

# Annual Report 1999



# Definition

AGROGREEN – BERNAS Agrogreen Sdn Bhd	JFC – Jasmine Food Corporation Sdn Bhd
APC – Asian Peninsula Corporation Limited	JF (AS) – Jasmine Food (Alor Setar) Sdn Bhd
BAN HENG BEE – Ban Heng Bee Rice Mill (1952) Sdn Bhd	JF (IPOH) – Jasmine Food (Ipoh) Sdn Bhd
BAYAM KOTA – Era Bayam Kota Sdn Bhd	JF (JB) – Jasmine Food (Johor Bahru) Sdn Bhd
BCC – BERNAS China Corporation	JF (PRAI) – Jasmine Food (Prai) Sdn Bhd
BCSB – Beras Corporation Sdn Bhd <i>(formerly known as Mergerich Sdn Bhd)</i>	JKH – Jasmine Khidmat dan Harta Sdn Bhd
BERNAS – Padiberas Nasional Berhad or The Company	JFC Group of Companies – JFC and its subsidiaries, i.e. JF (AS), JF (Ipoh), JF (JB), JF (Prai) and JKH.
BET – BERNAS Engineering & Technology Sdn Bhd	JRM – Jasmine Rice Mill (Tunjang) Sdn Bhd
BFC – BERNAS Food Catering Sdn Bhd	JRP – Jasmine Rice Products Sdn Bhd
BGSB – Budaya Generasi (M) Sdn Bhd	KHSB – Keongco Holding Sdn Bhd
BKME – BERNAS–KME Sdn Bhd <i>(formerly known as Icon Heritage Sdn Bhd)</i>	LOGISTICS – BERNAS Logistics Sdn Bhd <i>(formerly known as Padiberas Transport Sdn Bhd)</i>
BMA – BM Agrotech Sdn Bhd	LPN – Lembaga Padi dan Beras Negara
B-MART – BERNAS-Mart Sdn Bhd	PADI GEDONG – Padi Gedong Sdn Bhd
BMS – BERNAS-Marditech Seed Sdn Bhd	PERDANA – BERNAS Perdana Sdn Bhd
BOL – BERNAS Overseas (L) Ltd	PBCS – P.B. Construction & Supplies Sdn Bhd
BST – Ban Say Tong Sdn Bhd	QNB – Qaiser Noman BERNAS (Private) Ltd
BRD – BERNAS Realty & Development Sdn Bhd	SAZARICE – Sazarice Sdn Bhd <i>(formerly known as Sazarice Wholesaler Sdn Bhd)</i>
BSA – BERNAS Shipping Agencies Sdn Bhd	SERBA WANGI – Serba Wangi Sdn Bhd
CHAFF – BERNAS Chaff Products Sdn Bhd	SHST – Sin Hock Soon Trading (Kedah) Sdn Bhd
DAYABEST – Dayabest Sdn Bhd	SSTS – Sinsan Tien Seng (Johor) Sdn Bhd
DOMINALS – BERNAS Dominals Sdn Bhd	SOBERGUI – Societe BERNAS De Guinee
ERAS – Era Rangkaian Setia Sdn Bhd	TSH – Tong Seng Huat Rice Trading Sdn Bhd
FAIZA – Syarikat Faiza Sdn Bhd	UTAMA – BERNAS Utama Sdn Bhd
FAJAR – Kilang Beras Fajar Sdn Bhd	VALORLITE – Valorlite Resources Sdn Bhd
FAMA – Federal Agriculture and Marketing Authority	XH – Xeng Heng (M) Trading Sdn Bhd
FEEDSTUFF – BERNAS Feedstuff Sdn Bhd	YHL – YHL Holding Sdn Bhd
FISHERIES – BERNAS Fisheries Sdn Bhd <i>(formerly known as Kaca Seni Sdn Bhd)</i>	YHL (KL) – Yew Heng Leong (KL) Sdn Bhd
GROUP – BERNAS, its subsidiaries and associated companies	YHL Group of Companies – YHL and its subsidiaries, i.e., YHL (KL), SSTS, XH and SHST
HASKARICE – Haskarice Food Sdn Bhd	
HOCK CHIONG – Hock Chiong Foodstuff Sdn Bhd	

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 6th Annual General Meeting of Padiberas Nasional Berhad (“the Company”) will be held at MPSA Auditorium, Wisma MPSA, Persiaran Perbandaran, 40675 Shah Alam, Selangor on 27 June 2000 at 10am, for the following purposes:

To receive and adopt the Audited Accounts for the financial year ended 31 December 1999 together with the Report of the Directors and Auditors thereon. **Resolution 1**

To approve the payment of a final dividend of 5% tax exempt for the financial year ended 31 December 1999. **Resolution 2**

To approve the increase of Directors’ fees. **Resolution 3**

To re-elect the following Directors who retire in accordance with the Articles of Association of the Company:

Under Article 126 and 127

Dato’ Syed Azizan Bin Syed Mohamad **Resolution 4**

Encik Dohat Bin Shafiee **Resolution 5**

Under Article 121

YB Haji Mohd Naroden Bin Haji Majais **Resolution 6**

To re-appoint Messrs Arthur Andersen & Co. as Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

As special business, to consider and if thought fit, to pass the following ordinary resolution:-

That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares of the Company at any time until the conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange. **Resolution 8**

To transact any other business of which due notice shall have been given.

## Notice of Dividend Entitlement and Payment

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 6th Annual General Meeting, Final Dividend of 5% tax exempt will be payable on 31 July 2000 to depositors registered in the Records of Depositors at the close of business on 7 July 2000.

A depositor shall qualify for entitlement to the dividend only in respect of:

- Shares transferred into the Depositors' Securities Account before 12.30 p.m. on 7 July 2000 in respect of ordinary transfers.
- Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board



**HASLINA ABD HADI**  
(LS006009)  
Company Secretary

Petaling Jaya  
2 June 2000

### NOTES:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.
2. \* Subject to Article 109 and 114, a proxy must be a member of the Company or an advocate or an approved company auditor or a person approved by the Registrar in a particular case.
3. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney.
4. The instrument appointing a proxy or representative shall be deposited at the registered office of the Company, Level 19, C.P. Tower, No.11, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor not less than forty eight (48) hours before the time for holding the meeting or any adjournment thereof.
5. \* Explanatory Note:  
**Section 109**  
" A member who is of unsound mind and whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy."  
**Section 114**  
" Any corporation which is a member of the Company may by resolution of the Directors of that Corporation or other governments body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company."

# Corporate Information

## **Registered Office and Corporate Headquarters**

Level 19, C.P. Tower, No. 11  
Section 16/11, Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan

Tel: 03-460 4545  
Fax: 03-460 4646  
Toll Free: 1-800-18-1128  
Web Site: [www.bernas.com.my](http://www.bernas.com.my)

## **Principal Bankers**

Bank Utama (Malaysia) Berhad  
Bank Muamalat Malaysia Berhad  
Bank Islam (M) Bhd  
Perwira Affin Bank Berhad  
Malayan Banking Berhad  
Standard Chartered Bank Malaysia Berhad  
RHB Bank Berhad  
Bumiputra-Commerce Bank (L) Ltd  
Bayerische Landesbank Girozentrale (Labuan)  
Standard Chartered Bank (Offshore Labuan)  
ABN AMRO Bank N.V. Labuan Branch

## **Company Secretary**

Haslina binti Abd Hadi (LS006009)

## **Auditors**

Messrs. Arthur Andersen & Co  
Public Accountants  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

## **Share Registrar**

Panama Resources Sdn Bhd  
No. 23, Jalan Sri Hartamas 7  
Sri Hartamas  
50400 Kuala Lumpur

## **Stock Exchange Listing**

Main Board, Kuala Lumpur Stock Exchange  
Stock Name – Bernas  
Stock Code – 6866

# History



The history of BERNAS dates far back to 1971 when LPN was first established as a statutory body on 20 September 1971 under the Lembaga Padi dan Beras Negara Act 1971. Its primary functions was aimed at regulating the paddy and rice industry. Its formation resulted from the merger of two government agencies, namely the Supplies Division of the Ministry of Trade and Industry and the Paddy and Rice Marketing Board of FAMA.

With the objective of optimising the efficiency of the nation's paddy and rice industry, the Government sanctioned the corporatisation of LPN to the then Syarikat Padiberas Nasional Berhad on 7 July 1994. The latter was subsequently renamed Padiberas Nasional Berhad on 30 March 1995. Whilst the regulatory functions remained with the Government which are now under the purview of the Ministry of Agriculture, LPN's commercial and social functions including all its moveable properties, rights and liabilities were transferred to BERNAS vide a Vesting Order 1994 made pursuant to Section 3(1) of the Lembaga Padi dan Beras Negara (Successors Company) Act, 1994.

Subsequent to the corporatisation of LPN into BERNAS, the Company was privatised pursuant to the Privatisation Agreement between the Government and BGSB. The privatised BERNAS continued to assume all successors, the rights and liabilities of LPN prior to its privatisation and continue to manage the social obligations previously undertaken by LPN and the corporatised entity. In addition, under the Privatisation Agreement, the Government grants the privatised BERNAS the right to continue importing rice into Malaysia for a period of 15 years with effect from 12 January 1996.

In carrying out the aforementioned functions, BERNAS continue to play a pertinent role in balancing the interest of all stakeholders in the paddy and rice industry.

Now the leading rice player in Malaysia, BERNAS operates through four main clusters, namely UTAMA, PERDANA, ERAS and BCSB throughout Malaysia. These clusters operate 36 mills and 49 godowns and employ more than 4,000 people. From these geographically dispersed locations, the Group sales force delivers to more than 15,000 outlets.

The BERNAS Group rice is marketed under a number of well-known national brands, which include Jasmine, Saga, Sunwhite, Sakura and Jati.



# Vision

Padiberas Nasional Berhad aspire:

- To be the leading force in the Malaysian rice industry and to establish a significant presence in the rice business of the ASEAN region;
- To transform the Company into a well diversified food conglomerate with a spectrum of business activities spanning the ASEAN Region and beyond; and
- To always carry the Malaysian flag and the country's overall perspective in conducting its business.

## Strategic Directions

### i) *Link and manage the rice supply chain*

To entail the vertical integration of the core rice business, from seed to shelf. This is effected through joint-ventures or smart partnerships with strategic existing players, forming associate companies and strategic alliances at the farming, milling, wholesaling, retailing level and rice exporting (regional). This consolidation is envisaged to lead to a reduction of excessive layering, reduction of transaction cost, plugging leakages and ultimately increasing efficiency in the rice supply chain, and in consequence, the overall rice industry.

### ii) *Value-add the supply chain with other food products*

To strengthen the distribution network through branding strategies and logistics enhancement and to cater for the distribution of other food products.

### iii) *Diversify into supporting and ancillary services*

Through shipping and transportation, packaging and warehousing, construction and engineering, database management and ancillary services related to food distribution.

# Board of Directors

**YB Datuk Ruhanie bin Haji Ahmad** 52, is a Director and the Chairman of the Board since 1996 • Graduated with a Diploma in Public Administration from MARA Institute of Technology (MIT) and a Diploma in Journalism from Essex, England • He is the Member of Parliament for Parit Sulong, Johor since 1990 • Previously he was the Press Secretary and subsequently Political Secretary to Tan Sri Musa Hitam • Currently, he is the Chairman of Yayasan Pelajaran MARA (YPM) and Concrete Engineering Products Berhad (CEPCO) as well as the Deputy Chairman of KUB Malaysia Berhad.



**Mohd. Ibrahim bin Mohd. Nor** 41, a Director since February 1996 and is currently the Group Managing Director of BERNAS and Executive Chairman of BGSB • Graduated with a Bachelor of Arts (Mathematics) from Knox College, Illinois and later obtained an MBA from Drake University, Iowa, USA • He was formerly the Chief Operating Officer of Malakoff Berhad • Prior to that he held the positions of General Manager in the New Straits Times Press (Malaysia) Berhad (NSTP), and Executive Assistant to the Chief Executive of NSTP/Chairman of the Fleet Group.

# Board of Directors



**Dato' Ahmad Zabri bin Ibrahim** 57, a Director since 1994 representing the Ministry of Agriculture • He was reappointed in December 1997 after his retirement from the civil service • Graduated with a Bachelor of Arts (Hons) in History from University Malaya, holds a Diploma in Development Administration from Birmingham and obtained a Masters in Public Administration from University of Southern California, Los Angeles, USA • He was Deputy Director General (Management)/Secretary of ISIS (M) and later Director of Development Sabah State Government from 1987 to 1990 • He was also the Secretary General, Ministry of Youth and Sports and State Secretary of Selangor and Secretary General, Ministry of Agriculture • Currently, he is the Chairman of Oriental Bank Malaysia Berhad and Seni Maju Construction Company • Prior to that, he was the Chairman of Bank Pembangunan & Insfrastruktur Malaysia Berhad, MARDI and a member of the National Productivity Centre • He is also a Director of DMIB Berhad and Datuk Keramat Holdings Berhad.



**Dato' Pahamin bin A. Rajab** 54, a Director since 1999 • Currently, is the Secretary General of the Ministry of Domestic Trade and Consumer Affairs • His career begun in the 1970's when he served as Assistant Secretary, Public Service Department • He was later appointed as Collector of Land Revenue, Kuala Pilah, Negeri Sembilan and also served as State Development Officer for Negeri Sembilan and Kelantan • In 1986, Dato' Pahamin was promoted to the Under Secretary (Finance Division), Ministry of Agriculture • In 1987, he was appointed as the Under Secretary (Rural Enterprise Division) Ministry of National and Rural Development • In 1990, he assumed the post of Minister Counsellor, High Commission of Malaysia, London • In 1992, he was the Director General of Farmers' Organisation Authority • From 1994 till 1998, he was the Director General of Road Transport Department • Graduated with M.A. (PPA) WIS, BA (Hons) UM, LLB (Hons) LON, DSLP (UIA), CLP.



**Dato' Seri Mohamad Noor bin Abdul Rahim** 54, a Director since 1998 • Currently, he is the Secretary General of the Ministry of Home Affairs • Graduated with a Bachelor of Arts (Hons) from University Malaya • He was the Secretary General of the Ministry of Domestic Trade and Consumer Affairs between 1996 to 1998 • Prior to that he held various positions as State Secretary of Pulau Pinang; Federal Development Director (Prime Minister's Department), Kelantan; State Financial Officer, Perak; Director General, Kuala Lumpur City Hall; Under-Secretary, Ministry of Defence; and the Ministry of Finance.



**Dohat bin Shafiee** 55, a Director since 1996 • Currently, he is a Director of Yayasan Basmi Kemiskinan Negeri Perlis, Yayasan Pok & Kassim and Permatang Jaya Sdn Bhd • He was the Supervisor of the Primary School Unit in the Perlis Education Department • In 1989, he was appointed as the Malaysian Students Officer in Brighton, United Kingdom • He retired from the Civil Service in 1996.



**Dato' Annuar bin Ma'aruf** 53, a Director since 1997 • Graduated with a Degree in Economics from University Malaya and thereafter obtained a Masters in Economics from University of Illinois, USA • He begun his career with the Economic Planning Unit, Prime Minister's Department in the 1960's • Later, in Kedah he became the Director of Economic Planning Unit • In late 1970's, Dato' Annuar was transferred back to the Economic Planning Unit, Prime Minister's Department • He served in various departments in the Economic Planning Unit, Prime Minister's Department until his present post as the Secretary General of the Ministry of Agriculture • Dato' Annuar was a Director of Urban Development Authority (UDA) and Federal Land Development Authority (FELDA) from 1992 to 1997 • Currently, he is the Chairman of Lembaga Pengelola Malaysian Agriculture Research & Development Institute (MARDI), a member of the National Productivity Corporation, an advisor to the Ministry of Agriculture Sports Club and Chairman of Malaysian Pineapple Industry Board.



**Bukhari bin Mohd. Sawi** 50, a Director since 1996 • Graduated with a Bachelor of Arts in History from University Malaya and holds an MBA from Universiti Kebangsaan Malaysia • He started his career with the Inland Revenue Department as an Assessment Officer • Later he joined Pertubuhan Peladang Kebangsaan ("NAFAS") as a Senior Manager in charge of Marketing • In 1987, he was appointed as State Director of Lembaga Pertubuhan Peladang, Pahang • In 1994, he was appointed General Manager of NAFAS, a position he holds today • He is also Director of several NAFAS subsidiaries.

#### **Resignations**

*YB Hajjah Rohani Abdul Karim resigned with effect from 31 December 1999.*

*Mohd. Rohani bin Mat Diah resigned with effect from 20 February 2000.*

*Haji Za'ba bin Che Rus (Alternate Director to Mohd. Rohani bin Mat Diah) resigned with effect from 20 February 2000.*

**New appointment** (not in picture) *YB Haji Mohd. Naroden bin Haji Majais with effect from 19 May 2000.*



**Dato' Syed Azizan bin Syed Mohamad** 56, a Director since 1994 • Graduated with a Bachelor of Science in Agriculture from University Malaya and holds a Masters of Science in Agricultural Business Management from University of Philippines • In 1991 he was appointed as Deputy Chairman/General Manager of Muda Agricultural Development Authority.



**Abdul Rahim bin Mokti** 50, a Director since February 2000 • He is currently the Deputy Under-Secretary Finance Division, Federal Treasury • Graduated with Bachelor of Economics (Hons) from University Malaya • He begun his career in the Federal Treasury • In 1978 he was the Malaysian Trade Commissioner in Paris and subsequently stationed in Milan and Saudi Arabia • By 1986 he returned to the Federal Treasury until his present appointment • He sits on the board of Kedah Cement Holdings Berhad, Bintulu Port Holdings Berhad, Penang Port Holdings Berhad, ERL Sdn Bhd and Syarikat Prasarana Negara Berhad.



**Dato' Baseri bin Lamsah** 51, a Director since 1999 • He is currently the Deputy Secretary General (Operation) at the Ministry of Agriculture • Graduated with BA (Hons) from University Malaya and obtained a Masters in Science Education from the Drake University Iowa USA. He holds a Diploma in Public Administration from University Malaya • He begun his career as an officer in the Diplomatic Service in 1971 and was posted to the Perak State Secretariat where he served as the Assistant State Secretary and later as Assistant District Officer • In 1988 he served in Pulau Pinang as the State Development Officer and later as the Director of the State Economic Planning Unit Pahang in 1991 • In 1997 he held the position of General Manager of Labuan Development Authority and the Chief Administrator of the Island until February 1999.



Picture from left to right

Dato' Syed Azizan bin Syed Mohamad

Abdul Rahim bin Mokti

Mohd. Ibrahim bin Mohd. Nor

Bukhari bin Mohd. Sawi

# Audit Committee

## Chairman

Bukhari bin Mohd. Sawi  
Independent Non-Executive Director

## Members

Mohd. Ibrahim bin Mohd. Nor  
Group Managing Director

Dato' Syed Azizan bin Syed Mohamad  
Independent Non-Executive Director

Abdul Rahim bin Mokti  
Independent Non-Executive Director

## Terms of Reference

### Composition

The Committee and the Chairman shall be appointed by the Board of Directors and shall consist of not less than three members, a majority of whom shall be Independent Non-Executive Directors.

### Objective of the Audit Committee

The principal objective of the Audit Committee is to assure the shareholders of the Company that the Company has complied with specified financial standards and required disclosure policies developed and administered by the Kuala Lumpur Stock Exchange.

### Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee include inter alia, the following:

- i) Assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company and companies under its Group;
- ii) Oversee all matters relating to external audit including the review of the audit plan and audit report;
- iii) Oversee the internal audit department including the evaluation of the standards of internal controls and financial reporting;
- iv) Review of the financial statements;
- v) Review of the assistance and cooperation given by the Company's officers to the external and internal auditors;
- vi) Review any related party transaction that may arise within the Company or the Group, and
- vii) Undertake such other responsibilities as may be agreed to by the committee and the Board.

### Powers of the Audit Committee

In carrying out their duties and responsibilities, the Audit Committee will in principle have full, free and unrestricted access to all the Company's records, properties and personnel.

### Meetings

The Audit Committee will meet at least once a quarter although additional meetings may be called at any time, at the discretion of the Chairman.



