)</u>
Adjustment on exchange difference	(1,498)	94,338
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>452,377</u>	<u>552,136</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>631,803</u>	<u>452,377</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Short term deposits	619,144	424,562
Bank balances	13,875	31,105
Bank overdraft	(1,216)	(3,290)
	<u>631,803</u>	<u>452,377</u>
Summary of the effects of acquisition / (disposal) of subsidiary:-		
Fixed assets	6,574	-
Net current assets / (liabilities)	5,959	(1,706)
	<u>12,533</u>	<u>(1,706)</u>
Goodwill on acquisition	1,163	-
Minority interest	(3,027)	-
Interest previously owned	(4,674)	-
Gain on disposal of subsidiary	-	1,707
Total purchase price (1999 - Disposal proceeds)	5,995	1
Cash	(47)	(1)
Cash flow on acquisition, net of cash acquired (1999 - Disposal net of cash disposed)	<u>5,948</u>	<u>-</u>

The notes on pages 49 to 72 form an integral part of these accounts.



NOTES TO THE ACCOUNTS

(All amounts in RM thousand unless indicated)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The accounts are prepared under the historical cost convention, modified by the revaluation of certain fixed assets, and are in compliance with approved accounting standards in Malaysia with the exception of the departure referred to in Note 1 (m).

(b) Basis of consolidation

Where there is a continuity of the amalgamating businesses and the ownership of the separate companies have been pooled into one common ownership, the consolidation of Malaysia Mining Corporation Berhad (MMC) and its subsidiaries (the Group) has been carried out on the basis of merger accounting. All other subsidiaries have been consolidated using the acquisition method and goodwill, if any, arising on consolidation is written off in the year of acquisition.

The Group equity accounts for its share of post-acquisition results of associated companies based on the latest audited and unaudited interim accounts available.

(c) Associated companies

An associated company is an investee company that is not a subsidiary and in respect of which:

- i) the Group's interest in the voting power of the investee, having regard to the disposition of the remaining shareholdings, is substantial;
- ii) the Group has the power to exercise significant influence over the financial and commercial policies of the investee; and
- iii) the Group intends to retain its interest as a long-term investment.

(d) Depreciation and depletion

Depreciation and depletion on non-mining assets is provided at rates which are considered adequate to write off fixed assets over their estimated useful lives. No amortisation is provided on freehold land while leasehold land is amortised over the period of the lease. Buildings are depreciated at the rate of 2% per annum. The principal annual depreciation rates are between 10% and 25% for plant and machinery.

Depreciation and depletion on mining assets is calculated by reference to output for the year so as to write off fixed assets, less estimated residual value, over the estimated life of the ore reserves which will be worked before the expiry of the leases.

Expressway development expenditure comprises development and upgrading expenditure (including interest charges relating to financing of the development) incurred in connection with a privatised highway project. The cumulative actual expenditure incurred is amortised to each balance sheet date over the concession period based on the following formula:-

$$\frac{\text{Cumulative toll revenue to date}}{\text{Projected total toll revenue of the concession}} \times \text{Cumulative actual expressway expenditure}$$

(e) **Fixed assets**

It is the Group's policy to state fixed assets at cost less accumulated depreciation. Revaluation of certain properties in 1988 was carried out primarily as a one-off exercise and was not intended to effect a change in the accounting policy to one of revaluation of properties.

The directors are of the opinion that the current market prices of the revalued freehold land and buildings are not less than their net book values as at 31 January 2000. The Company is following the transitional provisions to International Accounting Standard No. 16 on "Property, Plant and Equipment" as approved by the Malaysian Accounting Standards Board (MASB). The transitional provisions allow the Company to retain the carrying amounts of the revalued assets on the basis of their previous revaluations subject to continuity in their depreciation policy and the requirement to write an asset down to its recoverable amount. Accordingly, the above valuations have not been updated.

(f) **Mining exploration expenditure**

Expenditure on exploration and evaluation of mining areas of interests is charged to the profit and loss account as incurred by the creation of provisions until such time as an area of interest reaches the stage where such expenditure is considered to be capable of being recouped through development or sale.

Where a mining area of interest is expected to proceed to commercial development or where its value is capable of recoupment through sale, the provision relating to the expenditure incurred is credited to the profit and loss account to the extent it reflects the present estimate of the recoverable value of the area of interest concerned. The accumulated expenditure attributable to an area of interest which is no longer considered to have any commercial value is written off against the provision.

(g) **Investments**

Subsidiaries accounted for under the merger method are stated at nominal value of shares acquired or issued while investments in other subsidiary companies are stated at cost. Investments in associated companies are stated at cost and, in the Group, inclusive of share of post acquisition retained results. Other investments are stated at cost.

Provision is made against cost of investment when, in the opinion of the directors, a permanent diminution in value has arisen.

(h) **Deferred expenditure**

Expenditure incurred prior to the date of commencement of operations has been carried forward as deferred expenditure. Expenditure so deferred is limited to the value of future benefits and is expensed from the date of commencement of commercial operations on a systematic basis over the period in which the related benefits are expected to be realised.

(i) **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out or weighted average basis and in the case of work-in-progress and finished goods represents materials, direct labour and an appropriate proportion of production overheads.

(j) **Retirement benefits**

The Company and certain of its subsidiaries contribute to an approved retirement trust fund to finance retirement benefits payable to eligible employees in accordance with union and retirement agreements.



The provision for contributions to the scheme are charged to the profit and loss account so as to spread the cost of the scheme over eligible employees' expected remaining years of service. The contributions are determined by an actuarial valuation carried out every three years by a qualified actuary on the accrued benefit valuation method.

(k) **Foreign currencies**

Foreign currency assets and liabilities of the Company and its Malaysian subsidiaries outstanding at balance sheet date are translated into Ringgit Malaysia at rates of exchange prevailing at that date or, where forward exchange contracts exist, at the rates fixed in such contracts. Foreign currency transactions during the year have been translated into Ringgit Malaysia at rates of exchange prevailing at transaction dates. Exchange differences are dealt with through the profit and loss account except where foreign currency borrowings are used to finance long-term foreign investments, in which instance, exchange differences relating to such borrowings are dealt with through reserves.

