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Proxy Form

The year in review was an eventful one for Lion Asiapac Limited. We have re-aligned our business focus by ceasing the dry cargo container business and re-deploying resources to higher yielding businesses, namely motorcycles, marine food processing and electronic component distribution.

During FY 2000, the Group registered a turnover of S\$31 million, a 28% decrease compared to S\$43 million recorded in FY 1999 due mainly to the cessation of the container business.

A profit after taxation of S\$0.3 million was reported by the Group whereas FY 1999's profit was S\$1.9 million. The profit was attributed to stronger earnings from the motorcycle business, mainly offset by losses in the container business and marine food processing business. After charging an extraordinary item of S\$25.7 million, the Group incurred a loss of S\$25.4 million. The extraordinary item relates to the closure of the container business, which comprised substantially a provision of S\$13.7 million for write-down of assets and S\$11.3 million transferred from foreign currency translation reserve.

Nevertheless, with our intensified marketing efforts and continued investment in research and development, the motorcycle business together with the electronic component distribution division continued to generate sales and profits for the Group.

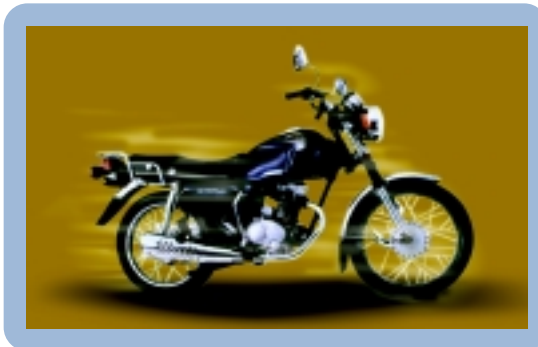


2 chairman's statement

Motorcycle

Our motorcycle division remained as the top performer in FY 2000. The Group's share of results saw an increase of 89% in pre-tax profit to S\$23.2 million on a 75% rise in turnover to S\$286 million. The increase in turnover and profit was achieved by better product design and quality, effective marketing strategies, competitive pricing and improved production efficiency.

To remain competitive in the China market, we are relentlessly pursuing strategic investments to further strengthen our present market position. An additional investment of S\$15.7 million in Zhejiang Yirong Engine Parts Co., Ltd. ("Yirong") through Zhejiang Qianjiang Motorcycle Co., Ltd. ("ZML") in August 2000 enables us to strengthen the component supply and improve quality of engine parts within the ZML group of companies. The additional funds are expected to increase Yirong's production capacity of disc brakes three folds as well as double the production of absorbers. With the expansion, we are optimistic that Yirong will generate additional revenue of US\$12.8 million annually.



Electronic Component Distribution

Advent Electronics Pte Ltd ("Advent"), our electronic component distribution division achieved a modest performance with a turnover of S\$16.1 million and a profit before taxation of S\$0.03 million in its maiden year of operation.

We intend to position Advent as a one-stop shop for companies whose main focus is in the design and marketing of new products. With our widespread connections in the contract manufacturing industry, we can mix and match the right contract manufacturers to suit the production demand and quality standards expected by such customers. The division's value-add is to reduce the cost of the products by participating in the various stages of the supply chain down to component level.

Riding on the growth potential of the semiconductor industry, we have set up another distribution arm in Malaysia during the first quarter of 2000. We are also making initial steps to penetrate into India, which is opening up to major multi-national corporations to serve its local markets. This move is an indication of our confidence and optimistic outlook of the semiconductor industry, which is still on the growth path.

core business, Sonlife commenced construction of a new plant in Myanmar in November 1999. Operations in this high-end factory commenced in September 2000. This new flagship plant is expected to provide for better operating efficiency and the processing of higher value added products as well. After an initial running-in period and the completion of upgrading work on two other smaller plants in Myanmar and Indonesia, we expect sales volume and operating margins to improve.

Conclusion

Our Group's core businesses are expected to grow based on the strengths of our manufacturing and distribution



International Trading and Distribution

Our international trading and distribution division, Sonlife International Pte Ltd ("Sonlife") reported a lower turnover of S\$7.8 million. A low demand for marine food products during the initial stages of its operation coupled with the developmental costs incurred resulted in a loss before taxation of S\$2.9 million.