# Leadership Team

*Top-left picture from left to right*

Haji Abd. Hamid  
Mohd. Hussin  
Azliza  
Jenny Yow

*Top-middle picture from left to right*

Ahmad Fuad  
Hasnah  
Koh Bak Kwang

*Top-right picture from left to right*

Amiruddin  
Yahya  
Ir. Loo Kau Fa  
Abd. Rahim

## **Mohd. Ibrahim bin Mohd. Nor**

*B. Arts (Mathematics), Knox College, Illinois, USA  
MBA, Drake University, Iowa, USA  
Group Managing Director*

## **Haji Zainuri bin Haji Kurmain**

*B. Arts (Hons), University Malaya  
Head, Northern & Eastern Region,  
Farming & Subsidy*

## **Dr. Larry Wong**

*B. Agric. Sc. (Hons), University Malaya,  
M. Econs. University of New England, Australia  
Ph.D in Econs., University of Kent at Canterbury, UK  
Head, Special Projects*

## **Haji Abd. Hamid bin Abu Hasan**

*B. Arts (Hons), University Malaya  
Head, Import and Trading*

## **Jenny Yow**

*Malaysian Association of Certified Public Accountants  
Malaysian Institute of Accountants  
Head, Group Finance*

## **Abd. Rahim bin Ahmad**

*B. Arts & Social Science (Demography),  
University Malaya  
Certificate in Personnel Management, MIPM  
Managing Director, UTAMA*

## **Yahya bin Abu Bakar**

*B. Sc. in Biochemistry, University Science Malaysia  
Managing Director, BCSB*

## **Haji Miptah bin Rohsin**

*B. Econs, University Kebangsaan Malaysia  
Managing Director, PERDANA*

## **Amiruddin bin Ahmad Tajuddin**

*Diploma in International Trade, Indian Institute  
of Foreign Trade  
B. Sc., University Kebangsaan Malaysia  
Managing Director, ERAS*

## **Ir. Loo Kau Fa**

*B. Engineering (Hons) Mechanical University Malaya  
Head of Properties, Engineering  
& Construction*

## **Koh Bak Kwang**

*B. Econs (Hons), University Malaya  
Chief Operating Officer, DOMINALS*

## **Mohd. Hussin bin Ismail**

*Chartered Institute of Transport, UK  
Managing Director, LOGISTICS*

## **Hasnah binti Ismail**

*B. Bus. Admin., Western Michigan University, USA  
part MBA, University of Dayton, Ohio, USA  
Head, Group Human Resource & Admin*



**Mamat bin Daud**

*B. Sc. Physics, University Malaya  
M. Sc. Industrial Engineering (USA)  
Head, Rice Business Support Services*

**Ahmad Fuad bin Abdul Wahab**

*B. Arts (Hons) Finance & Accounting,  
University of East London, UK  
Assistant General Manager in Group Managing  
Director's Office/Head, Fish & Onions*

**Haslina binti Abd. Hadi**

*LLB. (Hons) University of East London, UK  
Barrister-of-Law, Lincoln's Inn, UK  
Company Secretary & Head, Legal and Secretarial*

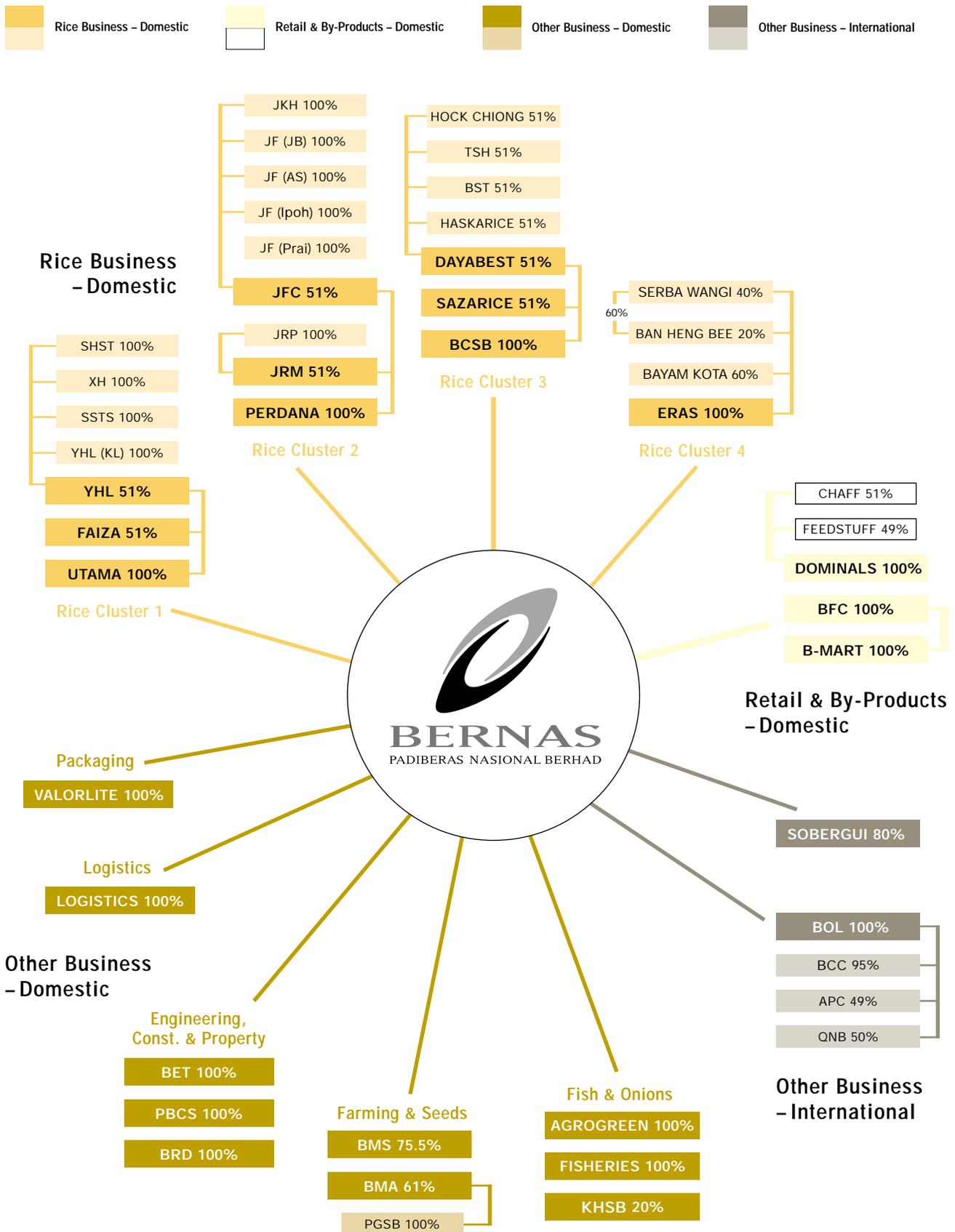
**Azliza binti Ahmad Tajuddin**

*B. Commerce (Accounting) Australia National  
University, Canberra,  
Australian Society of Certified Practising  
Accountants (ASCPA)  
Assistant General Manager in Group Managing  
Director's Office/Chief Operating Officer of BOL*

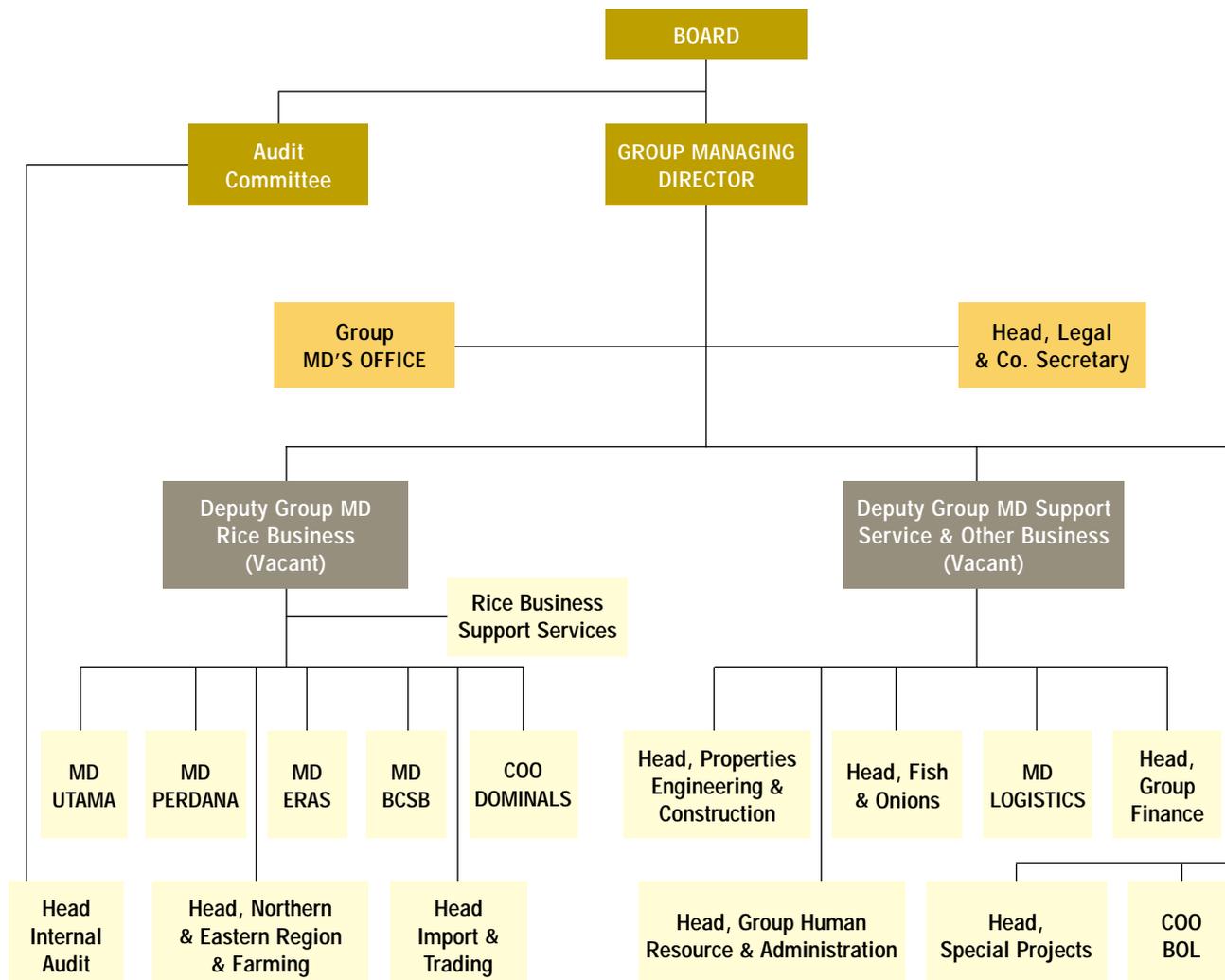
*Bottom picture from left to right*

Haji Zainuri  
Haslina  
Mohd. Ibrahim  
Mamat  
Dr. Larry Wong

# Corporate Structure



## BERNAS Organisation Structure



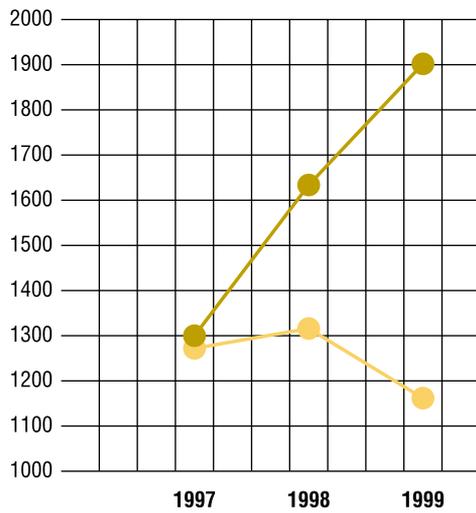
## DISTRIBUTION OF STAFF

Number of BERNAS staff <i>excluding daily paid staff</i>						Deployment of BERNAS Group staff in 1999			
	1995	1996	1997	1998	1999		BERNAS	Joint Ventures	Total
BERNAS	3,667	1,180	1,024	1,553	1,016	BERNAS	1,016		1,016
Subsidiary & Associated Companies		2,577	2,805	2,917	3,493	Wholly owned subsidiaries	2,622		2,622
						Joint Venture	97	774	871
	3,667	3,757	3,829	4,470	4,509	<b>Total</b>	<b>3,735</b>	<b>774</b>	<b>4,509</b>

# Financial Highlights

## Statement of Income

**Turnover**  
RM million

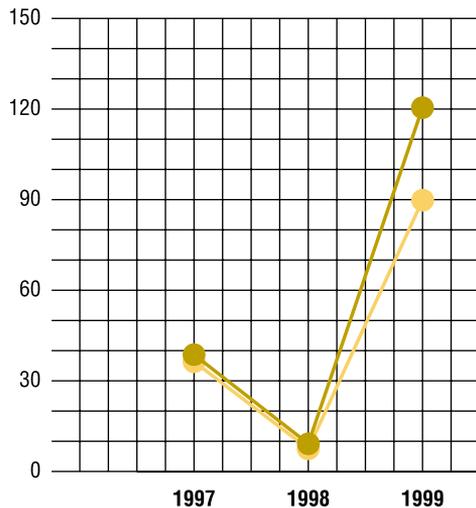


	RM'000	RM'000	RM'000
● Group	<b>1,902.19</b>	1,634.73	1,302.04
● Company	<b>1,164.23</b>	1,317.75	1,274.17

The Group continued to forge ahead with an improved performance following all-round concerted efforts especially from the rice wholesale subsidiaries with constructive marketing steps taken towards the increase in retail market share.

Continued internal restructuring of core rice business which began in 1998 had resulted in the transfer of certain business operations from the Company to the rice subsidiaries, contributed to the decrease in turnover at Company level.

**Profit Before Tax**  
RM million



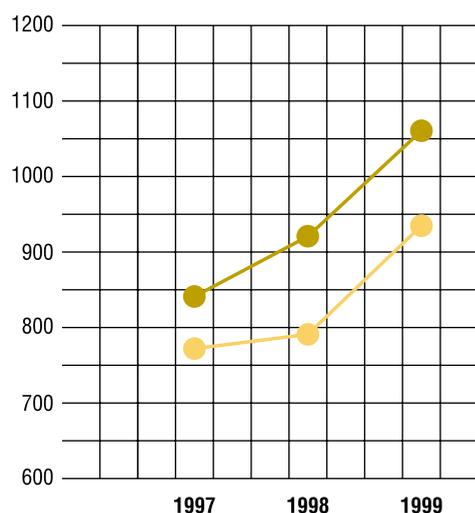
	1999 RM'000	1998 RM'000	1997 RM'000
● Group	<b>120.47</b>	9.18	38.68
● Company	<b>89.82</b>	7.51	36.34

The recovery of world rice production arising from the return of favourable weather conditions had resulted in lower world rice prices. This has allowed the Group and the Company to benefit from the lower costs of imported rice.

Improved economic conditions both locally and regionally have also set the platform on which most subsidiaries managed to chalk up improved performance in the financial year 1999.

## Balance Sheets

### Total Assets RM million

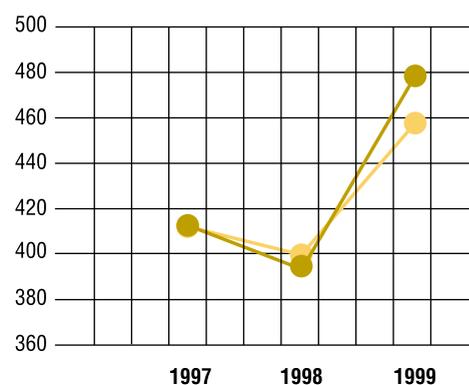


	1999 RM'000	1998 RM'000	1997 RM'000
● Group	1,057.73	920.26	840.41
● Company	934.85	790.94	772.07

Underlining better management of business, the Group continued to consolidate and expand into untapped market areas with further acquisitions and investments.

Total Group and Company assets continued to increase in line with the strengthening of core rice business and continued diversification into food related areas which would place the Group in good stead in years to come.

### Shareholders' Fund RM million



	1999 RM'000	1998 RM'000	1997 RM'000
● Group	480.23	399.28	414.26
● Company	459.39	401.24	413.67

In line with the improved performance of the Group, total shareholders' fund at Group level increased 20% to RM480.23 million from RM399.28 million whilst at Company level, the increase recorded was 14%.

## Common Stock Information

The Company's stock is listed on the Kuala Lumpur Stock Exchange and is traded under the symbol BERNAS.

The table on the right presents the high and low share prices for the stock during fiscal year 1999 and 1998:

Stock Price			
Fiscal Year	Quarter	High	Low
1999	1	1.30	1.02
	2	2.94	1.03
	3	3.34	1.92
	4	2.90	2.33
1998	1	1.43	0.90
	2	1.18	0.80
	3	1.22	0.69



# Chairman's Statement

Dear Shareholders,

The year 1999 has been a good one for the Group. The region is still experiencing the residual effects of the financial crisis of 1997. However, steadfast and pro-active management enabled us to pull through the difficult times and brought the Group back on the recovery track at a faster pace than most companies.

Our investments into the area of rice exporting from source countries as well as into rice wholesaling in Malaysia delivered its full effect when world prices were softer in 1999. This enabled us to report a significant increase in Group pre-tax profit from RM9.18 million in 1998 to RM120.47 million. In view of the Group's commendable performance, the Board proposes a tax exempt dividend of 5% for the year ended 31 December 1999 for approval by the shareholders at the forthcoming Annual General Meeting.

I am optimistic that the Group would perform much better considering the strategies already in place. The continued growth of the country's economy will further enhance the Group's performance by creating more options for other ventures in food related activities. The Group's efforts in building the infrastructure to support the business of food distribution will eventually create opportunities for us to capitalise on investments in food industry.

I am delighted to note that our staff, business partners and the Government have been very supportive of the Group's efforts in managing the crisis during the tumultuous years then, and in managing the recovery today. I am sure they would continue to give their full support as we prepare for more complex challenges ahead, especially when globalisation of the world economy sets its foot in our country and in our business in the coming years.

Your Board of Directors fully supports the steps management is taking to make BERNAS a more prominent and profitable industry leader. I am grateful for the valuable insight and advice this Board provides. I also wish to give special acknowledgement to YB Hajjah Rohani Abdul Karim, Mohd. Rohani Mohd. Diah and Haji Zaaba Che Rus, whose terms as directors expire during the year. In addition, I would like to welcome on board Abdul Rahim Mokti and YB Haji Mohd Naroden bin Haji Majais whom I believe will bring experience we all can share.

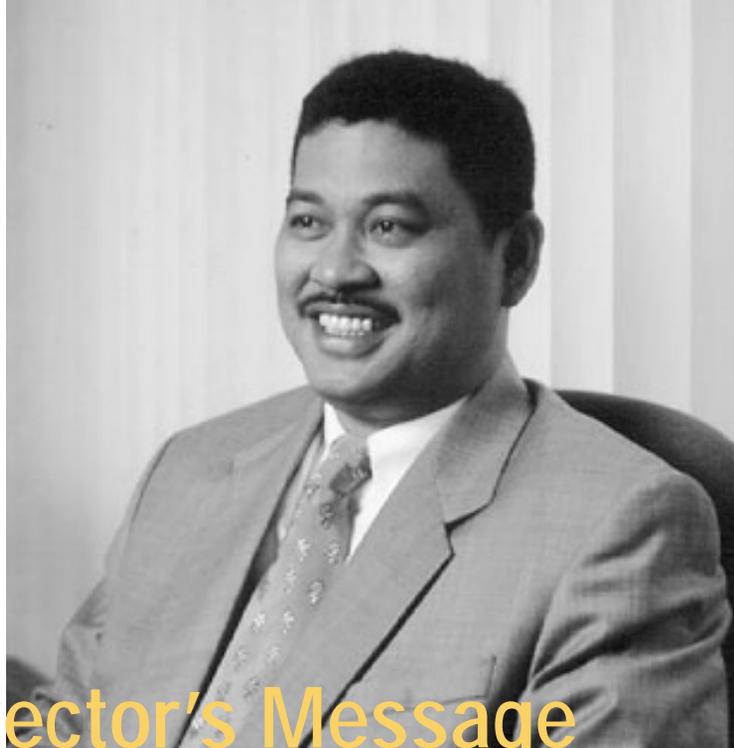
I would like to place on record a special appreciation to the enforcement officers from the regulatory divisions of the Government Ministries in combating the increased incidents of rice smuggling into the country during the year.

On behalf of the Board of Directors, I hereby present to you the Annual Report and Audited Accounts of the BERNAS Group for the financial year ended 31 December 1999.

Thank you.

YB Datuk Ruhanie bin Haji Ahmad

Petaling Jaya  
2 June 2000



## Group Managing Director's Message

### To Our Fellow Shareholders and Employees,

Fiscal 1999 has been a good year and I believe the results will speak for themselves.