Balance sheets and profit and loss accounts of foreign subsidiaries and associates and the Group's share of post acquisition retained reserves of foreign associates are translated into Ringgit Malaysia at rates of exchange prevailing at year end. Exchange differences arising from the restatement at year end rates are dealt with through reserves.

(l) **Deferred taxation**

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(m) **Capitalisation of interest**

Interest on borrowed funds utilised for assets that require a substantial period of time to get them ready for their intended use is capitalised as part of the cost of the assets up to the date of commencement of operations except that interest incurred on borrowings after completion of construction of privatised projects ("post-construction") until full repayment of these borrowings is deferred via an Interest Equalisation Account which is amortised to each balance sheet date in accordance with the following formula:-

$$\frac{\text{Cumulative revenue to date}}{\text{Projected total revenue of the project}} \times \text{Projected total interest to be incurred post-construction}$$

The deferral of post-construction interest in this manner is a departure from the provisions of IAS 23, "Capitalisation of Borrowing Cost".

However, in the opinion of the directors, this accounting policy has enabled the Company to more appropriately match interest charges incurred on borrowings obtained for the construction of privatised projects with the revenues from the project, having regard to:

- w the nature of the project being a close-ended fixed venture;
- w the concession terms requiring the Company to finance the construction of the privatised projects; and
- w the significance of interest charges as an integral component in the project costs and economics.

The projected total interest to be incurred is based on the projected cash flows during the project which take into account, inter alia, the projected revenues and the Company's obligations under the terms and conditions of its loan agreements.

In the application of these accounting policies, the effects of any change in the estimates in a financial period will be included in the amortisation for that period.

(n) **Revenue recognition on construction contracts**

Revenue from construction contracts is recognised under the percentage of completion method except when the outcome of the contracts cannot be reliably ascertained in which case the completed contract method is used. Foreseeable losses, if any, are provided in full when a loss is anticipated.

(o) **Turnover**

Turnover represents net invoiced value of all sales and services.

(p) **Cash and cash equivalent**

Cash and cash equivalents consist of cash on hand, balances with banks and deposits with original maturities of three months or less. For the purpose of the cash flow statement, cash equivalents are presented net of bank overdrafts, if any.



2. FIXED ASSETS

Group	Freehold properties	Long term leasehold properties	Short term leasehold properties	Mining leases, properties and building	Plant, machinery and equipment	Dredges and other mining equipment	Expressway development expenditure	Total
At 1 February 1999	44,640	35,417	2,928	10,431	142,455	1,879	307,802	545,552
Additions	1,407	-	-	-	24,909	-	192	26,508
Acquired - subsidiary	-	-	6,018	-	14,669	-	-	20,687
Disposals	-	(1,018)	-	-	(4,660)	(482)	(2,540)	(8,700)
Exchange difference	59	-	-	313	996	-	-	1,368
At 31 January 2000	46,106	34,399	8,946	10,744	178,369	1,397	305,454	585,415
Representing items at:								
Cost	20,496	32,673	8,446	10,744	178,369	1,397	305,454	557,579
Directors' valuation - 1988	25,610	1,726	500	-	-	-	-	27,836
	46,106	34,399	8,946	10,744	178,369	1,397	305,454	585,415
Accumulated depreciation								
At 1 February 1999	1,747	1,111	875	-	86,455	-	5,591	95,779
Charge for the year	462	110	135	-	10,136	-	2,792	13,635
Acquired - subsidiary	-	-	1,168	-	12,945	-	-	14,113
Disposals	-	(75)	-	-	(2,029)	-	-	(2,104)
Exchange difference	10	-	-	-	181	-	-	191
At 31 January 2000	2,219	1,146	2,178	-	107,688	-	8,383	121,614
Net book value								
At 31 January 2000	43,887	33,253	6,768	10,744	70,681	1,397	297,071	463,801
At 31 January 1999	42,893	34,306	2,053	10,431	56,000	1,879	302,211	449,773
Depreciation charge for the year ended 31 January 1999	506	118	135	-	17,714	-	4,511	22,984

Company	Freehold properties	Long term leasehold properties	Mining leases, properties and building	Plant, machinery and equipment	Dredges and other mining equipment	Total
At 1 February 1999	826	7,633	347	10,278	35	19,119
Additions	-	-	-	319	-	319
Disposals	-	(1,018)	-	(553)	-	(1,571)
At 31 January 2000	826	6,615	347	10,044	35	17,867
Representing items at:						
Cost	826	5,109	347	10,044	35	16,361
Directors' valuation - 1988	-	1,506	-	-	-	1,506
	826	6,615	347	10,044	35	17,867
Accumulated depreciation						
At 1 February 1999	-	650	-	9,035	-	9,685
Charge for the year	-	65	-	994	-	1,059
Disposals	-	(75)	-	(432)	-	(507)
At 31 January 2000	-	640	-	9,597	-	10,237
Net book value						
At 31 January 2000	826	5,975	347	447	35	7,630
At 31 January 1999	826	6,983	347	1,243	35	9,434
Depreciation charge for the year ended 31 January 1999	-	73	-	1,445	-	1,518

- i) Certain Group properties in Malaysia and the Company's leasehold properties in Malaysia are stated at Directors' valuation on 31 January 1988 based on a professional valuation on open market basis conducted in February 1988. The net book value of revalued properties that would have been included in the accounts had these assets been carried at cost less depreciation is RM2.43 million (1999 - RM2.45 million).
- ii) Tin mining related fixed assets and, from 31 January 1997, fixed assets of a subsidiary which ceased operations are stated at their estimated realisable values.



