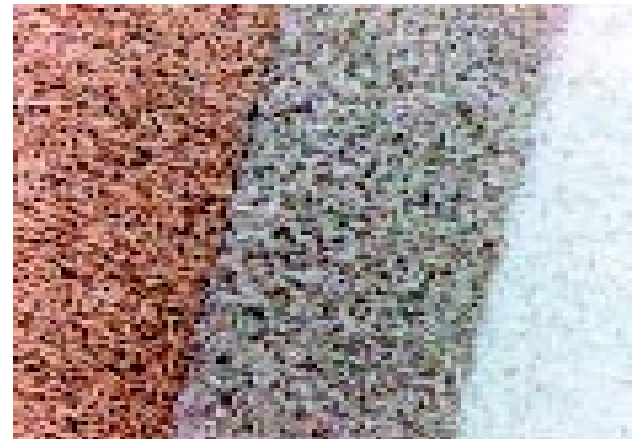


definition



AGROGREEN - Bernas Agrogreen Sdn Bhd
AFTA - ASEAN Free Trade Area
APC - Asian Peninsula Corporation Ltd
BAN HENG BEE - Ban Heng Bee
 Rice Mill (1952) Sdn Bhd
BAYAM KOTA - Era Bayam Kota Sdn Bhd
BCC - Bernas China Corporation
BCSB - Beras Corporation Sdn Bhd
BERNAS - Padiberas Nasional Berhad
BERNAS Group - BERNAS, its subsidiary
 and associate companies
BET - Bernas Engineering & Technology Sdn Bhd
BFC - Bernas Food Catering Sdn Bhd
BMA - BM Agrotech Sdn Bhd
B-MART - Bernas Mart Sdn Bhd
BMS - Bernas Marditech Seed Sdn Bhd
BOL - Bernas Overseas (L) Limited
BST - Ban Say Tong Sdn Bhd
BRD - Bernas Realty & Development Sdn Bhd
CBUD - Consolidated Bernas United
 Distributors Sdn Bhd
CHAFF - Bernas Chaff Products Sdn Bhd
DAYABEST - Dayabest Sdn Bhd
DOMINALS - Bernas Dominals Sdn Bhd
ERAS - Era Rangkaian Setia Sdn Bhd
FAIZA - Syarikat Faiza Sdn Bhd
FAJAR - Kilang Beras Fajar Sdn Bhd
FAJAR JERLUN - Fajar Jerlun Sdn Bhd
FEEDSTUFF - Bernas Feedstuff Sdn Bhd
FISHERIES - Bernas Fisheries Sdn Bhd
HASKARICE - Haskarice Food Sdn Bhd
HOCK CHIONG - Hock Chiong
 Foodstuff Sdn Bhd
I&T - Import & Trading Department
JFC - Jasmine Food Corporation Sdn Bhd
JF (AS) - Jasmine Food (Alor Setar) Sdn Bhd
JF (IPOH) - Jasmine Food (Ipoh) Sdn Bhd
JF (JB) - Jasmine Food (Johor Bahru) Sdn Bhd
JF (PRAI) - Jasmine Food (Prai) Sdn Bhd
JF (SEREMBAN) - Jasmine Food
 (Seremban) Sdn Bhd
JKH - Jasmine Khidmat & Harta Sdn Bhd
JRM - Jasmine Rice Mill (Tunjang) Sdn Bhd
JRP - Jasmine Rice Products Sdn Bhd
JS JASMINE - JS Jasmine Sdn Bhd
KHSB - Keongco Holdings Sdn Bhd
LOGISTICS - Bernas Logistics Sdn Bhd
MARDI - Malaysian Agricultural Research
 and Development Institute



MARDITECH - Marditech Corporation Sdn Bhd
M&G - Milling & Godown Department
ORGANIGRO - Organigro Sdn Bhd
PADI GEDONG - Padi Gedong Sdn Bhd
PERDANA - Bernas Perdana Sdn Bhd
PBCS - P.B. Construction & Supplies Sdn Bhd
QNB - Qaiser Noman Bernas (Pvt) Ltd
RASAYANG - Rasayang Food Industries Sdn Bhd
RCL - Ricegrower's Cooperative Limited
SAZARICE - Sazarice Sdn Bhd
SELSUN - Selsun Limited
SWSB - Serba Wangi Sdn Bhd
SW (JH) - Serba Wangi (JH) Sdn Bhd (formerly
 known as JH Transport Sdn Bhd)
SW (KL) - Serba Wangi (KL) Sdn Bhd (formerly
 known as Nash Sdn Bhd)
SW (PG) - Serba Wangi (PG) Sdn Bhd
SHST - Sin Hock Soon Trading (Kedah) Sdn Bhd
STS - Sinsan Tien Seng (Johor) Sdn Bhd
SOBERGUI - Societe Bernas De Guinee
TSH - Tong Seng Huat Trading Sdn Bhd
UTAMA - Bernas Utama Sdn Bhd
VALORLITE - Valorlite Resources Sdn Bhd
VSS - Voluntary Separation Scheme
WTO - World Trade Organization
XH - Xeng Heng (M) Trading Sdn Bhd
YHL - YHL Holding Sdn Bhd
YHL (KL) - Yew Heng Leong (KL) Sdn Bhd
YHL (KUANTAN) - YHL (Kuantan) Sdn Bhd
YHL (MELAKA) - YHL Trading (Melaka) Sdn Bhd
YHL (TERENGGANU) - YHL Trading
 (Terengganu) Sdn Bhd



notice of annual general meeting

NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting of Padiberas Nasional Berhad (“the Company”) will be held at The Pan Pacific Glenmarie, No 1, Jalan Usahawan U1/8, Section U1, 40250 Shah Alam, Selangor on 27 June 2001 at 10.00am, for the following purposes:

- To receive and adopt the Audited Accounts for the financial year ended 31 December 2000 together with the Report of the Directors and Auditors thereon. **RESOLUTION 1**

- To approve the payment of a final tax exempt dividend of 5% less income tax for the financial year ended 31 December 2000. **RESOLUTION 2**

- To approve the payment of a sum of RM250,000.00 as Directors’ fees for the year ended 31 December 2000 **RESOLUTION 3**

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

Under Article 126 and 121 (2)

Article 126

- Dato’ Mohd Ibrahim Bin Mohd Nor **RESOLUTION 4**
- Bukhari Bin Mohd Sawi **RESOLUTION 5**

Article 121 (2)

- Dato’ Abi Musa Asa’ari Bin Mohamed Nor **RESOLUTION 6**
- Dato’ Shaik Ahmad Soekarno Bin Shaik Mohd Hussain **RESOLUTION 7**

- To re-appoint Messrs Arthur Andersen & Co. as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 8**

- 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 9**

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

notice of annual general meeting



NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 7th Annual General Meeting, Final Dividend of 5% less income tax will be payable on 31st July 2001 to depositors registered in the Records of Depositors at the close of business on 2nd July 2001.

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 2nd July 2001 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

AHMAD FUAD BIN ABDUL WAHAB (LS008146)

AZLINA BINTI HASAN BASHRI (LS008142)

Company Secretaries

Petaling Jaya

30 May, 2001

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:
Article 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."

Article 114

"Any corporation which is a member of the Company may by resolution of the Directors of that corporation or other governing 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/ CORPORATE HEADQUARTERS

Level 19, C.P Tower
No. 11, Section 16/11
Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 – 7660 4545
Fax : 03 – 7660 4646
Customer Services Line : 1-800-18-1128
Website : www.bernas.com.my

PRINCIPAL BANKERS

RHB Bank Berhad
Affin Bank Berhad
Bank Utama (Malaysia) Berhad
Standard Chartered Bank Malaysia Berhad
Bank of Nova Scotia
Malayan Banking Berhad
Bank Islam (M) Berhad
Bumiputra Commerce Bank Berhad

COMPANY SECRETARIES

Ahmad Fuad Bin Abdul Wahab (LS 008146)
Azlina Binti Hasan Bashri (LS 008142)

AUDITOR

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

SHARE REGISTRAR

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

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange (Main Board)
Stock Name : BERNAS
Stock Code : 6866

history



BERNAS took over Lembaga Padi dan Beras Negara's role as the custodian of Malaysian rice when the latter was privatised on January 12 1996. Apart from its primary role to guide and regulate the development of the national paddy and rice industry, the privatised BERNAS continued to assume the various social and commercial obligations previously undertaken by its predecessor. This include the management and disbursement of subsidies to paddy farmers on behalf of the Government, management of the Bumiputra Rice Miller Scheme, undertaking the purchase of paddy from farmers at a guaranteed minimum price and acting as the buyer of the last resort.

Upon privatisation, BERNAS was also granted the sole right to import rice into Malaysia for a duration of fifteen years. BERNAS was listed on the KLSE main board on August 25 1997, marking yet another milestone in its history.

From that time on, in keeping with the original philosophy, BERNAS has continued to develop through wholesaling and retailing development and acquisitions, allowing the materialisation of overseas business ventures in China, Pakistan, Thailand and Africa. Over six years, a number of companies amalgamated with BERNAS. An extensive distribution network was established and the Company grew through the financial crisis of 1998.

In carrying out its operations as a leading player in rice industry, BERNAS is dedicated to sustainable rice sufficiency in Malaysia by optimising the use of its mills and complexes nationwide whilst improving its environmental management with particular emphasis on rice husk disposal and co-products' potential.

Today, BERNAS remains committed to being a company that always demonstrates a sense of responsibility and understanding in meeting the needs of its consumers and customers, to providing optimum return to its shareholders and a stimulating as well as satisfying working environment for its 4,000 employees.

BERNAS today is no longer strictly linked with paddy and rice. Other business ventures sharing this same name include logistics, packaging, farming, engineering, realty and construction. The Group is currently working towards being an international entity ready to compete with world-class competitors post-Asean Free Trade Area implementation.

Looking ahead, in preparation for the globalisation era, BERNAS will continue to venture into new frontiers – synergising with other food producers, enhancing its diversification of resources into related and other businesses, deepening linkages with other sectors and increasing its product range; all this with pride in **managing the nation's food supply chain.**



board of directors



DATO' SERI MOHAMAD NOOR BIN ABDUL RAHIM

Dato' Seri Mohamad Noor, 56, has been a Director since 1998 and is currently the Chairman of the BERNAS Group. His last post in the civil service was as the Secretary General of the Ministry of Home Affairs. He graduated with a Bachelor of Arts (Hons) from University Malaya and was the Secretary General of the Ministry of Domestic Trade and Consumer Affairs between 1996 to 1998. Prior to that, he held these positions: State Secretary of Pulau Pinang, Kelantan Federal Development Director (Prime Minister's Department), Perak State Financial Officer, Director General of Kuala Lumpur City Hall and Under Secretary for Ministry of Defence and Ministry of Finance.

Dato' Mohd. Ibrahim Bin Mohd Nor, 42, has been a Director since February 1996 and is currently the Deputy Chairman of the BERNAS Group. He 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 Group Managing Director of the BERNAS Group and Chief Operating Officer of Malakoff Berhad. He is also the Executive Chairman of Budaya Generasi Sdn Bhd. Prior to that, he held the positions of General Manager in the New Straits Times Press (Malaysia) Berhad (NSTP), Project Development Manager of privatisation proposals relating to the Fleet Group from 1990 to 1991 and Executive Assistant to the Chief Executive of NSTP/Chairman of the Fleet Group. He is also the Executive Vice Chairman of Sistem Televisyen Malaysia Berhad.

**DATO' MOHD IBRAHIM
BIN MOHD NOR**





board of directors



YAHYA BIN ABU BAKAR

Yahya Bin Abu Bakar, 42, has been a Director since February 2001. He has served in both LPN and the BERNAS Group for over 16 years in various capacities. He graduated with B.Sc (Hons) Biochemistry from Universiti Sains Malaysia. His exposure includes all major operating divisions including rice business division. He served as Managing Director of major subsidiaries of the BERNAS Group namely Bernas Perdana, Jasmine Group of Companies and Beras Corporation Sdn Bhd before assuming his previous post as Deputy Group Managing Director, Rice Business, BERNAS. He is currently the Group Managing Director of the BERNAS Group.



ABDUL RAHIM BIN MOKTI

Abdul Rahim Bin Mokti, 51, has been a Director since February 2000. He is currently the Secretary Coordination of Minister of Finance (Incorporated) Companies, Privatisation and Public Enterprise Division, Ministry of Finance. He graduated with a Bachelor of Economics (Hons) from University Malaya and embarked on his career in the Federal Treasury. In 1978 he was the Malaysian Trade Commissioner in Paris and later in Milan and Saudi Arabia. By 1986, he returned to the Federal Treasury until his present appointment. Abdul Rahim is also on the Board of Kedah Cement Holdings Berhad, Bintulu Port Holdings Berhad and Penang Port Holdings Berhad.

DATO' ABI MUSA ASA'ARI BIN MOHAMED NOR

Dato' Abi Musa Asa'ari Bin Mohamed Nor, 52, was appointed as a Director in April 2001. Presently serving as the Secretary General of the Ministry of Agriculture, he is a graduate from University of Malaya with a Bachelor of Economics (Hons). He holds a Diploma in Development Administration and an MBA from University of Birmingham. Prior to his current position, he held various posts in the civil service in various Ministries and Departments since 1973 inter alia; as Director General of FAMA and Deputy Director, Budget Division, Treasury of Malaysia. Dato' Abi Musa also sits on the Board of FAMA and MADA.





board of directors



DATO' AHMAD ZABRI BIN IBRAHIM

Dato' Ahmad Zabri Bin Ibrahim, 59, has been a Director since 1994 as a representative of the Ministry of Agriculture. He was later reappointed in December 1997 after his retirement from the civil service. He graduated with a Bachelor of Arts (Hons) in History from University Malaya. He 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 the Deputy Director General (Management)/ Secretary of ISIS (M) and later Director of Development, Sabah State Government from 1987. He was also the Secretary General, Ministry of Youth and Sports, State Secretary of Selangor and Secretary General, Ministry of Agriculture. Also included in the line of positions held was the Chairman of Oriental Bank Malaysia Berhad, Seni Maju Construction Company and the Chairman of Bank Pembangunan & Infrastruktur Malaysia Berhad, MARDI and a member of the National Productivity Centre. He is also a Director of Datuk Keramat Holdings and Dunlop Industries Berhad.

YB HAJI NARODEN BIN HAJI MAJ AIS

YB Haji Naroden Bin Haji Majais, 48, has been a Director since 2000. He is currently the State Assemblyman for Simunjan, Sarawak. He graduated with a Bachelor of Arts from University of New England, Australia and holds an MBA. His last position in the civil service was as Senior Project Officer in charge of Property Development Division for Sarawak (SEDC). Currently, he sits on the Board of Embun Pelangi Sdn Bhd and Nirwana Muhibbah Sdn Bhd. He is also the Chairman for Spekon Sdn Bhd and Utraco Construction Sdn Bhd.



DATO' SYED AZIZAN BIN SYED MOHAMAD

Dato' Syed Azizan Bin Syed Mohamad, 57, has been a Director since 1994. He 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 MADA. He is a Director of Syarikat Perindustrian & Perniagaan MADA Sdn Bhd, Muda Fibre Sdn Bhd, Syarikat Perniagaan Peladang (MADA) Sdn Bhd as well as SPPM Services Sdn Bhd.





board of directors



BUKHARI BIN MOHD SAWI

Bukhari Bin Mohd Sawi, 51, has been a Director since 1996. He graduated with a Bachelor of Arts in History from University Malaya and holds an MBA from University Kebangsaan Malaysia. He started his career with the Inland Revenue Department as an Assessment Officer. Later he joined NAFAS as a Senior Manager of Marketing. In 1987, he was appointed State Director of Lembaga Pertubuhan Peladang Pahang. In 1994, he was appointed General Manager of NAFAS, a position he holds to date. He is a Director of NAFAS Subsidiaries i.e NAFAS Bajakimia Sdn Bhd, NAFAS TFI Sdn Bhd, NAFAS Equiti Sdn Bhd, NAFAS Estate Sdn Bhd. He is also a Director of Budaya Generasi Sdn Bhd and Chairman of Kheng Seng Breeding Sdn Bhd.

DOHAT BIN SHAFIEE

Dohat Bin Shafiee, 57, has been a Director since 1996. Currently he is a Director of Yayasan Basmi Kemiskinan Negeri Perlis. 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 and retired from the Civil Service in 1996. He also sits on the Board of Budaya Generasi Sdn Bhd and is the Chairman of other Bernas Subsidiaries i.e Yew Heng Leong, Bernas Dominals Sdn Bhd and Bernas Feedstuff Sdn Bhd as well as the Chairman of the Establishment Committee of BERNAS.



DATO' BASERI BIN LAMSAH



Dato' Baseri Bin Lamsah, 53, has been a Director since 1999. He is currently the Deputy Secretary General (Operation) of the Ministry of Agriculture. He graduated with BA (Hons) from University Malaya and obtained a Masters in Science Education from the Drake University Iowa, USA. He also holds a Diploma in Public Administration from the University Malaya. He started his career as an officer in the Diplomatic Service 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 the Director of the State Economic Planning Unit Pahang. In 1997, he held the position of General Manager of Labuan Development Authority and the Chief Administrator of the Island until February 1999.

Appointment & Resignations

DATO' SHAIK AHMAD SOEKARNO BIN SHAIK MOHD HUSSAIN appointed with effect from 15 May 2001

YB RUHANIE BIN HAJI AHMAD resigned with effect from 15 July 2000

DATO' ANNUAR BIN MA'AROF resigned with effect from 10 April 2001

DATO' PAHAMIN A. RAJAB resigned with effect from 23 April 2001



audit committee



Chairman

Dato' Ahmad Zabri Bin Ibrahim
(Independent Non-executive Director)

Members

YB Haji Naroden Bin Haji Majais
(Independent Non-executive Director)

Abdul Rahim Bin Mokti
(Non-executive Director)

audit committee



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, 2/3 or majority of whom must be Independent Directors.

Objective of the Audit Committee

The principal objective of the 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 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 as well as making recommendation on their appointment and remuneration (as required);
- iii. Oversee the internal audit department including the evaluation of the standards of internal controls and financial reporting;
- iv. Review of the financial statements of the company and the consolidated financial statements of the Group;
- 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 the Committee and the Board may think appropriate.

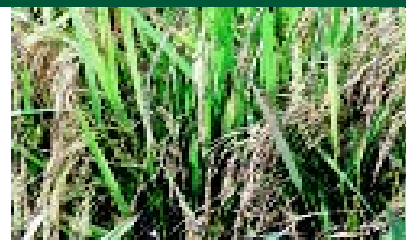
Powers of the Audit Committee

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

The Committee shall have the authority to request any information on the Company from any employees of the Company or the Group.