While world rice prices were generally lower in financial year ended (FYE) 1999 as compared to FYE 1998, it is difficult to ignore that **1998 was the odd year** with both abnormal weather conditions and an abnormal currency environment. 1999 is really about coming back on track in terms of performance. It has been a significant achievement considering that there were no increases in our wholesale prices in FYE 1999 but instead, for certain grades there was actually a downward price revision for the trade.

The same reasons that allowed us to reduce the impact of the currency crisis in 1998 gave us the much improved performance in 1999. Our active presence in rice exporting overseas and in rice wholesaling in Malaysia has enabled us to capitalise and adapt more than before towards the direction of world prices. We are also greatly indebted to the Government for its wise decision in adopting selective financial controls on September 1st 1998, the fruits of which is lasting till this day.

Our joint-ventures ("JVs") in Pakistan, Thailand and China in rice exporting continued to register good growth and good profits. Our Pakistan operations, particularly, managed to break many new markets for its rice. Our China operations were successful in conducting Malaysia's first rice for palm oil counter-trade between BERNAS and China National Cereals, Oils and Foodstuffs Import and Export Corporation (COFCO) with the support of Kuala Lumpur Kepong Bhd. As their volume and network grow, our international JVs are expected to be able to exploit the potentials for exporting and importing other goods as well. In time, we also hope to realize investments into upstream activities, especially for the special grades of rice which command higher international prices.



We still handle about 50% of the Malaysian rice trade at pre-wholesaling level and as such, our role in the consolidation of the rice wholesaling sector is almost completed with the successful operations of our JVs with established rice wholesalers. The next phase will see the Group investing further into **information technology and logistics at the wholesaling and distribution level**. This will be critical as we all prepare towards the globalisation of the food trade.

Through our wholesaling JVs, we are now nurturing smart partnerships with the retailers i.e. the last level of the trade, as we extend ourselves further towards creating a more united, systematic and pervasive supply option for consumers.

An issue of concern in 1999 was the increased reports of **rice smuggling activities** in the country. We are working very closely with all the relevant authorities on this rather seasonal phenomena that has very serious implications on the livelihood of our paddy farmers. We have even set up our own surveillance unit to track and feed the reports to these authorities as an effort to supplement enforcement activities.

Also of concern were the reports of local rice being sold as imported rice, especially that of good quality local rice. While we are against this practice and only parts of the industry actually does this, it is really quite difficult for consumers to tell the difference between long grain Malaysian rice of 10% or less broken against its equivalent in Thai rice as their quality ex-mill is generally similar. With the price ceiling on local rice in place since November 1998, this phenomena in the local rice scene has been somewhat on-going, buoyed by our local farmers' and local millers' quest for fair value in return for fair product. (The crisis-enforced price ceiling on local rice specifically allows only 15% broken quality of local rice in Peninsular Malaysia to be marketed and under a regime which caps the retail price level generally up to a maximum of RM1.80 per kg., depending on location).

As such, we are proposing that the industry **reintroduce the 0%, 5% and 10% broken grades for local rice** as we feel there will be almost no effect on consumer prices for these grades but rather a much required streamlining and eradication of the phenomena of selling local rice as imported rice. Any profiteering on these grades will be checked by the market as these rice grades can never be sold beyond the price levels of their Thai equivalent which is in the market and the pricing of which is already well accepted. This will also relieve the shortages on demand for broken rice in general for the manufacturing of rice flour and rice vermicelli (beehoon). However, the crisis-enforced price ceiling on the 15% broken local rice should be maintained for the benefit of consumers of this grade.

As in previous years, our quest for increased profitability is best viewed from a time and spatial perspective; from the overall industry viewpoint as well as in a long term but sustainable approach. **The balance between imported and local price levels and of farmers' livelihood and consumers' interests is still best achieved through the market.** Given that these objectives may at times be divergent and certainly often misunderstood, our responsibility and coordinating capability as the only rice importer for the country is thus even more pronounced and required.

While the disparity in cost and productivity levels of rice farming in South East Asia appear to provide us the natural hedge on our profits we cannot afford to be complacent. Much of our strategy for improvement and profit sustainability, therefore, depends upon the efficiency we build into the marketing and distribution of rice, the productivity in the production of rice (mills and farms) as well as our control over the supply and price movements of imported rice.

Even if we put aside the dictates of the globalising economy, which we cannot, there is really no painless option for the trade (and therefore for BERNAS) other than **to consolidate ourselves towards more efficiency in the processing, marketing and distribution of rice.** And only when this happens, and only together, can we help increase the sustainability of a local paddy production agenda.

The BERNAS Group must, therefore, consolidate to be the best supply option for rice consumers and **to serve beyond rice and beyond this country before 'consolidation' is enforced upon us** by the more globalised food players. The consequence of adopting any other shorter or narrower viewpoint will eventually be just as dismal for BERNAS (and therefore the trade) as it would be for the country.

We are glad to inform that against a 1999 pre-tax profit of RM120.47 million and RM89.82 million at Group and Company level respectively, your directors are recommending a final dividend of 5% making a total tax exempt dividend of 10% for the FYE 1999.

Lastly, our special appreciation to all the Government Ministries and Agencies that are involved even in the smallest of ways in our operations. In particular, to the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs, Kawalselia Padi Section of the Ministry of Agriculture, the Royal Customs & Excise Department of the Ministry of Finance and the Royal Malaysian Police of the Ministry of Home Affairs. Not forgetting also our appreciation to the Board of Directors, all the staff of the BERNAS Group and all our business partners and clients.

Yours faithfully,



Mohd. Ibrahim Bin Mohd. Nor

Petaling Jaya  
2 June 2000

# Year in Review

## FINANCIAL PERFORMANCE

The Group's performance was in tandem with the overall economic recovery. Group's pre-tax profit recorded a big leap from RM9.18 million for FYE 1998 to RM120.47 million for FYE 1999. At Company level pre-tax profit increased from RM7.51 million to RM89.82 million. The following are the major factors contributing to the strong performance:

The completion of our internal rice business restructuring exercise resulting in 4 distinct rice subsidiaries which together with our rice wholesale joint venture partners are beginning to operate the supply chain independently and in an integrated manner. This has brought about greater flexibility and response time to the Group and will continue to add to shareholders' value.

The Group has also benefited from the generally favourable world rice prices prevalent in 1999. World rice production increased from 581.5 million metric tonnes in 1998 to 587.8 million metric tonnes in 1999 following the return to normal weather conditions. The reduction of imports by major importing countries like Indonesia, Philippines and Brazil also contributed to the soft prices of 1999.

The performance of the non-rice subsidiaries improved in line with the improving economic conditions both locally and regionally. Major contributors were LOGISTICS and DOMINALS.

The turnover of the Group increased from RM1,634.73 million in FYE 1998 to RM1,902.19 million in FYE 1999 whilst at Company level the turnover decreased from RM1,317.75 million to RM1,164.23 million. The higher turnover for the Group was largely attributable to increased market share especially at the wholesaling level. The reduction at Company level is due to the internal restructuring of the rice business where operating units were transferred down to the rice subsidiaries.

## RICE BUSINESS

The absence of unfavourable weather in 1999 brought about a return to normal world rice production. The recovery of world rice production in major producing countries, the lack of strong global import demand and increasing competition between the major world rice exporters led to lower international rice prices. At the domestic front, favourable weather conditions increased the country's local marketable surplus from 1.45 million metric tonnes in 1998 to 1.62 million metric tonnes in 1999. 1999's output is equivalent to 1.08 million metric tonnes of total rice recovery.

### Rice Exporting

At the international front, the Group's joint venture in Pakistan especially, has shown vast improvement in terms of continued profitability and success in breaking new markets in the export of rice. Being part of the exporting communities in Thailand and Pakistan allows us to understand better and to take advantage of the scenario of their local paddy markets. We are thus more able to reduce the impact of price fluctuations caused by middlemen and to improve our decision making process.

APC and QNB, our international joint-ventures in Thailand and Pakistan respectively have shown significant presence as rice exporters from these countries. APC's ranking as the 19th largest exporter by the Thai Rice Exporters Association and QNB's ranking as the third largest rice exporter by the Ministry of Commerce & Industry Pakistan, are testimonies to this. QNB in particular has embarked in both upstream and down-stream activities in line with its expansion and business development plans, procuring an ISO 9002 Quality Management System Certification, setting up a rice processing plant in Karachi and currently working towards establishing its own rice brand of consumer packed Basmathi rice for both local and export markets.

Efforts towards diversification into new businesses, particularly in palm oil has led to a counter-trade agreement between BERNAS and China National Cereals, Oils and Foodstuffs Import and Export Corporation (COFCO), increasing BERNAS' participation and contribution towards increasing bilateral trade between Malaysia and China.

In the year under review, the demand for specialty grade rice were mixed. The volume of Basmathi rice imported into the country increased by 90% to 6,936 metric tonnes indicating consumers' higher preference for quality Basmathi rice. Meanwhile, the volume of imported Thai Fragrant rice decreased by 42% to 54,418 metric tonnes indicating increased smuggling activities as the pre-crisis volume was above 100,000 metric tonnes per annum. Incidences of smuggling activities are reportedly higher and this has affected the movement of stocks of both imported rice and local rice.

#### **Mills and Warehouses**

The Group is beginning to experience the effects of its internal rice business restructuring exercise as well as the strategic alliances with joint-venture partners at the wholesaling level. Certain activities and processes are now being shared with BERNAS utilising more of its partners' facilities and vice-versa. These cross-sharing and combined approach to the business will eventually lead to increased utilisation of resources and increased productivity.

PERDANA, UTAMA, ERAS and BCSB which represent a fair mix of the Group's milling and warehousing operations (pre-wholesale) in aggregate registered a 4.5% increase in volume of rice sales to 913,000 metric tonnes in FYE 1999. These 100% subsidiaries were formerly the production (mills) and marketing (warehouses) divisions of BERNAS and now also act as the respective holding companies of the JVs with the rice wholesalers.

The Group purchased 443,000 metric tonnes of paddy (excluding Skim Pusat Belian purchases) in 1999 or about 27.3% of the total local production. Of this, 424,000 metric tonnes of paddy was milled producing 257,000 metric tonnes of graded rice and 66,000 metric tonnes of by-products.

Total rice imported in FYE 1999 was 614,000 metric tonnes of which 46% was from Thailand, 26% from China, 20% from Vietnam, 8% from Pakistan and the rest from USA, Myanmar, Australia and India.

Group's stock level comprising both imported rice, local rice and unmilled paddy amounted to 253,413 metric tonnes at the end of 1999.



### **Wholesaling JVs**

The Group, at the wholesaling joint-venture level i.e. YHL Group of Companies, JFC Group of Companies, SERBA WANGI, FAIZA and BAYAM KOTA in Peninsular Malaysia and DAYABEST Group and SAZARICE in East Malaysia, registered an overall increase in rice volume sold from 236,000 metric tonnes in 1998 to 493,000 metric tonnes in 1999. Group market share at this level is now estimated at 26.8%. Penetration at retail (including hypermarkets) comprising sales by our wholesaling JVs to the retail sector stood at 322,000 metric tonnes in 1999 or an estimated 17.5% share of the market (based on the estimated consumption). The Group's list of retail customers now exceeds 15,000 outlets and although this is about 40% of the market they are spread all over the country.

The number of different brand names of rice in the market is now estimated at 1,400 from over 2,000 a few years ago. This roughly works out to each brand serving about 15,000 of our population and only about 27 rice retailing outlets (based on the number of retail outlets in the country of about 38,000). This figure is thus expected to consolidate further in line with the developed countries and the more developed food products.

Through our wholesaling JVs, the Group is now organising a programme to forge a closer working network from among its retailing clients wherein both the retailer and the Group will benefit in better product impact and management, new products and services and greater exchange of information. The initial target is to run this programme to include at least 1,000 retail outlets before the year end covering the whole country. In time, this number will grow and the relationship will go beyond rice. Our recent festive exercise to release price discounts direct to consumers was made possible and successful because of support from these retailers. It is also testimony of the other business potentials that can materialize from this smart partnership.

### **By-Products**

DOMINALS, our marketing arm for rice by-products turned in a healthy profit despite facing a divergent market scenario for its two main products; broken rice and rice bran. Plans are underway to increase its earnings growth by becoming a value-added manufacturer instead of limiting its role to merely being an intermediary trader of rice by-products.

*Overall, the rice industry is also facing issues that bring about negative implications to various parties especially to paddy farmers. We note that the imposition of the ceiling price for local Super Grade rice has resulted in cases of local rice being sold as imported rice. In addition, increased smuggling activities at certain main borders in Peninsular Malaysia and leakages from rice transshipment activities in Sabah are still prevalent. We are working closely with the relevant authorities such as the Ministry of Domestic Trade and Consumer Affairs, Ministry of Agriculture and the Royal Customs and Excise Department and we take the opportunity to thank them for their tireless efforts in curbing these undesirable activities.*

## OTHER BUSINESS

### Farming & Seeds

BMS, a joint-venture subsidiary with Marditech Corporation Sdn Bhd is involved in the processing and marketing of certified seeds. For 1999, the company processed and sold a total of 7,889 metric tonnes of certified paddy seeds to meet 25% of the total market demand for certified seeds.

BMS' operations are conducted at its two paddy seed processing centres in Langgar, Kedah and Parit, Perak while its third centre in Buloh Poh, Kelantan is equipped with drying facilities. An additional processing line will be added to the complex in Langgar to increase its current packaging capacity of 60 metric tonnes/day.

BERNAS' large scale farming initiative in Gedong, Sarawak through PADI GEDONG, a wholly owned subsidiary of BMA, has been reoriented to be in tandem with the Sarawak State Government's intention to develop the Sadong Basin and other identified regions as major integrated rice farming areas. Besides acting as a demonstration farm and actualising the concept of 'seed to shelf', it also doubles up as a nucleus estate serving an outgrower system covering contract farmers in the vicinity of the Sadong Basin as well as a seed production centre for specialty rice.

The rice from Gedong, marketed under the brand name of Beras Gedong, has been well received. We successfully established and harvested an off-season crop of 50 hectares in 1999, relying on rainfall and supplementary pumping, marking the first instance of successful off-season cropping in the entire Gedong Basin. Of the various varieties planted, MRQ 34, a specialty rice, recorded yields of about 4.0 metric tonnes/ha. Due to bird and rat damage to a portion of the planted area, however, the overall off-season yield averaged 2.5 metric tonnes/ha. For the main season of 1999, the project area was expanded to 70 hectares and specialty rice planted included MRQ 34, MRQ 50 and the variety released for Sarawak recently, Saratani (ARC2). In the surrounding areas, 50 contract farmers are involved in a pilot project to produce Biris, a local specialty rice covering an additional area of about 40 hectares.

### Logistics

The consolidation of two wholly owned subsidiaries, BERNAS Shipping Agencies Sdn Bhd and Padiberas Transport Sdn Bhd in October 1999, brought about the incorporation of LOGISTICS. The merging of the shipping and transportation activities under LOGISTICS was to improve coordination, efficiency, expansion and servicing of the Group's logistics requirements. This is in line with LOGISTICS' mission to be a total logistics provider. To realize this aim, LOGISTICS is expanding into other activities which include operating ships, warehousing and building-up a haulage operations. LOGISTICS is currently evaluating potential joint-ventures with established partners

in these areas. For FYE 1999, LOGISTICS' shipping department handled 570,000 metric tonnes of rice from various destinations, of which 462,000 metric tonnes were via conventional vessel while 108,000 metric tonnes were containerised. The tonnage handled during the year was an improvement over the 540,990 metric tonnes handled in 1998.

LOGISTICS' transportation department owns and operates 51 lorries of which 26 are of 7-tonne capacity and 25 are of 20-tonne capacity to transport imported rice from Malaysian ports to BERNAS' warehouses as well as the transportation of BERNAS' paddy and local rice within the country. LOGISTICS' transportation department handled 20% of the total 626,000 metric tonnes of the Group's cargo during the year whilst the transportation of the remaining cargo was supplemented by the services of other lorry operators.

### **Engineering, Construction, Property**

BET and PBCS offer engineering and construction services in grain processing as their core businesses. BET and PBCS are also venturing into other sectors such as infrastructural and building works and other agricultural processing.

BET in cooperation with PBCS had satisfactorily completed 5 packages of upgrading works for the Ministry of Agriculture seed processing plant. Similarly, BET and PBCS successfully completed a project to construct a shrimp rearing facility for the Lembaga Pertubuhan Peladang.

As in past years, BET and PBCS have also conducted repairs, maintenance and upgrading of rice drying and milling facilities for the Group. BET and PBCS' concerted efforts have improved their turnover. Contracts secured from parties outside the Group have increased significantly.

BRD, a wholly-owned subsidiary of BERNAS is the Group's property arm which provides property management services. In 1999, BRD's activities were focussed on land administration matters where all landed properties within the Group were put on the platform for development. The company is expected to embark on the development of potential landed properties through joint-ventures with established property companies in the medium term.

### **African Operations**

SOBERGUI, a joint-venture with Government of Guinea, West Africa continues into its third year of operation. The principal businesses of SOBERGUI are farming, milling and distribution of rice, production and marketing of chicken eggs and the planting of fruits. In relation to the South-South co-operation, SOBERGUI is determined to explore commercial possibilities to widen the fields of co-operation with both the state and private Guinean businesses.

By the end of 1999, the third paddy crop of 800 hectares was harvested. The Malaysian variety MR84 was planted on 280 hectares whilst other varieties such as MR10 and MR185 were planted in smaller hectareage.

About 30% of its paddy cultivation are now milled and sold as parboiled rice which enjoys better local demand and prices. As such, the rice mill has been installed with simple but adequate facilities for the par-boiling process.



By the end of 1999, the Dubreka poultry farm with 60,000 layers is producing more than 40,000 eggs daily for the markets in Conakry and the surrounding localities. This represents 60% of the eggs sold in the area. In response to the encouraging demand, SOBERGUI plans to expand its capacity to 120,000 layers. Efforts to export the eggs to neighbouring Gambia is in the pipeline.

Trial planting of exotic Malaysian fruits such as starfruit and mango in Monchon has shown some level of success while potential Malaysian plants like orchids produced so far has yet to meet the international standard requirements for the European market.

#### **Fish & Onions**

In its continuing effort to expand and diversify its core business, BERNAS has acquired an equity interest in KHSB. KHSB is a major player in the sourcing and distribution of onions, garlic, dried chillies (major ingredients in the Malaysian diet) and other food commodities with extensive network overseas covering China, India, Indonesia, Myanmar and other countries.

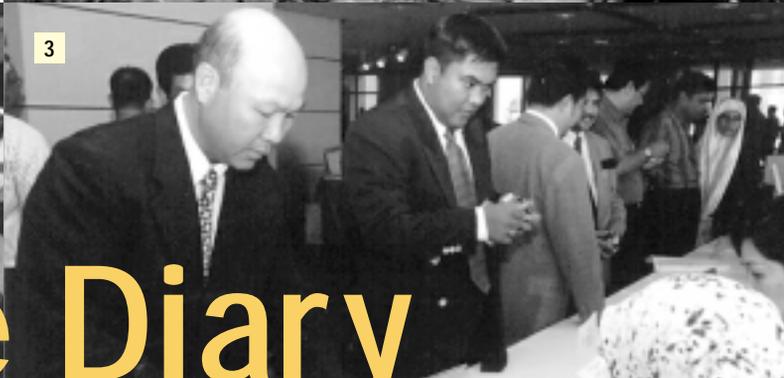
BERNAS and KHSB are also studying the feasibility of local commercial production of some of these food group in particular onions and potatoes.

FISHERIES is a wholly owned subsidiary of BERNAS, set up as a pilot project to participate in the various level of seafood trading. Through smart partnership and strategic alliances, FISHERIES will seek to strengthen its presence and level of participation in the seafood industries.

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*Due to a combination of the economic crisis, weak fundamentals and in some cases poor management we have taken steps to terminate our operations carried out under our subsidiaries i.e. K-Plus Sdn Bhd, BFC and BKME. We are also reviewing our operations under BERNAS Mia Mega Food (China) Limited and even B-MART, given our success in forging good business relationships with the retailers.*

*We see this direction of forming new ventures and reviewing old ventures as a continuous and dynamic process of the business so that we do not lose out on the windows of opportunities nor remain irrelevant in the market.*



# Corporate Diary

## 14 January 1999

In conjunction with the Hari Raya Aidilfitri, BERNAS donated rice worth RM40,000 to the poor and needy at Kampung Tualang, Kedah. The donation was given away by YAB Tan Sri Dato' Seri Sanusi Junid, Menteri Besar of Kedah. *(Picture 1)*

## 13 March 1999

The Company created another milestone in its upstream operation with its maiden paddy crop harvesting on a 33-hectare farm at Lubok Tranggas, Gedong, Sarawak which was graced by Chief Minister Tan Sri Datuk Patinggi Dr. Haji Abdul Taib Mahmud. *(Picture 2)*

## 6 May 1999

A joint cooperation between Dominals and University Putra Malaysia to establish strategic studies, research and development of rice and rice-by products.