3. SUBSIDIARY COMPANIES

	Company	
	2000	1999
Quoted in Malaysia	77,856	77,856
Unquoted	580,170	589,830
	658,026	667,686
Amounts due from subsidiary companies	253,793	131,818
Amounts due to subsidiary companies	(189,963)	(214,495)
	721,856	585,009
Provisions	(6,370)	(9,740)
	715,486	575,269
Market value of shares quoted in Malaysia	180,370	151,196

Details of the subsidiary companies are shown in Note 27 to the accounts.

4. ASSOCIATED COMPANIES

	Group		Company	
	2000	1999	2000	1999
Quoted in Malaysia	50,638	50,638	46,994	46,994
Quoted outside Malaysia (Note (i))	311,223	331,126	60,874	80,701
Unquoted (Note (ii))	60,933	67,770	-	-
	422,794	449,534	107,868	127,695
Group's share of retained post acquisition reserves, after prior year adjustment (see Note 16)	(2,196)	19,748	-	-
	420,598	469,282	107,868	127,695
Market value of investments				
Quoted in Malaysia	111,931	103,344	99,094	91,104
Quoted outside Malaysia (Note (i))	290,608	271,256	130,315	77,849
	402,539	374,600	229,409	168,953

- i) Investments quoted outside Malaysia represent the Group's 47.2% interest in Ashton Mining Limited (Ashton).

The Group's share of the results of Ashton has been taken up based on its audited accounts prepared in accordance with approved Australian Accounting Standards. The results have been translated at the year end exchange rate of AUD1 = RM2.4190 (1999 - RM2.4006).

- ii) Unquoted investments include an investment of RM24.846 million (1999 - RM24.846 million) in Gas Malaysia Sendirian Berhad (Gas Malaysia), a company in which a subsidiary holds a 55% shareholding. Although Gas Malaysia is a subsidiary under the Companies Act, 1965, the Group does not have the power to govern its financial and operating policies due to certain restrictions contained in the Memorandum and Articles of Association of that company.

Due to the above circumstances, Gas Malaysia has been treated as an associated company on the basis of the Group's 41.8% effective interest.

- iii) Details of the Group's associated companies are shown in Note 27 to the accounts.

5. INVESTMENTS

	Group		Company	
	2000	1999	2000	1999
Quoted in Malaysia	255,289	255,289	-	-
Quoted outside Malaysia	100,099	240,241	-	-
Unquoted	3,697	3,697	2,000	2,000
	359,085	499,227	2,000	2,000
Market value of investments				
Quoted in Malaysia	640,027	524,330	-	-
Quoted outside Malaysia	234,838	668,409	-	-
	874,865	1,192,739	-	-



6. **OTHER ASSETS**

		Group		Company	
		2000	1999	2000	1999
(a)	Mining exploration expenditure				
	Cost	41,649	102,789	39,200	100,340
	Provision:				
	At 1 February	102,789	89,205	100,340	86,756
	Charge for the year	6,386	15,044	6,386	15,044
	Written off	(67,526)	(1,460)	(67,526)	(1,460)
	At 31 January	41,649	102,789	39,200	100,340
		-	-	-	-
(b)	Deferred expenditure				
	Preliminary and pre-operating expenses	19,579	19,721	-	-
	Amounts expensed	(18,620)	(18,288)	-	-
		959	1,433	-	-
(c)	Interest equalisation account				
	Cost incurred	71,261	58,583	-	-
	Accumulated amortisation	(2,804)	(2,186)	-	-
		68,457	56,397	-	-
(d)	Interest in mineral properties	41,878	41,887	-	-
(e)	Foreign currency deposits earmarked for foreign projects	36,867	33,742	14,154	14,708
	Total other assets	148,161	133,459	14,154	14,708

7. **STOCKS**

	Group		Company	
	2000	1999	2000	1999
Minerals	7,916	15,065	-	-
Stores and spares	14,489	12,214	-	-
Contracting work-in-progress	9,706	27,567	-	-
Raw materials	1,652	1,673	-	-
Work-in-progress	2,416	429	-	-
Finished goods	2,132	422	-	-
	<u>38,311</u>	<u>57,370</u>	<u>-</u>	<u>-</u>

Contracting work-in-progress is stated net of progress billings of RM44.113 million (1999 - RM39.558 million).

8. **DEBTORS**

	Group		Company	
	2000	1999	2000	1999
Trade debtors	71,387	73,899	-	-
Amounts due from associated companies	47,311	35,863	16,728	16,769
Deposits and prepayments	48,618	52,527	8,899	24,967
	<u>167,316</u>	<u>162,289</u>	<u>25,627</u>	<u>41,736</u>

9. **DEPOSITS AND BANK BALANCES**

Short term deposits placed with:				
Licensed banks	58,773	101,212	15,000	87,220
Finance companies	306,136	70,757	10,521	68,969
Discount houses	1,475	4,201	1,425	2,700
Other financial institutions	235,152	230,698	185,662	227,937
Overseas financial institutions	17,608	17,694	2,809	-
	<u>619,144</u>	<u>424,562</u>	<u>215,417</u>	<u>386,826</u>
Bank balances	13,875	31,105	944	1,042
	<u>633,019</u>	<u>455,667</u>	<u>216,361</u>	<u>387,868</u>

10. **CREDITORS**

Trade creditors	55,235	57,590	-	8
Amounts due to associated companies	5,488	3,905	-	-
Other creditors and provisions	89,472	72,991	8,268	10,507
	<u>150,195</u>	<u>134,486</u>	<u>8,268</u>	<u>10,515</u>



11. BORROWINGS

		Group		Company	
		2000	1999	2000	1999
a)	Due within twelve months:				
	Unsecured bank overdrafts	1,216	3,290	-	-
	Other unsecured short term borrowings	14,540	44,594	-	38,000
	Unsecured term loans	1,600	2,161	-	-
	Secured term loans	-	4,732	-	-
		<u>17,356</u>	<u>54,777</u>	<u>-</u>	<u>38,000</u>
b)	Due after twelve months:				
	Unsecured term loans				
	- due between one to two years	1,600	2,000	-	-
	- due between two to five year	-	-	-	-
	Secured term loan				
	- due between one to two years	-	13,605	-	-
	- due between two to five years	-	76,308	-	-
	- due after five years	103,065	139,011	-	-
		<u>104,665</u>	<u>230,924</u>	<u>-</u>	<u>-</u>
i)	The unsecured bank overdrafts and other short term borrowings of the Group and Company carry interest rates which vary according to prevailing base lending rates or interbank offer rates. Interest rates charged during the year ranged from 6.20% to 13.50% (1999 - 9.05% to 13.30%) per annum.				
ii)	The unsecured term loans bear interest at rates between 7.25% and 9.55% (1999 - 6.20% and 13.50%) per annum.				
iii)	The secured term loan is secured by a fixed and floating charge over all of the assets and assignment of relevant contracts of a subsidiary company and bears interest at rates between 7.10% and 9.80% (1999 -10.55% and 15.30%) per annum.				