Meetings

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



management team



Yahya Bin Abu Bakar
Group Managing Director

*B. Sc. in Biochemistry,
Universiti Sains Malaysia*

Ahmad Fuad Bin Abdul Wahab
**Deputy Group Managing Director,
Corporate Services and Other Business
Company Secretary**

*B. Arts (Hons) Finance & Accounting
University of East London, UK*

Mamat Bin Daud
**Deputy Group Managing Director,
Rice Business**

*M. Sc. Industrial Engineering (USA)
B. Sc. Physics, University Malaya*





managementteam

Dr. Larry Wong Chee Yoong
Advisor to the Group Managing Director
*Ph. D in Econs, University of Kent at Canterbury, UK
M. Econs, University of New England, Australia
B. Agric. Sc. (Hons), University Malaya*

Jenny Yow Ngan Chee
Head, Group Finance Division
*Malaysian Association of Certified Public Accountants
Malaysian Institute of Accountants*

Haji Abd Hamid Bin Abu Hasan
Advisor, Rice Business
Head, Warehousing Division
B. Arts (Hons), University Malaya



Mohd Hussin Bin Ismail
Managing Director, Bernas Logistics Sdn Bhd
Chartered Institute of Transport, UK

Abd. Rahim Bin Ahmad
Head, Distribution Division
*B. Arts & Social Science (Demography), University Malaya
Certificate in Personal Management, MIPM*

Haji Zainuri Bin Kurmain
Head, Group Human Resource & Administration Division
Head, Northern & Eastern Region
B. Arts (Hons), University Malaya

Ir. Loo Kau Fa
Head, Properties, Engineering & Construction
B. Engineering (Hons) Mechanical, University Malaya



Haji Miptah Bin Rohsin
Managing Director, Beras Corporation Sdn Bhd
B. Econs, Universiti Kebangsaan Malaysia

Amiruddin Bin Ahmad Tajuddin
Head, Production Division
*B. Sc., Universiti Kebangsaan Malaysia
Diploma in International Trade,
Indian Institute of Foreign Trade*

Azlina Binti Hasan Bashri
Company Secretary
LLB. (Hons), International Islamic University

Mohd Roslan Bin Bani Amin
Head, Bernas Dominals Sdn Bhd
B.A (Hons) Town & Country Planning, Bristol Polytechnic

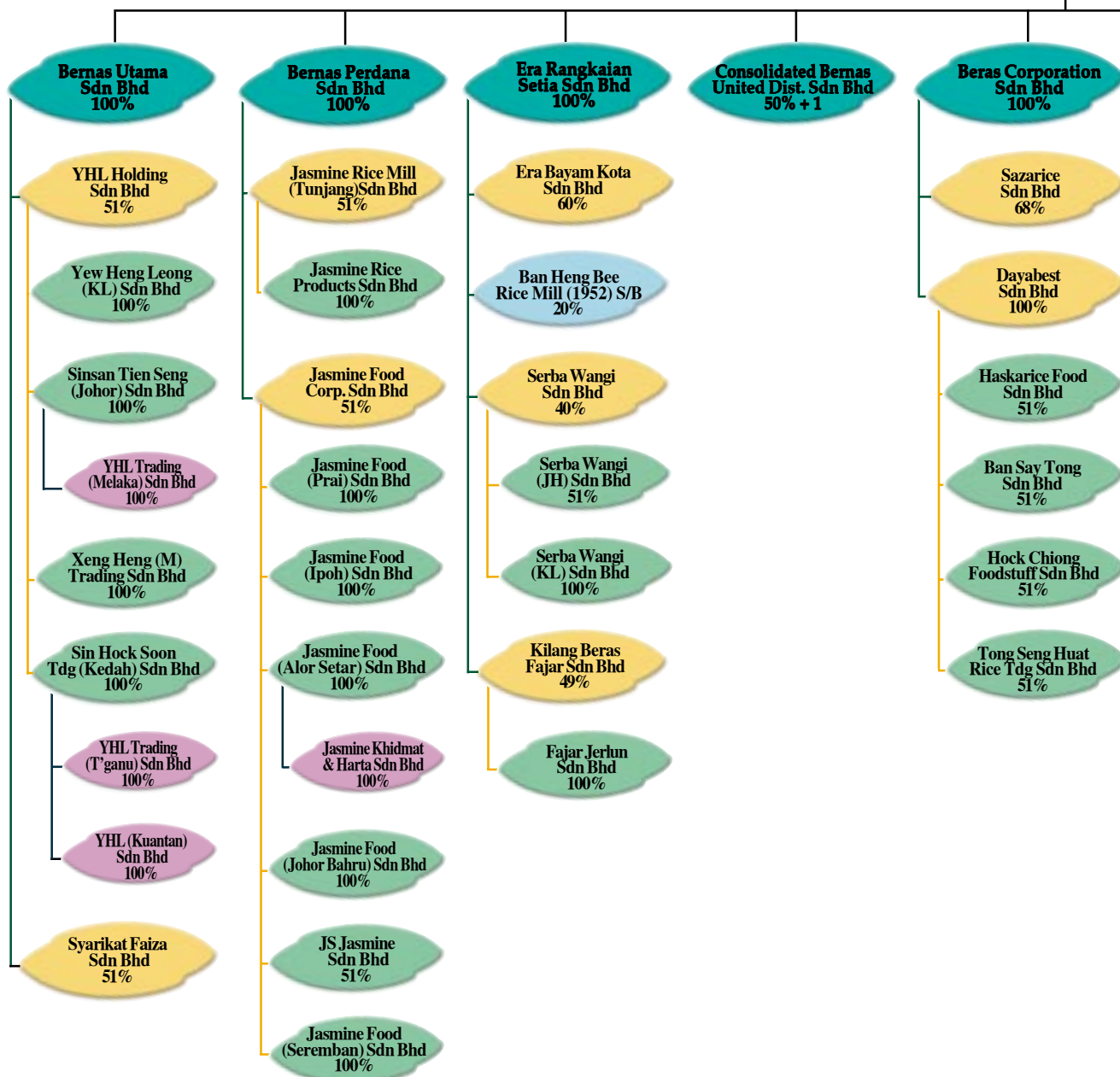
Koh Bak Kwang
Advisor, Bernas Dominals Sdn Bhd
B. Econs (Hons), University Malaya



corporate structure

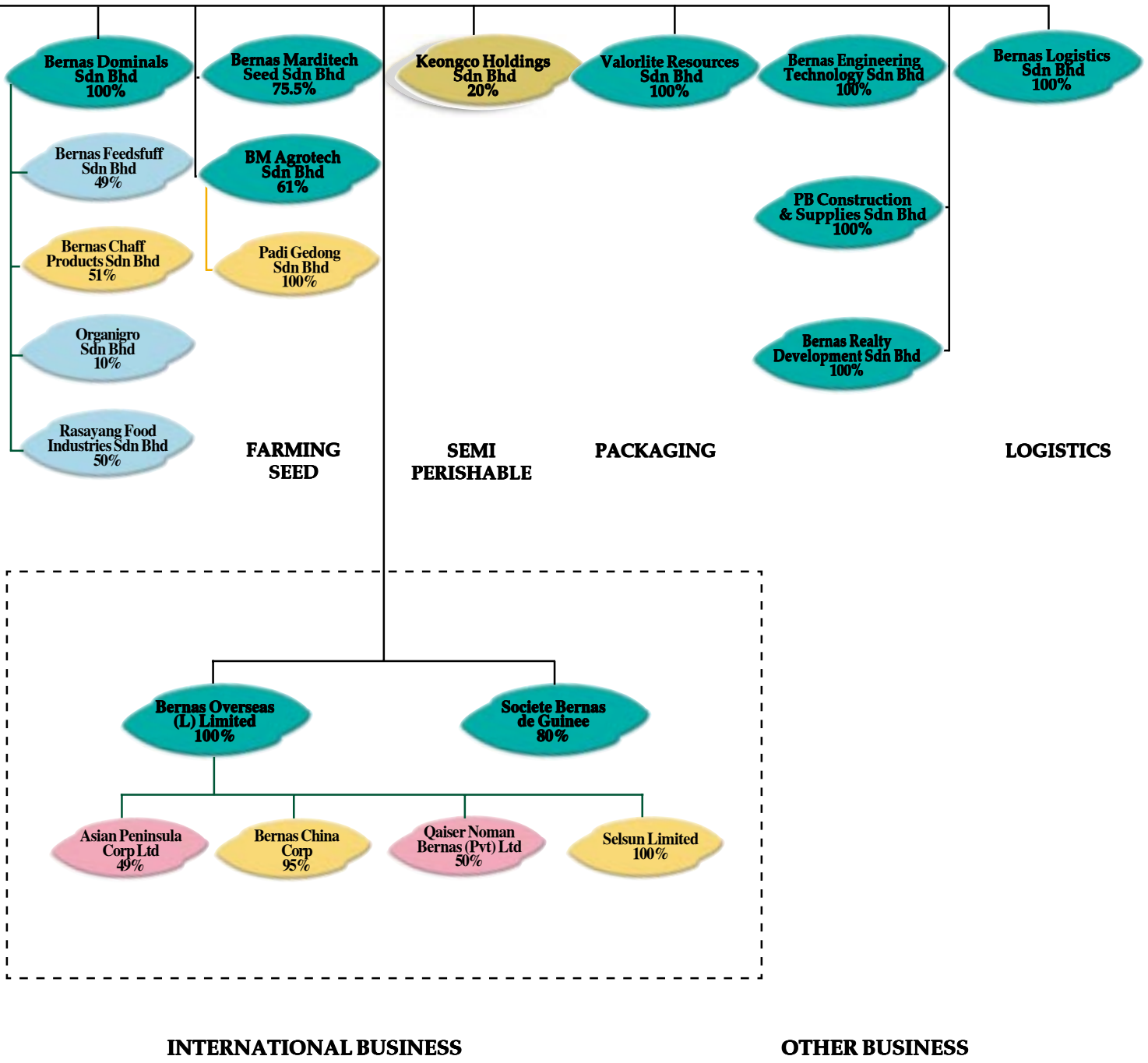


BERNAS



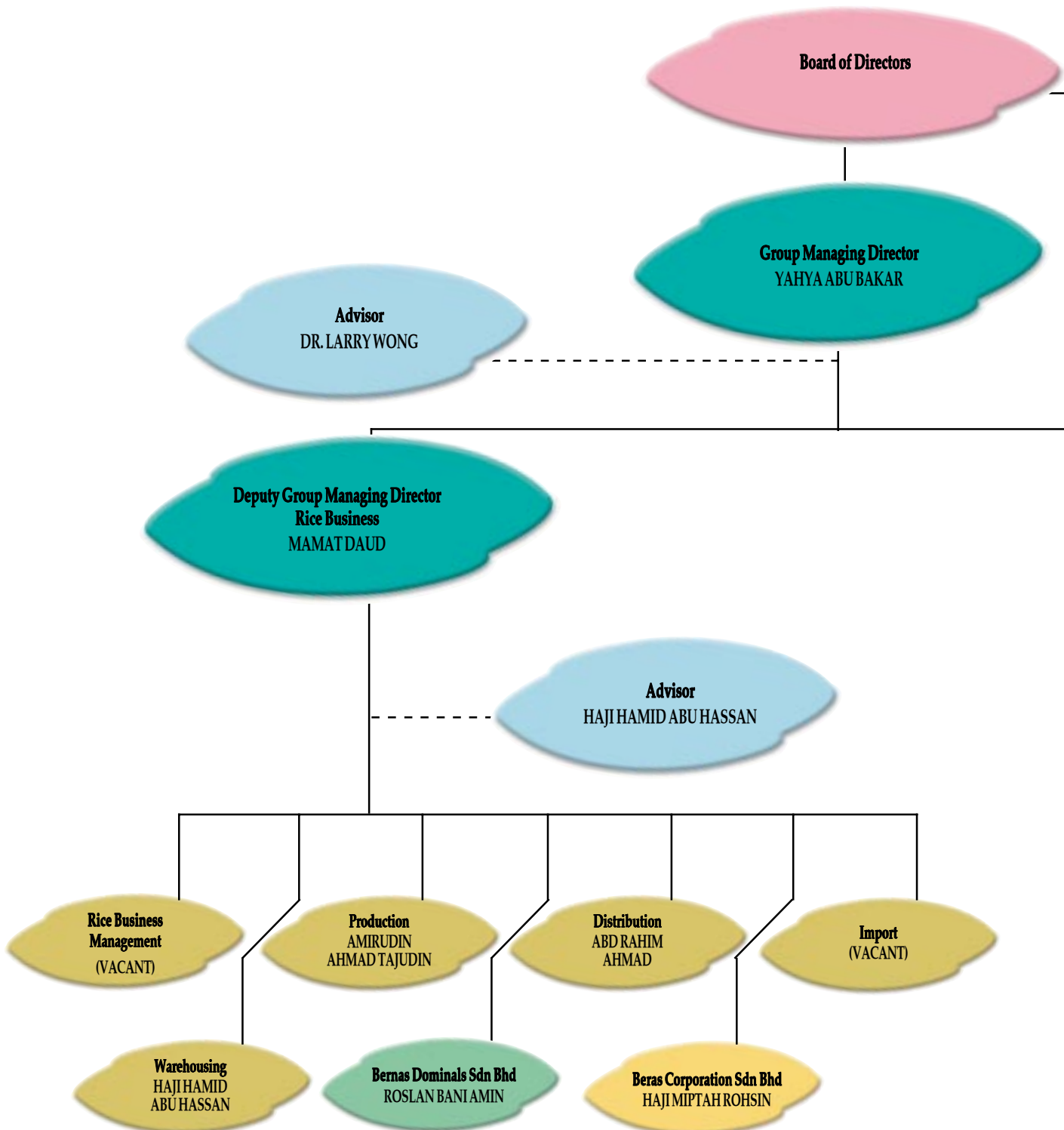


corporate structure



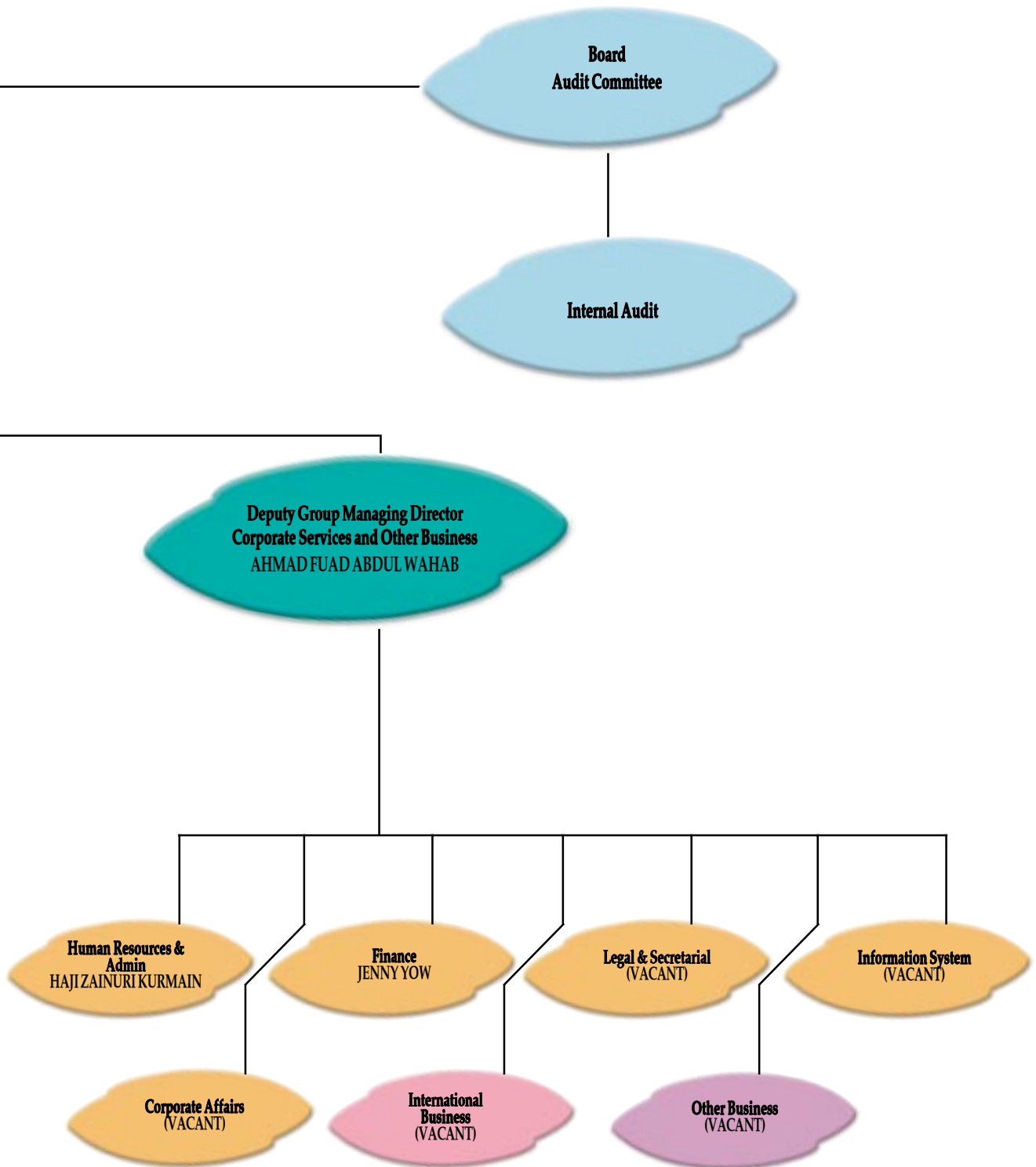


functional structure





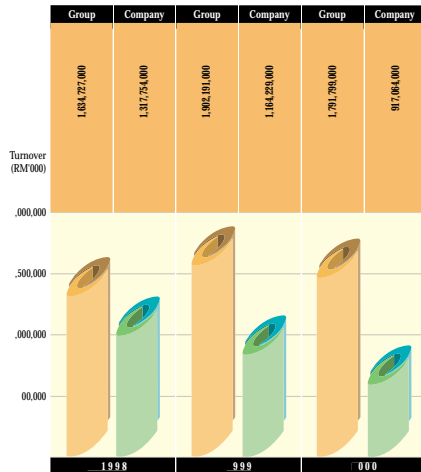
functional structure





financial highlights

Turnover

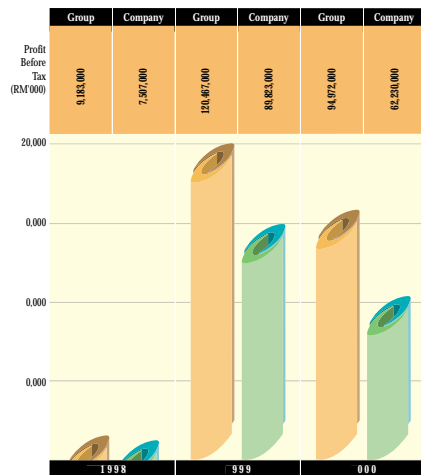


	2000 RM'000	1999 RM'000	1998 RM'000
Group	1,791,799	1,902,191	1,634,727
Company	917,064	1,164,229	1,317,754

The Group and Company's turnover recorded a reduction of 5.8% and 21.2% respectively compared to the turnover figures in the previous years. This was mainly due to the streamlining of the Group's business operations and reduction in rice importation for the financial year ended 31 December 2000.

However, the unrelenting marketing efforts and total commitment shown by the rice subsidiaries has increased the Group's market share despite difficulties faced in containing market imbalances.

Profit Before Tax



	2000 RM'000	1999 RM'000	1998 RM'000
Group	94,972	120,467	9,183
Company	62,230	89,823	7,507

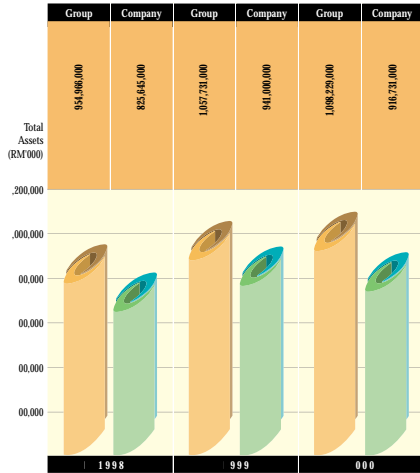
Subsequently, the Group and Company's Profit Before Tax has also shown a reduction of 21.2% and 30.7% respectively. Although the local economic condition has shown resilience, however, pressures on costs and competitive pricing have continued affecting most of our subsidiaries performances in recording better profit figures.