## 18 May 1999

Joint efforts towards bilateral trade between Myanmar and Malaysia by BERNAS and these parties: Myanmar Agricultural Produce Trading, Shwe Tha Zin Syndicate Limited, Shwe Naga Minn Trading Co. Ltd, Shwe Family Trading Company Limited, Dagon International Limited and Yuzana Company Limited.

## 21 June 1999

Shareholders registering their names for BERNAS 5th Annual General Meeting and Extraordinary General Meeting held at MPSA Auditorium, Wisma MPSA, Shah Alam, Selangor. *(Picture 3)*

## 3 August 1999

Inclusion of BAN HENG BEE (the second largest rice miller in the country after BERNAS) and SERBA WANGI in the Group. *(Picture 4)*

## 8 August 1999

Another BERNAS Group community project led by its subsidiary company, YHL (KL) – A Health Education Programme for Parents and Special Children held at the Community Centre, Bukit Baru, Malacca which was launched by YB Datuk Wira Mohd Ali Rustam, Deputy Minister of Health. *(Picture 5)*

## 18 August 1999

Another effort to promote bilateral trade between Malaysia and China through co-operation with China National Cereals, Oils and Foodstuff Import and Export Corporation. *(Picture 6)*

## 24 – 27 August 1999

Visit by Badan Urusan Logistik (BULOG) of Indonesia to BERNAS headquarters, Sekinchan milling complex and YHL (KL) in Balakong, Selangor.



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**26 – 31 August 1999**

Participation by BERNAS in AGEX 99 Agricultural Exhibition held at National Stadium Bukit Jalil.

**21 September 1999**

Signing of Memorandum of Understanding between BERNAS and Ancom Berhad, Bio-Organic Systems & Services Sdn Bhd and Shamazdaso Sdn Bhd with the intention to set up a joint-venture for the purpose of manufacturing and sale of fortified organic fertiliser from waste product.

**24 September 1999**

Official visit by a delegation from Myanmar Agricultural Department led by its Deputy Director Mr U Boon Thein.

**6 October 1999**

Visit by top officials of Patum Rice & Granary Co. Ltd., Thailand to BERNAS headquarters.

**12 October 1999**

Dinner hosted by BERNAS on the occasion of the official visit by H.E. General Lansana Conte, President of Republic of Guinea, West Africa to Malaysia. Gracing the dinner was YB Tun Daim Zainuddin, Minister of Finance. *(Picture 7)*



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**17 October 1999**

A get-together "Pemimpin Bersama Petani" at Merlimau, Malacca, graced by the then Chief Minister of Melaka, Dato' Seri Abu Zahar bin Isnin.

**21 November 1999**

Launching of Education Fund of Excellence for Children of Paddy Farmers by YAB Datuk Seri Dr Mahathir bin Mohamad, Prime Minister of Malaysia at Anak Bukit, Kedah.

# Corporate Relations

## COMMUNITY

BERNAS believes in the importance of giving back to the community by reaching out to those really in need and making a difference to their lives.

### Education Fund

In November 1999, BERNAS launched an education fund for children of paddy farmers in support of government efforts to develop the rural community. The fund, called 'Dana Pendidikan Anak Pesawah Cemerlang BERNAS', is BERNAS' way of recognising the continuous support it has received from paddy farmers. An initial allocation of RM2.5 million and an additional RM250,000 a year has been set aside for the fund which is for primary (Standards 4-6) and secondary (Forms 1-5) school children. Standards 4-6 students will receive RM450.00 each, Forms 1-3 students will receive RM600.00 each whilst Form 4-5 students will receive RM700.00 each for every year qualified.

For a start, a total of 270 deserving school children chosen for their excellent academic performance will benefit from the fund in the year 2000. For subsequent years, the fund will benefit 720 students annually.

In addition, BERNAS will also provide support programmes such as organising education workshops, revision classes for those taking examinations and thanksgiving ceremonies in appreciation of the students' achievements. This support programme is aimed at nurturing closer ties between the students, their families and BERNAS.

### Festive Season Rice Price Discount Promotion

BERNAS launched its special rice price discount promotion ceremony in late November and December 1999 in East Malaysia and Peninsular Malaysia, respectively. The rice promotion was in conjunction with the ushering in the new millennium and the arrival of Aidil Fitri and Chinese New Year festivals. Between 1 January and 10 February 2000, consumers in Peninsular Malaysia, Sabah and Sarawak benefited from 5-15% in price discounts on selected grades of rice such as glutinous rice, Basmathi, Thai Super Special, Fragrant AA and Vietnamese White Rice. This festive promotion reflected BERNAS' sensitivity to consumer issues and its willingness to make sacrifices in the interest of consumers. Simultaneously, through this festive discount promotion the fear of shortage and possible price hike for these rice grades, which were common during festive seasons, were put to rest.



During the festive promotion, BERNAS through its own wholesaling subsidiaries – JFC, YHL, SERBA WANGI in Peninsular Malaysia, HASKARICE, HOCK CHIONG, BST, TSH (the Dayabest Group) in Sarawak and SAZARICE in Sabah – made available the special offer through more than 10,000 retail outlets nationwide. By offering promotional rates for the selected rice varieties, BERNAS sincerely hoped that wholesalers and retailers especially those outside the Group would in turn pass on the savings to the consumers accordingly. With the cooperation from all the wholesalers and retailers, from both within and outside the Group, BERNAS had the opportunity to provide a total of RM5.5 million worth of savings to consumers during the 40-day promotional period.

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#### **Festive Donations to the Poor**

Every year many unfortunate people are left on their own to face a bleak festive season without the presence of family, friends or monetary comfort. Sensitive to the needs of the poor and destitute, BERNAS has stepped in to bring some festive cheer to these unfortunate but unforgotten people. In line with the 'spirit of giving' during the holy month of Ramadan, BERNAS has strived to the best of its ability, to respond, to reach and to touch the lives of as many needy people as possible throughout the country. BERNAS has contributed generous donations in the form of cash, clothings and packed rice to various orphanages, flood victims, handicapped children, single mothers, the sick and the elderly to ease their burden. To share the spirit of oneness during the fasting month, the Company sponsored several 'breaking of fast' get-togethers for various welfare organisations. Although BERNAS' contribution may not have reached to as many people as it truly desired, the Company's compassion, interest and sincerity in its community involvement remains clear. As such, BERNAS intends to make similar contributions as its annual charity event in the future.

## EMPLOYEES

One of the core activities emphasized by BERNAS Group Human Resource Division is to provide the necessary training and development programmes to the staff. A total of 52 in-house and 67 external programmes were conducted for the staff in 1999.

These programmes will help to equip the staff with the necessary skills to enhance their job performance. In essence, the focus of the training and development programmes has been to change the mindset and to instill a more positive attitude amongst the staff as well as to drive the development skills and knowledge of the staff in areas of information technology.

## ENVIRONMENT

BERNAS' core business is, in many important ways, rooted in Mother Earth. Good rice must, after all, come from good paddy which in turn can only be sustained by good earth. Hence, not surprisingly, we are totally committed in seeking out more environmental friendly and sustainable ways of producing our products and services as well as utilising (or disposing) by-products generated in the various production processes. By and large, however, the rice industry is generally not perceived as a polluting or non-environment friendly industry, as compared to say rubber, oil palm or even highland vegetables.

Nevertheless, we recognise that there are both existing and potential 'hotspots' which require focussed attention. These include the indiscriminate use of herbicides and pesticides in the production of paddy; the disposal of straw after harvest (and before the establishment of the next crop); and the disposal of rice husk produced at the rice milling stage in the rice supply chain. In a broader perspective, efficient and cost effective waste-water treatment required in the production of rice-based products like rice flour, rice vermicelli (beehoon), 'laksa' and 'koay teow' will also become increasingly important.

Our record shows that our resource allocation for tackling environment related issues is consistently guided by the duration and extent of our involvement at the various stages of the rice supply chain. Consequently, our preoccupation with rice husk, increasing involvement in the utilisation of straw as we move into farming, and preliminary initiatives surrounding waste-water treatment as we plan to move into other rice-based products like rice flour and beehoon.

Our concerted efforts, often in collaboration with other like-minded entrepreneurs, research agencies and universities (both local and abroad), are guided by our objective of being a catalyst, if not innovator, in the progressive mitigation of negative environmental impact. We are also constantly seeking out increasingly cost efficient or more profitable ways of doing this for the key activities, products and services within the Malaysian Rice Industry.

### Rice Husk

About 350,000 tonnes of rice husk is produced in the country annually, roughly 22% of the amount of paddy milled. More than a quarter of this is produced in BERNAS' 27 milling complexes.

Rice husk's composition of more than 10% silica (making it difficult to decay) coupled with its low density of 120kg/m<sup>3</sup> (high volume, low value) have conditioned the adoption of traditional disposal methods of open burning and depositing in dumping sites. With the increasing restriction on open burning and the ever shrinking number of suitable dumping sites come an added impetus to develop more efficient and more cost-effective ways of using rice husk. Through time, the (re)search to find an attractive commercial use of husk which can utilise the bulk of available husk has turned out to be very challenging.

BERNAS (and before 1994, LPN), has a rich history of collaborative Research & Development ("R&D") into the utilisation of rice husk. Some of them have been commercialised and are currently in use while others, especially those started after privatisation, are at various stages of commercialisation. Some of them are mentioned below while others, especially those with high potential commercial value have got to remain necessarily unturned, at least at this juncture.

Conditioned by the variation in resource endowment, capacity, location and economic considerations, the breakdown of the current disposal of husk from our complexes are as follows:

- More than half of the total husk produced are still transported to approved dumping sites;
- Rice husk incinerators at five complexes are capable of utilising 80% of the husk produced at these complexes or about 18% of total husk produced in all BERNAS' mills;
- Rice husk power plants at another three complexes, utilising rice husk as fuel to generate electricity, are capable of accounting for 10.9% of total husk produced by BERNAS when operated at full capacity;
- Rice husk grinding plants at another five complexes produces ground husk for the animal feed market, when operated at full capacity are capable of utilising up to 18.2% of BERNAS' total husk volume; and
- A recent JV with Ancom Berhad will produce organic fertiliser, initially utilising 6,000 tonnes of ground husk from the above complexes annually together with other agricultural wastes (especially sludge from sugar mill) to produce specially formulated high-end organic fertiliser.

Besides the above, there are also various on-going R&D initiatives in the utilisation of husk as compost including collaborative work with Universiti Sains Malaysia (USM) to produce locally cultivated microbes suitable for hastening the decaying process of rice husk; collaborative R&D with the Malaysian Agriculture Research Development Institute (MARDI) on more efficient utilisation of ground rice husk for animal feed; and collaborative R&D with a local research company (Duroi Venture Sdn Bhd) on the production and utilisation of fine grade ground rice husk.



### **Rice Straw**

About 1.2 million tonnes of rice straw is produced in the country annually. This poses a potentially serious problem as rice straw is not as easy to dispose of as compared to the left-overs from other crops and most farmers find it difficult to dispose of this straw and they just burn it.

This concern coupled with our recent initiatives into large-scale farming and contract farming, have prompted us to tackle this straw problem recently. We have a JV company, CHAFF which utilises rice straw as feed for horses and cattle. This company baled about 1,000 bales of rice straw (about 300 tonnes in the main season of 1999) which would have otherwise been burnt by the farmers. This straw is currently sold in bales mainly to cattle farms. The next phase will be the processing of straw into chaff for the equine industry.

### **Other R&D and Technology Prospecting Initiatives**

Given the future importance of waste-water treatment and the rapid development of bacteria and membrane technology, we have initiated some preliminary discussion on potential alliances including the sourcing of technology currently developed and applied overseas.

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Likewise, we are monitoring the development of biotechnology very closely, particularly that surrounding the mapping of the rice genome and the potential of developing hybrid rice which can counter the indiscriminate use of herbicides and pesticides in the production of paddy. Another area is the ability to alter the characteristics of rice straw and husk which can render them more amenable for means of disposal other than burning, especially of economically attractive end-uses.

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## Directors' Report

The directors hereby submit their report together with the audited accounts of the Company and the Group for the financial year ended 31 December 1999.

### Principal Activities

The principal activities of the Company are procuring and processing of paddy as well as importing, buying and selling of rice. The Company is also responsible to maintain the national rice stockpile and managing the "Guaranteed Minimum Price" of paddy and the distribution of subsidies to paddy farmers on behalf of the Government.

The principal activities of the subsidiaries are described in Note 26 to the accounts.

There were no changes in these principal activities during the financial year, other than activities arising from the acquisition of subsidiaries during the year as shown in Note 26 to the accounts.

### Results

	Group	Company
	RM'000	RM'000
Profit after taxation and minority interests	111,156	88,914
Retained profits brought forward	96,632	100,130
	<hr/>	<hr/>
	207,788	189,044
Transfer to capital redemption reserve	(1,395)	(1,395)
Premium on cancellation of shares	(106)	(106)
	<hr/>	<hr/>
Profits available for appropriation	206,287	187,543
Dividends	(29,263)	(29,263)
	<hr/>	<hr/>
Retained profits carried forward	177,024	158,280

### Dividends

The amounts of dividends paid, declared or proposed by the Company since 31 December 1998 were as follows:-

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	RM'000
In respect of the financial year ended 31 December 1998	
– First & final dividend of 5% less taxation paid on 8 July 1999	10,585
	<hr/>
In respect of the financial year ended 31 December 1999	
– Interim dividend of 5% tax exempt paid on 30 October 1999	14,631
– Proposed final tax exempt dividend of 5%	14,632
	<hr/>

### Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in Note 14 to the accounts.

### Bad and Doubtful Debts

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

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

### Current Assets

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

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

### Valuation Methods

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

### Contingent and Other Liabilities

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

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

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

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### Change of Circumstances

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

### Items of an Unusual Nature

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

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

### Share Buy Back

During the year, the Company purchased 1,395,000 of its own ordinary shares of RM1 each for purchase consideration of RM1,501,201 on the open market. The shares acquired were cancelled upon purchase. The nominal value of the shares cancelled of RM1,395,000 has been transferred from retained earnings to a capital redemption reserve. The premium paid on the acquisition of the shares of RM106,201 was accounted for as a movement in retained earnings. As a result, the Company's issued and paid up capital decreased from RM294,025,001 to RM292,630,001.

### Significant and Subsequent Events

Significant and subsequent events are as disclosed in Note 24 to the accounts.

### Directors

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

YB Datuk Ruhanie bin Haji Ahmad  
Mohd. Ibrahim bin Mohd. Nor  
Dato' Syed Azizan bin Syed Mohamad  
Dato' Annuar bin Maaruf  
Dato' Ahmad Zabri bin Ibrahim  
Dohat bin Shafiee  
Bukhari bin Mohd. Sawi  
Dato' Seri Mohamad Noor bin Abdul Rahim  
Dato' Pahamin bin Ab. Rajab  
YB Dato' Baseri bin Lamsah (alternate to Dato' Annuar bin Maaruf)  
Abdul Rahim bin Mokti (appointed on 29 February 2000)  
YB Rohani binti Abdul Karim (resigned on 31 December 1999)  
Mohd. Rohani bin Mat Diah (resigned on 29 February 2000)  
Haji Za'ba bin Che Rus (alternate to Mohd. Rohani bin Mat Diah, resigned on 29 February 2000)

Under Article 120 of the Company's Articles of Association, all directors appointed by the Special Shareholder shall remain in office unless terminated by the Special Shareholder.

Under Article 126 and 127 of the Company's Articles of Association, Dato' Syed Azizan bin Syed Mohamad and Dohat bin Shafiee retire by rotation and being eligible offer themselves for re-appointment.

### Directors' Benefits

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

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

### Directors' Interests

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

	Number of Ordinary Shares at RM1.00 each			
	1.1.99	Bought	Sold	31.12.99
<b>The Company</b>				
Dato' Ahmad Zabri bin Ibrahim	11,000	–	10,000	1,000
Dohat bin Shafiee	5,000	–	–	5,000
Bukhari bin Mohd. Sawi	10,000	–	10,000	–

According to the register of directors' shareholdings, none of the other directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

### Auditors

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

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



YB Datuk Ruhanie bin Haji Ahmad



Mohd. Ibrahim bin Mohd. Nor

Petaling Jaya  
27 April 2000

## Statement by Directors

We, YB DATUK RUHANIE BIN HAJI AHMAD and MOHD. IBRAHIM BIN MOHD. NOR, being two of the directors of PADIBERAS NASIONAL BERHAD, do hereby state that, in the opinion of the directors, the accompanying balance sheets of the Company and of the Group as at 31 December 1999 and the profit and loss accounts of the Company and of the Group and the cash flow statement of the Group for the year then ended, together with the notes thereto, give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 1999 and of the results of the Company and of the Group and cash flows of the Group for the year then ended, and have been properly drawn up in accordance with applicable approved accounting standards in Malaysia.

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



YB DATUK RUHANIE BIN HAJI AHMAD



MOHD. IBRAHIM BIN MOHD. NOR

Petaling Jaya  
27 April 2000

## Statutory Declaration

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I, MOHD. IBRAHIM BIN MOHD. NOR, the director primarily responsible for the financial management of PADIBERAS NASIONAL BERHAD, do solemnly and sincerely declare that the accompanying balance sheets of the Company and of the Group as at 31 December 1999 and the profit and loss accounts of the Company and of the Group and the cash flow statement of the Group for the year then ended, together with the notes thereto 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 MOHD. IBRAHIM BIN MOHD. NOR )  
at Kuala Lumpur in Wilayah Persekutuan )  
on 27 April 2000 )



MOHD. IBRAHIM BIN MOHD. NOR

Before me:

Commissioner for Oaths

To the Shareholders of  
PADIBERAS NASIONAL BERHAD

We have audited the accounts of PADIBERAS NASIONAL BERHAD ("the Company") and the consolidated accounts of PADIBERAS NASIONAL BERHAD AND ITS SUBSIDIARIES ("the Group") as at 31 December 1999. These accounts are the responsibility of the Company's directors. Our responsibility is to express an opinion on these accounts based on our audit.

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

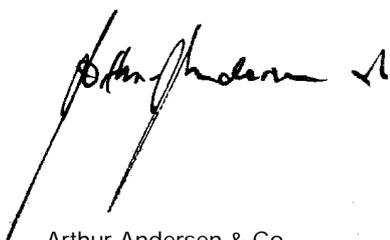
In our opinion,

- a. the accounts give a true and fair view of the state of affairs of the Company and the Group as at 31 December 1999 and of the results of the Company and of Group and cash flows of the Group for the year then ended, and have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia; and
- b. the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the accounts and the auditors' reports for all the subsidiaries of which we have not acted as auditors, as indicated in Note 26 to the accounts, being accounts that have been included in the consolidated accounts.

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 these purposes.

The auditors' reports on the accounts of the subsidiaries were not subject to any qualification or any adverse comments made under subsection (3) of Section 174 of the Act.



Arthur Andersen & Co.  
No. AF 0103  
Public Accountants



Abraham Verghese a/l T.V. Abraham  
No. 1664/10/00(J)  
Partner of Firm

27 April 2000

## Balance Sheets as at 31 December 1999

	Note	Group		Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
<b>Current Assets</b>					
Cash and bank balances	3	364,933	275,334	115,168	87,182
Debtors	4	242,995	213,808	532,819	349,387
Stocks	5	196,736	187,162	4,680	51,459
		<b>804,664</b>	<b>676,304</b>	<b>652,667</b>	<b>488,028</b>
<b>Current Liabilities</b>					
Short term borrowings	6	337,261	308,575	287,829	241,304
Creditors	7	126,670	106,470	113,660	65,643
Taxation		2,193	22,329	-	18,099
Dividend		14,632	10,585	14,632	10,585
		<b>480,756</b>	<b>447,959</b>	<b>416,121</b>	<b>335,631</b>
<b>Net Current Assets</b>		<b>323,908</b>	<b>228,345</b>	<b>236,546</b>	<b>152,397</b>
<b>Investments</b>	8	19,061	5,466	265,194	262,250
<b>Fixed Assets</b>	9	234,006	238,489	16,990	40,660
<b>Intangible Assets</b>	10	2,892	514	-	-
<b>Loans</b>	11	(28,540)	(28,013)	(24,446)	(24,446)
<b>Deferred Liabilities</b>	12	(45,979)	(32,907)	(34,893)	(29,620)
<b>Minority Interests</b>		(25,121)	(12,616)	-	-
		<b>480,227</b>	<b>399,278</b>	<b>459,391</b>	<b>401,241</b>
<b>Shareholders' Funds</b>					
Share capital	13	292,630	294,025	292,630	294,025
Reserves	14	187,597	105,253	166,761	107,216
		<b>480,227</b>	<b>399,278</b>	<b>459,391</b>	<b>401,241</b>

The accompanying notes are an integral part of these balance sheets.