Nevertheless, we are confident that the marine food processing business holds significant growth and profit potential for Sonlife for both the medium and the long term. In order to develop marine food processing as its

divisions. Barring any unforeseen circumstances, the Group expects its net earnings in the current year to be better than that of FY 2000.

On behalf of the Board of Directors, I would like to take this opportunity to extend my gratitude to all our clients, business associates, fellow directors and shareholders for their invaluable support, confidence and trust. I am also grateful to the management and staff for their commitment, dedication, understanding and hard work in what has been a hard and difficult year. We look forward to more prosperous years ahead.

Othman Wok
Chairman

Motorcycle

The vast motorcycle industry in China remains competitive. To strengthen our market share, we strive to increase production capacity, improve product quality and shorten product development time frame through state-of-the-art machinery.

In FY 2000, the Group's, share of the motorcycle business indicated a 89% surge in profit before taxation to S\$23.2 million on a 75% rise in turnover to S\$286 million. Total sales volume grew in tandem with wider marketing network and service centres set up all over China. By offering attractive terms to dealers for promoting and selling our "Qianjiang" motorcycles and other aggressive marketing strategies, we have achieved almost 4,000 exclusive dealerships and chain stores compared with around 3,000 in FY 1999.

In July and August 2000, we undertook expansion programmes to increase our revenue stream. Zhejiang Qianjing Kaosin Precision Co., Ltd. was set up in Wenling for the purpose of motorcycle mould making with the Group's US\$1.2 million share of investment. An additional capital of US\$300,000 was injected into Taizhou

will provide consumers with more varieties to choose from. In the last quarter of the year 2000, we are launching the new Italian designed 125cc scooters both in China and export markets. With the scooters' contemporary design, we expect it to capture the younger generation's attention and hence enlarge our market share.

The new assembly plant in Jinping area is scheduled to be completed by year-end and the plant in Cunggqing, Szechuan Province is in the process of being set up. These plants will boost our production capacity to one million units. Moreover, our ability to further penetrate markets in the Western part of Mainland China would see an increase



4 business review



Mount-Channel Machinery Co., Ltd., which manufactures motorcycle clutches and parts.

Zhejiang Qianjiang Motorcycle Co., Ltd. ("ZML"), of which the Group has a 24% equity stake, injected a further US\$15.7 million into Zhejiang Yirong Engine Parts Co., Ltd which supplies component and engine parts to ZML's assembly plant. Being a listed company on the Shenzhen Stock Exchange, ZML has a strong corporate image and brand awareness among the consumers.

In our continuous effort to retain and attract consumers' loyalty, we are constantly developing new models that

in production capacity to meet higher demand. This would inevitably increase our sales and profit margin.

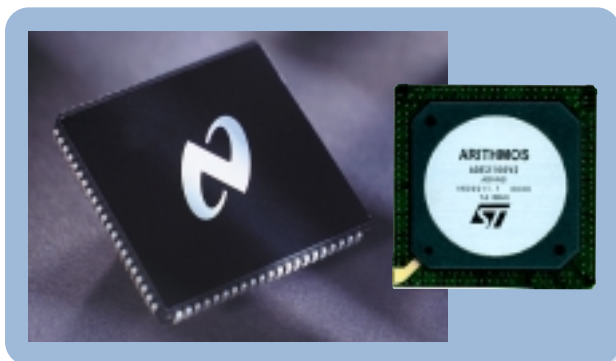
We are also poised to enhance our competitiveness in the world market for export sales amidst challenges in the global market. The export sales volume has increased ten folds in FY 2000. Through a strategic alliance with CPI, a Taiwanese partner who is well established with foreign customers, we have been able to take advantage of the opportunity to penetrate the Indonesia market. The "Sanex" brand bikes manufactured by us are now amongst the top selling imported bikes in Indonesia.

Electronic Component Distribution

Our electronic component distribution division under Advent Electronics Pte Ltd ("Advent") has achieved a profit before taxation of S\$0.03 million on a turnover of S\$16.1 million in its maiden year of operation. This was due to our ability to secure key agency lines and the bouyant semiconductor market during the second half of the year as well as our efficient and effective marketing strategies.