12. DEFERRED TAXATION

		Group		Company	
		2000	1999	2000	1999
	At 1 February	1,922	2,845	-	693
	Transfer to profit and loss account	-	(923)	-	(693)
	At 31 January	<u>1,922</u>	<u>1,922</u>	<u>-</u>	<u>-</u>

Deferred tax is principally in respect of timing differences on fixed assets.

Subject to the agreement of the relevant tax authorities, certain subsidiary companies have tax losses and capital allowances available for carry forward of RM173 million and RM105 million respectively (1999 - RM136 million and RM85 million respectively) which have not been included in the computation of deferred taxation.

13. **SHARE CAPITAL**

		Group and Company	
		2000	1999
Authorised:			
1,000,000,000 ordinary shares of 10 sen each		100,000	100,000
Issued and fully paid:			
836,139,210 ordinary shares of 10 sen each		83,614	83,614

14. **SHARE PREMIUM**

		Group and Company	
		2000	1999
At 1 February		487,129	487,154
Share issue expenses		-	(25)
At 31 January		487,129	487,129

15. **CAPITAL RESERVES**

	Group		Company	
	2000	1999	2000	1999
At 1 February	908,255	840,860	366,325	366,325
Transfer from profit and loss account	167,666	67,395	-	-
At 31 January	1,075,921	908,255	366,325	366,325

The transfer from profit and loss account represents profit on sale of investments and properties, net of minority interest where applicable.



16. **REVENUE RESERVES**

	Group		Company	
	2000	1999	2000	1999
At 1 February				
As previously stated	115,298	115,163	124,967	32,568
Prior year adjustment	(23,743)	(41,459)	-	-
As restated	91,555	73,704	124,967	32,568
Transfer to profit and loss account	(94,288)	(65,334)	(32,992)	(14,752)
Exchange adjustments on translation of:				
Foreign subsidiary companies	(228)	(25,561)	-	-
Profits retained in foreign associated companies	(424)	1,595	-	-
Foreign currency borrowings	4,847	107,151	4,847	107,151
At 31 January	1,462	91,555	96,822	124,967

Subject to the agreement of the Inland Revenue Board, the Section 108 credit available under the Income Tax Act, 1967 is sufficient to pay net dividends of RM5.9 million (1999 - RM 2.8 million) out of the revenue reserves of the Company. In addition, the Company has tax exempt income available to frank tax exempt dividends of RM4.4 million (1999 - RM1.8 million).

The prior year adjustment arose from a change in policy for translation of foreign currency term loans applied by an associated company retrospectively such that the cumulative impact to 31 January 2000 has been accounted for as a prior year adjustment and the relevant comparative figures restated accordingly. The board of the associated company decided to adopt Malaysian Accounting Standards No. 6 (MASB 6) "The Effects of Changes in Foreign Exchange Rates" early and change the accounting policy in respect of foreign currency loans in line with that for short term items, ie. translate into Ringgit Malaysia at rates of exchange prevailing at year end and take any differences arising thereon through the profit and loss account. In previous years, unrealised exchange differences arising from translation of such loans were taken to an Exchange Fluctuation Reserve Account and recognised in income over the life of the loan. The effect of the change in the Group accounts is an increase in profit before tax of RM3.0 million and RM17.7 million for the years ended 31 January 2000 and 31 January 1999, respectively.

17. **PROFIT/(LOSS) BEFORE TAXATION**

i) Operating profit/(loss) is stated after charging/(crediting):-

	Group		Company	
	2000	1999	2000	1999
Interest on term loans	630	12,368	-	11,699
Interest on short term borrowings	2,777	2,697	325	2,027
Interest equalisation amortised	618	1,573	-	-
Directors' remuneration:				
Fees	278	100	44	82
Salaries and other emoluments	1,139	1,027	1,139	973
Estimated money value of benefits	124	108	124	108
Depreciation and depletion	13,635	22,984	1,059	1,518
Deferred cost expensed	332	1,223	-	-
Rent of land and buildings	4,256	5,014	1,462	2,140
Auditors' remuneration:				
Malaysia	397	390	60	60
Overseas	132	118	-	-
Hire of plant and machinery	2,465	8,741	-	105
Provision for mining exploration expenditure	6,386	15,044	6,386	15,044
Foreseeable losses	679	1,482	-	-
Write back of foreseeable losses	-	(3,300)	-	-
Provision for employees' retrenchment benefits	124	236	(1)	214
Bad debts	18,253	2,707	-	-
Gross dividend income (Note (ii))	(23,970)	(19,398)	(33,737)	(66,616)
Interest income	(26,926)	(57,769)	(19,869)	(50,771)
Rental income	(2,798)	(4,101)	(111)	(198)
Profit on sale of fixed assets	(1,829)	(1,294)	834	17
Cost of sales	250,396	303,888	-	-
	_____	_____	_____	_____

ii)	Gross dividend income is from:				
	Investments quoted in Malaysia	19,693	4,923	-	-
	Investments quoted outside Malaysia	4,277	14,475	-	-
	Associated companies:				
	Quoted in Malaysia	-	-	4,774	4,213
	Quoted outside Malaysia	-	-	3,653	1,981
	Subsidiary companies:				
	Quoted in Malaysia	-	-	1,892	2,057
	Unquoted	-	-	23,418	58,365
		<u>23,970</u>	<u>19,398</u>	<u>33,737</u>	<u>66,616</u>



iii) Exceptional items (nil tax effect) comprise :