## Profit and Loss Accounts for the year ended 31 December 1999

	Note	Group		Company	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Turnover	15	1,902,191	1,634,727	1,164,229	1,317,754
Operating profit	16	114,004	8,441	89,823	7,507
Share of profits of associated companies		6,463	742	-	-
Profit before taxation		120,467	9,183	89,823	7,507
Taxation	17	(3,074)	(5,925)	(909)	(1,299)
Profit after taxation		117,393	3,258	88,914	6,208
Minority interests		(6,237)	134	-	-
Profit after taxation and minority interest		111,156	3,392	88,914	6,208
Retained profits brought forward		96,632	111,057	100,130	111,739
		207,788	114,449	189,044	117,947
Transfer to capital redemption reserve	14	(1,395)	(5,975)	(1,395)	(5,975)
Premium on cancellation of shares		(106)	(1,257)	(106)	(1,257)
Profits available for appropriation		206,287	107,217	187,543	110,715
Dividends	18	(29,263)	(10,585)	(29,263)	(10,585)
Retained profits carried forward	14	177,024	96,632	158,280	100,130
Earnings per share	19	37.94 sen	1.14 sen		

*The accompanying notes are an integral part of these accounts.*

## Consolidated Cash Flow Statement for the year ended 31 December 1999

	1999 RM'000	1998 RM'000
<b>Cash Flow from Operating Activities</b>		
Profit before taxation	120,467	9,183
Adjustments for items not involving the movement of funds:		
Share of profits of associated companies	(6,463)	(742)
Depreciation and amortisation	15,625	15,360
Net (gain)/loss on sale of fixed assets	(2,069)	7,937
Provision for doubtful debts and bad debts written-off	3,063	4,174
Intangible assets written-off	141	893
Provision for retirement benefits	7,827	7,001
Deficit in stockpile valuation	-	5,280
Fixed assets written-off	-	1,990
Investments written-off	-	48
Gain on disposal of subsidiary	(52)	-
Amortisation of reserve on consolidation	(150)	(97)
Operating profit before working capital changes	138,389	51,027
Increase in debtors	(9,348)	(72,679)
Increase in stocks	(4,584)	(41,484)
Increase/(decrease) in creditors	29,564	(3,287)
Net cash generated from/(used in) operations	154,021	(66,423)
Taxation paid	(19,169)	(4,215)
Retirement benefits paid	(540)	(1,669)
Net cash generated from/(used in) operating activities	134,312	(72,307)
<b>Cash Flow from Investing Activities</b>		
Acquisition of subsidiaries*	1,478	(39)
Disposal of subsidiary**	228	-
Increase in intangible assets	(3,110)	(667)
Purchase of investment	(8,010)	(1,531)
Purchase of fixed assets	(32,358)	(55,901)
Proceeds from sale of fixed assets	3,725	8,893
Net cash used in investing activities	(38,047)	(49,245)
<b>Cash Flow from Financing Activities</b>		
Net drawdown of borrowings	23,208	76,769
Increase/(decrease) in hire purchase/lease finance	1,396	(474)
Share buy back	(1,501)	(7,232)
Dividend paid	(25,216)	(10,800)
Sale of shares to minority interest	2,919	3,181
Net cash generated from financing activities	806	61,444
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>	97,071	(60,108)
<b>Cash and Cash Equivalents Brought Forward</b>	258,622	318,194
<b>Exchange Equalisation</b>	(1,423)	536
<b>Cash and Cash Equivalents Carried Forward</b>	354,270	258,622

	1999 RM'000	1998 RM'000
Cash and cash equivalents comprise:		
Cash and bank balances	173,512	94,796
Deposits with financial institutions	191,421	180,538
Bank overdraft	(10,663)	(16,712)
	<u>354,270</u>	<u>258,622</u>
<b>* Analysis of Acquisition of Subsidiaries</b>		
Debtors	1,470	3,427
Stocks	1,098	1,495
Creditors	(3,657)	(4,438)
Short term borrowings	-	(36)
Fixed assets	254	1,265
Intangible assets	7	-
Loans	-	(691)
Deferred liabilities	-	(37)
Minority interest	(508)	(1,121)
Goodwill/(reserves) arising on acquisition	(142)	175
	<u>(1,478)</u>	<u>39</u>
<b>**Analysis of Disposal of A Subsidiary</b>		
Debtors	6,049	-
Creditors	(798)	-
Fixed assets	20,015	-
Investment	406	-
Intangible assets	398	-
Long term liabilities	(175)	-
Minority interest	1,762	-
	<u>27,657</u>	<u>-</u>
Gain on disposal	52	-
	<u>27,709</u>	<u>-</u>
Satisfied by assumption of intercompany balances	(27,481)	-
	<u>228</u>	<u>-</u>

*The accompanying notes are an integral part of this statement.*

**1. Principal Activities**

The principal activities of the Company are procuring and processing of paddy as well as importing, buying and selling of rice. The Company is also responsible to maintain the national rice stockpile and managing the "Guaranteed Minimum Price" of paddy and the distribution of subsidies to paddy farmers on behalf of the Government.

The principal activities of the subsidiaries are described in Note 26.

There were no changes in these principal activities during the financial year, other than activities arising from the acquisition of subsidiaries during the year as shown in Note 26.

**2. Significant Accounting Policies****a. Basis of Accounting**

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

**b. Basis of Consolidation**

The consolidated accounts include the accounts of the Company and all its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired during the year are included in the consolidated profit and loss account from the date of their acquisition. Related company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

The difference between the cost of investment and the underlying net asset value of subsidiaries at the date of acquisition is retained in the consolidated balance sheet as goodwill or reserve arising on consolidation. Goodwill or reserve on consolidation is written off or credited to the profit and loss account in accordance with the policy as referred to in Note 2(f).

**c. Investments**

- i. Investments in subsidiaries are stated at cost less provision for permanent diminution in value.
- ii. Investments in associated companies are companies in which the Group has a long term equity interest of between 20 and 52 percent and where it exercises significant influence through management participation. These investments are stated at cost less provision for permanent diminution in value.

The consolidated profit and loss account includes the Group's share of the results of the associated companies based upon the latest management accounts available to the Group.

In the consolidated balance sheet, the Group's interest in associated companies is stated at cost plus the Group's share of post acquisition profits and losses and reserves less provision for permanent diminution in value.

- iii. Other unquoted investments are stated at cost less provision for permanent diminution in value.

**d. Fixed Assets and Depreciation**

Fixed assets are stated at cost less accumulated depreciation. Work-in-progress is not depreciated. Depreciation of other fixed assets is provided on a straight line basis calculated to write off the cost of each asset over its estimated useful life. The principal annual rates of depreciation are:

Leasehold land	1.67%
Buildings	2%
Renovation	10%
Plant and machinery	4%
Furniture, fittings and office equipment	10%
Roads and related ancillary facilities	10%
Motor vehicles	20%

The fixed assets transferred from Lembaga Padi dan Beras Negara ("LPN") on 7 July 1994 (transfer date) are depreciated over the remainder of the useful life of these assets as at the transfer date.

**e. Stocks**

Stocks are stated at the lower of cost (determined on weighted average basis) and net realisable value.

The Company is vested with the duty to maintain and manage the Government Stockpile. The stocks of paddy and rice of the Company and of the Group are disclosed net of the Government Stockpile.

Any fluctuations arising from the valuation of stocks attributable to the Government Stockpile are dealt with in the Stockpile Fluctuation Reserve Account. Deficit fluctuations in excess of the amount in reserve are charged to the profit and loss account.

**f. Intangible Assets**

Preliminary and pre-operating expenses will be written off upon commencement of operations of the related subsidiaries.

The cost of trademarks acquired is capitalised as intangible assets and amortised over its estimated useful life of ten years.

Goodwill/reserve arising on consolidation are amortised over ten years.

**g. Currency Conversion and Translation**

Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling at that date. All exchange gains or losses are dealt with in the profit and loss account.

The assets and liabilities of foreign subsidiaries have been translated into Ringgit Malaysia at the rate of exchange ruling at the balance sheet date. On consolidation, gains and losses arising on translation into Ringgit Malaysia are taken to reserves. The results of foreign subsidiaries for the year are accounted for based on the average rate of exchange applicable throughout the year.

**h. Deferred Taxation**

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

**i. Retirement Benefits**

Provision has been made in the accounts for all qualifying staff who have been confirmed in service. The Company is in the process of establishing a fund in respect of which the approval of the Inland Revenue Board will also be sought. The provision made for retirement benefits will be paid to the fund when the fund has been established.

The retirement benefits of the qualifying staff at the subsidiaries are administered by the Company.

**j. Leases**

The cost of assets acquired under finance leases are capitalised as fixed assets. The depreciation policy on these assets is similar to that of the Group's other assets as set out in Note 2(d) above. Outstanding obligations under the lease agreements, after deducting finance expenses are included as liabilities in the accounts. The finance expenses of the lease rental are charged to the profit and loss account over the period of the respective agreements.

### 3. Cash and Bank Balances

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Cash at bank and in hand	173,512	94,796	23,988	39,929
Deposits with:				
Licensed commercial banks	159,401	127,255	91,180	34,240
Other financial institutions	32,020	53,283	-	13,013
	<b>364,933</b>	<b>275,334</b>	<b>115,168</b>	<b>87,182</b>

Deposits with licensed banks of the Group of RM3,762,251 (1998: RM5,410,307) are on lien for banking facilities granted to subsidiaries.

Included in the deposits placed with licensed banks of the Group is RM315,851 (1998: RM253,500) which has been pledged as security for bank guarantees from the licensed bank and an amount of RM51,993 (1998: RM285,211) pledged as security in respect of performance guarantee in favour of a customer.

### 4. Debtors

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Trade debtors	168,852	163,551	7,915	77,813
Provision for doubtful debts	(30,087)	(25,753)	-	(22,445)
	<b>138,765</b>	<b>137,798</b>	<b>7,915</b>	<b>55,368</b>
Other debtors	90,859	69,519	38,227	22,443
Provision for doubtful debts	(2,492)	(2,352)	(2,462)	(2,352)
	<b>88,367</b>	<b>67,167</b>	<b>35,765</b>	<b>20,091</b>
Due from subsidiaries	-	-	495,288	272,823
Due from/(to) associated companies	15,863	8,843	(6,149)	1,105
	<b>242,995</b>	<b>213,808</b>	<b>532,819</b>	<b>349,387</b>

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### 5. Stocks

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Paddy and rice	180,783	175,074	4,680	48,189
Spares and consumables	5,913	9,614	-	3,262
Raw materials	4,608	1,507	-	-
Finished goods	5,399	652	-	-
Paddy and rice by-products	33	315	-	8
	<b>196,736</b>	<b>187,162</b>	<b>4,680</b>	<b>51,459</b>

### 6. Short Term Borrowings

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Bank overdraft				
- secured	10,663	7,890	-	-
- unsecured	-	8,822	-	-
Revolving credit facility	500	2,000	-	-
Bankers acceptances	285,895	226,869	275,606	216,858
Bank loan - unsecured	-	7,694	-	-
US Dollar revolving credit facility	27,012	30,508	-	-
Government loans (Note 11)	12,223	24,446	12,223	24,446
Term loan (Note 11)	968	346	-	-
	<b>337,261</b>	<b>308,575</b>	<b>287,829</b>	<b>241,304</b>

The secured bank overdrafts are secured by legal charges over the respective subsidiary's freehold land and buildings and a debenture incorporating a fixed and floating charge over all the fixed assets and stocks of the subsidiary. The secured bank overdrafts bear interest between 6.80% and 8.55% (1998: 9.55% to 13.8%) per annum.

The unsecured bank overdraft in prior year bears interest of 8.25% per annum.

The bankers acceptances are unsecured and bear interest between 3.1% and 4.5% (1998: 6.5% to 9.4%) per annum.

The revolving credit facility granted to a subsidiary is secured by proportionate corporate guarantee of the Company and fixed deposit placed with the bank and bears interest of 10% (1998: 10%).

The unsecured bank loan granted to a subsidiary in prior year bears interest between 5.2% and 6.0% per annum.

The US Dollar revolving credit facility granted to a subsidiary is secured against a corporate guarantee from the Company and bears interest between 6.16% and 7.95% (1998: 6.56% to 7.0%) per annum.

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## 7. Creditors

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Trade creditors	9,798	29,739	-	10,112
Other creditors	116,872	76,731	113,660	55,531
	<b>126,670</b>	<b>106,470</b>	<b>113,660</b>	<b>65,643</b>

## 8. Investments

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Unquoted shares in subsidiaries (Note a)	-	-	263,694	262,250
Investment in associated companies (Note b)	18,993	5,060	1,500	-
Other unquoted investments	68	406	-	-
	<b>19,061</b>	<b>5,466</b>	<b>265,194</b>	<b>262,250</b>

### a. Investment in subsidiaries

The details of the subsidiaries are provided in Note 26

### b. Investment in associated companies

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Interest in associated companies				
Unquoted shares in Malaysia at cost	8,333	324	1,500	-
Share of profit	2,983	1	-	-
	<b>11,316</b>	<b>325</b>	<b>1,500</b>	<b>-</b>
Unquoted shares outside Malaysia at cost	3,437	3,994	-	-
Share of profit	4,240	741	-	-
	<b>7,677</b>	<b>4,735</b>	<b>-</b>	<b>-</b>
	<b>18,993</b>	<b>5,060</b>	<b>1,500</b>	<b>-</b>

The details of the associated companies are provided in Note 27.

## 9. Fixed Assets

Group	Freehold land and buildings	Long term leasehold land and buildings*	Plant and machinery	Construction work-in- progress	Others	Total
Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Beginning of year	22,703	18,568	171,860	11,046	57,655	281,832
Acquisition of subsidiaries	-	-	53	-	216	269
Additions	588	3,560	16,155	1,762	10,293	32,358
Disposal of subsidiaries	(6,047)	-	(10,693)	-	(4,331)	(21,071)
Disposal	(101)	(110)	(375)	(860)	(881)	(2,327)
End of year	<b>17,143</b>	<b>22,018</b>	<b>177,000</b>	<b>11,948</b>	<b>62,952</b>	<b>291,061</b>
Accumulated Depreciation						
Beginning of year	513	1,293	23,795	-	17,742	43,343
Acquisition of subsidiaries	-	-	3	-	12	15
Charge for the year	317	519	7,651	-	6,938	15,425
Disposal of subsidiaries	-	-	(442)	-	(615)	(1,057)
Disposal	(23)	(2)	(150)	-	(496)	(671)
End of year	<b>807</b>	<b>1,810</b>	<b>30,857</b>	<b>-</b>	<b>23,581</b>	<b>57,055</b>
Net Book Value	<b>16,336</b>	<b>20,208</b>	<b>146,143</b>	<b>11,948</b>	<b>39,371</b>	<b>234,006</b>

Group	Freehold land and buildings	Long term leasehold land and buildings*	Plant and machinery	Construction work-in-progress	Others	Total
<b>1998</b>						
<b>Cost</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Beginning of year	17,202	14,312	144,536	28,072	40,498	244,620
Acquisition of subsidiaries	–	973	23	–	288	1,284
Additions	6,866	1,772	22,001	2,494	22,768	55,901
Transfer	–	2,214	6,983	(13,139)	3,942	–
Disposal	(1,314)	(703)	(703)	(6,381)	(8,364)	(17,465)
Write-off	(51)	–	(980)	–	(1,477)	(2,508)
End of year	22,703	18,568	171,860	11,046	57,655	281,832
<b>Accumulated Depreciation</b>						
Beginning of year	532	457	16,556	–	11,572	29,117
Acquisition of subsidiaries	–	8	–	–	11	19
Charge for the year	16	748	7,752	–	6,844	15,360
Transfer	–	96	167	–	(263)	–
Disposal	(7)	(16)	(467)	–	(145)	(635)
Write-off	(28)	–	(213)	–	(277)	(518)
End of year	513	1,293	23,795	–	17,742	43,343
<b>Net Book Value</b>	<b>22,190</b>	<b>17,275</b>	<b>148,065</b>	<b>11,046</b>	<b>39,913</b>	<b>238,489</b>

Company	Long term leasehold land and buildings*	Plant and machinery	Construction work-in-progress	Others	Total
<b>1999</b>					
<b>Cost</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Beginning of year	3,729	24,570	862	22,373	51,534
Additions	728	1,176	287	1,659	3,850
Transfer	(2,344)	(22,363)	–	(6,061)	(30,768)
Disposal	–	–	(860)	(476)	(1,336)
End of year	2,113	3,383	289	17,495	23,280
<b>Accumulated Depreciation</b>					
Beginning of year	308	3,766	–	6,800	10,874
Charge for the year	180	849	–	2,494	3,523
Transfer	(364)	(4,457)	–	(2,865)	(7,686)
Disposal	–	–	–	(421)	(421)
End of year	124	158	–	6,008	6,290
<b>Net Book Value</b>	<b>1,989</b>	<b>3,225</b>	<b>289</b>	<b>11,487</b>	<b>16,990</b>

Company	Long term leasehold land and buildings*	Plant and machinery	Construction work-in-progress	Others	Total
1998	RM'000	RM'000	RM'000	RM'000	RM'000
Cost					
Beginning of year	14,312	127,340	18,780	32,609	193,041
Additions	575	2,961	862	2,454	6,852
Transfer	(11,158)	(104,720)	(12,400)	(12,200)	(140,478)
Disposal	-	(31)	(6,380)	(77)	(6,488)
Write-off	-	(980)	-	(413)	(1,393)
End of year	3,729	24,570	862	22,373	51,534

#### Accumulated Depreciation

Beginning of year	729	14,446	-	9,486	24,661
Charge for the year	240	3,514	-	3,987	7,741
Transfer	(661)	(13,974)	-	(6,366)	(21,001)
Disposal	-	(7)	-	(30)	(37)
Write-off	-	(213)	-	(277)	(490)
End of year	308	3,766	-	6,800	10,874

<b>Net Book Value</b>	<b>3,421</b>	<b>20,804</b>	<b>862</b>	<b>15,573</b>	<b>40,660</b>
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\* Leasehold land and buildings comprise leasehold land together with buildings, roads and ancillary facilities thereon. Included in the land, buildings and machinery of the Group are assets with net book value of RM492,341 (1998: RM335,889) pledged as security for term loan facilities granted.

Included in fixed assets of the Group are assets held under hire purchase and finance lease arrangements with net book values as follows:

	1999 RM'000	1998 RM'000
Motor vehicles	3,587	1,214
Plant and machinery	165	794

#### 10. Intangible Assets

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Goodwill	1,772	-	-	-
Trade mark	492	492	-	-
Preliminary expenses	32	3	-	-
Pre-operating expenses	796	19	-	-
	3,092	514	-	-
Amortisation - Goodwill	(150)	-	-	-
- Trademark	(50)	-	-	-
	2,892	514	-	-

Included in pre-operating expenses are the following expenses incurred for the year:

Audit fees	4	3	-	-
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#### 11. Loans

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Government loans	36,669	48,892	36,669	48,892
Amount repayable within 12 months included in short term borrowings (Note 6)	(12,223)	(24,446)	(12,223)	(24,446)
	24,446	24,446	24,446	24,446
Term loans				
Term loan I	1,971	2,093	-	-
Term loan II	1,200	1,500	-	-
Term loan III	1,500	-	-	-
Term loan IV	302	320	-	-
Term loan V	89	-	-	-
Amount repayable within 12 months included in short term borrowings (Note 6)	(968)	(346)	-	-
	4,094	3,567	-	-
	28,540	28,013	24,446	24,446

The government loans brought forward from LPN are unsecured and interest free. The Government has approved the repayment of the balance of the loan by way of 3 annual instalments commencing July 2000.

Term loan I is secured by fixed deposit and certain land and buildings of a subsidiary, bears interest of 8.55% (1998: 11.5% to 12.2%) per annum and is repayable through 183 monthly instalments commencing October 1996.

Term loans II and III are secured by proportionate corporate guarantee of the Company and fixed deposits, bear 10% interest per annum, and are repayable through 20 quarterly instalments commencing November 1998 and June 1999 respectively.