We have secured five distributorship contracts with international names such as, International Rectifier, Texas

Instruments, Sharp, STMicroelectronics and National Semiconductor during the fiscal year. Contracts for five more niche lines including Voice Signal Technologies which is in the area of embedded software for voice recognition, were concluded. Such a technology is fast becoming prevalent in the latest models of mobile phones and innovative products like electronic appliances and high-tech toys that can accept commands through voice control. All these lines are well positioned for the New Economy products, and they will propel Advent's business further.



Sonlife started construction of the new seafood processing plant in Myanmar in October 1999. Construction was completed within eleven months in August 2000 and the factory has started operations in September 2000. This new plant incorporates the latest refrigeration equipment with rapid freezing technology from Europe and USA. Key production facilities of this new factory include two coldstores with a total capacity of 600 metric tons and a 10,000 square foot processing area designed to meet international hygiene standards.

With this new plant in place and allowing for an initial running-in period of three to four months, we expect higher output, better operating efficiency, and reduced unit costs. The new plant will also allow Sonlife to process higher value added products. Barring unforeseen circumstances especially in the supply of raw materials, we expect volume and operating margins to improve.

With the construction completed for the new plant, upgrading work has also begun on the two older and smaller plants in Myanmar and Indonesia. When completed in the third quarter of 2000, these two plants will be able to increase their operating efficiency as well as produce



Our goal is to concentrate on the value-added role of incorporating our principals' components into the electronic products and displace competitors' products in the process. We have built up a strong and experienced management team, whose combined experience in the semiconductor industry's sales and marketing function exceeds 80 man-years. We are bullish on Advent's growth in the coming years.

International Trading and Distribution

Sonlife International Pte Ltd ("Sonlife") is engaged primarily in marine food processing as well as food and beverage distribution. We have identified marine food processing as the business offering significant growth and profit potential for Sonlife, in both medium and the long term. Consequently, the key focus for Sonlife is to continue developing the marine food processing as its core business.

Due to reduced activity in metals and mineral products as well as low business volume for marine food during the startup stage, turnover in FY 2000 was lower at S\$7.8 million. The low business volume, coupled with the developmental costs incurred in the initial stage of the marine food processing business resulted in a loss of S\$2.9 million.



a wider product range thereby contributing to improved volume and margins.

In the immediate term, we intend to enhance the output and quality of the marine food processing operations. Apart from forming strategic partnerships with key raw material suppliers, we will also concentrate on further strengthening relationships with major customers in key markets such as Canada, Japan, Europe and USA for market share and product development.

OTHMAN WOK

Chairman of the Group and Audit Committee since March 1996.



SAM CHONG KEEN

Managing Director since February 1997.
Chief Executive Officer and Executive Vice-Chairman of
Lion Teck Chiang Limited.
Director of Stamford Tyres Corporation Ltd.
Chairman, NTUC Denticare Co-operative.



6 board of directors

CHENG YONG KWANG

Executive Director and Audit Committee member since February 1996.
Holds directorship in other Lion Group companies including Chocolate
Products (Malaysia) Bhd.
Member of Board of Commissioner, PT Lion Metal Works.





LIN CHUNG DIEN

Director since March 1996.

Chairman and Chief Executive Officer of Bichain Trading Co Ltd.

Director of Amalgamated Containers Berhad.



YING YOKE KWAI

Director and Audit Committee member since March 1996.



CHENG THENG HOW

Director since February 1997.

Director and General Manager of Angkasa Building Materials Pte Ltd.



Board of Directors
Othman Wok, Chairman
Sam Chong Keen, Managing Director
Cheng Yong Kwang, Executive Director
Lin Chung Dien
Ying Yoke Kwai
Cheng Theng How

Audit Committee
Othman Wok, Chairman
Cheng Yong Kwang
Ying Yoke Kwai

Company Secretary
Tan Yen Hui, ACIS

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Registrars
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63 Cantonment Road
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Tel: (65) 323 6200
Fax: (65) 323 6990