In addition, the Group has provided higher incentives and increased marketing awareness programmes to tackle the growing competition in the market.



financial highlights

Total Assets



	2000 RM'000	1999 RM'000	1998 RM'000
Group	1,098,229	1,057,731	954,966
Company	916,731	941,000	825,645

Total Group and Company's Assets continue to increase to strengthen its asset base position in becoming the global food conglomerate. This is an important element towards achieving the Group's goal.

Moreover, the Group is continuing its consolidation and expansion plans into food related areas through acquisitions and investments from strategic partnerships.

Shareholder's Fund

	2000 RM'000	1999 RM'000	1998 RM'000
Group	544,001	480,227	339,278
Company	498,858	459,391	401,241

Total shareholders' fund at Group and Company level continue to improve by increasing to 13.3% and 8.6% respectively from its previous year results.

The Company has been listed on the Kuala Lumpur Stock Exchange (KLSE) since 25 August 1997 and is traded under the symbol BERNAS.

The summary of the Company's past market performance is presented as in the table:

Common Stock Information

Fiscal Year	Quarter	High	Low
1998	1	1.43	0.90
	2	1.18	0.80
	3	1.22	0.69
	4	1.47	1.11
1999	1	1.30	1.02
	2	2.94	1.03
	3	3.34	1.92
	4	2.90	2.33
2000	1	3.84	2.50
	2	3.58	2.30
	3	2.84	1.80
	4	2.05	1.26



chairman's statement



*On behalf of the Board of Directors,
I am pleased to present the Annual Report and
Audited Accounts of the BERNAS Group for the
financial year ended 31st December 2000”*

Dear Shareholders,

I am delighted to report that the Group has managed to achieve a consolidated pre-tax profit of RM94.97 million against a turnover of RM1,791.80 million. The Board is proposing a final tax exempt dividend of 5% amounting to RM 14.63 million for the year ended 31 December 2000 for approval by the shareholders at the forthcoming Annual General Meeting. This, together with the earlier interim dividend of 2.5% less 28% taxation will make a total dividend of 7.5% for the relevant year.

The year 2000 marked the fifth year of BERNAS as a privatised corporation. During the past five years, BERNAS has undergone transformation and restructuring, and has survived the financial crisis suffered by

chairman's statement



companies in the region. BERNAS was able to withstand all these internal and external challenges, by having a solid foundation and platform built upon its basic fundamentals coupled with a strong and clear business direction. Credit is due not just to the decisions made by management but to the efforts and initiatives by all our staff, partners and alliances. The Board is grateful for the commitment that have been shown and the energy that have been devoted in meeting these challenges.

The road ahead will see the Group weathering greater challenges of globalisation and free trade implementation. To sustain its profitability and growth record in the next financial year the Group will need to build upon the strength of its achievements to take it to greater heights of success. While the challenges are present, the Group is upbeat by the economic prospects in 2001 and is confident that it will be another excellent year as the Group has a strong market share and well-diversified operations. Most importantly, it is guided by prudent business strategies of integration and consolidation at the downstream and upstream levels to increase its competitive advantage as well as to ensure sustainability of its business and survival.

I would like to take this opportunity to thank my predecessor, YB Datuk Ruhanie bin Haji Ahmad, who had resigned as Group Chairman, for his invaluable insight and guidance to the Group, as well as YBhg Dato' Annuar bin Ma'aruf and YBhg Dato' Pahamin bin A. Rajab for their outstanding contribution during their tenure as Directors. I would like to welcome YBhg Dato' Abi Musa Asa'ari bin Mohamed Nor and YBhg Dato' Shaik Ahmad Soekarno bin Shaik Mohd Hussain who had been newly appointed to the Board. I am confident that they will contribute to the growth and development of the Group with the wealth of experience and knowledge they had accumulated over the years.

On behalf of the Board, I would also wish to express our deepest appreciation to Dato' Mohd Ibrahim bin Mohd Nor (the Group Managing Director from 1996-2000) for his strong leadership, wise counsel and deliberations without whom our present progress would not have been possible. BERNAS Group will be assured of continued progress and positive performance under the steady, guiding hand of the current Group Managing Director Encik Yahya bin Abu Bakar.

I also wish to put on record our appreciation to our shareholders, valued clients, business associates and financiers for their strong support and confidence in the past year. To the various Government authorities and agencies, I would like to extend our gratitude for their invaluable guidance and cooperation.

Last but not least, I would like to thank the management team and staff at all levels of the Group and look forward to their continued dedication and high commitment in meeting new challenges in the years ahead.

Thank you.

Dato' Seri Mohamad Noor Abdul Rahim

Petaling Jaya
15 May 2001



managing director's report



“For the year 2000, BERNAS has managed to sustain its performance and further improved its overall market position.”

The situation was made possible by the Group's continued adherence to its elected strategic directions of linking and managing the supply chain.

During the year under review, the Group vigorously pursued the reinforcement of its vertically integrated operations by strengthening its supply chain management through strategic alliances at both domestic and international levels. The basic foundation or infrastructure of a food superhighway put in place by earlier elaborate integration and management of the rice supply chain efforts, has since progressed to a new level of excellence. The Group will further enhance its operations by increasing efficiency at all levels of the supply chain.

The Group has embarked on a horizontal integration strategy, evident by the Group's synergistic relationships with established food conglomerates. The leveraging of the Group's distribution network of 20,000 outlets through its wholesaling subsidiaries will provide synergy with the strategic alliances that BERNAS has formed. Expansion of our international trading network would enable the Group to have an established channel to

managing director's report



diversify quickly in the distribution of key commodities via the food superhighway and ultimately enhance the Group's earnings base and activities on a regional basis. At the international front, the Group already has a strong network overseas in Thailand, Pakistan and People's Republic of China. Our Thailand and Pakistan rice exporting operations have penetrated new markets, strengthening their positions through downstream activities investments. The Group, in its bid to play a more significant role in both regional and global markets, have also took a medium term outlook for possible South-South cooperation ventures in Myanmar and Vietnam as sources for special quality rice whilst considering Cambodia as a new supply chain.

The signing of BERNAS' sales and purchase agreement with QAF Ltd to acquire a stake in Gardenia Bakeries (KL) Sdn Bhd and the forming of a strategic alliance with QAF Ltd to explore further joint venture opportunities relating to the food industry in Malaysia marked an important milestone for BERNAS. This potential investment will involve integration in the flour supply chain to include flour milling and the manufacturing of biscuits and related confectionery. Another significant alliance was the joint-venture with R.S.Y. Sdn Bhd DOMINALS, the Group's wholly-owned subsidiary acquired a substantial stake of R.S.Y. Sdn Bhd's wholly-owned subsidiary Rasayang Food Industries Sdn Bhd to enter into the production of co-products such as beehoon and laksa. The joint-venture would allow DOMINALS to have access to Rasayang's product knowledge while benefiting from BERNAS' distribution network. BERNAS has also agreed to distribute and market Rasayang and Dewina Trading Sdn Bhd's products locally and internationally. Dewina Trading Sdn Bhd is the sales and marketing arm of processed food manufacturer, Dewina Bhd. The strategic alliances with Rasayang and Dewina Trading Sdn Bhd would allow BERNAS to expand its 20,000 distribution network and become a fully integrated food distributor on top of being the major player in the rice supply chain.

The most significant achievement in widening the Group's reach at the wholesaling level during the year would be the establishment of Consolidated Bernas United Distributors Sdn Bhd, a joint venture between

BERNAS and United Rice Wholesalers, an association which housed 101 local rice wholesalers. The union marked the Group's integration of its downstream activities through a step-by-step consolidation exercise at the wholesale and distribution levels while maintaining harmony within the market place.

The formation of the "Gabungan Persatuan Pemborong-Pemborong dan Persatuan Pengilang-Pengilang Beras Malaysia" of which BERNAS is a member, was a step taken by the Group to coordinate activities in order to strengthen the industry. The formation of this cooperation complements the Government's efforts to tackle issues plaguing the local paddy and rice industry. The discussed agendas will include amongst others, improving the industry's efficiency, competitiveness, overall sustainability of the industry and rice smuggling activities. The recent rice glut situation was a good example of the threats faced by the industry. Through the Gabungan Persatuan Pemborong-Pemborong dan Persatuan Pengilang-Pengilang Beras Malaysia together with the fast response of the Government agencies, the industry managed to overcome the impending problems.

BERNAS, on behalf of the industry, would like to thank the Government for all its actions in curbing the rice smuggling problem through the formation of the Jawatankuasa Khas Penyeludupan Beras, whose main objective was to monitor rice smuggling activities, increase border patrol, roadblocks and diligent enforcement at all levels of the supply chain as part of its efforts to stop smuggling activities. All these appropriate measures were critical in responding to the rice glut problem including measures to halt all imports of rice especially those of similar grade with the local rice until the situation returns to normal. The Group continuously extends its cooperation to all the relevant authorities to ward off future smuggling activities.

The survival of the local rice industry hangs in the balance when it has to open its doors to various policies of Asean Free Trade Area (AFTA) and World Trade Organization (WTO) in the future. It is therefore crucial that BERNAS, together with other players involved in the industry, unite and

managing director's report



consolidate so that various problems and uncertainties which might emerge can be countered successfully. Only when we consolidate ourselves to achieve better efficiency in the sourcing, processing, marketing and distribution of rice, can we expect the local industry to be in a better position to be internationally competitive.

Competition will reach unprecedented heights with growing globalisation with no exception to the paddy and rice industry. The Group views the advent of AFTA and globalisation not as a threat but as an opportunity to strengthen its position. As such, we recognized the need for the Group to be efficient and competitive, all with the aim of adapting to the globalised era where the playing field is never level and the rule of the game is about free markets. The fact remains that traditional rice producing countries like Thailand, Vietnam, Pakistan, India, China will strive to improve their competitive advantage whilst the rising producers like Myanmar, Cambodia and some Latin American countries with better fundamentals in terms of land, labour and capital will join the foray, armed with their own efficiencies.

In reality, in a world where the consumers are the biggest ally to the free marketeers, we are faced with the unrelenting pressure in the flow of efficiency across our border and into our market place. This is the moment when BERNAS' role is most crucial in balancing and weighing the need of the many consumers against those who are socially impaired. To address inefficiencies, the local paddy industry may have to consider alternative directions and undergo metamorphosis with focus on improving man to land ratio, large scale farming and introduction of Special Quality Rice homogenous to Malaysian soil. On the other hand, BERNAS must remain impartial of its paradox and continue to redefine and focus on strategies adopted to fulfill its responsibilities to all stakeholders.

In fulfilling the above obligations and responsibilities, it is crucial that the Group remains as the stalwart of the industry, the last bastion of defence. In achieving its vision, BERNAS maintains its stand that the efficiency game lies in the power of brands and logistics. As such, we conclude that to have the competitive advantage amongst other

players, we must invest in brands through research & development, educate consumers on the Group's brands to create product awareness, invest in processes to ensure the highest product quality as well as increase investment in Information Communication Technology to enable BERNAS to have the platform for competition. All these investments are meant to pave the way for the overall industry to be more efficient. In the long run, we hope to be the low cost producer in an industry blessed with more unified brands as well as consistency in quality and supply.

Reflecting on the Group's commitment in raising the level of efficiency of the rice industry through its aggressive consolidation efforts at key levels of the supply chain and the positive outcomes achieved so far, it is clear that the Group will not abandon its winning formula of rationalising and building on its cultivated or developed strength. We sincerely believe that all the steps taken over the years were necessary, with the best of intentions in mind.

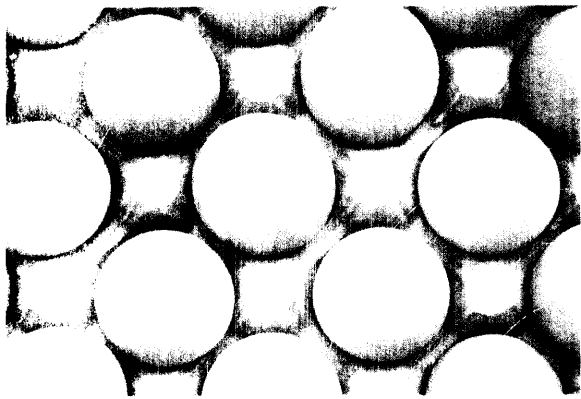
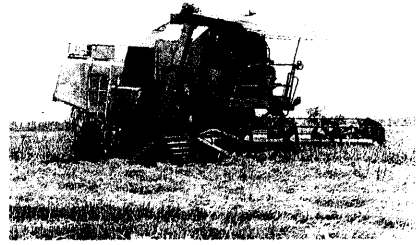
We are pleased to inform that against a 2000 pre-tax profit of RM 94.97 million and RM 62.23 million at Group and Company level respectively, your directors are recommending a final dividend of 5 % tax exempt for the FYE 2000.

On behalf on the Management, I would like to take this opportunity to express our utmost gratitude to all members of the Board of Directors for their guidance, all the staff of the BERNAS Group for their continued support, dedication and hardwork and all our valued joint-venture partners, business associates and customers for their relentless effort. Finally, our appreciation also goes to the various relevant Government authorities and agencies for their contribution in our operations.

Yours sincerely,

Yahya Abu Bakar

Petaling Jaya
15 May 2001





review of operations

FINANCIAL PERFORMANCE

Overall, the Group achieved a commendable performance for FYE 2000 despite recording a decrease in the pre-tax profit from RM121.12 million in FYE 1999 to RM94.97 million in FYE 2000. At company level, pre-tax profit also decreased from RM89.82 million in FYE 1999 to RM62.23 million in FYE 2000.

Group turnover decreased marginally from RM1,902.19 million in FYE 1999 to RM1,791.80 million in FYE 2000, whilst at Company level, turnover was down from RM1,164.23 million to RM917.06 million.

The prevailing low world rice prices in the year 2000 have contributed to the Group's firm financial position. We expect world rice prices to stabilise at the present level for the year 2001, and this will benefit the Group who will continue to reap maximum advantage towards achieving better performance.

In view of the lower world rice prices, caution needs

to be advised as the situation has resulted in an increase in rice smuggling activities, causing an oversupply situation thus leading to a decrease in Group turnover and profitability.

Steps undertaken by the various authorities to curtail smuggling activities have helped reduce the continuous inflow of smuggled rice. The aggressive marketing strategy adopted by the Group coupled with the provision of rebates have helped to contain the impact of smuggled rice on the industry as a whole. This aggressive market penetration strategy embarked by the wholesaling subsidiaries has improved the Group's market share to a satisfactory level in 2000. For the year 2001, we expect the wholesale subsidiaries to continue to perform better.

In line with the ongoing Group internal restructuring to streamline operations, we closed two subsidiaries - Bernas Food Catering Sdn Bhd (BFC) and Bernas Mart Sdn Bhd (B-MART). This move had an impact on Group turnover, but has to be done in view of the continuous losses incurred. In addition, a Voluntary Separation Scheme (VSS) was implemented towards the end



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of year 2000. We view this as a strategic move towards achieving the Group's overall mission to become a food conglomerate by making BERNAS a leaner and more focused concern, as well as signifying a more caring attitude towards human resource.

The Directors, having taking into account the above, are optimistic of the future performance of the Group and are recommending a final dividend of 5% tax exempt for FYE 2000.

BACKGROUND

In the year 2000, increased crop production in major producing countries coupled with softening demand from buyer countries caused world rice prices to remain at low level throughout the year. Local production increased marginally from 1.63 million metric tonnes in 1999 to 1.73 million metric tonnes in 2000. The year 2000's output of graded rice was equivalent to 0.97 million metric tonnes.

In the year under review, the demand for specialty grade rice e.g. Fragrant and Basmati rice showed a healthy surge indicating the growing consumers' preference for special quality rice. Even though world prices are at historical lows, special quality rice still commands a premium over price.

INTERNATIONAL JOINT VENTURES

Our international joint-venture companies, APC in Thailand and QNB in Pakistan have continued to show a significant presence as rice exporters in those respective countries. APC and QNB's penetration to other markets namely to Indonesia, Korea, Japan, the Middle East, Africa and Central Asia have been most apparent, reaching 76,000 metric tonnes in terms of increased export tonnage.

APC has improved its ranking as the 14th largest exporter (19th in 1999) by the Thai Rice Exporters Association. To date, APC has also been awarded the coveted standard of THAI HOM MALI by the Thailand Ministry of Commerce signifying it as the few selected supplier of quality fragrant rice. QNB's success in achieving the ISO 9002 Quality Management System certification in January 2000 and being the winner of the Special Merit Trophy for the best rice export performance for the year ended 1999/2000 are testimonies of QNB's commitment towards excellence and quality and its position as a reputable rice exporter in Pakistan. In addition, QNB's recent investment in the advanced processing and packaging machinery from Germany is expected to contribute positively in the future earning of the Group when its operation commences in the second half of the coming year. BCC continues with its role of procuring rice for the Malaysian market as well as strengthening bilateral trade between China and Malaysia through counter trade arrangements.

It is evident that the international joint ventures have performed their roles as traders/exporters in their respective countries. Further efforts are being planned and pursued for vertical integration of each of the joint venture companies for greater involvement and representation in the supply chain e.g. milling, processing and distribution. This future expansion in their roles will ensure sustainability of quality and supply as well as a share of the regional distribution market.

IMPORTS

To ensure security and sustainability of supply in terms of quality and pricing, BERNAS practises multi-sourcing of rice from different countries. In 2000, BERNAS imported a total of 605,000 metric tonnes of rice, the majority from Thailand, Vietnam, China and Pakistan as well as some new supply option, such as India, Australia, Myanmar, Cambodia, USA and Argentina. Throughout the



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years, BERNAS has developed the invaluable experience of demand analysis such that we are now able to cater and match between demand and supply with certain precision.

During the year under review, BERNAS has embarked into several significant projects with international companies. We are currently cooperating with world class rice players such as Kitoku Shinryo Co Ltd, Japan, the largest distributor of rice in Japan and Ricegrowers' Cooperative Limited (RCL), one of Australia's most successful, vertically-integrated agribusinesses, producing and marketing products with established brand names. Our cooperation with these international companies involved the tapping of expertise, mutual exchange of ready markets, developing access to new markets and initial trading of specialty rice food products.

It is envisaged that this would ultimately lead to the transfer of technology know-how in producing specialty rice food products, establishing a rice co-products division for the processing and marketing of animal feed and seeking technical expertise in developing a viable and efficient modern farming system. In addition, sourcing of new markets such

as Argentina and Uruguay to explore potential business possibilities of introducing special variety rice from these countries to our local market has been undertaken.

LOCAL PRODUCTION

BERNAS' involvement in local rice production is through its paddy procurement, processing, trading activities as well as providing support services to complement the paddy and rice industry.



review of operations



During 2000, BERNAS procured 635,000 metric tonnes of paddy, an increment of 25% from 509,000 metric tonnes in 1999, which commands 37% of local paddy market share.

In order to compete in a challenging business environment, BERNAS has given major emphasis on several programmes deemed crucial for its survival in the future. In an effort to be more sensitive towards the market needs and requirements, BERNAS has worked very closely with its distribution network which resulted in the birth of several programmes such as Quality Improvement Programme and Cost Saving Programme which drive the Group to produce quality products at the lowest cost possible.

The Group's commitment towards producing better quality rice with minimal cost of production can be witnessed by the ISO 9002 Programme it practises at the mills. The Integration Programme with BERNAS' marketing arms was introduced to create a more efficient link in the supply chain activity. This programme is designed to enhance BERNAS' activities at the mills and warehouses level, to keep abreast of changing trends in the retail market and to strengthen ties within the Group through the merging of cultures and values.