Term loan IV is secured by short leasehold land and building of a subsidiary and bears interest between 8.6% and 9.8% (1998: 11.0% and 13.8%) and is repayable by way of 180 monthly instalments commencing April 1998.

Term loan V is secured by a first fixed charge on certain plant and machinery of a subsidiary, bears interest of 6.5% per annum and is repayable through 48 monthly instalment commencing March 2000.

## 12. Deferred Liabilities

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Hire purchase and finance lease creditors	3,684	1,351	-	-
Less: Interest in suspense	(642)	(255)	-	-
	<u>3,042</u>	<u>1,096</u>	-	-
Less: Due within 12 months included in other creditors	(1,006)	(456)	-	-
	<u>2,036</u>	<u>640</u>	-	-
Deferred taxation				
As at 1 January	947	249	-	-
Transfer from profit and loss account	4,041	698	2,000	-
As at 31 December	<u>4,988</u>	<u>947</u>	<u>2,000</u>	-
Provision for retirement benefit	38,607	31,320	32,893	29,620
Land premium payable	348	-	-	-
	<u>45,979</u>	<u>32,907</u>	<u>34,893</u>	<u>29,620</u>

The deferred taxation liability of the Group principally relates to timing differences due to excess of capital allowances over book depreciation in certain subsidiaries.

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## 13. Share Capital

	Group and Company	
	1999 RM'000	1998 RM'000
Authorised:		
One Special Rights Redeemable Preference Share ("Special Share") of RM1.00*	-	-
Ordinary shares of RM1.00 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

## 13. Share Capital (continued)

	Group and Company	
	1999 RM'000	1998 RM'000
Issued and fully paid:		
One Special Share of RM1.00 each*		
Ordinary shares of RM1.00 each:		
As at 1 January	294,025	300,000
Cancelled during the year	(1,395)	(5,975)
As at 31 December	<u>292,630</u>	<u>294,025</u>

### \*Special Share

- The Special Share may be held only by or transferred only to the Minister of Finance (Incorporated) or its successor or any Minister, representatives or any person acting on behalf of the Government of Malaysia.
- The Special Shareholder has the right to receive notice of, and to attend and speak at, all general meetings or any other meeting of any class of shareholders of the Company, but the Special Share shall carry no right to vote nor any other rights at any such meeting.
- The Special Shareholder has the right to require the Company to redeem the Special Share at par at any time by serving written notice upon the Company and delivering the relevant share certificate.
- Certain matters which vary the rights attached to the Special Share can only be effective with the consent in writing of the Special Shareholder, in particular matters relating to the amendment or removal or alteration of the effect of the Special Share, the creation and issue of additional shares which carry different voting rights, the dissolution of the Company, substantial disposal of assets, amalgamation, merger and take over.
- The Special Shareholder has the right to review all policies, programmes, projects and commercial activities undertaken or proposed to be undertaken by the Company, the right to veto any resolution proposed to be passed by the Board of Directors or the shareholders of the Company if the Government considers that it is necessary to do so in the national interest and security of Malaysia.
- The Special Shareholder has the right to veto any resolution proposed to be passed by the Board of Directors and/or the shareholders of the Company purporting to amend the provision of the Memorandum and Articles of Association of the Company which affects the rights or any matter relating to the Special Share or the rights attaching to the Special Share.

At an Extraordinary General Meeting ("EGM") held on 21 June 1999, the shareholders authorised the Board of Directors of the Company to purchase up to 10% of the issued and paid up share capital of the Company commencing from the date of the EGM up to the conclusion of the next annual general meeting of the Company to be held in year 2000. Pursuant to the same, the Company had purchased and cancelled its own shares as follows:

Month	Number of shares	Total purchase price RM	Purchase price per share	
			Lowest RM	Highest RM
March 1999	1,395,000	1,501,201	1.06	1.08

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#### 14. Reserves

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
<b>Non-distributable</b>				
Capital reserve (Note a)	614	614	600	600
Stockpile fluctuation reserve (Note b)	4,403	511	511	511
Reserves arising on consolidation (Note c)	977	985	-	-
Capital redemption (Note d)	7,370	5,975	7,370	5,975
Exchange equalisation reserve	(2,791)	536	-	-
<b>Distributable</b>				
Retained profits	177,024	96,632	158,280	100,130
	<b>187,597</b>	<b>105,253</b>	<b>166,761</b>	<b>107,216</b>
a. Capital reserve	614	614	600	600
b. Stockpile fluctuation reserve				
As at 1 January	511	1,331	511	1,331
Transfer from/(to) Government Stockpile	3,892	(820)	-	(820)
As at 31 December	4,403	511	511	511
c. Reserve arising on consolidation				
As at 1 January	985	1,257	-	-
Reserves/(Goodwill) arising during the year	142	(175)	-	-
Amortisation for the year	(150)	(97)	-	-
As at 31 December	977	985	-	-
d. Capital redemption reserve				
As at 1 January	5,975	-	5,975	-
Cancellation of shares during the year	1,395	5,975	1,395	5,975
As at 31 December	7,370	5,975	7,370	5,975

#### 15. Turnover

Turnover of the Group represents the invoiced value of the Group's sales and services rendered.

Turnover of the Company consists of the invoiced value of sales.

Cost of sales of the Group and the Company was RM1,476 million (1998: RM1,484 million) and RM971 million (1998: RM1,266 million) respectively and comprise purchase of paddy and rice, direct wages, transportation charges and other direct expenses.

#### 16. Profit Before Taxation

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Profit before taxation is stated after charging:				
Auditors' remuneration	482	454	80	130
Directors' remuneration:				
- Directors of the Company				
- Fees	33	22	33	22
- Other emoluments*	276	268	276	268
- Directors of the subsidiaries				
- Fees	115	-	-	-
- Other emoluments	2,291	227	-	-
Amortisation of intangible assets	200	-	-	-
Depreciation	15,425	15,360	3,525	7,741
Interest expense	21,196	24,307	15,018	20,875
Hire of plant & machinery	2,989	-	-	-
Rental	10,849	8,401	3,417	4,580
Provision for doubtful debts	1,994	3,273	-	159
Fixed assets written off	-	1,990	-	903
Loss on disposal of fixed assets	-	7,937	-	13
Provision for retirement benefits	7,827	7,001	3,707	4,675
Deficit in stockpile valuation	-	5,280	-	-
Intangible assets written off	141	893	-	-
Bad debts written off	1,069	39	-	-
Investments written off	-	48	-	-
And crediting:				
Amortisation of reserve on consolidation	150	97	-	-
Bad debts recovered	875	1,737	-	1,737
Interest income	8,216	13,377	3,453	9,884
Gain on disposal of fixed assets	2,069	-	102	-
Gain on disposal of subsidiary	52	-	-	-
Rental income	433	479	-	195
Gain on foreign exchange	214	-	203	-

\* The estimated monetary value of other benefits not included in the above received by a director was RM18,100 (1998: RM12,400).

#### 17. Taxation

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Current year's provision	13	5,813	-	2,134
Overprovision in respect of prior year	(980)	(835)	(1,091)	(835)
Transfer to deferred taxation	4,041	947	2,000	-
	<b>3,074</b>	<b>5,925</b>	<b>909</b>	<b>1,299</b>

There is no tax charge for the current financial year as the amount payable is waived in accordance with Income Tax (Amendment) Act, 1999. The chargeable income of approximately RM94,867,000 on which the tax is waived shall be credited to an exempt account from which tax exempt dividends can be declared, subject to agreement with the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend amounting to RM8,939,000 out of its retained profits. If the balance of the retained profits were to be distributed as dividends, the Company would have a Section 108 shortfall of approximately RM8,817,000 (1998: RM19,360,000).

## 18. Dividends

	Group and Company	
	1999 RM'000	1998 RM'000
Interim dividend of 5% tax exempt for the financial year ended 31 December 1999 paid on 30 October 1999	14,631	–
Proposed final tax exempt dividend of 5% for the financial year ended 31 December 1999 (1998: 5% less tax)	14,632	10,585
	<b>29,263</b>	<b>10,585</b>

## 19. Earnings per Share

The earnings per share have been calculated based on the Group's profit after taxation and minority interest of RM111,156,000 (1998: RM3,392,000) and on the weighted average number of RM292,978,500 (1998: RM298,176,000) ordinary shares in issue during the year.

## 20. Paddy Price Subsidy Account

The Company is vested with the responsibility to administer the Government's Skim Subsidi Harga Padi. The movement of the paddy price subsidy account which represents the paddy price subsidy to be distributed to the registered paddy farmers on behalf of the Government are as follows:

	1999 RM'000	1998 RM'000
Balance as at 1 January	34,707	952
Add: Government subsidy fund received	410,000	410,000
Interest income	2,298	3,924
Less: Payments during the year	(405,795)	(380,169)
Balance as at 31 December	<b>41,210</b>	<b>34,707</b>

The above amounts are not included in the assets and liabilities of the Company.

Pursuant to the Corporatisation Agreement dated 12 January 1996 the Government shall deposit the subsidy fund into such bank accounts of licensed banks or financial institutions and operated by the Company for the sole purpose of disbursements of subsidies. The unutilised portion of Paddy Price Subsidy Fund given by the Government is to be placed into such fixed deposit accounts with such licensed banks or financial institutions to be approved by the Government.

## 21. Capital Commitments

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Capital expenditure authorised and contracted for	3,798	5,631	–	3,863
Capital expenditure authorised but not contracted for	1,035	1,403	–	1,403
	<b>4,833</b>	<b>7,034</b>	<b>–</b>	<b>5,266</b>

## 22. Contingent Liabilities

	Group		Company	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Corporate guarantee for bank facilities of certain subsidiaries (unsecured)	–	–	29,444	30,508

## 23. Significant Related Company Transactions

	Company	
	1999 RM'000	1998 RM'000
Purchases from and services rendered by subsidiaries	57,490	40,959
Sales to subsidiaries	813,738	490,130

## 24. Significant and Subsequent Events

- On 21 May 1999, Jasmine Food Corporation Sdn Bhd entered into memorandums of understanding with two rice wholesalers Joo Seng Edar Sdn Bhd and Yoon Hin Sdn Bhd to indicate their willingness to enter into negotiations for possible joint ventures.
- On 24 June 1999, BERNAS (Sabah) Sdn Bhd entered into a joint venture agreement with Richtiara Sdn Bhd to establish a joint venture company for the purpose of barter trading of rice, rice by-products and other trade related products. The joint venture agreement will result in BERNAS (Sabah) Sdn Bhd holding 70% equity in the joint venture company, Belikmart Sdn Bhd.
- On 3 August 1999, the Company entered into a joint venture agreement with Pemborong Emum Sdn Bhd to acquire a 20% equity in Ban Heng Bee Rice Mill (1952) Sdn Bhd ("Ban Heng Bee") for cash consideration of RM5,000,000. In a second Share Sale Agreement between the Company and Ban Heng Bee, BERNAS acquired 40% of the issued and paid-up share capital of Serba Wangi Sdn Bhd, a wholly owned subsidiary of Ban Heng Bee for a cash consideration of RM1,200,000. Through Ban Heng Bee, the Company owns an effective interest of 52% in Serba Wangi Sdn Bhd. The equity participation in the above companies shall enhance BERNAS presence in the milling and distribution segment of the rice industry.
- On 11 August 1999, BERNAS Overseas (L) Ltd, a wholly owned subsidiary of the Company, entered into a Share Sale Agreement to dispose off its entire interest in Laguna Group Limited which amounts to sixty thousand shares of USD1 each to Syed Abdul Rahman Alsagoff for a total consideration of USD60,000.
- The Company on 25 September 1999 divested 14% from its total investment of 65% in its subsidiary Jasmine Food Corporation Sdn Bhd and Jasmine Rice Mill (Tunjang) Sdn Bhd to its joint venture partner Norwiz Sdn Bhd for a cash consideration of RM2,918,880. The divestment was made to streamline its equity holding in its rice wholesale subsidiaries.
- The Group's operations in the People's Republic of China undertaken by its 70% owned subsidiary, BERNAS (Beijing) Food Corporation Ltd has been relocated to Hong Kong effective October 1999. Its operations are now undertaken by its 95% owned subsidiary, BERNAS China Corporation. BERNAS (Beijing) Food Corporation Ltd ceased operations thereafter.
- The restructuring of the rice business operations which commenced on 1 July 1998 was finally completed towards the end of 1999 with the formation of four rice clusters consisting of four wholly owned subsidiaries, namely BERNAS Utama Sdn Bhd ("Utama"), BERNAS Perdana Sdn Bhd ("Perdana"), Era Rangkaian Setia Sdn Bhd ("ERAS") in Semenanjung Malaysia and Beras Corporation Sdn Bhd ("BCSB") in Sabah and Sarawak.
- As part of the restructuring exercise in Sabah and Sarawak, the Company's wholly owned subsidiaries, BERNAS (Sabah) Sdn Bhd and BERNAS (Sarawak) Sdn Bhd have entered into Business Acquisition Agreements with BCSB respectively on 22 November 1999 to transfer all business operations, staff, assets and liabilities to BCSB. Approval of the above exercise was completed on 5 November 1999 and BCSB commenced operations on 2 January 2000.

- i. A reorganisation of the Company's shipping and transport business operations was carried out with the name change of Padiberas Transport Sdn Bhd to BERNAS Logistics Sdn Bhd. BERNAS Logistics Sdn Bhd acquired the business operations, staff, assets and liabilities of BERNAS Shipping Agencies Sdn Bhd effective 1 October 1999.
- j. The Company, on 8 December 1999 disposed of its entire equity shareholding of 49% in K Plus Sdn Bhd to its former joint venture partner for a cash consideration of RM1.00.
- k. On 28 December 1999, the Company entered into a Deed of Revocation and Mutual Release together with a Share Sale Agreement with STJ Sdn Bhd for the purpose of terminating the joint venture through their vehicle company, Valorlite Resources Sdn Bhd ("Valorlite"). The termination resulted in the Company holding the entire issued and paid-up share capital in Valorlite.
- l. BERNAS Utama Sdn Bhd, a wholly owned subsidiary of the Company, on 30 December 1999 acquired an additional 14.5% of the issued share capital of its associated company Syarikat Faiza Sdn Bhd ("Faiza") for a cash consideration of RM143,915. As a result, its interest in Faiza increased to 51%.
- m. BERNAS Dominals Sdn Bhd, a wholly owned subsidiary of the Company on 20 March 2000 entered into a joint venture agreement with Ancom Berhad, Bio-Organic System & Services Sdn Bhd, Fermpro Sdn Bhd and Shamazdaso Holdings Sdn Bhd to acquire 10% equity in Organi Gro Sdn Bhd to produce organic fertilisers.
- n. On 21 March 2000, the Company entered into a Share Sale Agreement with the existing shareholders of Keongco Holdings Sdn Bhd ("Keongco") to acquire a 20% equity in Keongco for a cash consideration of RM2,856,000. The principal activities of Keongco is the importing, exporting and wholesaling of commodities including garlic, onion, dried chillies, ginger and beans.
- o. On 6 April 2000, the Company entered into a Memorandum of Understanding with KL Kepong Bhd to further enhance counter-trade between Malaysia and the People's Republic of China. Under the proposed memorandum, KL Kepong Bhd undertakes to supply oil palm to China National Cereal, Oil & Foodstuffs, Import and Export Corporation ("COFCO") in return for rice supply from COFCO to the Company.

## 25. Segmental Reporting

The activities of the Group during the current and previous financial years substantially relate to the procurement, importing, buying, processing and selling of rice and paddy and were predominantly conducted in Malaysia.

## 26. Subsidiaries

The principal activities of subsidiaries and the effective interest are shown below:

Name of Company	Issued and paid-up Capital RM	Effective Interest		Principal Activities
		1999 %	1998 %	
<b>Incorporated in Malaysia</b>				
BERNAS Utama Sdn Bhd	100,000,002	100	100	Processing and trading of rice
YHL Holding Sdn Bhd	3,438,000	51	51	Investment holding
Yew Heng Leong (KL) Sdn Bhd	50,000	51	51	Trader, distributor and supplier of rice
Sinsan Tien Seng (Johor) Sdn Bhd	50,000	51	51	Trader, distributor and supplier of rice
Xeng Heng (M) Sdn Bhd	50,000	51	51	Trader, distributor and supplier of rice
Sin Hock Soon Trading (Kedah) Sdn Bhd	50,000	51	51	Trader, distributor and supplier of rice
Syarikat Faiza Sdn Bhd	668,905	51	36.5	Trader, distributor and supplier of rice

## 26. Subsidiaries (continued)

Name of Company	Issued and paid-up Capital RM	Effective Interest		Principal Activities
		1999 %	1998 %	
<b>Incorporated in Malaysia</b>				
BERNAS Perdana Sdn Bhd	100,000,002	100	100	Processing and trading of rice
Jasmine Food Corporation Sdn Bhd	1,000,000	51	65	Trader, distributor and supplier of rice
Jasmine Food (Ipoh) Sdn Bhd	50,000	51	65	Trader, distributor and supplier of rice
Jasmine Food (Alor Setar) Sdn Bhd	250,000	51	65	Trader, distributor and supplier of rice
Jasmine Food (Johor Bahru) Sdn Bhd	50,000	51	65	Trader, distributor and supplier of rice
Jasmine Khidmat dan Harta Sdn Bhd <i>(formerly known as Syarikat Meng Auto (Kedah) Sdn Bhd)</i>	170,000	51	65	Letting of properties
Jasmine Food (Prai) Sdn Bhd	30,000	51	65	Trader, distributor and supplier of rice
Jasmine Rice Mill (Tunjang) Sdn Bhd	10,000,000	51	65	Rice miller and rice trader
Jasmine Rice Product Sdn Bhd	2	51	65	Manufacturing and sale of vermicelli
Era Rangkaian Setia Sdn Bhd	1,000,000	100	100	Processing and trading of rice
Era Bayam Kota Sdn Bhd	250,000	60	60	Trader, distributor and supplier of rice
BERNAS (Sabah) Sdn Bhd	20,000,002	100	100	Processing and trading of rice. Dormant effective 1.1.2000
BERNAS (Sarawak) Sdn Bhd	20,000,002	100	100	Processing and trading of rice. Dormant effective 1.1.2000
Beras Corporation Sdn Bhd <i>(formerly known as Mergerich Sdn Bhd)</i>	30,000	100	100	Processing and trading of rice effective 1.1.2000
Sazarice Sdn Bhd <i>(formerly known as Sazarice Wholesaler Sdn Bhd)</i>	850,000	51	51	Trader, distributor and supplier of rice
Dayabest Sdn Bhd	2,300,000	51	51	Trader, distributor and supplier of rice
BERNAS Dominals Sdn Bhd	600,000	100	100	Manufacturing and trading of rice by-products
BERNAS Chaff Products Sdn Bhd	350,000	51	51	Manufacturing and trading of horse food
BERNAS Mart Sdn Bhd	500,000	100	100	Retailing of rice
BERNAS Food Catering Sdn Bhd	500,000	100	100	Food Catering
BM Agrotech Sdn Bhd	2,500,000	61	51	Investment holding
Padi Gedong Sdn Bhd	2	61	51	Paddy cultivation
BERNAS Marditech Seed Sdn Bhd	500,000	76	51	Paddy seed production

## 26. Subsidiaries (continued)

Name of Company	Issued and paid-up Capital RM	Effective Interest		Principal Activities
		1999 %	1998 %	
<b>Incorporated in Malaysia</b>				
BERNAS Logistics Sdn Bhd <i>(formerly known as Padiberas Transport Sdn Bhd)</i>	5,000,000	100	100	Provision of logistics services
BERNAS Shipping Agencies Sdn Bhd	250,000	100	100	Dormant
BERNAS Engineering & Technology Sdn Bhd	250,000	100	100	Provision of engineering services
P.B. Construction & Supplies Sdn Bhd	250,000	100	100	Provision of construction services
BERNAS Realty & Development Sdn Bhd	300,000	100	100	Maintenance of business premises and consultancy
Valorlite Resources Sdn Bhd	1,000,002	100	60	Manufacturing and trading of plastic and packaging products
BERNAS Overseas (L) Limited	USD3,000,000	100	100	Offshore investment holding company
BERNAS Marditech Project Development Sdn Bhd	2	100	100	Dormant
BERNAS Agroproduce Sdn Bhd	2	100	100	Dormant
BERNAS Organic Soil (M) Sdn Bhd	2	100	100	Dormant
Rib Beef Sdn Bhd	2	100	100	Dormant
BERNAS Fisheries Sdn Bhd <i>(formerly known as Kaca Seni Sdn Bhd)</i>	2	100	100	Dormant
Bellkmart Corporation Sdn Bhd	2	100	–	Dormant
BERNAS-KME Sdn Bhd <i>(formerly known as Icon Heritage Sdn Bhd)</i>	2	100	–	Dormant
BERNAS Agrogreen Sdn Bhd <i>(formerly known as Coprestige Sdn Bhd)</i>	2	100	100	Dormant
<b>Incorporated in the British Virgin Islands</b>				
Selsun Ltd	USD100,000	100	100	Dormant
Silver Glen International Ltd	USD1,000	51	51	Dormant
BERNAS China Corporation*	USD100,000	95	–	Rice trading
<b>Incorporated in the Republic of Guinea</b>				
Societe BERNAS De Guinee*	USD50,000	80	80	Paddy cultivation, processing, trading and poultry

\* Audited by a firm of public accountants other than Arthur Andersen & Co.