	Group		Company	
	2000	1999	2000	1999
Bad debts in respect of loans to associated companies/(reversal)	(30,082)	47,612	(30,082)	36,772
Gain on sale of investments	(245,845)	(67,395)	-	-
Gain on sale of associated companies	(447)	-	-	-
Cessation expenses	-	3,671	-	-
Goodwill written off	1,163	2,829	-	-
Investment written down	10,295	1,529	30,489	1,529
Interest in mineral properties written down	33,990	-	-	-
Projects written off	13,045	-	13,045	-
	(217,881)	(11,754)	13,452	38,301

iv) Share of abnormal items of associated companies comprises:

	Group	
	2000	1999
Loss on sale of shares and fixed assets	-	13,300
Business rationalisation and restructuring	-	5,302
Provision against carrying value of investments/assets	70,889	130
	70,889	18,732

v) Professional fees

The profit for the year is stated after charging RM0.858 million (1999 - Nil) for the Group and Company for professional services rendered by firms in which two Directors are partners.

18. TAXATION

	Group		Company	
	2000	1999	2000	1999
Malaysian	(3,251)	11,929	-	14,138
Deferred taxation	-	(923)	-	(693)
	(3,251)	11,006	-	13,445
Under/(Over)provision in respect of prior years	126	(4,088)	-	-
Taxation on share of results of associated companies - current taxation	21,098	33,466	-	-
- abnormals	-	(6,696)	-	-
	17,973	33,688	-	13,445

There is no tax charge for the Company for the year as interest income received in calendar year 1999 is not taxed because of the tax waiver in 1999.

The Group recorded a taxation recovery of RM3.251 million for the year following dividend payments to the Company from past profits of subsidiary companies.

An associated company is currently in dispute with tax authorities in relation to the deductibility of loan forgiveness amounts which arose from the associate's previous gold mining activities. The matter is scheduled for a court hearing in April 2000. Based on advice received to date, no significant liability in respect of this matter is expected to arise.

19. **DIVIDENDS**

	2000	1999
Interim dividend of 1.0 sen per share, tax exempt (1999 - 1.0 sen per share less 28% tax)	8,361	6,020
Proposed final dividend of 3.0 sen per share less 28% tax (1999 - 3.0 sen per share tax exempt)	18,061	25,084
Proposed special dividend of 2.0 sen per share, tax exempt (1999 - Nil)	16,723	-
	43,145	31,104

20. **RETIREMENT BENEFIT SCHEME**

The Company and certain of its subsidiaries contribute to an approved defined benefit scheme established under Section 150 of the Income Tax Act, 1967. The most recent actuarial valuation of the scheme which was carried out as at 31 December 1998 showed that the scheme was adequately funded when the actuarially determined value of vested benefits was compared against the market value of the scheme's assets.

21. **CONTINGENT LIABILITIES**

	Group		Company	
	2000	1999	2000	1999
Guarantees for bank facilities extended to				
-subsidiary companies	-	-	-	14,437
-associated companies/joint venture	51,300	36,000	-	-

In addition, the Group and Company have contingent liabilities which are not readily ascertainable in respect of filling and levelling conditions on the Group's and Company's mining leases and relating to the deviation of the Kinta River. There were similar contingent liabilities at 31 January 1999 for the Group and Company.

Arising from a proposed change in foreign tax legislation which is yet to be enacted, there may be a possibility of a Group company being subjected to a capital gains tax liability of some RM230 million in respect of a share exchange completed during 1998.



A claim of RM4.5 million on a performance bond was made against a subsidiary company in respect of the client's termination of one of the subsidiary's contracts. The subsidiary has filed an injunction to prevent payment on the bond and this matter is pending appeal in the High Court. The subsidiary has also instituted arbitration proceedings. The Directors are of the opinion that there is no merit to the claim made by the client as they contend that the client has wrongfully terminated the contract. The Directors do not expect any material losses to arise and therefore no provision is made in the accounts.

Suasa Unik (M) Sendirian Berhad (Suasa Unik), an associate company of Tronoh Mines Malaysia Berhad (Tronoh), which is a subsidiary of the Company, has defaulted on its loans from its lending financial institutions. Under a condition of the loan agreement with the financial institutions, the shareholders of Suasa Unik provided a proportionate corporate guarantee. Tronoh's share of the corporate guarantee amounts to approximately RM36 million as at the year end. The Directors are of the opinion that no provision is required for the corporate guarantee as negotiations are in progress with Danaharta to restructure Suasa Unik's banking facilities.

22. COMMITMENTS

	Group		Company	
	2000	1999	2000	1999
Contracted for	8,089	20,709	10	118
Not contracted for	25,218	40,840	16,820	16,426
	33,307	61,549	16,830	16,544

is

23. HOLDING COMPANIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS

The immediate holding company is Permodalan Nasional Berhad, a company incorporated in Malaysia. The ultimate holding company is Yayasan Pelaburan Bumiputra, a company incorporated in Malaysia and limited by guarantee.

The management of the Group's mining operations in Malaysia is undertaken by Pernas Charter Management Sendirian Berhad. The Company's rental expense is paid to the immediate holding company.

The above transactions have been entered into in the normal course of business and have been established at negotiated rates.

24. EARNINGS/(LOSS) PER SHARE

The calculation of earnings per share is based on the Group profit after minority interests of RM116.52 million (1999 - RM33.17 million) divided by 836.139 million ordinary shares (1999 - 836.139 million ordinary shares) in issue. A pre-exceptional and abnormal calculation based on the attributable profit after tax and minority interest but before exceptional and abnormal items of RM47.71 million (1999 - RM29.29 million) provided for comparative purposes.