FARMING & SEEDS

BMS, a joint-venture subsidiary with Marditech Sdn Bhd, was awarded the SIRIM ISO MS 9002 certification in the processing, sale and distribution of certified rice seeds in its Langgar facility near Alor Setar, Kedah. This has boosted farmers' confidence in using our seeds which saw BMS marketing a total of 10,000 metric tonnes of certified seeds during the year.

The operation of Gedong project in Sarawak, now under Beras Corporation Sdn Bhd, acts as a catalyst towards better farm management and seeding programme to produce better quality seeds with the aim of boosting the yield and productivity of local farmers in the surrounding area. BCSB is also in the midst of intensifying its involvement in the farming of Special Quality Rice in Sabah and make the most of the local players to market the product.

BERNAS has also initiated a pilot project in Perlis to explore the commercial production and market potential of locally bred special quality rice. The fragrant variety with Basmathi-like elongated property called MRQ 50 produced by MARDI was used and upon successful analysis and study of the





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commercial viability of this project, BERNAS aims to implement a large-scale commercial production.

DISTRIBUTION

Distribution, the main artery for BERNAS in terms of linkages to the market has been given priority and responsibility to maintain and expand market presence. BERNAS currently manages 29 warehouses serving as distribution centres throughout the country to facilitate the distribution of the Group's imported rice. BERNAS will further enhance the system of these distribution centres in its move to expand its distribution network and improve its efficiency, timeliness and effectiveness. This will pave the way for the distribution of other food products through the Group's distribution network totalling 20,000 retail outlets. The Group's sales volume for its imported rice reached 592,000 metric tonnes, representing 33% of the nation's rice demand.

Through the BERNAS joint venture in existing wholesalers, we have managed to capture 33% of market share, out of which 68% of it being sold

through our distribution network nationwide. Our move towards further integration and consolidation is to strengthen our position at the distribution level. The mapping of distribution undertaken was in line with our aim to become the lowest cost distributor.

An important achievement during the year was the completion of the joint-venture between BERNAS and United Rice Wholesalers, an association which housed 101 local rice wholesalers, in June 2000. This move is imperative towards preparing the industry to face future challenges. In addition, the Loyal Retailer Programme known as Rakan Setia which was initiated last year has so far surpassed its target of attracting the participation of more than 1,000 retail outlets.

Another programme introduced by the Group called the Bumiputra Distributorship Programme which caters to the needs of the majority of Bumiputra wholesalers who command a smaller percentage of the market but lack the capital needed to invest in their own packaging facilities and brands. This strategic alliance will result in a "win-win" situation where Bumiputra distributors and loyal retailers will enjoy a continual and sustainable market share whilst BERNAS will benefit with a wider brand coverage and distribution network.

CO-PRODUCTS

DOMINALS, our marketing arm for rice co-products, continued to earn steady returns from its core business of broken rice, bran and brewers. DOMINALS has carried out vertical integration in marketing by going downstream via smart partnership with rice vermicelli manufacturer, Rasayang Food Industries Sdn Bhd, that will contribute to the value-adding of DOMINALS' products. During the year, DOMINALS also entered into a joint venture with several companies to manufacture, trade and distribute organic fertilizers.



review of operations



DOMINALS strives to refocus its role to become a value-added manufacturer of related products such as rice vermicelli, rice flour, feedstuff and other related products.



OTHER BUSINESSES

Logistics

LOGISTICS provides shipping and transportation activities for the Group's logistics requirements. In the year 2000, LOGISTICS' shipping department handled 594,000 metric tonnes of rice from various destinations, of which 76% were via conventional vessel whilst the remaining 24% were containerised. The tonnage handled during the

year marked an improvement over 570,000 metric tonnes handled in 1999. LOGISTICS' transportation department owns and operates 35 prime movers and trailers 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. The investment in prime movers and trailers of higher capacity has enabled LOGISTICS' transportation department to handle all of the Group's cargo in 2000 compared to only 20% in 1999.

In realising its aim to be a total logistics provider, LOGISTICS will form strategic alliances with reputable partners in the areas of warehousing, haulage and shipment and transport operations. In addition, LOGISTICS will continue to compete in securing works from outside the Group.

Engineering, Construction, Property & Packaging

BET and PBCS, both wholly-owned subsidiaries of BERNAS, continued to offer engineering and construction services related to grain processing as their core businesses.





review of operations



During the year, BET in cooperation with two local companies had satisfactorily completed installation packages of cold water and sanitary piping system and fire fighting and protection system for Kuala Lumpur Sentral Project. BET and PBCS will also focus on a total maintenance programme for the Group.

BRD, a wholly-owned subsidiary of BERNAS, provides property management services for the Group. In 2000, BRD in cooperation with a local consultant, initiated planning works to redevelop part of the existing land at Anak Bukit, Kedah as a rice information centre. It is hoped that the development of this centre and other proposed projects will serve as a catalyst for the overall development of surrounding areas by the State Authority.

VALORLITE, a wholly-owned subsidiary of BERNAS, supplies plastic packaging for the Group through out sourcing. The year 2000 has been a major turnaround for VALORLITE as it managed

to re-position itself to maintain its importance in the Group's overall operations as supplier and consultant for plastic rice packaging bags while simultaneously providing value added services.

VALORLITE's careful review of its business strategies led it to focus and to recognise certain areas where it can provide services which are much-needed by customers such as design and concept of packaging, suitable product specification, barcode registration, trademark search & registration and other technical issues related to proper usage of packaging machines, film thickness, sealing strength and handling.

NON-RICE PRODUCTS

Going further down the diversification road led BERNAS to acquire an equity interest in KHSB. KHSB is currently aiming towards intergrating its business operations internationally. KHSB has a strong foothold in the international trade for

review of operations



onions, garlic, dried chillies, potatoes and shallots with sourcing network in China, India, Myanmar and other countries. BERNAS' stake in KHSB corresponds with its long-term corporate plan to establish partnership with food exporters in origin countries and to consolidate the domestic markets



with major importers in the country. In this way, BERNAS would be able to participate in wholesaling, import and export of onions, shallots, garlic, potatoes and other agro-products from origin countries to consumer countries. It will also present an opportunity for BERNAS to diversify its value in rice market share into food market share, particularly in the dry food sector.

differs from the other international businesses as it is the only integrated development project which involves the production, processing and distribution of rice as well as the production and marketing of chicken eggs. Since the commencement of its operation, the project is continuously and gradually being adjusted, reviewed and reformulated to suit the local and international business environment.

While the last three years of operation have been a learning and adaptation period for SOBERGUI, the company will therefore be able to re-position itself with a new and adapted business strategy in order to fulfill its commitment to establish a commercial example of an integrated approach to farming, milling and distribution for consistently better quality rice while being conscious of the bottom-line and financial implications of the whole project. Thus, the year 2000 focused mainly on continuing efforts to develop a large-scale farming programme.



AFRICAN OPERATIONS

SOBERGUI, a joint-venture with the Government of Guinea, West Africa which was implemented under the South-South Cooperation, continues into its fourth year of operation. The SOBERGUI project



corporate diary



29 February 2000

Sharing of technology agreement between BERNAS and Universiti Kebangsaan Malaysia to establish strategic studies, research and development on Paddy Fluidised Bed Drying technology.

2 March 2000

Visit by Minister of Agriculture YB Datuk Mohd Effendi Norwawi to BERNAS Headquarters - His first working visit after his appointment to the Ministry of Agriculture.



20 March 2000

Bernas Dominals Sdn Bhd entered into a conditional joint venture agreement with four other parties namely Ancom Berhad, Bio-Organic Systems & Services Sdn Bhd, Fempro Sdn Bhd and Shamazdaso Sdn Bhd. It was witnessed by YAB Dato' Seri Shahidan Kassim, Menteri Besar of Perlis.

21 March 2000

Signing ceremony of the Shareholders' Agreement and Share sale agreement between BERNAS and the existing shareholders of Keongco Holdings Sdn Bhd to establish a venture through Keongco Holdings Sdn Bhd for the purpose of carrying on the business of wholesaling and trading of onions, shallots and garlic.



corporate diary



6 April 2000

BERNAS 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 undertakes the supply of oil palm to China National Cereal, Oil and Foodstuffs, Import and Export Corporation (COFCO) in return for rice supply from COFCO to the Company.

2 May 2000

Signing Ceremony of the Country Trade Agreement between Myanmar Agricultural Produce Training and Padiberas Nasional Berhad of Malaysia.



16 June 2000

Deputy Prime Minister, YAB Dato' Seri Abdullah Hj Ahmad Badawi, launched BERNAS' Health Support Service in Hulu Terengganu. Under the scheme, BERNAS provides vans to transport farmers from remote areas to seek medical treatment at local clinics and hospitals. The program was also launched in Perlis by YAB Dato' Seri Shahidan Kassim, Menteri Besar of Perlis and in Kedah by YAB Dato' Seri Syed Razak Syed Zain, Menteri Besar of Kedah.

20 June 2000

Signing Ceremony of the Joint-Venture Agreement between Jasmine Food Sdn Bhd (JFC) and Joo Seng Edar Sdn Bhd to set up a joint venture for the purpose of carrying on the business of distribution, selling and transporting of rice in Malaysia.





corporate diary



27 June 2000

BERNAS' 6th Annual General Meeting and Extraordinary General Meeting held at MPSA Auditorium Wisma MPSA, Shah Alam, Selangor.

8 September 2000

Signing ceremony of the Joint Venture Agreement between United Rice Wholesalers Sdn Bhd to strengthen the rice distribution network and the distribution of other products in the food industry. This was the result of an earlier Memorandum of Understanding, signed on 24 June 2000. YB Tan Sri Muhyiddin Mohd Yassin, Minister of Domestic Trade and Consumer Affairs witnessed the signing ceremony.



19 October 2000

Memorandum of Understanding for E-Dagang (Halal Exchange.com) between BERNAS, Dewina Bhd, Haisan Holdings Sdn Bhd, RHB Bank Berhad, Oracle Corporation Malaysia Sdn Bhd and ePedas Sdn Bhd.

8 December 2000

BERNAS entered into a Memorandum of Understanding with Vietnam based Vietnam Southern Food Corporation and National Company for the development of vegetable oil, Avomas and Cosmetics of Vietnam to develop and promote the marketing of Malaysian and Vietnam products in Malaysia, Vietnam and other countries.

corporate diary



11 January 2001

BERNAS through its subsidiary, Bernas Dominals Sdn Bhd entered into a shareholders agreement and share sale agreement with Rasayang Food Industries Sdn Bhd to establish a venture for the purpose of carrying on the business of manufacturing “beehoon” and “beehoon laksa”.



15 January 2001

BERNAS entered into a conditional share sale agreement with Ben Foods (Malaysia) Sdn Bhd for the acquisition of 30% of the issued share capital of Gardenia Bakeries (KL) Sdn Bhd. The Company also entered into a Memorandum of Understanding with Singapore based QAF Limited to form strategic joint venture opportunities relating to the food and beverage industry in Malaysia.

8 February 2001

Syarikat Faiza Sdn Bhd entered into a conditional share sale agreement for the acquisition of 51% of the issued share capital of Lee Hup & Company Sdn Bhd.





corporate relations

The continued growth, stability and prosperity of a nation are the prerequisites of a good business environment. To ensure the required prevalent conditions, BERNAS invests heavily in the people, the lifeblood of the nation.

The year 2000 saw BERNAS engaged in various social and community development activities, deploying its available resources to improve communities in various aspects, be it education, culture and tradition, charity and religion, economy and environment.

Education Fund

The future is determined by those we mould now. Beginning at the very heart of the future are the children and youth of the nation. They are the generation that would bring the country to greater heights. For this purpose BERNAS has pledged an initial financial commitment of RM2.5 million to start the Education Fund scheme, known as 'Dana Pendidikan Anak Pesawah'. On top of this,

an additional RM250,000 increment is being allocated annually.

Under this scheme, financial assistance is given out to those between Standard Four and Form Five who excel in their education. In the year 2000, a total of 21 students qualified for assistance under the scheme while another 80 students have been selected to receive assistance from this scheme for the financial year 2001.

Apart from this, support programs like education workshops and thanksgiving ceremonies in appreciation of the students' achievements are also organised and provided by BERNAS. This is partly our way of recognising the continuous support of padi farmers.

Health Support Service

BERNAS Health Support Service was another important community project maintained by the company in Terengganu, Kedah and Perlis for the



corporate relations



Festive Rice Promotion

The recent multi-coloured festive season in Malaysia, saw BERNAS launch a special promotion exercise in conjunction with Aidil Fitri, Christmas and Chinese New Year. The main objective of the promotion was to ensure consumers receive adequate supply of selected grades of rice which were common during festive season at a reasonable value. BERNAS had allocated RM6 million for this purpose.

Under the promotion, BERNAS offered an extra 500g and 1kg of rice for every 5kg and 10kg promotional packs respectively – involving selected rice grades such as Basmati, Thai Super Special, Thai Glutinous Rice, Thai Fragrant AAA and Vietnam White Rice. Through our subsidiaries this promotion was made available through more than 1,000 Rakan Setia outlets and selected retailers nationwide.

farming community. Under this programme, BERNAS provides a van for each of the state to ferry padi farmers to seek treatment and health checks at government clinics or the nearest hospital.

The service was launched in June 2000 by Deputy Prime Minister Dato' Seri Abdullah bin Ahmad Badawi at the Hulu Terengganu Hospital. Since then, it has benefited many farmers and their family members.

The primary objective of the project was to complement the Government's efforts in improving the health standard of the public. It is also a show of appreciation for padi farmers who have helped BERNAS in its operation. Plans are being made to extend the service to other rice growing areas by adding to our existing fleet of three 14-seater vans.

This promotion benefited consumers all over Malaysia between the period of December 11 and January 31 and had quell rumours of a shortage and possible hike in selected rice prices during the festive season. The promotion was also reflective of the Group's sensitivity to consumers' needs.





corporate relations

Festive Donations

There are those who often, due to circumstances, face a bleak festive season. Though many more require what help that may be given, in our way and within our capacity we try to extend this smile in the form of donations to as many as possible. Orphanages, home of the handicapped, single mothers and many more often deserve that extra bit during times of joy. BERNAS tries to ease their burden during festive occasions and provide for a festive atmosphere.

For the financial year ended 31 December 2000, a sum of RM1 million was donated to welfare foundations, organisations and charity homes, as well as special community projects.

EMPLOYEES

Human Resources Development

BERNAS has continuously pursued human resources development in order to achieve the sustainable development of its management. Apart from developing knowledge and skills of its human resources to enable efficient operation, BERNAS also emphasizes on enhancing morals, ethic and self-dedication for the benefit of the Group and society.

In preparation for its operations in the future competitive global environment, BERNAS has provided its people with necessary training to enhance their knowledge, skills and competencies. In the year 2000, a total of 1,276 in-house and 119 external training courses, seminars and special

lectures aimed at equipping the staff with new skills to enhance their job performance were provided for employees of different lines of operations.

The focus of these training programmes has been to instill a more positive attitude among the staff as well as to upgrade their knowledge especially in areas of information technology and enable them to better serve the Group's needs in the business environment.

Voluntary Separation Scheme

As part of the Group's restructuring exercise, a mutual separation scheme was offered to BERNAS' employees in November 2000, offering attractive severance terms and providing occupational training to employees joining this early retirement programme. This move is seen as complementing the Group's overall strategy as it was offered during a profitable year instead of a recession, ensuring fair compensation to the successful applicants of the scheme. A total sum of RM19





corporate relations

million was allocated and paid to 668 employees who opted for this programme. More than 90% of them were from the milling and production sectors.

ENVIRONMENT

As a major corporation, BERNAS recognises the need and responsibility to actively address environmental concerns. We are committed to maintain good environmental quality and soundness in all areas of our operation. Our ultimate environmental goal is to ensure that our Group is doing its part responsibly and playing a leadership role in helping to preserve the environment.

Rice Husk

Rice husk is produced throughout the world as a by-product of rice cultivation. In Malaysia, some 350,000 tonnes of rice husks is produced annually – a waste by-product of milling processes. This figure represents 22% of total padi milled. This waste material have traditionally been burnt in the field or trucked out and dumped. With the growing awareness of an improved environmental management, these practices are rapidly becoming unacceptable. Practical alternatives that lead to tangible benefits are being sought and developed.

One of the major alternative uses of rice husk is as a component of animal feed. Almost 19% of the total ground husk produced by BERNAS mills is used for the animal feed market. This move has solved some of the environmental plights simultaneously creating an additional source of income for the rice farmers.

The economic costs of burning fossil fuels are higher than ever, and the environmental costs cannot be ignored. Recent experiments have shown that a system that harnesses the energy of rice husks and other agricultural by-products to produce electricity can be developed. However, only a small proportion of this energy resource is being utilized.

Presently, 11% of total rice husk produced by BERNAS is used as fuel to generate electricity in a few complexes. Plans are underway to apply the technology and know-how of developed rice milling plants in Thailand that run entirely on waste rice husk. This will solve the disposal problem successfully while producing enough electricity to meet the mills' power needs.

A far more satisfactory solution of rice husk disposal came from a joint-venture undertaking with Ancom Berhad to produce organic fertilizer using rice husk and nutrient-rich spent molasses concentrate. Around 14,000 metric tonnes of rice husks are being used annually to produce specially formulated high-end organic fertiliser that has no adverse effects on water quality.

Rice Straw

Up to 1.2 million tonnes of rice straws are discarded or burnt every year - a practice that is not only wasteful, but pollutes the environment. Ideally, instead of being unwanted and difficult to dispose of, rice straw would become a valuable commodity to be harvested for profit. BERNAS is identifying and developing economically viable alternatives that would provide the resources for rapid and economical removal of straw from rice fields.

For now, there is a list of various processing methods and uses for rice straw. It is used for feed, livestock bedding, roof thatching, mats, garments, packing material, and broomstraws. A more commercial venture would be under BERNAS Chaff Products Sdn Bhd where more than 1,000 bales (or about 300 tonnes) of straw are baled annually and processed as feed for horses and cattle. The company also process straw into chaff for the equine industry.

Research and development activities are exploring numerous other industrial uses for the straw fibers. The amount of investment capital necessary for processing plants, the variability in market



corporate relations



conditions for the products, and the long term commitment involved in the commissioning of the industry are all factors affecting the progress of rice straw utilization.

VARIOUS ON-GOING R&D INITIATIVES

Organic rice

In recent years, the demand for high quality rice has been increasing due to improvement in living standard and education level. Today's consumers, however, are not only discerning in taste but also conscious of the environment impact of their purchase. Environmental protection is the key for the future food industry. In the years to come, BERNAS will place great emphasis on this issue in the development of products, to make them the common choice of the new generation of green consumers.

For a start, BERNAS is supporting the cultivation of organic rice through its contract-farming programme in Sarawak. Some 430 hectares of land in Gedong, a district in Sadong Basin, are being planted with Biris variety with very minimal use of chemicals. Chemical use is limited to land preparation – and that too involves only a handful of participants. Some 500 metric tonnes of almost chemical-free rice is expected to be harvested from this area later this year. Our target is to encourage farmers to produce a totally organic crop next season.

Apart from that, BERNAS is looking into the energy resource that can be tapped and utilised efficiently in an environmentally friendly manner using current technology. These by-products can be used directly as a fiber or modified fiber or more completely converted by chemical and biological techniques into products to serve as industrial raw material. Nevertheless, their full potential is yet

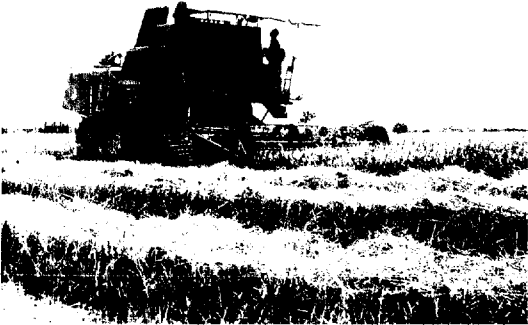


to be realised. A promising venture must be based on technology that has been proven elsewhere, must be replicable and must not have a negative impact on the environment.