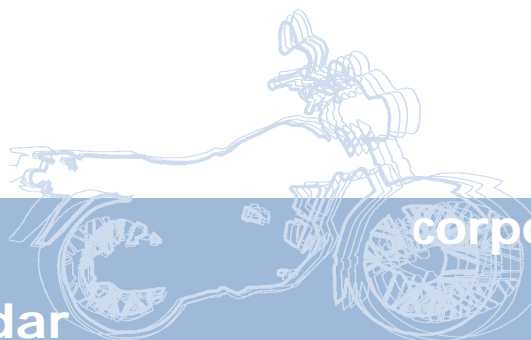
Auditors
PricewaterhouseCoopers
8 Cross Street #17-00
PWC Building
Singapore 048424

Partner-in-charge of the audit:
Yee Chen Fah
Tel: (65) 236 3388
Fax: (65) 236 3300

Principal Bankers
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6 Shenton Way
DBS Building Tower One
Singapore 068809

Malayan Banking Berhad
50 Raffles Place
Singapore Land Tower
Singapore 048623

Lawyers
Wong Partnership
80 Raffles Place #58-01
UOB Plaza 1
Singapore 048624
Tel: (65) 532 7488
Fax: (65) 532 5711



Financial Year ended June 30, 2000

Announcement of Half-year Results

Announcement of Full-year Results

Annual General Meeting

March 29, 2000

September 22, 2000

December 14, 2000

Financial Year ending June 30, 2001

Proposed Announcement of Half-year Results

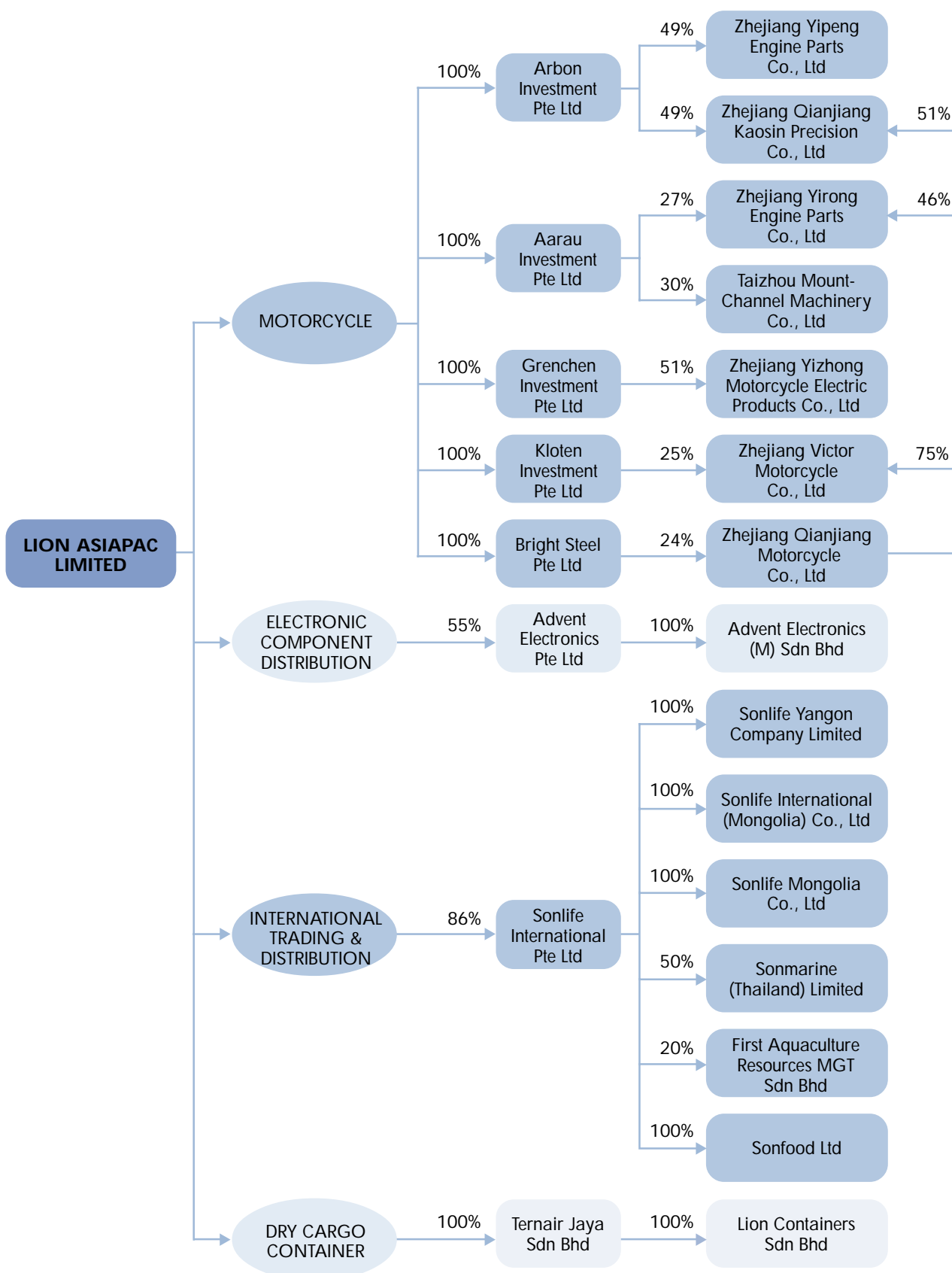
Proposed Announcement of Full-year Results