25. **GROUP SEGMENT REPORTING**

	Turnover		Gross assets		Profit/(loss) before tax	
	2000	1999	2000	1999	2000	1999
Mining:						
Malaysia	675	197	36,309	34,494	(1,789)	(3,533)
Australia	290,366	256,010	326,482	371,379	(52,276)	(38,106)
Exploration:						
Malaysia	-	-	650	671	(6,386)	(15,044)
Indonesia	-	-	23,988	18,480	-	-
Infrastructure and utilities	174,138	120,499	473,693	448,306	39,139	48,019
Engineering	227,115	298,092	146,802	174,410	(17,415)	193
Investments and deposits	-	-	1,057,970	999,284	282,287	148,995
Manufacturing and processing	317,307	298,245	130,261	130,899	11,522	(19,612)
Others	7,137	6,419	34,136	49,144	(35,369)	(39,881)
Interest expense	-	-	-	-	(3,407)	(15,065)
Group's share of turnover of associate companies (Note (i))	(740,787)	(640,318)	-	-	-	-
	275,951	339,144	2,230,291	2,227,067	216,306	65,966

- i) The turnover of associated companies represents the Group's share of the turnover as disclosed in the accounts of the associated companies.
- ii) All geographical segments are Malaysian based unless otherwise indicated.

26. **COMPARATIVE FIGURES**

The comparatives for the cash flow statement and group segment reporting have been amended in line with this year's presentation.

The comparatives for the profit and loss account have been amended for the effect of the prior year adjustment of an associated company as discussed in Note 16.

27. **SUBSIDIARIES, ASSOCIATES AND PRINCIPAL INVESTMENTS**

SUBSIDIARIES

Name of company	Country of incorporation	Issued and paid-up capital at 31.1.2000	Group's effective interest		Principal activities during the year
			2000 (%)	1999 (%)	
Anglo-Oriental (Annuities) Sendirian Berhad	Malaysia	360,020,096 shares of RM1 each	100	100	Investment holding
Anglo-Oriental (Malaya) Sendirian Berhad	Malaysia	2,142,857 shares of RM1 each	100	100	Property and investment holding



Name of company	Country of incorporation	Issued and paid-up capital at 31.1.2000	Group's effective interest		Principal activities during the year
			2000 (%)	1999 (%)	
Anglo-Oriental (Malaya) Trustees Sendirian Berhad	Malaysia	857 shares of RM1 each	100	100	Trust management
** Anglo-Oriental (Nominees) Australia Pty	Australia	70,400,001 shares and 44,180,000 cumulative redeemable preference shares with no par value	100	100	Investment holding
* Golden Solitaire (Australia) B. V.	Netherlands	17,997 shares of NLG 1,000 each	68.2	68.2	Investment holding
Hillgrove Gold NL (a 52.3% subsidiary holds 61.9% of this company)	Australia	324,515,344 shares with no par value	32.4	32.4	Gold and antimony mining
Kilang Papan Bukit Indah Sendirian Berhad	Malaysia	200,003 shares of RM1 each	100	100	Rental of sawmill
Konsortium Lebu Raya Butterworth - Kulim (KLBK) Sendirian Berhad	Malaysia	5,000,000 shares of RM1 each	100	100	Construction and operation of privatised highway
Kramat Tin Dredging Berhad	Malaysia	3,960,000 shares of RM1 each	52.9	52.9	Tin mining operations (winding down)
Labohan Dagang Galian Sendirian Berhad	Malaysia	2 shares of RM1 each	100	100	Investment holding
** Malaysia Mining Corporation Australia Pty Limited	Australia	1,345,002 shares with no par value	100	100	Australian representative office of MMC
MMC Engineering Group Berhad	Malaysia	31,630,893 shares of RM1 each	75	75	Investment holding in engineering, construction and manufacturing
MMC Engineering Services Sendirian Berhad	Malaysia	30,000,000 shares of RM1 each	75	75	Engineering

Name of company	Country of incorporation	Issued and paid-up capital at 31.1.2000	Group's effective interest		Principal activities during the year
			2000 (%)	1999 (%)	
MMC Kinta Sendirian Berhad (a 75% owned subsidiary holds 60% of this company)	Malaysia	200,000 shares of RM1 each	45	45	Civil and construction works
MMC Oil & Gas Engineering Sendirian Berhad	Malaysia	500,002 shares of RM1 each	75	75	Specialised engineering services
MMC Power Sendirian Berhad	Malaysia	100,000 shares of RM1 each	75	75	Erection of power transmission lines and maintenance of electrical substations
MMC Shapadu (Holdings) Sendirian Berhad	Malaysia	25,255,000 shares of RM 1 each	76	76	Investment holding
* MMC Metal Industries Sendirian Berhad (formerly known as Bradken Malaysia Sendirian Berhad) (a 75% subsidiary holds 75.8% of this company)	Malaysia	9,720,000 shares of RM1 each	56.9	24.3	Manufacture of steel castings
* Singapore Steel Pte Ltd (a 75% subsidiary holds 75.8% of this company)	Singapore	2,500,000 shares of SGD1 each	56.9	24.3	Trading in castings and forgings
* BK Precision Cast Sendirian Berhad (a 75% subsidiary holds 75.8% of this company)	Malaysia	500,000 shares of RM1 each	56.9	24.3	Manufacture of precision castings
MMCAK Sendirian Berhad	Malaysia	2 shares of RM 1 each	41.3	41.3	Civil construction works
Pernas Charter Management Sendirian Berhad	Malaysia	1,000,000 shares of RM1 each	100	100	Mine management