BERNAS will continue to work with those who share a similar interest in and dedication to the environment – sharing our special concerns and helping develop sound and realistic programs that lead to good, workable long-term solutions to the major environmental issues facing us all.



financial statements



1. Introduction

2. Balance Sheet

3. Income Statement

4. Cash Flow Statement

5. Statement of Retained Earnings

6. Statement of Changes in Equity

7. Statement of Financial Position

8. Statement of Operations

9. Statement of Cash Flows

10. Statement of Financial Position



directors' report

The directors hereby submit their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 December, 2000.

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 29 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit before tax	94,972	62,230
Income tax expense	(30,136)	(17,496)
Profit after tax	64,836	44,734
Minority interest	(6,674)	-
Net profit for the year	58,162	44,734

DIVIDENDS

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

	RM'000
In respect of the financial year ended 31 December, 1999:	
- Interim dividend of 5% tax exempt paid on 30 October, 1999	14,631
- Final dividend of 5% tax exempt paid on 31 July, 2000	14,632
In respect of the financial year ended 31 December, 2000:	
- Interim dividend of 2.5% less 28% taxation paid on 30 October, 2000	5,267
- Proposed final tax exempt dividend of 5%	14,632

directors' report

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 financial statements.

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

Before the income statements 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 including their values as shown in the accounting records of the Company and of 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 financial statements of the Company and of 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 of 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.

directors' report

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 their obligations when they fall due.

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 financial statements of the Company or of the Group which would render any amount stated in the financial statements 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.

SIGNIFICANT AND SUBSEQUENT EVENTS

Significant and subsequent events are as disclosed in Note 27 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME

The Company's Employee's Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 27 June, 2000 and became effective on 15 September, 2000.

The main features of the ESOS are as follows:

- (a) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Option Committee appointed by the Board of Directors.
- (b) The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the duration of the ESOS.

directors' report

- (c) The option price for each shall be at a discount of not more than 10% from the five day weighted average market price of the Company's shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange immediately preceding the offer date of the option or at the par value of the Company's shares, whichever is higher.
- (d) No offer shall be made for less than 3,000 shares nor more than 290,000 shares to any eligible employee.
- (e) An option granted under the ESOS is exercisable by the grantee by notice in writing to the Company before the expiry date of five years from the date of the offer or such shorter period as specified in such offer.
- (f) The number of shares under option or the option price or both so far as the option remain unexercised may be adjusted following any variation in the issued share capital of the Company by way of a capitalisation or rights issue or a reduction, subdivision or consolidation of the Company's shares made by the Company.
- (g) The shares under option shall remain unissued until the option is exercised and shall on allotment rank pari passu in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the option.
- (h) The Option Committee may at its discretion at any time and from time to time as it shall deem fit, select and make an offer in writing to any eligible employee to subscribe for shares in the Company based on the criteria for allotment and eligibility set out in By-Laws. The number of new shares which may be offered and allotted to the eligible employee shall be at the discretion of the Option Committee and shall not be less than one thousand shares and not more than five hundred thousand shares and shall always be in multiples of one thousand shares.

The movement in the options to take up unissued new ordinary shares of RM1.00 each and the option price are as follows:

Option Price	At 1 January, 2000	Granted	Exercised	At 31 December, 2000
RM 1.76	-	23,397,000	Nil	23,397,000

Subsequent to the end of the financial year, no options were exercised by the option holders.

directors' report

DIRECTORS

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

Dato' Seri Mohamad Noor bin Abdul Rahim
 Mohd Ibrahim bin Mohd Nor
 Dato' Syed Azizan bin Syed Mohamad
 Dato' Ahmad Zabri bin Ibrahim
 Dohat bin Shafiee
 Bukhari bin Mohd Sawi
 Abdul Rahim Bin Mokti*
 Mohd Naroden bin Majais (appointed on 19 May, 2000)
 Yahya Bin Abu Bakar (appointed on 1 February, 2001)
 Dato' Abi Musa Asa'ari bin Mohamed Nor* (appointed on 10 April, 2001)
 YB Datuk Ruhanie bin Haji Ahmad (resigned on 15 July, 2000)
 Dato' Annuar bin Ma'aruf (resigned on 10 April, 2001)
 Dato' Baseri bin Lamsah (ceased as alternate director to Dato' Annuar bin Ma'aruf and reappointed as alternate director to Dato' Abi Musa Asa'ari bin Mohamed Nor on 10 April, 2001)
 Dato' Pahamin bin Ab. Rajab (resigned on 23 April, 2001)

*Director appointed by Special Shareholder

Under Articles 126 and 127 of the Company's Articles of Association, Bukhari bin Mohd Sawi and Mohd Ibrahim bin Mohd Nor 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, other than the share options granted pursuant to the ESOS.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 18 to the financial statements 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' report

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares at RM1.00 Each			
	1.1.2000	Bought	Sold	31.12.2000
The Company				
Direct				
Yahya bin Abu Bakar	46,000	-	-	46,000
Dohat bin Shafiee	5,000	-	5,000	-
Indirect				
Dato' Ahmad Zabri bin Ibrahim	1,000	-	-	1,000
Yahya bin Abu Bakar	9,000	-	-	9,000

	Number of Options over Ordinary Shares of RM 1.00 Each			
	1.1.2000	Granted	Exercised	31.12.2000
The Company				
Yahya bin Abu Bakar	-	36,000	-	36,000
Mohd Ibrahim bin Ibrahim	-	134,000	-	134,000

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations or in the options over the ordinary shares of the Company during the financial year.

NUMBER OF EMPLOYEES AND PRINCIPAL PLACE OF BUSINESS

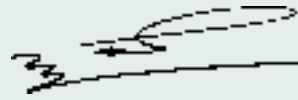
The number of employees in the Company and the Group at the end of the year were 464 (1999 : 377) and 3,585 (1999 : 3,697) respectively. The principal place of business of the Company is located at Level 19, CP Tower, No. 11 Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan.

directors' report

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



**DATO' SERI MOHAMAD NOOR BIN
ABDUL RAHIM**



YAHYA BIN ABU BAKAR

Petaling Jaya
Dated: 27 April 2001

statement by directors

We, DATO' SERI MOHAMAD NOOR BIN ABDUL RAHIM and YAHYA BIN ABU BAKAR, being two of the directors of PADIBERAS NASIONAL BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 54 to 89, give a true and fair view of the state of affairs of the Company and of the Group as at 31 December, 2000 and of the results and cash flows of the Company and 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

**DATO' SERI MOHAMAD NOOR BIN
ABDUL RAHIM**

YAHYA BIN ABU BAKAR

Petaling Jaya
Dated: 27 April 2001

statutory declaration

I, YAHYA BIN ABU BAKAR, the director primarily responsible for the financial management of PADIBERAS NASIONAL BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 54 to 89 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 YAHYA BIN ABU)
BAKAR at Kuala Lumpur in)
Wilayah Persekutuan on 27 April 2001)

YAHYA BIN ABU BAKAR

Before me:

Commissioner for Oaths



auditors' report

To the Shareholders of
PADIBERAS NASIONAL BERHAD

We have audited the financial statements set out on pages 54 to 89. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion,

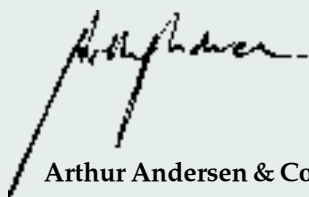
- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia and give a true and fair view of:
 - (i) the state of affairs of the Company and the Group as at 31 December, 2000 and of the results and cash flows of the Company and the Group for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements;
- (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 financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors as indicated in Note 29 to the financial statements, being financial statements that we have included in the consolidated financial statements.

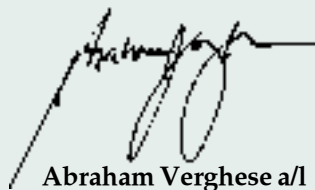
We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information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

auditors' report

The audit reports on the financial statements of the subsidiaries were not subject to any qualification or any adverse comment 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. 1664/10/02(J)
Partner of the Firm

Dated: 27 April 2001
Kuala Lumpur

balance sheets as at 31 december 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CURRENT ASSETS					
Cash and bank balances	3	315,000	364,933	74,903	115,168
Debtors	4	226,183	242,995	464,815	538,968
Stocks	5	292,537	196,736	19,684	4,680
		<u>833,720</u>	<u>804,664</u>	<u>559,402</u>	<u>658,816</u>
CURRENT LIABILITIES					
Short term borrowings	6	324,474	337,261	279,056	287,829
Creditors	7	109,677	126,670	87,746	119,809
Taxation		30,366	2,193	16,942	-
Dividend			14,632	-	14,632
		<u>464,517</u>	<u>480,756</u>	<u>383,744</u>	<u>422,270</u>
NET CURRENT ASSETS		369,203	323,908	175,658	236,546
INVESTMENTS	8	23,752	19,061	337,216	265,194
FIXED ASSETS	9	240,757	234,006	20,113	16,990
INTANGIBLE ASSETS	10	15,543	2,892	-	-
LOANS	11	(16,976)	(28,540)	(12,223)	(24,446)
DEFERRED LIABILITIES	12	(39,530)	(45,979)	(21,906)	(34,893)
MINORITY INTERESTS		(48,748)	(25,121)	-	-
		<u>544,001</u>	<u>480,227</u>	<u>498,858</u>	<u>459,391</u>
SHAREHOLDERS' FUNDS					
Share capital	13	292,630	292,630	292,630	292,630
Reserves	14	251,371	187,597	206,228	166,761
		<u>544,001</u>	<u>480,227</u>	<u>498,858</u>	<u>459,391</u>

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

income statements for the year ended 31 december 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Revenue	15	1,791,799	1,902,121	917,064	1,164,228
Cost of sales		(1,434,681)	(1,476,116)	(752,345)	(970,681)
Gross profit		357,118	426,075	164,719	193,547
Other operating income	16	19,158	30,797	12,397	35,162
Administration and other operating expenses		(257,534)	(329,888)	(108,212)	(127,321)
Profit from operations	17	100,742	126,984	68,904	101,388
Finance costs	19	(9,198)	(12,980)	(6,674)	(11,565)
Income from associates		3,428	7,120	-	-
Profit before tax		94,972	121,124	62,230	89,823
Taxation	20	(30,136)	(3,731)	(17,496)	(909)
Profit after tax		64,836	117,393	44,734	88,914
Minority interests		(6,674)	(6,237)	-	-
Net profit for the year		58,162	111,156	44,734	88,914
Basic earnings per share (sen)	22	19.88	37.94		
Fully diluted earnings per share (sen)	22	19.57	37.94		
Dividend per share (sen)		7.50	10.00		

The accompanying notes are an integral part of this statement.

statements of recognised gains and losses for the year ended 31 december 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Premium on cancellation of shares	14(f)	-	(106)	-	(106)
Surplus/(deficit) on translation of financial statements of foreign entities	14(e)	2,932	(3,327)	-	-
Surplus/(deficit) on government stockpile	14(b)	8,924	3,892	-	-
Net gains not recognised in the income statement		11,856	459	-	(106)
Net profit for the period		58,162	111,156	44,734	88,914
Total recognised gains		70,018	111,615	25,710	88,808

The accompanying notes are an integral part of this statement.

cash flow statements for the year ended
31 december 2000

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation	94,972	121,124	62,230	89,823
Adjustments for items not involving the movement of funds:				
Share of profits of associated companies	(3,428)	(7,210)	-	-
Depreciation and amortisation	18,556	15,625	3,089	3,523
Net loss/(gain) on sale of fixed assets	430	(2,069)	(24)	(102)
Provision for doubtful debts and bad debts written off	25,540	3,063	19,851	-
Intangible assets written off	828	141	-	-
(Write back of)/provision for retirement benefits	(3,412)	7,827	(8,687)	3,707
Fixed assets written off	960	-	18	-
Interest expenses	16,830	21,196	8,496	15,018
Interest income	(7,632)	(8,216)	(1,822)	(3,453)
Provision for diminution in investment	-	-	500	-
Provision for impairment of fixed assets	7,325	-	-	-
(Write back of)/provision for voluntary separation scheme	(11,975)	30,975	(11,975)	30,975
Gain on disposal of subsidiary	-	(52)	-	-
Amortisation of reserve on consolidation	-	(150)	-	-
Operating profit before working capital changes	138,994	182,344	71,676	139,491
(Increase)/decrease in debtors	(8,728)	(9,348)	54,302	(166,499)
(Increase)/decrease in stocks	(86,877)	(4,584)	(15,004)	46,779
(Decrease)/increase in creditors	(7,579)	(1,411)	(20,088)	23,191
Net cash generated from operations	35,810	167,001	90,886	42,962
Taxation paid	(2,464)	(19,169)	(2,554)	(17,008)
Interest paid	(15,957)	(21,196)	(8,496)	(15,018)
Retirement benefits paid	(2,613)	(540)	(2,300)	(434)
Net cash generated from operating activities	14,776	126,096	77,536	10,502

cash flow statements for the year ended

31 december 2000

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of subsidiaries *	-	1,478	-	-
Disposal of subsidiary **	-	228	-	-
Increase in intangible assets	-	(3,110)	-	-
Interest income received	7,632	8,216	1,822	3,453
Purchase of investment	(2,856)	(8,010)	(72,522)	(2,944)
Purchase of fixed assets	(29,699)	(32,358)	(6,488)	(3,850)
Proceeds from sale of fixed assets	1,073	3,725	282	1,017
Net cash used in investing activities	(23,850)	(29,831)	(76,906)	(2,324)
CASH FLOW FROM FINANCING ACTIVITIES				
Net (repayment)/drawdown of borrowings	(20,253)	23,208	(20,996)	46,525
(Decrease)/increase in hire purchase/lease finance	(1,139)	1,396	-	-
Share buy back	-	(1,501)	-	(1,501)
Dividend paid	(19,899)	(25,216)	(19,899)	(25,216)
Sale of shares to minority interest	-	2,919	-	-
Net cash (used in)/generated from financing activities	(41,291)	806	(40,895)	19,808
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS				
	(50,365)	97,071	(40,265)	27,986
EFFECTS OF EXCHANGE RATES CHANGES				
	4,530	(1,423)	-	-
CASH AND CASH EQUIVALENTS AT 1 JANUARY				
	354,270	258,622	115,168	87,182
CASH AND CASH EQUIVALENTS AT 31 DECEMBER				
	308,435	354,270	74,903	115,168
CASH AND CASH EQUIVALENTS COMPRISE:				
Cash and bank balances	161,283	173,512	14,103	23,988
Deposits with financial institutions	153,717	191,421	60,800	91,180
Bank overdraft	(6,565)	(10,663)	-	-
	308,435	354,270	74,903	115,168

cash flow statements for the year ended

31 december 2000

	Group	
	2000	1999
	RM'000	RM'000
* ANALYSIS OF ACQUISITION OF SUBSIDIARIES		
Debtors	-	1,470
Stocks	-	1,098
Creditors	-	(3,657)
Fixed assets	-	254
Intangible assets	-	7
Minority interest	-	(508)
Reserves arising on acquisition	-	(142)
	-	(1,478)
** ANALYSIS OF DISPOSAL OF A SUBSIDIARY		
Debtors	-	6,049
Creditors	-	(798)
Fixed assets	-	20,015
Investment	-	406
Intangible assets	-	398
Long term liabilities	-	(175)
Minority interest	-	1,762
	-	27,657
Gain on disposal	-	52
	-	27,709
Total Proceeds	-	27,709
Satisfied by assumption of intercompany balances	-	(27,481)
	-	228
Cash flow on disposal net of cash disposed	-	228

The accompanying notes are an integral part of this statement.

notes to the financial statements-

31 december 2000

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 29.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Intragroup transactions and balances are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The excess of the purchase price over the fair value of the net assets of subsidiaries at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation. Goodwill or reserve arising on consolidation is amortised in accordance with the policy referred to 2(h) below.

(c) Associated Companies

The Group treats as associated companies those companies in which the Group has a long term equity interest and where it exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies but no control over those policies. Significant influence is presumed where the Group has an equity interest of between 20% to 50%.

Investments in associated companies are accounted for in the consolidated financial statements under the equity method of accounting. Under the equity method of accounting, the Group's share of post acquisition profits less losses of associated companies is included in the consolidated income statement and the Group's interest in associated companies is stated at cost plus the Group's share of post-acquisition retained profits and reserves.

notes to the financial statements-

31 december 2000

(d) Investments

Investments in subsidiaries, associated companies and other long term investments are stated at cost less provision for any permanent diminution in value.

(e) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss. 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.

(f) Revenue Recognition

Sales are recognised net of discounts when transfer of risks and rewards has been completed.

(g) Stocks

Stocks are stated at the lower of cost (determined on weighted average basis) and net realisable value. Cost include direct materials, direct labour and appropriate production overheads.

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.

Surplus 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 income statements.

(h) Intangible Assets

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.

notes to the financial statements-

31 december 2000

(i) Currency Conversion and Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences are taken to the income statement.

Financial statements of foreign subsidiaries are translated at year-end exchange rates with respect to the balance sheet, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are taken to reserves.

The exchange rates (Ringgit Malaysia per unit of foreign currency used) ruling at balance sheet date are as follows:

	2000	1999
United States Dollars	3.80	3.80
Thai Bhat	0.0896	0.1176
Pakistan Rupee	0.0672	0.0662
Guinee Franc	0.0005	0.0006

(j) 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.

(k) Retirement Benefits

The Company and the Group has an unfunded defined scheme for eligible employees. The cost of retirement benefits under this Scheme is determined based on triennial actuarial valuation using the Projected Unit Credit Method. The last actuarial valuation was dated 6 April, 2001. Current service costs in respect of the Company's Retirement Benefit Scheme are dealt with through the income statement systematically over the expected remaining service lives of eligible employees. Surplus or deficits in the amount provided for retirement benefits arising from periodic actuarial valuations are recognised in the income statement as they arise.

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

(l) Finance Lease and Hire Purchase

Fixed assets acquired under finance lease and hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in 2(e) above. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance expenses are included as liabilities in the financial statements. Finance expenses are charged to the income statement over the period of the respective agreements using the sum-of-digit method.

notes to the financial statements-

31 december 2000

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks and deposits at call, net of outstanding bank overdrafts.

(n) Bad and Doubtful Debts

Known bad debts are written-off and doubtful debts are provided for based on estimates of possible losses which may arise from non-collection.

(o) Preliminary and Pre-operating Expenses

During the year, the Company changed its accounting policy in order to comply with Malaysian Accounting Standards Board Standard 1 : Presentation of Financial Statements to recognised preliminary and pre-operating expenses in income statements as incurred. Preliminary and pre-operating expenses previously capitalised in prior years were expensed off to the income statement during the current financial year.

3. CASH AND BANK BALANCES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Cash at bank and in hand	161,283	173,512	14,103	23,988
Deposits with:				
Licensed commercial banks	149,617	159,401	60,800	91,180
Other financial institutions	4,100	32,020	-	-
	<u>315,000</u>	<u>364,933</u>	<u>74,903</u>	<u>115,168</u>

Deposits of the Group with licensed banks of RM4,977,953 (1999 : RM3,762,251) are on lien for banking facilities granted to subsidiaries.