March, 2001

September, 2001

organisation structure

as at 25 October 2000



financial highlights

FINANCIAL PERFORMANCE

	As at June 30,2000 S\$'000	As at June 30,1999 S\$'000
Turnover:		
Motorcycle - share of associated companies' turnover	286,009	162,468
International trading and distribution	23,837	12,094
Dry cargo containers	7,263	30,925
TOTAL	317,109*	205,487*

Profit before taxation:

Motorcycle - share of associated companies' turnover	18,743	7,827
International trading and distribution	(2,891)	(2,149)
Dry cargo containers	(8,389)	(268)
Less : Unallocated costs	(1,126)	(1,917)
TOTAL	6,337	3,493

	As at June 30,2000 (cents)	As at June 30,1999 (cents)
Earnings per share (after tax and based on existing issued share capital)	0.12	0.85
Net tangible assets backing per ordinary share	35.38	43.53
First and Final Dividend per share (less tax)	-	2%
Par value per share	0.25	0.25

FINANCIAL POSITION

	As at June 30,2000 S\$'000	As at June 30,1999 S\$'000
Fixed Assets	20,051	29,895
Associated Companies	116,792	99,335
Preliminary Expenses	133	-
Investment	-	56
Due from a shareholder of an Associated Company - non-trade	8,100	8,100
Deferred Taxation	(4)	-
Current Assets	25,072	56,179
Current Liabilities	(82,025)	(41,826)
Long Term Liabilities	-	(51,000)
NET ASSETS	88,119	100,739

REPRESENTED BY:

Share Capital	61,871	61,871
Capital Reserves	33,958	31,340
Revenue Reserves	(11,569)	3,637
Reserve on Consolidation	3,421	3,421
Minority Interests	438	470
SHAREHOLDERS' FUNDS	88,119	100,739

* The comparative figures have been re-stated as the Group has adopted equity accounting for its share of motorcycle business' results in the current financial year.

directors' report

The directors present their report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 30 June 2000.

DIRECTORS

The directors of the Company at the date of this report are as follows:

Othman Wok
Sam Chong Keen
Cheng Yong Kwang
Lin Chung Dien
Ying Yoke Kwai
Cheng Theng How

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies consist of investment holding, manufacture and sale of dry cargo containers, trading and distribution of metal and mineral products, wholesalers and retailers of beverages, electrical and electronic goods, seafood processing and distribution, trading and distribution of semiconductors and related components.

During the financial year, a subsidiary company, Lion Containers Sdn Bhd, ceased its activity relating to manufacturing of dry cargo containers. Following the cessation of its manufacturing activity, the principal activity of this subsidiary company consists of the sales of the remaining raw materials and dry cargo containers.

The principal activities of the associated companies consist of the manufacture of motorcycle components and the assembly of motorcycles.

There have been no significant changes in the nature of these activities during the financial year, other than as mentioned above.

ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

There were no acquisitions or disposals of interests in subsidiary companies during the financial year.