Name of company	Country of incorporation	Issued and paid-up capital at 31.1.2000	Group's effective interest		Principal activities during the year
			2000 (%)	1999 (%)	
Pesiaran Properties Sendirian Berhad	Malaysia	2 shares of RM1 each	100	100	Property investment
Seginiaga Rubber Industries Sendirian Berhad	Malaysia	12,550,002 shares of RM1 each	66.1	66.1	Manufacture of weather strips
Tepat Teknik Sendirian Berhad (a 75% owned subsidiary holds 70% of this company)	Malaysia	6,645,000 shares of RM1 each	52.5	52.5	Construction and fabrication
Tepat Teknik (Kejuruteraan) Sendirian Berhad (a 75% owned subsidiary holds 70% of this company)	Malaysia	100,000 shares of RM1 each	52.5	52.5	Construction and fabrication
Tepat Teknik (Sarawak) Sendirian Berhad (a 52.5% owned subsidiary holds 100% of this company)	Malaysia	100,000 shares of RM1 each	52.5	52.5	Construction and fabrication
@ Timah Dermawan Sendirian Berhad	Malaysia	10,000,000 shares of RM1 each	55.7	55.7	Tin mining operations
Timah Securities Berhad	Malaysia	470,000 shares of RM1 each	100	100	Property investment
Tronoh Holdings (Selangor) Sendirian Berhad	Malaysia	451,000 shares of RM1 each	100	100	Property investment
Tronoh Mines Malaysia Berhad	Malaysia	41,263,140 shares of RM1 each	52.3	52.3	Investment holding and tin mining operations (reduced scale)

- i) The accounts of all the above subsidiaries used for inclusion in the consolidated accounts are those for the year to 31 January 2000.
- ii) The keys to the symbols used against the subsidiaries are as follows:
- * Not audited by KPMG.
 - ** Audited by overseas KPMG firms.
 - @ Audited by KPMG Desa Megat & Co, an associated firm of KPMG.

ASSOCIATES

Name of company (Particulars of issued share capital - fully paid shares of RM1 each, unless stated otherwise)	Country of incorporation	Group's effective interest		Accounting date for inclusion of company results	Principal activities during the year
		2000 (%)	1999 (%)		
Ajil Minerals Sendirian Berhad (1.0 million shares)	Malaysia	49	49	=Year to 31.12.99	Ilmenite mining
Amalgamated Aluminium and Alloys Sendirian Berhad (7.4 million shares)	Malaysia	-	20	-	Recycling of aluminium scrap
Ashton Mining Limited (338.9 million shares with no par value)	Australia	47.2	47.2	=Year to 31.12.99	Mining of precious metals and minerals and exploration
Ashton-MMC Pte Limited (5 shares of SGD1 each)	Singapore	40	40	=Year to 31.12.99	Investment holding
Berjuntai Tin Dredging Berhad (30.5 million shares)	Malaysia	28.6	28.6	**Half-year to 30.4.99 +Half-year to 31.10.99	Tin dredging operations (winding down)
Gas Malaysia Sendirian Berhad (42,800 shares of RM 1,000 each)	Malaysia	41.8	41.8	=Year to 31.1.2000	Construction and operation of natural gas distribution system
Kuala Langat Mining Sendirian Berhad (60 million shares)	Malaysia	32.6	32.6	=Year to 31.12.99	Tin dredging operations (winding down)
Malaysia Smelting Corporation Berhad (75 million shares)	Malaysia	38	38	=Year to 31.12.99	Tin smelting
Mining and General Management Company Limited (10,000 shares of Baht 100 each)	Thailand	35	35	+Year to 31.12.99	Mine management
MMC - GTM Bina Sama Sendirian Berhad (5.0 million shares)	Malaysia	37.5	37.5	=Year to 31.12.99	Highway construction
MMC-LDAH Concrete Sendirian Berhad (2 shares)	Malaysia	33.7	33.7	=Year to 31.1.99	Concrete batching



Name of company (Particulars of issued share capital - fully paid shares of RM1 each, unless stated otherwise)	Country of incorporation	Group's effective interest		Accounting date for inclusion of company results	Principal activities during the year
		2000 (%)	1999 (%)		
M.O.S.T. Power JV Sendirian Berhad (0.25 million shares)	Malaysia	22.5	22.5	+Period to 31.12.99	Erection of power transmission lines
PKB-MMC Sendirian Berhad (3.8 million shares)	Malaysia	49	49	=Year to 31.12.99	Tribute mining
PT Malaysia Mining Corporation Indonesia (250,000 shares of RP1,829 each)	Indonesia	40	40	=Period to 31.12.99	Providing geology survey/research and general mining services
Suasa Unik (M) Sendirian Berhad (30.2 million shares)	Malaysia	26.2	26.2	=Year to 31.1.99	Manufacture of ductile iron pipes
TaldyBulak Mining Corporation (100,000 shares of US\$1 each)	Kyrgyz Republic	40.0	40.0	+Period to 31.12.99	Exploration and mining of metals

The keys to the symbols used against the accounting date are as follows:

= Audited accounts.

** Audited accounts for the financial year less the previous half-yearly unaudited interim accounts.

+ Unaudited accounts.

PRINCIPAL INVESTMENTS

Name of company	Group's effective interest		Principal activities during the year
	2000 (%)	1999 (%)	
Sime Darby Berhad	5.3	5.3	Plantations, trading, manufacturing, financial services and property development
Homestake Mining Corporation	3.1	5.4	Gold mining and related activities
CityView Energy Corporation Limited	29.3	37.2	Investment holding with interests in the oil and gas industry