## 27. Associated Companies

Name of Company	Issued and paid-up Capital RM	Effective Interest		Principal Activities
		1999 %	1998 %	
<b>Incorporated in Malaysia</b>				
BERNAS Feedstuff Sdn Bhd	500,000	49	49	Manufacture, trading of animal feed
Kilang Beras Fajar Sdn Bhd	490,000	49	49	Rice Miller
Ban Heng Bee (1952) Rice Mill Sdn Bhd	2,500,000	20	–	Rice Miller
Serba Wangi Sdn Bhd	2,000,000	52	–	Trader, distributor and supplier of rice
J H Transport Sdn Bhd	102,000	52	–	Trader, distributor and supplier of rice
Nash Sdn Bhd	260,000	26.5	–	Trader, distributor and supplier of rice
Haskarice Sdn Bhd	300,000	26	–	Trader, distributor and supplier of rice
Hock Chiong Foodstuff Sdn Bhd	100,000	26	–	Trader, distributor and supplier of rice
Ban Say Tong Sdn Bhd	150,000	26	–	Trader, distributor and supplier of rice
Tong Seng Huat Rice Trading Sdn Bhd	300,000	26	–	Trader, distributor and supplier of rice
<b>Incorporated in Thailand</b>				
Asian Peninsula Corporation Ltd	THB 50,000,000	49	49	Rice trading
<b>Incorporated in Pakistan</b>				
Qaiser Noman BERNAS Limited	USD1,000,000	50	50	Rice trading
<b>Incorporated in Hong Kong</b>				
BERNAS MIA Mega Food (China) Ltd	HKD200,000	50	50	Agricultural products trading

## 28. Currency

All amounts are stated in Ringgit Malaysia unless otherwise stated.

## 29. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

## List of Landed Properties

Pursuant to the Corporatisation Agreement, certain landed properties have been identified of which Government will procure leases in favour of BERNAS for a maximum period of sixty (60) years, for a consideration of RM1.00 per annum for each landed property. Legal ownership of the landed properties is/shall be vested with the Pesuruhjaya Tanah Persekutuan ("PTP").

As at the date of this Annual Report, certain identified landed properties have been leased to BERNAS pursuant to several lease agreement executed on 5 June 1997, with the remainder to be signed at a later date.

Particulars of landed properties of which lease agreements will/have been executed are as follows :-

Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
<b>Perlis</b>				
HSM (M) 682, PT242, Mukim Sanglang, Daerah Perlis.	Rice mill complex	1974	4.05 (10.00)	1.00
HS (D) 1203, PT 136, Mukim Kuala Perlis, Daerah Perlis.	Rice mill complex	1985	4.34 (10.72)	1.00
GM1514, Lot 2074, Utan Aji, Daerah Perlis.	Rice mill complex	1971	1.98 (4.89)	1.00
PT 1265, Mukim Sanglang, Daerah Perlis.	Vacant land	-	8.55 (21.12)	1.00
Lot 1628, Mukim Arau, Daerah Perlis.	Drying complex/ Warehouse	1931/1971	0.83 (2.04)	1.00
Gk 1/1341, Mukim Arau, Daerah Perlis.	Drying complex/ Warehouse	1931/1971	1.02 (3.99)	1.00
<b>Kedah</b>				
HS (M) 23/1984, PT 570, Mukim Putat, Daerah Kubang Pasu.	Rice mill complex	1975	0.71 (1.75)	1.00
HS (M) 111/1975, PT 437, Mukim Putat, Daerah Kubang Pasu.	Rice mill complex	1975	3.49 (8.61)	1.00
HS (M) 6/1977, PT 30, Mukim Bukit Raya, Daerah Pendang.	Rice mill complex	1973	2.02 (5.00)	1.00
HS (M) 1/1979, PT 28, Mukim Bukit Raya, Daerah Pendang.	Rice mill complex	1973	0.66 (1.64)	1.00
HS (M) 7/1985, Mukim Yan, Daerah Yan.	Rice mill complex	1975	0.47 (1.17)	1.00

Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
HS (M) 46, Mukim Yan, Daerah Yan.	Rice mill complex	1975	0.91 (2.24)	1.00
GM 186, Lot 4728, Mukim Yan, Daerah Yan.	Rice mill complex	1975	2.53 (6.25)	1.00
PM 2, Lot 5440, Mukim Yan, Daerah Yan.	Rice mill complex	1975	1.72 (4.24)	1.00
GM 83, Lot 615, Mukim Sungai Baru, Daerah Kota Setar.	Rice mill complex	1972	2.02 (5.00)	1.00
PM 1, Lot 000653, Mukim Sungai Baru, Daerah Kota Setar.	Rice mill complex	1972	1.65 (4.09)	1.00
HS (M) 1/1993, PT 70, Mukim Kubang Rotan, Daerah Kota Setar.	Rice mill complex	1972	0.81 (2.00)	1.00
HS (M) 2/1993, PT 71, Mukim Kubang Rotan, Daerah Kota Setar.	Rice mill complex	1972	0.42 (1.04)	1.00
HS (M) 1/1979, PT 2, Mukim Kangkong, Daerah Kota Setar.	Rice mill complex	1972	2.13 (5.25)	1.00
HS (M) 2/1995, PT 740, Mukim Kangkong, Daerah Kota Setar.	Rice mill complex	1982	2.02 (5.00)	1.00
GM 148, Lot 3724, Mukim Sungai Daun, Daerah Yan.	Rice mill complex	1972	2.08 (5.14)	1.00
PM 1, Lot 4030, Mukim Sungai Daun, Daerah Yan.	Rice mill complex	1982	1.61 (3.98)	1.00
GM 868, Lot 4049, Mukim Jerlun, Daerah Kubang Pasu.	Rice mill complex	1975	3.86 (9.53)	1.00
HS (M) 5/1983, PT1328, Mukim Jerlun, Daerah Kubang Pasu.	Rice mill complex	1975	3.20 (7.90)	1.00
HS (M) 1/1982, PT 9, Mukim Telok Kechai, Daerah Kota Setar.	Rice mill complex	1975	1.01 (2.50)	1.00

Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
GM 79, Lot 625(S), Mukim Teluk Kechai, Daerah Kota Setar.	Rice mill complex	1975	2.19 (5.40)	1.00
HS (M) 3/1992, PT 1535, Mukim Lang Rotan, Daerah Kota Setar.	Rice mill complex	1975	1.79 (4.41)	1.00
HS (M) 2/1974, PT 3, Mukim Teluk Kechai, Daerah Kota Setar.	Rice mill complex	1975	1.55 (3.84)	1.00
HS (D) 2/93, PT 1934, Mukim Pering, Daerah Kubang Pasu.	Rice mill complex	1988	4.64 (11.45)	1.00
HS (M) 6/1987, PT 1228, Mukim Kepelu, Daerah Kubang Pasu.	Rice mill complex	1988	0.13 (0.32)	1.00
HS (M) 117/73, PT 668, Mukim Pering, Daerah Kubang Pasu.	Rice mill complex	1988	4.64 (11.45)	1.00
GM 843, Lot 3346, Mukim Kepelu, Daerah Kubang Pasu.	Drying complex	1972	2.00 (4.93)	1.00
HS (M) 9/1995, PT 1652, Mukim Kepelu, Daerah Kubang Pasu.	Rice mill complex	1972	0.67 (1.66)	1.00
GM 344, Lot 2190, Mukim Jitra, Daerah Kubang Pasu.	Drying complex	1972	1.84 (4.55)	1.00
PTS Nombor 1/1980, Lot 958 & Lot 1036, Mukim Anak Bukit, Daerah Kota Setar.	Rice mill complex, workshop and office	1931/1980	15.79 (39.00)	1.00
GM 473, Lot 3050, Mukim Tualang, Daerah Kota Setar.	Rice mill complex	1972	2.02 (5.00)	1.00
HS (D) 2721/89, PT13, Mukim Pekula, Daerah Kuala Muda.	Vacant land	-	8.42 (20.79)	1.00
G3409, Lot 2319, Mukim Tunjang, Daerah Kubang Pasu.	Vacant land	-	4.12 (10.18)	1.00

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Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
HSM (M) 28/93, PT 1894, Mukim Ulu Melaka, Langkawi.	Vacant land	-	2.81 (6.94)	1.00
GM 3043 Lot 7773, Mukim Sala Besar, Daerah Yan.	Rice mill complex	1975	3.56 (8.79)	1.00
GM 1315, Lot 3977, Mukim Jerlun, Daerah Kubang, Pasu.	Rice mill complex	1972	1.71 (4.23)	1.00
HS (M) 15/1981, PT 1215 Mukim Jerlun, Daerah Kubang Pasu.	Rice mill complex	1982	1.87 (4.62)	1.00
<b>Pulau Pinang</b>				
HS (D) 3-Mk 6, PT No. 5, Mukim 6, Daerah Seberang Perai Utara.	Rice mill complex	1983	8.12 (20.05)	1.00
HS (D) 80, PT BM/A/076, Mukim 1, Daerah Seberang Perai Tengah.	Warehouse	1982	2.11 (5.22)	1.00
HS (D) 3, PT 4, Mukim 3, Daerah Seberang Perai Tengah.	Vacant land	-	7.62 (18.81)	1.00
<b>Perak</b>				
PN No. 42893, Lot 3122, Mukim Parit Buntar, Daerah Krian.	Rice mill complex	1975	4.05 (10.00)	1.00
HS (D) LP 8/83, PT 569, Mukim Labu Kubong, Daerah Hilir Perak.	Rice mill complex	1983	6.07 (15.00)	1.00
Lot 2908, Mukim Pasir Salak, Perak Tengah. (Kompleks Sg. Dedap)	Rice mill complex	1984	10.81 (26.70)	1.00
Lot 2479, Mukim Kota Setia, Daerah Perak Tengah. (Kompleks Changkat Lada)	Rice mill complex	1993	10.93 (27.00)	1.00
Lot 685, 686, 687, 688, 689 & 690, Mukim Kota Setia, Daerah Perak Tengah. (Kompleks Sg. Ranggung)	Rice mill complex	1993	10.81 (26.70)	1.00

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Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
EMR 9199, Lot 7232, Mukim Bagan Serai, Daerah Krian.	Warehouse	1968	4.85 (11.99)	1.00
EMR 9200, Lot 7228, Mukim Bagan Serai, Daerah Krian.	Warehouse	1968		1.00
Lot 7230, Mukim Bagan Serai, Daerah Krian.	Warehouse	1968		1.00
Lot 7851, Mukim Bagan Serai, Daerah Krian.	Warehouse	1968		1.00
Lot 12589, Mukim Bagan Serai, Daerah Krian.	Warehouse	1968		1.00
Lot 2870, Mukim Durian Sebatang, Daerah Hilir Perak.	Rice mill complex	1931	6.16 (15.21)	1.00
Lot 2869, Mukim Durian Sebatang, Daerah Hilir Perak.	Rice mill complex	1931		1.00
Lot 10088, Mukim Durian Sebatang, Daerah Hilir Perak.	Rice mill complex	1931		1.00
Lot 10089, Mukim Durian Sebatang, Daerah Hilir Perak.	Rice mill complex	1931		1.00
Lot 10090, Mukim Durian Sebatang, Daerah Hilir Perak.	Rice mill complex	1931		1.00
Lot 2933, Mukim Durian Sebatang, Daerah Hilir Perak.	Rice mill complex	1931		1.00

Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
CT 10130, Lot 1945, Mukim Parit Buntar, Daerah Krian.	Warehouse	1931	2.15 (5.30)	1.00
CT 9473, Lot 130, Mukim Parit Buntar, Daerah Krian.	Warehouse	1931		1.00
CT 3334, Lot 1768, Mukim Parit Buntar, Daerah Krian.	Warehouse	1931		1.00
CT 6884, Lot 1944, Mukim Parit Buntar, Daerah Krian.	Warehouse	1931		1.00
CT 6885, Lot 1943, Mukim Parit Buntar, Daerah Krian.	Warehouse	1931		1.00
CT 6246, Lot 1925, Mukim Parit Buntar, Daerah Krian.	Warehouse	1931		1.00
<b>Selangor</b>				
LM 473, Lot 19947, Mukim Tanjong Karang, Daerah Kuala Selangor.	Rice mill complex	1978	3.85 (9.50)	1.00
HS (M) 3204, Lot 11822-11828, Lot 11830-11836, Mukim Tanjong Karang, Daerah Kuala Selangor.	Rice mill complex	1978	3.44 (8.50)	1.00
LM 579, Lot 10775, Mukim Pachang Bedena, Daerah Sabak Bernam.	Rice mill complex	1970	1.68 (4.16)	1.00
QT(M) 469, 811 & 814, Mukim Pachang Bedena, Daerah Sabak Bernam.	Rice mill complex	1970	4.13 (10.19)	1.00
HS (D) 96, PT 810, Mukim Panchang Bedena, Daerah Sabak Bernam.	Rice mill complex	1970	2.08 (5.13)	1.00
HS (D) 380, PT 843, Mukim Sg. Panjang, Daerah Sabak Bernam.	Rice mill complex	1990	8.10 (20.00)	1.00
HS (M) 6212, PT 4178, Mukim Kapar, Daerah Kelang.	Warehouse	1988	2.02 (4.99)	1.00

Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
<b>Negeri Sembilan</b>				
HS (D) Lis 811, PT 1329 (Plot 75 A), Mukim Ampangan, Daerah Seremban.	Warehouse	1983	1.62 (4.00)	1.00
<b>Melaka</b>				
ACT 13, Mukim Village of Bt. Berendam, Daerah Melaka Tengah.	Warehouse	1989	0.49 (1.20)	1.00
PT 1527, Mukim Kelemak, Daerah Alor Gajah.	Warehouse	1995	3.20 (7.90)	1.00
G10590, Lot 3240, Mukim Batu Berendam, Daerah Alor Gajah.	Vacant land	-	3.38 (8.35)	1.00
<b>Johor</b>				
GN 29401, Lot 6600, Mukim Teberau, Daerah Johor Bahru.	Warehouse	1977	2.05 (5.07)	1.00
HS (D) 216629, PTD 112330, Mukim Plentong, Daerah Johor Bahru.	Warehouse	1977	1.14 (2.81)	1.00
HS (D) 48624, PTD 22916, Mukim Plentong Daerah, Johor Bahru.	Warehouse	1977	2.43 (6.00)	1.00
HS (D) 17663, PTD 14679, Mukim Kluang, Daerah Kluang.	Vacant land	-	2.02 (5.00)	1.00
<b>Pahang</b>				
HS (D) 3390, PT 1720, Mukim Pontian, Daerah Rompin.	Rice mill complex	1984	2.60 (6.42)	1.00
HS (D) 3391, PT 1832, Mukim Pontian, Daerah Rompin.	Rice mill complex	1984	1.64 (4.06)	1.00

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Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
HS (D) 2798, PT 466, (Lot 63 & 64) Mukim Songsang, Daerah Temerloh.	Warehouse	1981	1.60 (3.95)	1.00
HS (D) 3479 Mukim Pahang Tua, Daerah Pekan.	Paddy purchasing centre	1986	2.72 (6.73)	1.00
<b>Terengganu</b>				
G 8617, Lot 2432, Mukim Bukit Kenak, Daerah Besut.	Rice mill complex	1978	3.85 (9.50)	1.00
PN 2991, Lot 3593, Mukim Bukit Kenak, Daerah Besut.	Rice mill complex	1978	1.12 (2.77)	1.00
HS (M) 1194, PT 1135 K, Mukim Chendering, Daerah Kuala Terengganu.	Warehouse	1983	1.23 (3.05)	1.00
HS (D) 4539, PT 2803 K, Mukim Belara, Daerah Kuala Terengganu.	Vacant land	-	4.06 (10.02)	1.00
<b>Kelantan</b>				
GN 13803, Lot 2453, Mukim Peringat, Daerah Jajahan Kota Bahru.	Rice mill complex	1970	7.26 (17.92)	1.00
GN 13804, Lot 2454, Mukim Peringat, Daerah Jajahan Kota Bahru.	Rice mill complex	1970		1.00
GN 13805, Lot 2455, Mukim Peringat, Jajahan Kota Bahru.	Rice mill complex	1970		1.00
Pajakan Negeri No. Pendaftaran 1840, Lot 2784, Mukim Peringat, Jajahan Kota Bahru.	Rice mill complex	1970		1.00
HS (D) T 1/78, PT 5, Mukim Selehong South, Daerah Terbok Jajahan Tumpat.	Rice mill complex	1970	4.05 (10.00)	1.00

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Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
HS (D) P.P. 32/85, PT 387, Mukim Pdg. Pak Amat, Daerah Bt. Sebutir, Daerah Jajahan Pasir Putih.	Rice mill complex	1978	4.21 (10.41)	1.00
Pajakan Negeri No. Pendaftaran 660, Lot 1637, Mukim Pdg. Pak Amat, Daerah Bt. Sebutir, Jajahan Pasir Putih.	Rice mill complex	1978		1.00
HS (D) KB. 310/76, PT 18, Mukim Padang Raja Daerah Peringat, Jajahan Kota Bahru.	Warehouse	1978	3.36 (8.29)	1.00
HS (D) KB. 311/76, PT 14, Mukim Buloh Poh, Daerah Kadok, Jajahan Kota Bahru.	Warehouse	1978	0.89 (2.20)	1.00
PN 2204, Lot 2305, Mukim Langgar, Kubang Kerian Daerah Jajahan Kota Bahru.	Office	1994	0.26 (0.63)	1.00
PN 2205, Lot 2052, Mukim Lundang, Daerah Jajahan Kota Bahru.	Office	1994	0.59 (1.46)	1.00
PT 798 (sbhg drp Lot 1908, 1140 & Lot 2304), Mukim Lundang, Daerah Jajahan Kota Bahru.	Office	1994	0.59 (1.46)	1.00
PN 1831, Lot 1736, Mukim Chekli, Daerah Beta, Daerah Jajahan Kota Bahru.	Vacant land	-	5.54 (13.69)	1.00
<b>Sabah</b>				
CL 015424549, Lot 85, Likas, Daerah Kota Kinabalu.	Warehouse and office	1981	3.00 (7.42)	1.00
TL 057504613, LA 80050271 Kudat Town, Daerah Kudat.	Warehouse	1981	0.81 (2.00)	1.00

Location	Existing Use	Year of Building	Land Area Hectare (Acre)	Net Book Value As At 31/12/99
TL 207524098, Lot 12 Ranca-ranca, Daerah Labuan.	Warehouse	1981	0.89 (2.20)	1.00
TL 117506671, LA 80113755, New Wharf Road, Daerah Lahat Datu.	Warehouse	1992	0.77 (1.91)	1.00
TL 027500689, Lot 6628 Papar, Daerah Papar.	Warehouse	1970	0.13 (0.33)	1.00
CL 105398990, LA 82100053 Bt 3, Apas Road, Daerah Tawau.	Warehouse	1981	2.38 (5.87)	1.00
TL 077552731, PT/LA 7907208, Sandakan Daerah Sandakan.	Warehouse	1981	1.97 (4.87)	1.00
TL 037500799, Lot 2259 Kota Belud, Daerah Kota Belud.	Warehouse	1970	0.82 (2.02)	1.00
LA 85040440, sbhg drp PL 13904 & NT, 12046 Tuaran, Daerah Tuaran.	Paddy purchasing centre	1992	8.10 (20.00)	1.00
<b>Sarawak</b>				
Code No. 323/26/1019, Lot 109, Blok No. 26, Kimena Land District Bintulu Division.	Warehouse	1995	1.69 (4.18)	1.00
GN No. 499/2, Lot 478, Blok No. 19, Seduan Land District Sibiu Division.	Warehouse	1983	2.67 (6.59)	1.00
Code No. 122/66/853, Lot 853, Section 66, Kuching Town Land District Kuching Division.	Warehouse and office	1979	1.84 (4.54)	1.00