RESULTS FOR THE FINANCIAL YEAR

	Group	Company
	S\$'000	S\$'000
Profit/(loss) after taxation	209	(1,465)
Minority interests	91	—
Profit/(loss) after taxation and minority interests	300	(1,465)
Extraordinary item	(25,733)	(34,636)
Loss attributable to shareholders	(25,433)	(36,101)
Retained profits at beginning of the year	13,046	12,325
	(12,387)	(23,776)

directors' report

RESULTS FOR THE FINANCIAL YEAR (CONT'D)

	Group S\$'000	Company S\$'000
Transfer to capital reserves	(2,618)	—
Accumulated loss at end of year	(15,005)	(23,776)

The transfer to capital reserves comprises the following:

- (a) an amount of S\$2,558,000 (1999: S\$1,064,000) made by the Group's associated companies in accordance with the accounting regulations in the People's Republic of China; and
- (b) transfer of S\$60,000 (1999: S\$45,000) to capital redemption reserve made by a subsidiary company in Malaysia.

TRANSFERS TO OR FROM RESERVES AND PROVISIONS

There were no material transfers to or from reserves during the financial year except for the movements shown in Notes 20, 21 and 22 to the financial statements.

There were no material transfers to or from provisions during the financial year except for normal amounts set aside for items such as depreciation of non-current assets, provision for doubtful debts, provision for cessation of manufacturing operation of a subsidiary and income tax as shown in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year:

- (a) a subsidiary company, Sonlife International Pte Ltd, issued to the Company additional 2,500,000 ordinary shares of S\$1 each at par for cash for the purpose of providing additional working capital;
- (b) a subsidiary company, Sonlife Yangon Company Limited, issued to Sonlife International Pte Ltd additional 250 new shares of Kyats 1,000 each for cash for the purpose of providing additional working capital;
- (c) a subsidiary company, Sonfood Limited, issued to Sonlife International Pte Ltd 1,040 new shares of Kyats 1,000 each for cash for the purpose of incorporation; and
- (d) a subsidiary company, Advent Electronics Sdn Bhd, issued to Advent Electronics Pte Ltd 2 shares of RM1 each for cash for the purpose of incorporation.

The Company and its subsidiary companies did not issue any debentures during the financial year.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate except as disclosed in this report under the heading "SHARE OPTIONS".

directors' report

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The interests of the directors holding office at the beginning and the end of the financial year in the shares and debentures of the Company and related corporations according to the register of directors' shareholdings were as follows:

	Registered in the name of director	
	As at 1 July 1999	As at 30 June 2000
<u>Amalgamated Containers Bhd</u> <u>(ultimate holding company)</u> Ordinary shares of RM 1 each Lin Chung Dien	1,503,437	1,503,437
<u>Lion Asiapac Limited</u> Options to subscribe for ordinary shares of S\$0.25 each at an exercise price of S\$0.25 each Sam Chong Keen	126,000	126,000
Cheng Yong Kwang	70,000	70,000

There was no change in any of the above mentioned interests between the end of the financial year and 21 July 2000.

DIVIDENDS

Dividends paid, declared or recommended since the end of the Company's previous financial year were as follows:

	S\$'000
A final dividend of 2% less tax at 26% was paid in respect of the previous financial year (as shown in the directors' report for that year)	<u>916</u>

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and providing for doubtful debts of the Company and satisfied themselves that all known bad debts if any had been written off and that where necessary 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 any amounts written off or provided for bad and doubtful debts in the Group inadequate to any substantial extent.

directors' report

CURRENT ASSETS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or that adequate provision was made for the diminution in the value of such current assets.

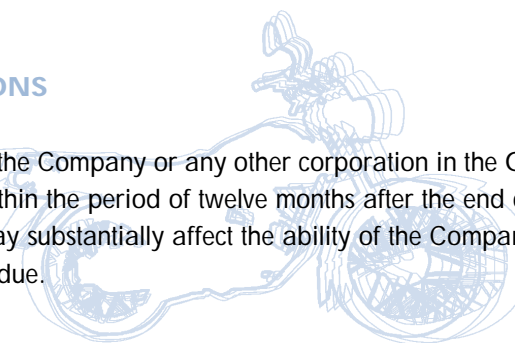
At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report, which would render the values attributed to current assets in the consolidated financial statements misleading.

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

At the date of this report, no charge on the assets of the Company or any other corporation in the Group has arisen since the end of the financial year which secures the liability of any other person and no contingent liability of the Company or any other corporation in the Group has arisen since the end of the financial year.