INACTIVE SUBSIDIARIES

Name of company	Country of incorporation	Group's effective interest	
		2000	1999
		(%)	(%)
Alam Dergahayu (Johor) Sendirian Berhad	Malaysia	75	75
Amalan Rantau (M) Sendirian Berhad	Malaysia	100	100
Anglo-Oriental Nominees Sendirian Berhad	Malaysia	100	100
Associated Mines (Malaya) Sendirian Berhad	Malaysia	75.7	75.7
Bidor Malaya Tin Sendirian Berhad	Malaysia	100	100
Bracken Services Limited	England	100	100
Dana Vision Sendirian Berhad	Malaysia	100	100
D.V. Research Sendirian Berhad	Malaysia	100	100
Eastern Waste Management Sendirian Berhad	Malaysia	75	75
Enzymas Naturales Sendirian Berhad	Malaysia	52.3	52.3
London Tin (Malaysia) Berhad	Malaysia	100	100
MMC Aviation Sendirian Berhad	Malaysia	100	100
*MMC Belgium NV	Belgium	100	100
*MMC EG Co. Ltd	Mongolia	90	90
*MMC Exploration & Production (Thailand) Ltd	Thailand	100	100
*MMC Exploration & Production (BV)	Netherlands	100	100
*MMC Exploration & Production (Philippines)	Philippines	100	51
MMC Frigstad Offshore Sendirian Berhad	Malaysia	100	100
*MMC Japan Limited	Japan	100	100
MMC Marketing Sendirian Berhad	Malaysia	100	100
MMC Mining and Engineering Consultants Sendirian Berhad	Malaysia	100	100
MMC Ports Sendirian Berhad	Malaysia	100	100
*MMC Resources Corporation	Canada	93.1	93.1
*MMC (US) Inc	USA	100	100
MMC Utilities Berhad	Malaysia	100	100
MMC (Vietnam) Holdings Sendirian Berhad	Malaysia	100	100
MMC Water Resources Sendirian Berhad	Malaysia	100	100
More Furniture Ideas (M) Sendirian Berhad	Malaysia	100	100
Projek Lebuh raya Timur Sendirian Berhad	Malaysia	100	100
Sumbangan Rantau (M) Sendirian Berhad	Malaysia	100	100
Southern Kinta Consolidated Limited	England	100	100
Southern Kinta Consolidated (M) Berhad	Malaysia	100	100
Southern Malayan Tin Dredging (M) Berhad	Malaysia	100	100
Tepat Teknik (Urusan) Sendirian Berhad	Malaysia	100	100
Wangsa Struktur Sendirian Berhad	Malaysia	65	65
*MMI Foundry Sendirian Berhad (formerly known as BK Insulating Products Sendirian Berhad)	Malaysia	56.9	24.3

The key to the symbol used against the subsidiaries is as follows:

* Not audited by KPMG.



STATEMENT BY DIRECTORS

We, R.M. Alias and Tan Sri Ibrahim Menudin, being two of the Directors of Malaysia Mining Corporation Berhad, do hereby state on behalf of the Directors that in our opinion, the accounts set out on pages 45 to 72, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 January 2000 and of the results of the Group and the Company and the cash flows of the Group for the year then ended.

On behalf of the Board

R.M. Alias
Director

Tan Sri Ibrahim Menudin
Director

Kuala Lumpur,
28 March 2000

STATUTORY DECLARATION

I, Phan Leong Kim, being the officer primarily responsible for the financial management of Malaysia Mining Corporation Berhad, do solemnly and sincerely declare that the accounts set out on pages 45 to 72, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Phan Leong Kim at Kuala Lumpur this 28 day of March 2000.

Before me,

Ali bin Isa, A.M.N
Commissioner for Oaths
Kuala Lumpur

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts set out on pages 45 to 72. The preparation of the accounts is the responsibility of the Company's directors. Our responsibility is to express an opinion on the accounts based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the accounts. We believe our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the accounts are properly drawn up in accordance with the provision of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 January 2000 and the results of the Group and the Company and cash flows of the Group for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the accounts of the Group and of the Company:-

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

Without qualifying our opinion, we draw attention to Notes 1(m) and 6(c) to the accounts. The accounting policy to capitalise interest incurred on borrowings for the construction of the expressway already in use and the deferral of post-construction interest represents a departure from the provisions of International Accounting Standard 23 on Capitalisation of Borrowing Costs. However, having regard to the matters disclosed in Note 1(m) to the accounts, we concur with the opinion of the Directors that the accounting policy more appropriately matches the interest charges incurred on borrowings obtained for the construction of the expressway with the revenues from the concession.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 27 to the accounts and we have considered their accounts and the auditors' reports thereon.

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

The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment under sub-section (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Public Accountants

Ampalavanar s/o Segarajah
Partner
Approval Number : 1293/10/00(J)

Kuala Lumpur
28 March 2000



MALAYSIA MINING CORPORATION BERHAD (30245-H)
(Incorporated in Malaysia)

PROXY FORM

Number of shares held

I/We,
(BLOCK LETTERS)

of
being a member/members of Malaysia Mining Corporation Berhad hereby appoint

of

or failing him, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at Annual General Meeting of the Company to be held on 20 June 2000 and at any adjournments thereof, on the following resolutions referred to in the notice of the Annual General meeting.

No.	Resolutions	For	Against
1.	Adoption of Report and Accounts		
2.	Declaration of Dividend		
3.	Re-election of YBhg. Tan Sri Dato' Dr. Abdul Khalid bin Sahan		
4.	Re-election of Encik Zain Azahari bin Zainal Abidin		
5.	Re-election of YBhg. Datuk Alladin bin Hashim		
6.	Re-election of YBhg. Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman bin Haji Wan Yaacob		
7.	Re-appointment of YBhg. Tan Sri Dato' Thong Yaw Hong		
8.	Directors' fees and Chairman's allowance		
9.	Re-appointment of Auditors		
10.	Amendment to Articles of Association		

Dated : Signature :

Notes :

1. This proxy form must be deposited at the Registrar's office at Pernas Charter Management Sendirian Berhad, 32nd Floor, Menara PNB, 201A Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the meeting.
2. In the case of a corporation, this proxy form should be under common seal or under the hand of an officer or attorney duly authorised on its behalf. A proxy need not be a member of the Company and a member may appoint any person to be the proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. A corporate may, by resolution of its directors or other governing body, if it is a member of the Company, authorise such person as it thinks fit to act as its representative and a person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of the Company.
4. In the case of joint holders, the signature of any one of them will suffice.
5. Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he/she thinks fit.

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STAMP

TO : THE REGISTRAR
MALAYSIA MINING CORPORATION BERHAD (30245-H)
32ND FLOOR, MENARA PNB
201A JALAN TUN RAZAK
50400 KUALA LUMPUR
MALAYSIA

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