## Top 20 Shareholders as at 2 May 2000

Shareholders	Account No.	No. of shares held	%
1. Budaya Generasi (M) Sdn Bhd	0025743139	70,015,000	23.93
2. Alliedban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Serba Etika Sdn Bhd</i>	0027144336 0027845726	61,541,000	21.03
3. Mayfin Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Budaya Generasi (M) Sdn Bhd</i>	0025871633	11,000,000	3.76
4. Alliedban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Goh Song Leong</i>	0029211919	10,000,000	3.42
5. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Budaya Generasi (M) Sdn Bhd</i>	0025872714	7,830,000	2.68
6. Alliedban Nominees (Tempatan) Sdn Bhd <i>Phileo Asset Management For PhileoAllied Bank (Mal)</i>	0007461239	5,000,000	1.71
7. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Goh Song Leong</i>	0029184587	4,000,000	1.37
8. HSBC Nominess (Asing) Sdn Bhd <i>HSBCIT For JF Malaysia Trust</i>	0026221853	2,500,000	0.85
9. Lembaga Tabung Haji	0000325043 0000321711	2,315,000	0.79
10. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>BNP NOM Singapore Pte Ltd-Contend Investments Ltd</i>	0021870282	2,186,000	0.75
11. Tabung Baitulmal Sarawak (Majlis Islam Sarawak)	0018674234	2,000,000	0.68
12. Yayasan Pok Rafeah Berdaftar	0018482398	1,500,000	0.51
13. Chase Malaysia Nominees (Asing) Sdn Bhd <i>CMBISA For WESTLB Compass Fund</i>	0025963240	1,400,000	0.48
14. Phileo Allied Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Siew Booy</i>	0029557741	1,400,000	0.48
15. PRB Nominees (Tempatan) Sdn Bhd <i>Rubber Industry Smallholders Development Authority</i>	0021842430	1,379,000	0.47
16. Employees Provident Fund Board	0004488797	1,236,000	0.42
17. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>UBS AG Singapore For Pacific Investment Fund</i>	0021692397	1,120,000	0.38
18. Cartaban Nominees (Asing) Sdn Bhd <i>Canadian Imperial Bank of Commerce Singapore For Standard Chartered Bank (M) Bhd</i>	0021296454	1,000,000	0.34
19. Alliedban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lee Keng Hong</i>	0012933263	994,000	0.34
20. CIMB Nomiees (Tempatan) Sdn Bhd <i>Economic Planning Unit Approved Investors</i>	0021072995	916,000	0.31
<b>TOTAL</b>		<b>189,332,000</b>	<b>64.70</b>

## Shareholders Statistical Report as at 2 May 2000

Authorised Share Capital : RM1,000,000,001.00

Issued and Fully Paid-up Capital : RM292,630,001.00 consisting of 292,630,000 ordinary shares of RM1.00 each and 1 Special Share of RM1.00

### Distribution of Shareholders

Size of Holding	No. of Shares	% of Total Shares	No. of Holders	% of Total Holders
1 - 499	400	0.00	2	0.01
500 - 5,000	28,908,100	9.88	15,837	85.31
5001 - 10,000	12,274,500	4.20	1,475	7.94
10,001 - 100,000	31,969,500	10.92	1,112	6.00
100,001 - 1,000,000	34,005,501	11.62	119	0.64
Above 1,000,000	185,472,000	63.38	18	0.10
<b>Grand Total</b>	<b>292,630,001</b>	<b>100.00</b>	<b>18,563</b>	<b>100.00</b>

## Substantial Shareholders as shown in the register of substantial shareholders as at 2 May 2000

Name	No. of Shares held		% of Issued Capital
	Direct	Indirect	
1. Budaya Generasi (M) Sdn Bhd	70,015,000	*18,830,000	30.36
2. Serba Etika Sdn Bhd	–	**61,541,000	21.03
3. Goh Song Leong	678,000	***14,000,000	5.02

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### Notes

\* By virtue of shares held through Mayfin Nominees (Tempatan) Sdn Bhd and Kuala Lumpur City Nominees (Tempatan) Sdn Bhd

\*\* By virtue of shares held through Alliedban Nominees (Tempatan) Sdn Bhd

\*\*\* By virtue of shares held through Alliedban Nominees (Tempatan) Sdn Bhd and Kuala Lumpur City Nominees (Tempatan) Sdn Bhd

# **Corporate Directory**

Rice Cluster 1

**BERNAS Utama Sdn Bhd** (426816-D)  
 No. 468, Batu 3, Jalan Ipoh  
 51200 Kuala Lumpur  
 Tel : 03-4454873  
 Fax: 03-4454516

**Managing Director** – Abd Rahim bin Ahmad

**YHL Holding Sdn Bhd** (452413-V)  
 44, Jalan Tanming Dua  
 Taman Tanming Jaya  
 Balakong Light Industrial Area  
 43300 Selangor  
 Tel : 03-9613561  
 Fax: 03-9615106

**Managing Director** – Yew Poe Hoe

**Yew Heng Leong (KL) Sdn Bhd** (466873-W)  
 44, Jalan Tanming Dua  
 Taman Tanming Jaya  
 Balakong Light Industrial Area  
 43300 Selangor  
 Tel : 03-9613193  
 Fax: 03-9616299

**General Manager** – Yew Chor Kiong

**Sinsan Tien Seng (Johor) Sdn Bhd** (466865-P)  
 (PTD 56994) Lot 2756  
 Jalan Kempas Lama  
 Batu 8½, Off Jalan Skudai  
 81300 Skudai, Johor  
 Tel : 07-5566887/5566889  
 Fax: 07-5562825

**General Manager** – Yew Poe Hai

**Sin Hock Soon Trading (Kedah) Sdn Bhd** (466870-H)  
 Lot 215, Mukim Semiling  
 Sungai Tok Pawang  
 08100 Bedong, Kedah  
 Tel : 04-4587609  
 Fax: 04-4580693

**General Manager** – Yew Poe Chong

**Xeng Heng (M) Trading Sdn Bhd** (466855-X)  
 1-4, Jalan Perak, Taman Cempaka,  
 Bukit Siput, 85020 Segamat, Johor  
 Tel : 07-9434806  
 Fax: 07-9431806

**General Manager** – Lee Kee Heng

**Syarikat Faiza Sdn Bhd** (247191-D)  
 Lot 362, MG 107, Kampung Peserai 3  
 83000 Batu Pahat, Johor  
 Tel : 07-4139487  
 Fax: 07-4133989

**Chief Operating Officer** – Faiza Bawumi binti Syed Ahmad

Rice Cluster 2

**BERNAS Perdana Sdn Bhd** (432361-D)  
 Tingkat 3, Kompleks PKNS (Fasa II)  
 40000 Shah Alam, Selangor  
 Tel : 03-5592871  
 Fax: 03-5597651

**Managing Director** – Miptah bin Rohsin

**Jasmine Food Corporation Sdn Bhd** (162356-H)  
 Lot No. 8, Jln 25/123  
 40000 Shah Alam, Selangor  
 Tel : 03-5223188  
 Fax: 03-5223288/5222188

**Chief Operating Officer** – Sani bin Wahj

**Jasmine Food (Prai) Sdn Bhd** (348277-D)  
 No. 3286, Jalan Mengkuang Penanti  
 14400 Bukit Mertajam, Pulau Pinang  
 Tel : 04-5222481/82  
 Fax: 04-5222495

**Chief Operating Officer** – Sani bin Wahj

**Jasmine Food (Ipoh) Sdn Bhd** (260155-M)  
 Lot 59589, No. 9, Blok A, B, C  
 Persiaran Rishah 14, Silibin Industrial  
 Estate, 30100 Ipoh, Perak  
 Tel : 05-5278202/5278204/5278205  
 Fax: 05-5272422

**Chief Operating Officer** – Sani bin Wahj

**Jasmine Food (Johor Bahru) Sdn Bhd** (316634-W)  
 26, Jalan Mashyur 1  
 Taman Perindustrian Cemerlang  
 81800 Ulu Tiram, Johor  
 Tel : 07-8634793/71/94  
 Fax: 07-8633368

**Chief Operating Officer** – Sani bin Wahj

**Jasmine Food (Alor Setar) Sdn Bhd** (102738-H)

No. 273, Lorong Perak 12  
Kawasan Perusahaan Mergong II  
05150 Alor Setar, Kedah

Tel : 04-7311333/7346857  
Fax: 04-7339018

**Chief Operating Officer** – Sani bin Wahid

**Jasmine Khidmat Dan Harta Sdn Bhd** (41234-W)

(formerly known as Syarikat Meng Auto (Kedah) Sdn Bhd)

33-D, Lorong 3, Seberang Jalan Putra  
05150 Alor Setar, Kedah

Tel : 04-7311333/7346857  
Fax: 04-7339018

**Chief Operating Officer** – Sani bin Wahid

**Jasmine Rice Mill (Tunjang) Sdn Bhd** (19591-K)

Batu 18½, Jalan Kodiang  
Mukim Padang Perahu  
Kubang Pasu, 06000 Jitra, Kedah

Tel : 04-9291852  
Fax: 04-9292708

**Chief Operating Officer** – Sani bin Wahid

**Jasmine Rice Products Sdn Bhd** (81671-K)

Batu 18½, Jalan Kodiang, Mukim Padang  
Perahu, 06000 Kubang Pasu, Kedah

Tel : 04-9291537/9291852  
Fax: 04-9292708

**Chief Operating Officer** – Sani bin Wahid

### Rice Cluster 3

**Beras Corporation Sdn Bhd** (480493-H)

(formerly known as Mergerich Sdn Bhd)

Lot 85, Kompleks Perindustrian Sedco Likas  
Beg berkunci No.162  
88661 Kota Kinabalu, Sabah

Tel : 088-421877/422322/422323  
Fax: 088-423555

**Managing Director** – Yahya Abu Bakar

**Sazarice Sdn Bhd** (385374-U)

(formerly known as Sazarice Wholesaler Sdn Bhd)

Lot 5, Likas Baru, Batu 5½,  
Jalan Tuaran, Peti Surat No.579  
88856 Kota Kinabalu, Sabah

Tel : 088-433586/433640  
Fax: 088-433476/433539

**Executive Director** – Tan Kien Chong

**Dayabest Sdn Bhd** (205836-H)

2nd Floor, Wisma Polarwood  
Sublot No 16, Lot No. 320, Sec. 5,  
Jalan Satok, 93400 Kuching, Sarawak

Tel : 082-252241/252571  
Fax: 082-252519

**Chief Operating Officer** – Ismail @ Idris bin Yusof

**Haskarice Food Sdn Bhd** (437804-P)

No. 43, Maong Bazaar, 3rd Mile,  
93200 Kuching, Sarawak

Tel : 082-248500  
Fax: 082-242877

**Hock Chiong Foodstuff Sdn Bhd** (443434-K)

1st Floor, No. 4, Bank Road,  
96000 Sibu, Sarawak

Tel : 084-330476  
Fax: 084-330964

**Managing Director** – Datuk Lau Hieng Ing

**Ban Say Tong Sdn Bhd** (100912-T)

No. 2, Jalan Pedada, PO Box 28  
97000 Bintulu, Sarawak

Tel : 086-333106  
Fax: 086-335002

**Managing Director** – Kueh Peng Ho

**Tong Seng Huat Rice Trading Sdn Bhd** (439863-H)

58A, Merbau Road  
98000 Miri, Sarawak

Tel : 085-431037  
Fax: 085-415643

**Managing Director** – Tan Gee Huat

**Padi Gedong Sdn Bhd** (440504-U)

Lot B95, Jalan Belian  
93661 Kuching, Sarawak

Tel : 082-334422  
Fax: 082-334123

**General Manager** – Mohd Kamaludin bin Haji Mohd Effendie

## Rice Cluster 4

**Era Rangkaian Setia Sdn Bhd** (428934-K)  
No.468, Batu 3, Jalan Ipoh  
51200 Kuala Lumpur  
Tel : 03-4454727  
Fax: 03-4454498

**Managing Director** – Amiruddin Ahmad Tajuddin

**Era Bayam Kota Sdn Bhd** (472357-P)  
15-B, Kampung Khatib Ali, Jalan Bayam  
15200 Kota Bahru, Kelantan  
Tel : 09-7448715  
Fax: 09-7741072

**Managing Director** – Razak bin Ahmad

**Ban Heng Bee Rice Mill (1952) Sdn Bhd** (2241-W)  
1st Floor, 23, Seberang Jalan Putra  
05150 Alor Setar, Kedah  
Tel : 04-7596620  
Fax: 04-7590264

**Managing Director** – Low Kok Kean

**Serba Wangi Sdn Bhd** (280872-A)  
1st Floor, 23, Seberang Jalan Putra  
05150 Alor Setar, Kedah  
Tel : 04-7596620  
Fax: 04-7590264

**Chief Operating Officer** – Zaini bin Saari

**Kilang Beras Fajar Sdn Bhd** (195932-U)  
Lot. 2264, KM 17, Jerlun,  
06150 Alor Setar, Kedah  
Tel : 04-7940234

**Managing Director** – Rosli bin Din

## Retail & By-Products

**BERNAS Dominals Sdn Bhd** (378561-P)  
No. 12, Jalan TIB 1/1  
Bolton Industrial Park  
Taman Sri Gombak  
68100 Batu Caves, Selangor  
Tel : 03-6888672  
Fax: 03-6888655

**Chief Operating Officer** – Koh Bak Kwang

**BERNAS Chaff Products Sdn Bhd** (460936-P)  
Lot 15, Jalan 13/6  
46200 Petaling Jaya, Selangor  
Tel : 03-7588808  
Fax: 03-7581328

**Managing Director** – Rodney Roy Shepherd

**BERNAS Feedstuff Sdn Bhd** (464527-U)  
Lot 1835, 1st Floor,  
Jln Hospital, Paya Bemban  
15200 Kota Bahru, Kelantan  
Tel : 09-7439000  
Fax: 09-7431122

**Chief Executive Officer** – Chan Chuen Ung

**BERNAS-Mart Sdn Bhd** (390534-M)  
Suite 602, Blok A,  
Pusat Dagangan Phileo Damansara II  
Seksyen 16/11, Jalan Damansara  
46350 Petaling Jaya, Selangor  
Tel : 03-7550166, 7550335, 75504800  
Fax: 03-7550642, 75507440

**Chief Operating Officer** – Zainon binti Ahmad

## Other Business

**BERNAS Logistics Sdn Bhd** (386337-M)  
(formerly known as Padiberas Transport Sdn Bhd)

Unit 202 & 302, Blok A,  
Pusat Dagangan Phileo Damansara II  
No. 12, Seksyen 16/11  
46350 Petaling Jaya, Selangor

Tel : 03-4607424  
Fax: 03-4607622

**Managing Director** – Mohd Hussin bin Ismail

**BERNAS-Realty & Development Sdn Bhd** (407608-H)

Unit 502, Blok A,  
Pusat Dagangan Phileo Damansara II  
No.15, Seksyen 16/11, Jalan Damansara  
46350 Petaling Jaya, Selangor

Tel : 03-7562826, 7559808  
Fax: 03-7546723

**Deputy General Manager** – Hussin bin Muhamed

**BERNAS Engineering & Technology Sdn Bhd** (386334-D)

3A02, Block A, Pusat Dagangan Phileo Damansara II  
Seksyen 16/11, Jalan Damansara  
46350 Petaling Jaya, Selangor

Tel : 03-7588980, 7546568, 7579684, 7588739  
Fax: 03-7578549

**General Manager** – Abd Mokhti Abd Hadi

**P B Construction & Supplies Sdn Bhd** (421629-V)

Suite 3A02, Blok A,  
Pusat Dagangan Phileo Damansara II  
No. 12, Seksyen 16/11, Jalan Damansara  
46350 Petaling Jaya, Selangor

Tel : 03-7588721  
Fax: 03-7588723

**General Manager** – Aziz bin Safri

**BM Agrotech Sdn Bhd** (405264-W)

Level 9B, CP Tower, No. 11  
Section 16/11, Jalan Damansara  
46350 Petaling Jaya, Selangor

Tel : 03-4604617  
Fax: 03-4604608

**General Manager** – Ismail bin Hassan

**Valorlite Resources Sdn Bhd** (413257-A)

Suite 7-2, Level 7, LIM Building  
No. 803-817, 4½ Mile, Jalan Ipoh  
51200 Kuala Lumpur.

Tel : 03-6267978  
Fax: 03-6267981

**General Manager** – Rohani binti Ahmad

**BERNAS Fisheries Sdn Bhd** (474349-P)

(formerly known as Kaca Seni Sdn Bhd)  
Level 9B, CP Tower, No. 11  
Section 16/11, Jalan Damansara  
46350 Petaling Jaya, Selangor

Tel : 03-4604545  
Fax: 03-4604646

**Head** – Ahmad Fuad bin Abdul Wahab

## International Business

**Bernas Overseas (L) Limited** (LL 01053)

Level 19B, CP Tower, No. 11  
Section 16/11, Jalan Damansara  
46350 Petaling Jaya, Selangor

Tel : 03-4604713  
Fax: 03-4604720

**Chief Operating Officer** – Azliza binti Ahmad Tajuddin

**Asian Peninsula Corporation Limited** (1292/2540)

11th Floor, Sethiwan Tower  
139 Pan Road, Silom  
Bangkok, 10500 Thailand

Tel : 662-2666025  
Fax: 662-2666029

**General Manager** – Richard Robless

**Qaiser Noman Bernas (Private) Limited** (R07127)

101-UNI Plaza, 1st Floor  
LI Chundrigar Road  
Karachi, Pakistan

Tel : 9221-2415663  
Fax: 9221-2415765

**Chief Operating Officer** – Azhar bin Abdullah

**Societe Bernas De Guinee**

Commerce Matam, Immeuble SAFRICOM  
Carrefour, Constantin , B P 5371 Conakry  
Republique De Guinee, West Africa

Tel : 224-220080  
Fax: 224-453140

**General Manager** – Nor Azmi bin Omar

**BERNAS China Corporation**

Level 19, CP Tower, No 11  
Section 16/11, Jalan Damansara  
46350 Petaling Jaya, Selangor

**Managing Director** – Yusuf Bai Lin

# Form of Proxy

Number of shares



**Padiberas Nasional Berhad** (295514-U)  
Incorporated in Malaysia

I/We, .....  
of ..... being a member of  
**Padiberas Nasional Berhad**, hereby appoint .....  
of .....  
or failing him, .....  
of .....  
or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Sixth Annual General Meeting of the Company to be held at MPSA Auditorium, Wisma MPSA, Persiaran Perbandaran, 40675 Shah Alam, Selangor on 27 June 2000 at 10am, and at any adjournment thereof. My/Our proxy is to vote as indicated below:-

No. Resolutions	For	Against
1. To receive and adopt the Audited Accounts for the financial year ended 31 December 1999 together with the Reports of the Directors and Auditors thereon. <i>Resolution 1</i>		
2. To approve the payment of a final dividend of 5% less income tax for the financial year ended 31 December 1999. <i>Resolution 2</i>		
3. To approve the increase of Directors fees. <i>Resolution 3</i>		
4. To re-elect the following Directors who retire in accordance with the Articles of Association of the Company:-  <i>Under Article 126 and 127</i> Dato' Syed Azizan bin Syed Mohamad <i>Resolution 4</i> Encik Dohat bin Shafiee <i>Resolution 5</i>  <i>Under Article 121</i> YB Haji Mohd Naroden bin Haji Majais <i>Resolution 6</i>		
5. To re-appoint Messrs. Arthur Andersen & Co. as Auditors and to authorise the Directors to fix their remuneration. <i>Resolution 7</i>		
6. As special business, to consider and if thought fit, to pass the following ordinary resolution:- That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares of the Company at any time until the conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange. <i>Resolution 8</i>		

Please indicate with "X" how you wish to cast your vote.

Signed this ..... day of ..... 2000.

Signature/Seal .....

## Notes

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.
- \*Subject to Article 109 and 114, a proxy must be a member of the Company or an advocate or an approved company auditor or a person approved by the Registrar in a particular case.
- The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney.
- The instrument appointing a proxy or representative shall be deposited at the registered office of the Company, Level 19, C.P. Tower, No. 11, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor not less than forty eight (48) hours before the time for holding the meeting or any adjournment thereof.
- \*Explanatory Note  
**Section 109**  
A member who is of unsound mind and whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy.  
**Section 114**  
Any corporation which is a member of the Company may by resolution of the Directors of that Corporation or other governments body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

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Stamp

**Company Secretary**  
**Padiberas Nasional Berhad**

Level 19, C.P. Tower  
No.11, Section 16/11  
Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan

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