ABILITY TO MEET OBLIGATIONS

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



OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS

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

UNUSUAL ITEMS

In the opinion of the directors, the results of the operations of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in Note 26 of the financial statements.

UNUSUAL ITEMS AFTER THE FINANCIAL YEAR

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made, except as disclosed in Note 33 of the financial statements.

DIRECTORS' CONTRACTUAL BENEFITS

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 amount of directors' remuneration as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

The share options granted under the Lion Asiapac Executives' Share Option Scheme in respect of ordinary shares of S\$0.25 each in the capital of the Company are as follows:

Name of participant	Aggregate options granted since commencement of scheme to the end of financial year under review	Aggregate options cancelled during the financial year under review	Aggregate options outstanding as at end of financial year under review
Sam Chong Keen (Director)	126,000	—	126,000
Cheng Yong Kwang (Director)	70,000	—	70,000
Non-directors	289,000	98,000	191,000
	485,000	98,000	387,000

The options may be exercised in the following manner:

Date of grant	Exercise period	Exercise price per ordinary share	Number of ordinary shares under options
3 April 1998	4 April 1999 to 3 April 2003	S\$0.25	111,000
6 April 1999	7 April 2000 to 6 April 2004	S\$0.25	374,000

The employees and directors to whom the options have been granted do not have the right to participate, by virtue of the options, in a share issue of any other company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and its subsidiary companies whether granted before or during the financial year. At the end of the financial year, there were no unissued shares of the subsidiary companies under option.

CORPORATE GOVERNANCE

The Company believes in maintaining a high standard of corporate governance, and is committed to making sure that effective self-regulatory corporate practices exist to protect the interests of its shareholders. These include a Board of Directors, an Audit Committee, a Group Internal Audit department, an Executives' Share Option Scheme Committee and a Year 2000 Committee.

directors' report

Board of Directors

The Board of Directors is responsible for the corporate governance of the Group. Currently, it consists of six directors, two of whom hold executive positions. The executive and non-executive directors are as follows:

Executive Directors

Sam Chong Keen (Managing Director)
Cheng Yong Kwang (Executive Director)

Non-Executive Directors

Othman Wok (Chairman)
Ying Yoke Kwai
Lin Chung Dien
Cheng Theng How

The Board meets regularly to review and approve appropriate strategic plans, key operational and financial matters, major investments and funding decisions, supervise executive management and ensure that the Company's strategies are in the interest of the Company and its shareholders. The Managing Director and Executive Director are responsible for the day-to-day operations and administration of the Company.

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Audit Committee

The Audit Committee comprises three members, two of whom, Messrs Othman Wok and Ying Yoke Kwai, are independent members as defined in Clause 902(4)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Othman Wok (Chairman)
Ying Yoke Kwai
Cheng Yong Kwang

To enable the Audit Committee to discharge its functions more effectively, the Company has also set up an internal audit function. The Audit Committee has full access to both the internal and external auditors.

The Committee performs the functions specified in the Companies Act, Cap. 50 and has adopted the Best Practices Guide of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the roles and responsibilities of the Audit Committee. In performing its functions, the Committee reviewed the audit plan and the internal control reports of the external auditors of the Company. It further reviewed the accounts of the Company and the consolidated accounts of the Group for the year ended 30 June 2000 and the report of the external auditors thereon. The Committee also reviewed interested person transactions and the scope and results of internal audit procedures during the year.

The Committee is responsible for the nomination of the external auditors for appointment and has recommended to the Board of Directors the nomination of PricewaterhouseCoopers as external auditors at the forthcoming Annual General Meeting of the Company.

Group Internal Audit

Besides performing financial audits, the Group's internal audit team also conducts audits of operation and management processes. Tests are conducted to verify the Group's assets and liabilities and to check on compliance with the Group's system of financial and operational controls. The Group's internal audit team has direct access to the Audit Committee.

Executives' Share Option Scheme ("ESOS") Committee

The ESOS Committee comprises two non-executive directors:

Othman Wok
Ying Yoke Kwai

The Committee is responsible for the administration of the ESOS of the Company and the committee members do not participate in the Scheme.