Included in the deposits of the Group placed with licensed banks is RM472,069 (1999 : RM315,851) which has been pledged as security for bank guarantees from the licensed bank and an amount of RM94,343 (1999 : RM51,993) pledged as security in respect of performance guarantee in favour of a customer.

notes to the financial statements-

31 december 2000

4. DEBTORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade debtors	199,807	168,852	17,192	7,915
Advances to farmers	6,004	12,733	-	-
Outstanding proceeds from disposal of subsidiaries	22,341	30,628	2,919	2,919
Insurance claim recoverables	16,995	19,895	9,837	19,895
Due from subsidiaries	-	-	450,256	495,288
Due from associated companies	12,127	15,863	-	-
Other debtors	26,928	27,603	6,924	15,413
	284,202	275,574	487,128	541,430
Provision for doubtful debts	(58,019)	(32,579)	(22,313)	(2,462)
	226,183	242,995	464,815	538,968

5. STOCKS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Paddy and rice	278,946	180,783	19,684	4,680
Spares and consumables	6,803	5,913	-	-
Raw materials	23	4,608	-	-
Finished goods	6,265	5,399	-	-
Paddy and rice by-products	500	33	-	-
	292,537	196,736	19,684	4,680

Included in the above carrying amounts of the Group are paddy and rice stocks amounting to RM104,309,958 (1999 : RM Nil), which are stated at their respective net realisable amounts.

notes to the financial statements-

31 december 2000

6. SHORT TERM BORROWINGS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Secured:				
Bank overdraft	6,565	10,663	-	-
Revolving credit facility	1,500	500	-	-
Term loans (Note 11)	2,027	968	-	-
Unsecured:				
US Dollar revolving credit facility	18,082	27,012	-	-
Bankers acceptances	284,077	285,895	266,833	275,606
Government loans (Note 11)	12,223	12,223	12,223	12,223
	<u>324,474</u>	<u>337,261</u>	<u>279,056</u>	<u>287,829</u>

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 the freehold land and building of the subsidiary with net book value of RM9,059,000 (1999 : RM9,092,000). The secured bank overdrafts bear interest of 5.0% and 9.3% (1999 : 6.80% and 8.55%) 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% (1999 : 10%) per annum.

The US Dollar revolving credit facility of the Group bears interest between 7.5% and 8.0% (1999 : 6.16% to 7.95%) per annum.

The bankers acceptances bear interest of between 3.85% and 4.35% (1999 : 3.1% to 4.5%) per annum.

notes to the financial statements-

31 december 2000

7. CREDITORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade creditors	10,863	9,798	-	-
Due to associated companies	-	-	15,232	6,149
Finance lease and hire purchase (Note 12(a))	2,522	1,006	-	-
Provision for voluntary separation scheme	19,000	30,975	19,000	30,975
Advances and retentions	1,541	1,669	1,471	1,625
Provision for staff bonus	6,286	12,000	6,286	12,000
Provision for rebates	31,370	46,000	31,370	46,000
Accruals and other creditors	38,095	25,222	14,387	23,060
	<u>109,677</u>	<u>126,670</u>	<u>87,746</u>	<u>119,809</u>

Provision for rebates has been set aside for anticipated sales incentives and promotional discounts in relation to the Group's inventory for the purpose of enhancing and strengthening the Group's market share in the distribution channel. This is in light of continued intervention cost incurred to stabilise the local industry as part of the Company's role.

8. INVESTMENTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Investment in subsidiaries (Note a)	-	-	334,360	263,694
Investment in associated companies (Note b)	23,410	18,993	2,856	1,500
Other unquoted investments	342	68	-	-
	<u>23,752</u>	<u>19,061</u>	<u>337,216</u>	<u>265,194</u>

notes to the financial statements-

31 december 2000

(a) Investment in subsidiaries

	Company	
	2000 RM'000	1999 RM'000
Unquoted shares, at cost	334,860	263,694
Provision for diminution in value	(500)	-
	<u>334,360</u>	<u>263,694</u>

The details of the subsidiaries are provided in Note 29.

(b) Investment in associated companies

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unquoted shares in Malaysia				
At cost	10,949	8,333	2,856	1,500
Share of post acquisition reserves less losses	3,738	2,983	-	-
	<u>14,687</u>	<u>11,316</u>	<u>2,856</u>	<u>1,500</u>
Unquoted shares outside Malaysia				
At cost	3,382	3,437	-	-
Share of post acquisition reserves less losses	5,341	4,240	-	-
	<u>8,723</u>	<u>7,677</u>	<u>-</u>	<u>-</u>
	<u>23,410</u>	<u>18,993</u>	<u>2,856</u>	<u>1,500</u>
Represented by:				
Share of net tangible assets	22,977	18,560		
Goodwill on acquisition	433	433		
	<u>23,410</u>	<u>18,993</u>		

The details of the associated companies are provided in Note 30.

notes to the financial statements-

31 december 2000

9. FIXED ASSETS

Group	Freehold land and buildings RM'000	Long term leasehold land and buildings RM'000	Plant and machinery RM'000	Construction work-in- progress RM'000	Others*	Total RM'000
2000						
Cost						
At 1.1.2000	17,143	22,018	177,000	11,948	62,952	291,061
Additions	1,973	6,971	9,525	873	13,994	33,336
Reclassification	7,315	108	-	(7,315)	(108)	-
Disposal	-	-	(1,413)	-	(1,354)	(2,767)
Provision for impairment	(7,845)	-	-	-	(353)	(8,198)
Write-off	-	-	(6)	-	(1,142)	(1,148)
At 31.12.2000	18,586	29,097	185,106	5,506	73,989	312,284
Accumulated Depreciation						
At 1.1.2000	807	1,810	30,857	-	23,581	57,055
Charge for the year	351	907	6,971	-	8,568	16,797
Disposal	-	-	(381)	-	(883)	(1,264)
Provision for impairment	(116)	-	-	-	(757)	(873)
Write-off	-	-	(2)	-	(186)	(188)
At 31.12.2000	1,042	2,717	37,445	-	30,323	71,527
Net Book Value						
At 31.12.2000	17,544	26,380	147,661	5,506	43,666	240,757
At 31.12.1999	16,336	20,208	146,143	11,948	39,371	234,006
Depreciation charge for 1999	317	519	7,651	-	6,938	15,425

notes to the financial statements-

31 december 2000

Company	Long term leasehold land and buildings RM'000	Plant and machinery RM'000	Construction work-in-progress RM'000	Others* RM'000	Total RM'000
Cost					
At 1.1.2000	2,113	3,383	289	17,495	23,280
Additions	1,021	-	1,019	4,448	6,488
Reclassification	108	-	-	(108)	-
Transfer	-	-	-	(66)	(66)
Disposal	-	-	-	(728)	(728)
Write-off	-	-	-	(72)	(72)
At 31.12.2000	3,242	3,383	1,308	20,969	28,902
Accumulated Depreciation					
At 1.1.2000	124	158	-	6,008	6,290
Charge for the year	271	314	-	2,504	3,089
Reclassification	34	-	-	(34)	-
Transfer	-	-	-	(36)	(36)
Disposal	-	-	-	(500)	(500)
Write-off	-	-	-	(54)	(54)
At 31.12.2000	429	472	-	7,888	8,789
Net Book Value					
At 31.12.2000	2,813	2,911	1,308	13,081	20,113
At 31.12.1999	1,989	3,225	289	11,487	16,990
Depreciation charge for 1999	180	849	-	2,494	3,523

notes to the financial statements-

31 december 2000

* Other fixed assets include furniture and fitting, office equipment, renovations, computer equipment and software and motor vehicles.

Included in the land, buildings and machinery of the Group are assets with net book value of RM487,188 (1999 : RM492,341) pledged as security for credit 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:

	2000 RM'000	1999 RM'000
Motor vehicles	6,716	3,587
Plant and machinery	1,945	165

The fixed assets additions of the Group acquired under hire purchase agreements during the year are as follows:

	2000 RM'000	1999 RM'000
Motor vehicles	2,093	3,065
Plant and machinery	1,544	113

Included in fixed assets of the Company and the Group are fully depreciated assets which are still in use costing RM2,998,131(1999 : RM1,544,807).

notes to the financial statements-

31 december 2000

10. INTANGIBLE ASSETS

	Group	
	2000 RM'000	1999 RM'000
Goodwill		
As at 1 January	1,622	-
Transfer from reserve on consolidation (Note 14(c))	(977)	-
Arising from acquisition of additional interest in existing subsidiaries	16,215	1,772
Amortisation	(1,709)	(150)
As at 31 December	15,151	1,622
Trade marks		
As at 1 January	442	492
Amortisation	(50)	(50)
As at 31 December	392	442
Preliminary expenses	-	32
Pre-operating expenses	-	796
	15,543	2,892

11. LOANS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Government loans	24,446	36,669	24,446	36,669
Amount repayable within 12 months included in short term borrowings (Note 6)	(12,223)	(12,223)	(12,223)	(12,223)
	12,223	24,446	12,223	24,446
Term loans - secured	6,780	5,062	-	-
Amount repayable within 12 months included in short term borrowings (Note 6)	(2,027)	(968)	-	-
	4,753	4,094	-	-
	16,976	28,540	12,223	24,446

notes to the financial statements-

31 december 2000

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.

The secured term loans of the Group mature as follows:

	Group	
	2000	1999
	RM'000	RM'000
Within one year	2,027	968
Within 1 to 2 years	1,433	1,461
Within 2 to 5 years	2,294	1,748
More than 5 years	1,026	885
	6,780	5,062

The term loans bear interest at between 4% and 10% (1999 : 6.5% and 10%) per annum.

The secured term loans are secured on the following:

- Fixed deposits of the Group amounting to RM4,977,953 (1999 : RM3,762,251).
- Land and buildings of subsidiary companies with a net book value of RM8,893,668 (1999 : RM8,928,812)
- Plant and machinery of a subsidiary with a net book value of RM165,251 (1999 : RM163,428).

12. DEFERRED LIABILITIES

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Hire purchase and finance				
lease creditors (Note (a))	3,018	2,036	-	-
Deferred taxation (Note (b))	3,754	4,988	-	2,000
Provision for retirement benefits	32,582	38,607	21,906	32,893
Land premium payable	176	348	-	-
	39,530	45,979	21,906	34,893

notes to the financial statements-

31 december 2000

	Group	
	2000	1999
	RM'000	RM'000
(a) Hire purchase and finance lease creditors		
Future minimum lease payment are as follows:		
Payable with one year	2,930	3,684
Payable within one to five years	3,735	-
	<hr/>	<hr/>
	6,665	3,684
Less : Interest suspense	(1,125)	(642)
	<hr/>	<hr/>
	<u>5,540</u>	<u>3,042</u>
Representing hire purchase and lease liabilities		
Due within twelve months (Note 7)	2,522	1,006
Due after twelve months	3,018	2,036
	<hr/>	<hr/>
	<u>5,540</u>	<u>3,042</u>

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
(b) Deferred taxation				
At 1 January	4,988	947	2,000	-
Transfer (to)/from income statement	(1,234)	4,041	(2,000)	2,000
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	<u>3,754</u>	<u>4,988</u>	<u>-</u>	<u>2,000</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 amounting to RM13,407,000 (1999 : RM17,812,000).

notes to the financial statements-

31 december 2000

13. SHARE CAPITAL

	Group and Company	
	2000	1999
	RM'000	RM'000
Authorised:		
One Special Rights Redeemable Preference Share ("Special Share") of RM1*	-	-
Ordinary shares of RM1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
One Special Share of RM1 each*		
Ordinary shares of RM1 each:		
As at 1 January	292,630	294,025
Cancelled during the year	-	(1,395)
	<u>292,630</u>	<u>292,630</u>

* Special share:

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.

notes to the financial statements-

31 december 2000

- (f) 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.

Employees' Share Option Scheme ("ESOS")

As at 31 December, 2000, the balance of the shares under option remaining unexercised is 23,397,000 ordinary shares of RM1.00 each. No options have been exercised up to the date of this report.

14. RESERVES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Non-distributable				
Capital reserve (Note (a))	614	614	600	600
Stockpile fluctuation reserve (Note (b))	13,327	4,403	511	511
Reserves arising on consolidation (Note (c))	-	977	-	-
Capital redemption (Note (d))	7,370	7,370	7,370	7,370
Exchange equalisation reserve (Note (e))	141	(2,791)	-	-
Distributable				
Retained profits (Note (f))	229,919	177,024	197,747	158,280
	<u>251,371</u>	<u>187,597</u>	<u>206,228</u>	<u>166,761</u>
(a) Capital reserve	<u>614</u>	<u>614</u>	<u>600</u>	<u>600</u>
(b) Stockpile fluctuation reserve				
As at 1 January	<u>4,403</u>	<u>511</u>	<u>511</u>	<u>511</u>
Transfer from government stockpile	<u>8,924</u>	<u>3,892</u>	<u>-</u>	<u>-</u>
As at 31 December	<u>13,327</u>	<u>4,403</u>	<u>511</u>	<u>511</u>

notes to the financial statements-

31 december 2000

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
(c) Reserves arising on consolidation				
As at 1 January	977	985	-	-
Transfer to goodwill (Note 10)	(977)	-	-	-
Reserves arising during the year	-	142	-	-
Amortisation for the year		(150)	-	-
As at 31 December	<u>-</u>	<u>977</u>	<u>-</u>	<u>-</u>
(d) Capital redemption reserve				
As at 1 January	7,370	5,975	7,370	5,975
Cancellation of shares during the year	-	1,395	-	1,395
As at 31 December	<u>7,370</u>	<u>7,370</u>	<u>7,370</u>	<u>7,370</u>
(e) Exchange equalisation reserve				
As at 1 January	(2,791)	536	-	-
Arising during the year	2,932	(3,327)	-	-
As at 31 December	<u>141</u>	<u>(2,791)</u>	<u>-</u>	<u>-</u>
(f) Retained profits				
As at 1 January	177,024	96,632	158,280	100,130
Net profit for the year	58,162	111,156	44,734	88,914
Transfer to capital redemption reserve	-	(1,395)	-	(1,395)
Premium on cancellation of shares	-	(106)	-	(106)
Profits available for appropriation	<u>235,186</u>	<u>206,287</u>	<u>203,014</u>	<u>187,543</u>
Dividends (Note 21)	(5,267)	(29,263)	(5,267)	(29,263)
As at 31 December	<u>229,919</u>	<u>177,024</u>	<u>197,747</u>	<u>158,280</u>

notes to the financial statements-

31 december 2000

15. REVENUE

Revenue of the Company and of the Group represents the invoiced value of goods sold, net of returns and discounts.

16. OTHER OPERATING INCOME

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Included in other operating income are the following:				
Rental income	52	55	-	-
Gain on disposal of fixed assets	203	2,069	24	102
Gain on foreign exchange	22	214	1,118	203
Gain on disposal of subsidiary	-	52	-	-

17. PROFIT FROM OPERATIONS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Profit from operations is stated after charging/ (crediting):				
Auditors' remuneration	490	482	80	80
Amortisation of intangible asset	50	50	-	-
Amortisation of goodwill	1,709	150	-	-
Depreciation	16,797	15,425	3,089	3,523
Directors fees	278	33	278	33
Loss on disposal of fixed assets	633	-	-	-
Provision for doubtful debts	25,540	1,994	19,851	-
Provision for diminution in investment	-	-	500	-
Fixed assets written-off	960	-	18	-
Bad debts written off	-	1,069	-	-
Provision for impairment of fixed assets	7,325	-	-	-
Preliminary and pre-operating assets written-off	828	141	-	-

notes to the financial statements-

31 december 2000

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Rental expense	15,411	13,838	2,557	3,417
Staff costs (Note 18)	103,618	111,857	17,705	44,914
(Write-back)/provision for voluntary separation scheme compensation	(11,975)	30,975	(11,975)	30,975

18. STAFF COSTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Included in staff cost are:				
Directors remuneration*	292	276	292	276
(Write-back)/provision for retirement benefit	(3,412)	7,827	(8,687)	3,707
Provision for staff bonus	-	12,000	-	12,000

* The estimated monetary value of non-cash benefit received by the directors not included in directors remuneration is RM11,954 (1999 : RM18,100).

19. FINANCE COSTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Finance costs include:				
Interest expense	(16,830)	(21,196)	(8,496)	(15,018)
Interest income	7,632	8,216	1,822	3,453
	(9,198)	(12,980)	(6,674)	(11,565)

notes to the financial statements-

31 december 2000

20. TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Current year's provision	28,112	13	16,942	-
Share of tax associated companies	733	657	-	-
Underprovision/(overprovision) in respect of prior year	2,525	(980)	2,554	(1,091)
Transfer (from)/to deferred taxation	(1,234)	4,041	(2,000)	2,000
	<u>30,136</u>	<u>3,731</u>	<u>17,496</u>	<u>909</u>

The effective tax rate on the Group's profit is higher than the statutory tax rate due to losses of subsidiaries that are not available for set off against taxable income of other subsidiaries. The effective tax rate of the Company was lower than the statutory tax rate in the current financial year due to reversal of disallowed expenses recognised in prior year.

As at 31 December, 2000, the Company had tax exempt profits available for distribution of approximately RM110,000,000 subject to agreement with the Inland Revenue Board. The Company also has sufficient tax credit under section 108 of the Income Tax Act, 1967 to frank the payment of dividend amounting to RM43,800,000 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 RM12,300,000.

21. DIVIDENDS

	Group and Company		Dividend per Share	
	2000 RM'000	1999 RM'000	2000 Sen	1999 Sen
Interim dividend of 2.5% less 28% tax (1999 : 5% tax exempt)	5,267	14,631	2.5	5.0
Final tax exempt dividend of 5%	-	14,632	-	5.0
	<u>5,267</u>	<u>29,263</u>		

Subject to approval by the shareholders at the forthcoming Annual General Meeting, the directors propose a final tax exempt dividend of 5% amounting to RM14,631,500 in respect of the year ended 31 December, 2000. These financial statements do not reflect this final dividend which will be accounted for in the year ending 31 December, 2001 when approved by shareholders.

notes to the financial statements-

31 december 2000

22. EARNINGS PER SHARE - GROUP

The basic earnings per share is calculated by dividing the consolidated profit after tax and minority interests of RM58,162,000 (1999 : RM111,156,000) by the number of ordinary shares in issue during the year of 292,630,000 (1999 : 292,978,500) shares of RM1.00.

The fully diluted earnings per share is calculated by dividing the adjusted Group earning of RM58,621,000 by the weighted average number of ordinary shares of 299,489,000 that would have been in issue as at 15 September, 2000 had all the ESOS been exercised at that date. The adjusted Group earnings was arrived at after adding on the notional interest savings from retirement of borrowings at an average interest rate of 6% and notional interest income from fixed deposits at an average interest rate of 3% per annum net of taxation.

In previous financial year, the fully diluted earnings per share was the same as the basic earnings per share as there was no ESOS in issue.

23. 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:

	2000	1999
	RM'000	RM'000
Balance as at 1 January	41,210	34,707
Add : Government subsidy fund received	438,000	410,000
Interest income	1,100	2,298
Less : Payments during the year	(431,454)	(405,795)
	<hr/>	<hr/>
Balance as at 31 December	48,856	41,210

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.

notes to the financial statements-

31 december 2000

24. CAPITAL COMMITMENTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Capital expenditure authorised and contracted for	1,947	3,798	-	-
Capital expenditure authorised but not contracted for	6,409	1,035	-	-
	<u>8,356</u>	<u>4,833</u>	<u>-</u>	<u>-</u>

25. CONTINGENT LIABILITIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Corporate guarantee for bank facilities of certain subsidiaries (unsecured)	-	-	245,565	29,444
Corporate guarantee for bank facilities of associated companies (unsecured)				
- Active Agri Company Limited	15,200	-	-	-
- BERNAS Feedstuff Sdn Bhd	3,400	-	3,400	-

Active Agri Company Limited is an associated company of Keongco Holdings Sdn Bhd, an associated company of the Company.

26. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	Company	
	2000 RM'000	1999 RM'000
(a) Purchases from and services rendered by subsidiaries	<u>155,044</u>	<u>168,601</u>
(b) Sales to subsidiaries	<u>917,064</u>	<u>813,738</u>

notes to the financial statements-

31 december 2000

	2000	Group 1999
	RM'000	RM'000
(c) Sales to associated companies		
- BERNAS Feedstuff Sdn Bhd	12,083	11,088
- Kilang Beras Fajar Sdn Bhd and its subsidiaries	11,783	-
- Ban Heng Bee (1952) Rice Mill Sdn Bhd	560	-
- Serba Wangi Sdn Bhd and its subsidiaries	92,868	17,453
	<hr/>	<hr/>
(d) Purchase from associated companies		
- Qaiser Norman BERNAS Limited	54,343	50,150
- Asian Peninsula Corporation Ltd	304,862	520,996
- BERNAS In Line Agencies Sdn Bhd	109	-
	<hr/>	<hr/>

The directors are of the opinion that the above transactions are entered into in the normal course of business.

The pricing for sales to subsidiary and associated companies and services provided by subsidiary companies are determined on a cost plus basis.

Purchases from associated companies are based on arms-length terms which are no less favourable than offered to third parties.

27. SIGNIFICANT AND SUBSEQUENT EVENTS

- (a) 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;
- (b) 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;
- (c) On 31 March, 2000, BERNAS Engineering & Technology Sdn Bhd has mutually agreed to terminate the joint venture with Kejuruteraan Mekelek (M) Sdn Bhd by entering into a deed of revocation and mutual release;
- (d) On 16 May, 2000, BERNAS Overseas (L) Limited ("BOL") has disposed its entire interest in BERNAS MIA Mega Food (China) Limited of 50% to the current shareholder namely MIA Mega Fortune Berhad;

notes to the financial statements-**31 december 2000**

- (e) On 20 June, 2000, Jasmine Food Corporation Sdn Bhd ("JFC") entered into a joint venture agreement with Joo Seng Edar Sdn Bhd to set up a joint venture for the purpose of carrying on the business of distribution, selling and transporting of rice. The joint venture agreement will result in JFC holding 306,000 shares representing 51% equity in the joint venture company, JS Jasmine Sdn Bhd;
- (f) The Company's ESOS was approved by an extraordinary general meeting held on 27 June 2000;
- (g) On 19 August, 2000, Beras Corporation Sdn Bhd acquired the remaining 1,127,000 shares representing 49% equity interest in its existing subsidiary Dayabest Sdn Bhd for a consideration of RM1,764,000.
- (h) On 8 September, 2000, the Company entered into a joint venture agreement with United Rice Wholesalers Sdn Bhd to set up a joint venture agreement of carrying on the business in the development of food distribution network particularly in rice and other food products. The joint venture agreement will result in the Company holding an equity of 50% plus 1 share in Consolidated BERNAS United Distributors Sdn Bhd;
- (i) On 11 September, 2000, BERNAS Logistics Sdn Bhd acquired 147,002 ordinary shares of RM1 each in BERNAS In Line Agencies Sdn Bhd representing 49% of its issued and paid up share capital for a cash consideration of RM147,002. The principal activities of the Company being the provision of freight forwarding services;
- (j) On 11 January, 2001 BERNAS Dominals Sdn Bhd ("BDSB") entered into a shareholders agreement and a share sale agreement with R.S.Y. Sdn Bhd to establish a venture for the purpose of carrying on the business of manufacturing "beehoon" and "beehoon laksa". The agreements will result in BDSB holding 3,457,500 shares, representing 50% equity in the joint venture company, Rasayang Food Industries Sdn Bhd for a cash consideration of RM3,457,500;
- (k) On 15 January, 2001, the Company entered into a conditional share sale agreement with Ben Foods (Malaysia) Sdn Bhd for the acquisition of 30% of the issued share capital of RM17,142,857 in Gardenia Bakeries (KL) Sdn Bhd for a cash consideration of RM54,800,000. Completion of the above proposed acquisition is subject to the approval of the various authorities;
- (l) On 31 January, 2001 Beras Corporation Sdn Bhd acquired another 17% equity interest in Sazarice Sdn Bhd amounting to 144,500 shares for a cash consideration of RM1,000,000;
- (m) On 8 February, 2001 Syarikat Faiza Sdn Bhd entered into a conditional share sale agreement with the existing shareholders for the acquisition of 51% of the issued share capital of RM600,000 in Lee Hup & Company Sdn Bhd for a cash consideration of RM352,500.

notes to the financial statements-

31 december 2000

28. 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.

29. SUBSIDIARIES

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

Name of Company	Effective Interest		Principal Activities
	2000 %	1999 %	
Incorporated in Malaysia			
BERNAS Utama Sdn Bhd	100	100	Processing and trading of rice
Syarikat Faiza Sdn Bhd	51	51	Trader, distributor and supplier of rice
YHL Holding Sdn Bhd	51	51	Investment holding
Yew Heng Leong (KL) Sdn Bhd	51	51	Trader, distributor and supplier of rice
Sinsan Tien Seng (Johor) Sdn Bhd	51	51	Trader, distributor and supplier of rice
Xeng Heng (M) Sdn Bhd	51	51	Trader, distributor and supplier of rice
Sin Hock Soon Trading (Kedah) Sdn Bhd	51	51	Trader, distributor and supplier of rice
YHL Trading (Melaka) Sdn Bhd	51	-	Dormant
YHL Trading (Terengganu) Sdn Bhd	51	-	Dormant
YHL (Kuantan) Sdn Bhd	51	-	Dormant
BERNAS Perdana Sdn Bhd	100	100	Processing and trading of rice
Jasmine Food Corporation Sdn Bhd	51	51	Trader, distributor and supplier of rice
Jasmine Food (Ipoh) Sdn Bhd	51	51	Trader, distributor and supplier of rice

notes to the financial statements-

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Name of Company	Effective Interest		Principal Activities
	2000 %	1999 %	
Incorporated in Malaysia			
Jasmine Food (Alor Setar) Sdn Bhd	51	51	Trader, distributor and supplier of rice
Jasmine Food (Johor Bahru) Sdn Bhd	51	51	Trader, distributor and supplier of rice
Jasmine Khidmat dan Harta Sdn Bhd	51	51	Letting of properties
JS Jasmine Sdn Bhd (formerly known as Joo Seng Edar Sdn Bhd)	51	-	Trader, distributor and supplier of rice
Jasmine Food (Seremban) Sdn Bhd	51	-	Dormant
Jasmine Food (Prai) Sdn Bhd	51	51	Trader, distributor and supplier of rice
Jasmine Rice Mill (Tunjang) Sdn Bhd	51	51	Rice miller and rice trader
Jasmine Rice Product Sdn Bhd	51	51	Manufacturing and sale of vermicelli
Era Rangkaian Setia Sdn Bhd	100	100	Processing and trading of rice
Era Bayam Kota Sdn Bhd	60	60	Trader, distributor and supplier of rice
Beras Corporation Sdn Bhd	100	100	Processing and trading of rice
Sazarice Sdn Bhd	51	51	Trader, distributor and supplier of rice
Dayabest Sdn Bhd	100	51	Trader, distribution and supplier of rice
Haskarice Sdn Bhd	51	26	Trader, distributor and supplier of rice
Hock Chiong Foodstuff Sdn Bhd	51	26	Trader, distributor and supplier of rice

notes to the financial statements-

31 december 2000

Name of Company	Effective Interest		Principal Activities
	2000 %	1999 %	
Incorporated in Malaysia			
Ban Say Tong Sdn Bhd	51	26	Trader, distributor and supplier of rice
Tong Seng Huat Rice Trading Sdn Bhd	51	26	Trader, distributor and supplier of rice
Belikmart Corporation Sdn Bhd	100	100	Dormant
BERNAS (Sabah) Sdn Bhd	100	100	Dormant
BERNAS (Sarawak) Sdn Bhd	100	100	Dormant
BERNAS Dominals Sdn Bhd	100	100	Manufacturing and trading of rice by-products
BERNAS Chaff Products Sdn Bhd	51	51	Manufacturing and trading of horse food
BERNAS Mart Sdn Bhd	100	100	Dormant
BERNAS Food Catering Sdn Bhd	100	100	Dormant
BM Agrotech Sdn Bhd	61	61	Investment holding
Padi Gedong Sdn Bhd	61	61	Letting of machinery
BERNAS Marditech Seed Sdn Bhd	75.5	75.5	Paddy seed production
BERNAS Logistics Sdn Bhd	100	100	Provision of logistics services
BERNAS Shipping Agencies Sdn Bhd	100	100	Dormant
BERNAS Engineering & Technology Sdn Bhd	100	100	Provision of engineering services
P.B. Construction & Supplies Sdn Bhd	100	100	Provision of construction services
BERNAS Realty & Development Sdn Bhd	100	100	Maintenance of business premises and consultancy
Valorlite Resources Sdn Bhd	100	100	Trading of plastic packaging materials

notes to the financial statements-

31 december 2000

Name of Company	Effective Interest		Principal Activities
	2000 %	1999 %	
Incorporated in Malaysia			
BERNAS Overseas (L) Limited	100	100	Offshore investment holding company
BERNAS Marditech Project Development Sdn Bhd	100	100	Dormant
BERNAS Agroproduce Sdn Bhd	100	100	Dormant
BERNAS Organic Soil (M) Sdn Bhd	100	100	Dormant
Rib Beef Sdn Bhd	100	100	Dormant
BERNAS Fisheries Sdn Bhd	100	100	Dormant
BERNAS - KME Sdn Bhd	100	100	Dormant
BERNAS Agrogreen Sdn Bhd	100	100	Dormant
Consolidated BERNAS United Distributors Sdn Bhd*	50+ 1 share	-	Rice trading
Incorporated in the British Virgin Islands			
Selsun Ltd	100	100	Dormant
Silver Glen International Ltd	51	51	Dormant
Bernas China Corporation*	95	95	Rice trading
Incorporated in the Republic of Guinea			
Societe BERNAS De Guinee *	80	80	Paddy cultivation, processing, trading and poultry

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

notes to the financial statements-

31 december 2000

30. ASSOCIATED COMPANIES

Name of Company	Effective Interest		Principal Activities
	2000 %	1999 %	
Incorporated in Malaysia			
BERNAS Feedstuff Sdn Bhd	49	49	Manufacture, trading of animal feed
BERNAS In Line Agencies Sdn Bhd	49	-	Provision of freight services
Kilang Beras Fajar Sdn Bhd	49	49	Rice miller
Fajar Jerlun Sdn Bhd	49	49	Trader, distributor and supplier of rice
Fajar Jerlun (Negeri Sembilan) Sdn Bhd	49	49	Dormant
Ban Heng Bee (1952) Rice Mill Sdn Bhd	20	20	Rice miller
Serba Wangi Sdn Bhd	52	52	Trader, distributor and supplier of rice
Serba Wangi JH Sdn Bhd (formerly known as JH transport and Rice Trading Sdn Bhd)	26.5	26.5	Trader, distributor and supplier of rice
Serba Wangi (KL) Sdn Bhd (formerly known as Nash (M) Sdn Bhd)	52	52	Trader, distributor and supplier of rice
Keongco Holdings Sdn Bhd	20	-	Investment holding
Keongco Malaysia Sdn Bhd	20	-	Investment holding and importing, wholesaling and exporting commodities consisting garlic, onion, dried chillies, ginger, beans and rice
Honeyco Food Industries Sdn Bhd	20	-	Processing and sale of fried onions
Central Eight (M) Sdn Bhd	20	-	Letting of properties

notes to the financial statements-

31 december 2000

Name of Company	Effective Interest		Principal Activities
	2000 %	1999 %	
Incorporated in Thailand			
Asian Peninsula Corporation Ltd	49	49	Rice trading
Incorporated in Pakistan			
Qaiser Noman BERNAS Limited	50	50	Rice trading

32. COMPARATIVE FIGURES

The presentation of the financial statements for the current year has been changed to adopt the format as prescribed by Malaysian Accounting Standards Board Standard 1 : Presentation of Financial Statements. Comparative figures have been reclassified to conform with this presentation, where necessary.

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, most of the landed properties have been leased to BERNAS and the other are being finalised.

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

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
PERLIS				
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

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
KEDAH				
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
GM 42, Lot 3, Sek. I Bandar Guar Cempedak Daerah Yan	Rice mill complex	1975	0.50 (1.24)	1.00
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

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
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
GM 1841, Lot 4424 Mukim Jerlun Daerah Kubang Pasu	Rice mill complex	1975	3.20 (7.90)	1.00

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
HS (M) 1/1982, PT 9 Mukim Telok Kechai Daerah Kota Setar	Rice mill complex	1975	1.01 (2.50)	1.00
GM 79, Lot 625 Mukim Telok Kechai Daerah Kota Setar	Rice mill complex	1975	2.19 (5.40)	1.00
HS (M) 3/1992, PT 1535 Mukim Telok Kechai Daerah Kota Setar	Rice mill complex	1975	1.79 (4.41)	1.00
HS (M) 2/1974, PT 3 Mukim Telok 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, 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

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
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
G 3409, Lot 2319 Mukim Tunjang Daerah Kubang Pasu	Vacant land	-	4.12 (10.18)	1.00
HSM (M) 28-93 Lot 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

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
PULAU PINANG				
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 BMA/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
PERAK				
PN No. 42983, 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 Daerah Tengah (Kompleks Sg Dedap)	Rice mill complex	1984	10.81 (26.70)	1.00
PT 1796, Mukim Kota Setia Daerah Perak Tengah (Kompleks Changkat Lada)	Rice mill complex	1993	10.93 (27.00)	1.00
PT 1797, Mukim Kota Setia Daerah Perak Tengah (Kompleks Sg Ranggam)	Rice mill complex	1993	10.81 (26.70)	1.00

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
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 Daerah Sebatang Daerah Hilir Perak	Rice mill complex	1931	6.16 (15.21)	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

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
CT 10130, Lot 1945 Mukim Parit Buntar Daerah Krian	Warehouse	1931	2.15 (5.3)	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
SELANGOR				
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

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
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 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
NEGERI SEMBILAN				
HS (D) Lis 811, PT 1329 (Plot 75 A) Mukim Ampangan Daerah Seremban	Warehouse	1983	1.62 (4.00)	1.00
MELAKA				
ACT 13, Mukim Village of Bt. Berendam Daerah Melaka Tengah	Warehouse	1989	0.49 (1.20)	1.00
HS (M) 3209, PT 1527 Mukim Kelemak Daerah Alor Gajah	Warehouse	1995	3.31 (8.18)	1.00
G 10590, Lot 3240 Mukim Batu Berendam Daerah Alor Gajah	Vacant land	-	3.38 (8.35)	1.00

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
JOHOR				
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
PAHANG				
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
HS (D) 2798 PT 468, (Lot 63 & 64) Mukim Songsang Daerah Temerloh	Warehouse	1981	1.60 (3.95)	1.00
HS (D) 3576 PT 4313 Mukim Pahang Tua Daerah Pekan	Padi purchasing centre	1986	2.72 (6.73)	1.00

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
TERENGGANU				
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
KELANTAN				
GN 13803, Lot 2453 Mukim Peringat Daerah Jajahan Kota Bharu	Rice mill complex	1970	7.26 (17.92)	1.00
GN 13804, Lot 2454 Mukim Peringat Daerah Jajahan Kota Bharu	Rice mill complex	1970		1.00
GN 13805, Lot 2455 Mukim Peringat, Daerah Jajahan Kota Bharu	Rice mill complex	1970		1.00
Pajakan Negeri No. Pendaftaran 1840 Lot 2784, Mukim Peringat Daerah Jajahan Kota Bharu	Rice mill complex	1970		1.00

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
HS (D) T 1/78, PT 5 Mukim Selehong South Daerah Terbok Jajahan Tumpat	Rice mill complex	1970	4.05 (10.00)	1.00
HS (D) P.P. 32/85 PT 387, Mukim Pdg Pak Amat Daerah Bt Sebutir 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 Bharu	Warehouse	1978		3.36 (8.29)
HS (D) KB. 311/76 PT 14, Mukim Buloh Poh Daerah Kadok Jajahan Kota Bharu	Warehouse	1978	0.89 (2.20)	1.00
PN 2204, Lot 2305 Mukim Langgar Daerah Jajahan Kota Bharu	Office	1994	0.26 (0.63)	1.00
PN 2205, Lot 2052 Mukim Lundang Daerah Jajahan Kota Bharu	Office	1994	0.59 (1.46)	1.00

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
PT 798 (sbhg drp Lot 1908, 1140 & Lot 2304) Mukim Langgar Daerah Kubang Kerian Jajahan Kota Bharu	Office	1994	0.59 (1.46)	1.00
PN 1831, Lot 1736 Mukim Chekli Daerah Beta Jajahan Kota Bharu	Vacant land	-	5.54 (13.69)	1.00
SABAH				
CL 015424549 Lot 85, Likas Daerah Kota Kinabalu	Warehouse and office	1981	3.06 (7.55)	1.00
TL 057504613 LA 80050271 Kudat Town Daerah Kudat	Warehouse	1981	0.81 (2.00)	1.00
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

list of landed properties

LOCATION	EXISTING USE	YEAR OF BUILDING	LAND AREA HECTARE (ACRE)	NET BOOK VALUE AS AT 31/12/2000 (RM)
TL 077552731 LA 79072208 Sandakan Daerah Sandakan	Warehouse	1981	1.14 (2.82)	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	Padi purchasing centre	1992	8.10 (20.00)	1.00
SARAWAK				
State Lease Code No 323/26/1019 Lot 1019 Blok No 26 Kimena Land District Bintulu Division	Warehouse	1995	1.69 (4.18)	1.00
State Lease GN No 499/2, Lot 478 Blok No 19 Seduan Land District Sibu Division	Warehouse	1983	2.67 (6.59)	1.00
State Lease 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 twenty (20) shareholders

as at 16 april 2001

Shareholders	Account No.	No. of shares held	%
1. Budaya Generasi (M) Sdn Bhd	0025743139	62,384,000	21.32
2. Serba Etika Sdn Bhd	0032336562	27,929,000	9.54
3. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Pledged Securities A/C For Budaya Generasi (M) Sdn Bhd</i>	0025872714	15,438,000	5.28
4. Lembaga Tabung Angkatan Tentera	0003317161	15,272,000	5.22
5. Arab-Malaysian Nominees (Tempatan) Sdn Bhd <i>Pledged Securities A/C For Budaya Generasi (M) Sdn Bhd</i>	0032604795	14,731,000	5.03
6. Perbadanan Nasional Berhad	0032146052	10,971,000	3.75
7. Cartaban Nominees (Asing) Sdn Bhd <i>(Credit Suisse Singapore - Wang Tak Company Limited)</i>	0032148850	10,450,000	3.57
8. Lembaga Tabung Haji	0000325043 0000566737 0000321711 0009776337	5,615,000	1.92
9. Alliedban Nominees (Tempatan) Sdn Bhd <i>Phileo Asset Management For Phileo Allied Bank (MAL) Bhd</i>	0007461239	5,000,000	1.71
10. Mayfin Nominees (Tempatan) Sdn Bhd <i>Pledged Securities A/C For Budaya Generasi (M) Sdn Bhd</i>	0025871633	4,000,000	1.37
11. Wang Tak Company Limited	0023823982	2,349,000	0.80
12. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>BNP Paribas Nominees Singapore Pte Ltd For Contend Investments Ltd</i>	0021870282	2,186,000	0.75
13. Arab-Malaysian Nominess (Tempatan) Sdn Bhd <i>Assar Asset Management Sdn Bhd For Tabung Baitulmal Sarawak (Majlis Islam Sarawak)</i>	0032049363	2,000,000	0.68
14. Employees Provident Fund Board	0004488797	1,824,000	0.62
15. Yayasan Pok Rafeah Berdaftar	0018482398	1,500,000	0.51
16. PRB Nominees (Tempatan) Sdn Bhd <i>Rubber Industry Smallholders Development Authority</i>	0021842430	1,268,000	0.43

top twenty (20) shareholders as at 16 april 2001

Shareholders	Account No.	No. of shares held	%
17. HSBC Nominees (Asing) Sdn Bhd <i>HSBCIT HK For JF Malaysia Trust</i>	0026221853	1,250,000	0.43
18. DB (Malaysia) Nominees (Asing) Sdn Bhd <i>UBS AG Singapore For Pacific Investment Fund</i>	0021692397	1,120,000	0.38
19. Alliedban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities A/C For Lee Keng Hong (188A)</i>	0012933263	994,000	0.34
20. CIMB Nominees (Tempatan) Sdn Bhd <i>Economic Planning Unit Approved Investors</i>	0021072996	916,000	0.32
TOTAL		187,197,000	63.97

substantial shareholders as at 16 april 2001

Name	No. of Shares Direct	Held Indirect	% of Issued Capital
1. Budaya Generasi (M) Sdn Bhd	62,384,000	*34,169,000	32.99
2. Serba Etika Sdn Bhd	27,929,000	-	9.54
3. Lembaga Tabung Angkatan Tentera	15,272,000	-	5.22
4. Wang Tak Company Limited	2,349,000	**10,450,000	4.37
5. Perbadanan Nasional Berhad	10,971,000	-	3.75

Notes

* By virtue of shares held through Kuala Lumpur City Nominees (Tempatan) Sdn Bhd, Arab-Malaysian Nominees (Tempatan) Sdn Bhd and Mayfin Nominees (Tempatan) Sdn Bhd

** By virtue of shares held through Cartaban Nominees (Asing) Sdn Bhd

shareholders statistical report as at 16 april 2001

Authorised Capital : RM1,000,000,001.00

Issued & 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.

Size of Holding	No of Shares	% of Total Shares	No of Holders	% Total Holders
Less than 1,000	67,900	0.02	137	0.68
1,000 – 10,000	45,118,600	15.42	18,595	92.46
10,001 – 100,000	34,301,501	11.72	1,255	6.24
100,001 to less than 5%	77,388,000	26.45	119	0.59
5% and above if issues shares	135,754,000	46.39	5	0.03
TOTAL	292,630,001	100	20,111	100



corporate directory

RICE BUSINESS

1. BERNAS UTAMA SDN BHD (426816-D)

468, Batu 3
Jalan Ipoh
51200 Kuala Lumpur

Tel : 03-40454873

Fax : 03-40434740

Head, Production

Haji Amiruddin Bin Ahmad Tajuddin

Head, Warehousing

Haji Abd Hamid Bin Abu Hasan

2. BERNAS PERDANA SDN BHD (432361-P)

Level 3, Kompleks PKNS (Phase II)
40000 Shah Alam
Selangor

Tel : 03-55192871

Fax : 03-55197651

Head, Production

Haji Amiruddin Bin Ahmad Tajuddin

Head, Warehousing

Haji Abd Hamid Bin Abu Hasan

3. ERA RANGKAIAN SETIA SDN BHD (428934-K)

468, Batu 3
Jalan Ipoh
51200 Kuala Lumpur

Tel : 03-40454727

Fax : 03-40454524

Head, Production

Haji Amiruddin Bin Ahmad Tajuddin

Head, Warehousing

Haji Abd Hamid Bin Abu Hasan

corporate directory

4. YHL HOLDING SDN BHD (452413-V)

44, Jalan Tanming Dua
Taman Tanming Jaya
Balakong Light Industrial Area
43300 Seri Kembangan
Selangor

Tel : 03-9613561
Fax : 03-9616299

Managing Director

Yew Poe Hoe

Chief Operating Officer

Wan Azhar Bin Wan Abdul Aziz

5. YEW HENG LEONG (KL) SDN BHD (466873-W)

44, Jalan Tanming Dua
Taman Tanming Jaya
Balakong Light Industrial Area
43300 Seri Kembangan
Selangor

Tel : 03-9613193
Fax : 03-9616299

General Manager

Yew Chor Kiong

6. SINSAN TIEN SENG (JOHOR) SDN BHD (466865-P)

PTD (56994) Lot 2756
Jalan Kempas Lama
Batu 8 1/2, Off Jalan Skudai
81300 Skudai
Johor

Tel : 07-5566887/5566889
Fax : 07-5562825

General Manager

Yew Poe Hai

corporate directory

7. YHL TRADING (MELAKA) SDN BHD (519458-K)

Lot 3240
Gudang Batu Berendam
75350 Batu Berendam
Melaka

Tel /Fax : 06-3176221

8. 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

9. 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 Poh Chong

10. YHL TRADING (TERENGGANU) SDN BHD (519480-V)

Gudang Chendering
Jalan Kubang Ikan
21080 Chendering
Kuala Terengganu
Terengganu

Tel : 09-6171544
Fax : 09-6175384

corporate directory

11. SYARIKAT FAIZA SDN BHD (247191-D)

Lot 362, MG 107
Kampung Peserai Pantai
83000 Batu Pahat
Johor

Tel : 07-4139487
Fax : 07-4139489

Managing Director
Hajjah Faiza Bawumi Sayed Ahmad
Chief Operating Officer
Syed Azmi Syed Othman

12. JASMINE FOOD CORPORATION SDN BHD (162356-H)

No 8, Jalan 25/123
Section 25
40000 Shah Alam
Selangor

Tel : 03-5223188
Fax : 03-5223288

Group General Manager
Lim Swee Keat
General Manager
Larry Lim
Chief Operating Officer
Wan Azhar Bin Wan Abdul Aziz

13. JASMINE RICE MILL (TUNJANG) SDN BHD (19591-K)

Batu 18 1/2, Jalan Kodiang
Mukim Padang Perahu
Kubang Pasu
06000 Jitra
Kedah

Tel : 04-9291852
Fax : 04-9292708

Director
Lim Kean Teik

corporate directory

14. JASMINE RICE PRODUCTS SDN BHD (81671-K)

Batu 18 1/2, Jalan Kodiang
Mukim Padang Perahu
Kubang Pasu
06000 Jitra
Kedah

Director

Lim Kim Seng

15. JASMINE FOOD (PRAI) SDN BHD (348277-D)

No 3286, Jalan Mengkuang, Penanti
14400 Bukit Mertajam
Pulau Pinang

Tel : 04-5222481

Fax : 04-5222495

Branch Manager

Soo Lai Hoong

16. JASMINE FOOD (IPOH) SDN BHD (260155-M)

Lot 59589, No 9, Block A, B, C
Persiaran Rishah 14
Silibin Industrial Estate
30100 Ipoh
Perak

Tel : 05-5278202/8204/8205

Fax : 05-5272422

Branch Manager

Lim Eng Giap

17. JASMINE FOOD (ALOR SETAR) SDN BHD (102738-H)

Batu 18 1/2, Jalan Kodiang
Mukim Padang Perahu
Kubang Pasu
06000 Jitra
Kedah

Tel : 04-9292923

Fax : 04-9292199

Manager

Lim Kean Teik

corporate directory

18. JASMINE FOOD (JOHOR BAHRU) SDN BHD (316334-W)

26, Jalan Masyhur I
Taman Perindustrian Cemerlang
81800 Ulu Tiram
Johor

Tel : 07-8634793
Fax : 07-8633368

Branch Manager
Ch'ng Choon Meng

19. JASMINE KHIDMAT & HARTA SDN BHD (41234-W)

Batu 18 1/2, Jalan Kodiang
Mukim Padang Perahu
Kubang Pasu
06000 Jitra
Kedah

Tel : 04-9291852
Fax : 04-9292708

Manager
Lim Kean Teik

20. JS JASMINE SDN BHD (522556-V)

Lot 339, Pasir Tuntong
45700 Bukit Rotan
Selangor

Tel : 03-8747874
Fax : 03-8740130

Director
Tee Sin Joo

corporate directory

21. JASMINE FOOD (SEREMBAN) SDN BHD (530736-U)

Lot 75-A (Gudang B)
Kawasan Perindustrian Senawang
70450 Seremban
Negeri Sembilan

Tel : 06-6792663
Fax : 06-6792566

Sales Manager
Jimmy Tee Kee Tat

22. KILANG BERAS FAJAR SDN BHD (195932-U)

Lot 2264, KM 17 Jerlun
MK Jerlun
06150 Alor Setar
Kedah

Tel : 04-7940234
Fax : 04-7949989

Managing Director
Rosli Bin Haji Din

23. ERA BAYAM KOTA SDN BHD (472357-P)

Lot 37, Kawasan Perindustrian II
Padang Tembak, Pengkalan Chepa
16100 Kota Bharu
Kelantan

Tel : 09-7747162
Fax : 09-7741072

Managing Director
Haji Razak Bin Haji Ahmad
General Manager
Che Abd Karim Che Abdullah

corporate directory

24. BAN HENG BEE RICE MILL (1952) SDN BHD (002241-W)

Lot 2171, Jalan Bukit Raya
Mukim Bukit Raya
06700 Pendang
Kedah

Tel : 04-7596620
Fax : 04-7590264

Managing Director
Low Kok Kean

25. SERBA WANGI SDN BHD (280872-A)

Lot 2171, Jalan Bukit Raya
Mukim Bukit Raya
06700 Pendang
Kedah

Tel : 04-7596620
Fax : 04-7590264

Chief Operating Officer
Wan Azhar Bin Wan Abdul Aziz

26. BERAS CORPORATION SDN BHD (480493-H)

Lot 2-8-2, Level 7, Wisma San Hin
Wawasan Plaza
Coastal Highway
P.O. Box 13311
88837 Kota Kinabalu
Sabah

Tel : 088-311510
Fax : 088-311522

Managing Director
Haji Miptah Bin Rohsin

corporate directory

27. SAZARICE SDN BHD (385374-U)

Lot 5, Likas Baru
Batu 5 1/2, Jalan Tuaran
P.O. Box 579
88856 Likas
Kota Kinabalu
Sabah

Tel : 088-433586
Fax : 088-433539

Executive Director
Tan Kien Chong
Chief Operating Officer
Mohd Kamaluddin Bin Mohd Effendie

28. DAYABEST SDN BHD (205836-H)

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

Tel : 082-252241
Fax : 082-252519

Chief Operating Officer
Ismail @ Idris Bin Yusof

29. HASKARICE FOOD SDN BHD (437804-P)

Lot 895, Jalan Belian
93661 Kuching
Sarawak

Tel : 082-334422
Fax : 082-334123

Executive Director
Mohd Hashim Yap
Head
Awang Ibrahim Bin Awang Sulaiman

corporate directory

30. BAN SAY TONG SDN BHD (100912-T)

No 2, Jalan Pedada
P.O. Box 28
97000 Bintulu
Sarawak

Tel : 086-333106
Fax : 086-335002

Managing Director
Kueh Peng Ho

31. HOCK CHIONG FOODSTUFF SDN BHD (443434-K)

No 17
Jalan Bank
96000 Sibul
Sarawak

Tel : 084-330476
Fax : 084-330964

Managing Director
Datuk Lau Hieng Ing

32. 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

33. PADI GEDONG SDN BHD (440504-U)

Lot 895, Jalan Belian
93661 Kuching
Sarawak

Tel : 082-334422
Fax : 082-334123

Head, Farming Division, Beras Corporation Sdn Bhd
Semuel Belawan

corporate directory

34. CONSOLIDATED BERNAS UNITED DISTRIBUTORS SDN BHD (522078-T)

Tingkat 13A, Wisma Tun Sambanthan
No 2, Jalan Sulaiman
50000 Kuala Lumpur

Tel : 03-27112929
Fax : 03-27112807

Managing Director
Ng Chee Len

OTHER BUSINESS

35. BERNAS DOMINALS SDN BHD (378561-P)

No 12, Jalan TIB 1/1
Bolton Industrial Park
Taman Sri Gombak
68100 Batu Caves
Selangor

Tel : 03-61888672
Fax : 03-61888655

Head
Mohd Roslan Bin Bani Amin

36. RASAYANG FOOD INDUSTRIES SDN BHD (463722-D)

Lot 50 & 51, Off Jalan Semeling
08100 Bedong
Kedah

Tel : 04-4585276
Fax : 04-4587845

Managing Director
Khor Haw Chang
Chief Operating Officer
Alias Bin Man

corporate directory

37. ORGANIGRO SDN BHD (428308-A)

c/o Ancom Berhad
102-1002, Block A
Pusat Dagangan Phileo Damansara I
No 9, Jalan 16/11
Off Jalan Damansara
46350 Petaling Jaya
Selangor

Tel : 03-76600008
Fax : 03-76600010

Managing Director
Raja Mazli Bin Raja Tun Mohar

38. BERNAS FEEDSTUFF SDN BHD (464527-U)

Lot 1835, 1st Floor
Jalan Hospital, Paya Bemban
15200 Kota Bharu
Kelantan

Tel : 09-7439000
Fax : 09-7431122

Chief Executive Officer
Chan Chuen Ung

39. BERNAS CHAFF PRODUCTS SDN BHD (460936-P)

No 958, Batu 5
Jalan Alor Setar
Anak Bukit
06550 Alor Setar
Kedah

Tel : 04-7144201
Fax : 04-7144741

Managing Director
Rodney Roy Shepherd

corporate directory

40. BERNAS MARDITECH SEED SDN BHD (378559-M)

Ibu Pejabat BMS
Kompleks BERNAS Langgar
06500 Langgar
Kedah

Tel : 04-7876571
Fax : 04-7877116

Head
Sani Bin Wahi

41. VALORLITE RESOURCES SDN BHD (413257-A)

Suite 602, Block A
Pusat Dagangan Phileo Damansara II
No 15, Section 16/11
Jalan Damansara
46350 Petaling Jaya
Selangor

Tel : 03-79585036
Fax : 03-79585024

Managing Director
Ir. Loo Kau Fa
General Manager
Rohani Binti Ahmad

42. BERNAS LOGISTICS SDN BHD (386337-M)

Unit 302, Block A
Pusat Dagangan Phileo Damansara II
No 15, Section 16/11
Jalan Damansara
46350 Petaling Jaya
Selangor

Tel : 03-76607424
Fax : 03-76607622

Managing Director
Mohd Hussin Bin Ismail

corporate directory

43. BERNAS ENGINEERING & TECHNOLOGY SDN BHD (386334-D)

Unit 3A02, Block A
Pusat Dagangan Phileo Damansara II
No 15, Section 16/11
Jalan Damansara
46350 Petaling Jaya
Selangor

Tel : 03-79588980
Fax : 03-79578549

Managing Director

Ir. Loo Kau Fa

General Manager

Abd Mokthi Bin Abd Hadi

44. P.B. CONSTRUCTION & SUPPLIES SDN BHD (421629-V)

Unit 3A02, Block A
Pusat Dagangan Phileo Damansara II
No 15, Section 16/11
Jalan Damansara
46350 Petaling Jaya
Selangor

Tel : 03-79588721
Fax : 03-79588723

Managing Director

Ir. Loo Kau Fa

General Manager

Aziz Bin Safri

45. BERNAS REALTY & DEVELOPMENT SDN BHD (407608-H)

Unit 502, Block A
Pusat Dagangan Phileo Damansara II
No 15, Section 16/11
Jalan Damansara
46350 Petaling Jaya
Selangor

Tel : 03-79562826
Fax : 03-79546723

Managing Director

Ir. Loo Kau Fa

Deputy General Manager

Haji Hussin Bin Muhamed

corporate directory

46. BM AGROTECH SDN BHD (405264-W)

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

Tel : 03-76604545
Fax : 03-76604646

47. KEONGCO HOLDINGS SDN BHD (501026-U)

Lot 680, Local Industrial Estate
Pengkalan Chepa
16100 Kota Bharu
Kelantan

Tel : 09-7730294/7737584
Fax : 09-7730313/7736584

Executive Chairman

Dr Larry Wong Chee Yoong

Chief Operating Officer

Baharuddin Bin Baharin

OVERSEAS OPERATIONS

48. BERNAS OVERSEAS (L) LIMITED (LL 01053)

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

Tel : 03-76604545
Fax : 03-76604720

Executive Director

Ahmad Fuad Bin Abdul Wahab

corporate directory

49. SOCIETE BERNAS DE GUINEE (SOBERGUI)

Immeuble Safricom
Carrefour, Constantin
BP 5371 Conakry
Republique De Guinee
West Africa

Tel : 00-224-464537
Fax : 00-224-464537

General Manager
Dr Mat Naim Bin Ramli

50. BERNAS CHINA CORPORATION (331666)

Room 2916 Office Tower
Jing Guang Centre
Huajialou
Chaoyang District
Beijing 100020
China

Tel : 00-86-10-65978872
Fax : 00-86-10-65978873

Managing Director
Yusuf Bai Lin

51. QAISER NOMAN BERNAS PRIVATE LTD (K07127)

QNB House, Bahria Complex-1
Ground Floor
M.T Khan Road
Karachi - 74000
Pakistan

Tel : 00-9221-111-762-762
Fax : 00-9221-111-763-763

Managing Director
Irfan Ahmed Shaikh
Executive Director
Kamarul Adznam

corporate directory

52. ASIAN PENINSULA CORPORATION LTD (1292/2540)

11th Floor, Sethiwan Tower

139, Pan Road, Silom

Bangkok

10500 Thailand

Tel : 00-662-2666025/2666028

Fax : 00-662-2666029

General Manager

Ahmed Rasly Bin Hj Osman



PADIBERAS NASIONAL BERHAD (295514-U)
(Incorporated in Malaysia)

Number of shares

--

I/WE being a member of PADIBERAS NASIONAL BERHAD, hereby appoint or failing him, or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Seventh Annual General Meeting of the Company to be held at The Pan Pacific Glenmarie, No 1, Jalan Usahawan U1/8, Section U1, 40250 Shah Alam, Selangor on 27 June 2001 at 10.00 a.m, 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 2000 together with the Reports of the Directors and Auditors thereon. <p style="text-align: right;">RESOLUTION 1</p>		
2.	To approve the payment of a final tax exempt dividend of 5% less income tax for the financial year ended 31 December 2000. <p style="text-align: right;">RESOLUTION 2</p>		
3.	To approve the payment of a sum of RM250,000.00 as Directors' fees for the year ended 31 December 2000 <p style="text-align: right;">RESOLUTION 3</p>		
4.	To re-elect the following Directors who retire in accordance with the Articles of Association of the Company:- Under Article 126 and 121 (2) Article 126 Dato' Mohd Ibrahim Bin Mohd Nor Bukhari bin Mohd Sawi <p style="text-align: right;">RESOLUTION 4 RESOLUTION 5</p> Article 121 (2) Dato' Abi Musa Asa'ari Bin Mohamed Nor Dato' Shaik Ahmad Soekarno Bin Shaik Mohd Hussain <p style="text-align: right;">RESOLUTION 6 RESOLUTION 7</p>		
5.	To re-appoint Messrs. Arthur Andersen & Co as Auditors and to authorise the Directors to fix their remuneration. <p style="text-align: right;">RESOLUTION 8</p>		
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. <p style="text-align: right;">RESOLUTION 9</p>		

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

Signed thisday of.....2001.

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:
Article 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."
Article 114
 "Any corporation which is a member of the Company may by resolution of the Directors of that corporation or other governing 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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**30 Sen
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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