Securities Transactions

The Company has issued a Compliance Code on Securities Transactions to all employees of the Group setting out the implication of insider trading and the recommendations of the Best Practices Guide so as to provide guidance to employees on dealing in the Company's shares. The Company has adopted a code of conduct on transactions in the Company's shares modelled after the Best Practices Guide on Dealings in Securities as issued by the Singapore Exchange Securities Trading Limited with some modifications.

Year 2000 Committee

The Group understands "Year 2000 Compliance" to mean that neither the performance nor functionality of the systems are affected by dates prior to, during and after 2000. The Group has reviewed its computer software which is being relied upon in its operation and preparation of financial information, and has upgraded the Group's software to become Year 2000 compliant. The Year 2000 issue is not expected to have any significant impact on the Group's future businesses, cost and revenue.

The Group has taken the following steps to address the Year 2000 issue :-

- (a) The project is coordinated and supervised by an in-house committee, and the vendors supplying the software have certified that their products are Year 2000 compliant; and
- (b) Implementation of new systems, installation of new equipment and validation of existing software to achieve Year 2000 compliance were completed in 1999.

The Group made a smooth transition into Year 2000 with no disruption to its businesses and operations.

directors' report

AUDITORS

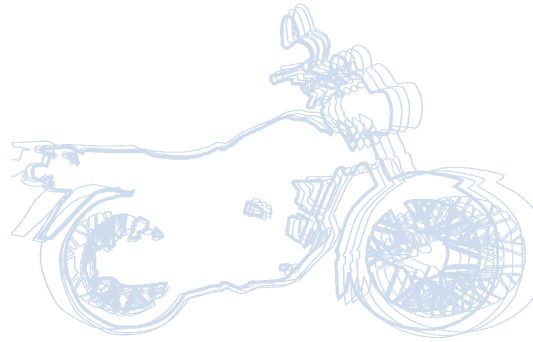
The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the directors

Sam Chong Keen
Director

Cheng Yong Kwang
Director

Singapore
25 October 2000



statement by directors

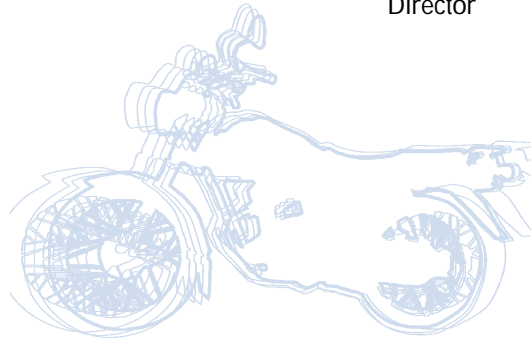
In the opinion of the directors, the financial statements set out on pages 22 to 48 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2000 and of the results of the business of the Company and of the Group and the cash flows of the Group for the financial year then ended, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

Sam Chong Keen
Director

Cheng Yong Kwang
Director

Singapore
25 October 2000



auditors' report

to the members of Lion Asiapac Limited (Incorporated in Singapore)

We have audited the financial statements of Lion Asiapac Limited and the consolidated financial statements of the Group for the financial year ended 30 June 2000 set out on pages 22 to 48. 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 Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accompanying financial statements of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
 - (i) the state of affairs of the Company and of the Group at 30 June 2000, the results of the Company and of the Group and the cash flows of the Group for the financial year ended on that date; and
 - (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements of the Company and the consolidated financial statements of the Group; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Without qualifying our opinion, we draw your attention to Note 5(b) to the financial statements which describes the manner in which share trading activities have been carried out by two of the associated companies, Zhejiang Yizhong Motorcycle Electric Products Co., Ltd ("Yizhong") and Zhejiang Yipeng Engine Parts Co., Ltd ("Yipeng") which have been equity accounted for in the financial statements of the Group. The listed shares, held in accounts with a securities trading house, recorded by Yizhong and Yipeng amounted to Rmb 88,300,000 (S\$18,366,400) at 30 June 2000. The management of Yizhong and Yipeng have indicated their intention to cease these trading activities and to realise the recorded balance. At the date of adoption of these financial statements, an amount of Rmb 15,000,000 (S\$3,120,000) has been received by Yizhong from the securities trading house. Pending the receipt of the entire amount, there is an uncertainty over the recoverability of the full amount of these listed shares due to the manner in which these shares were traded in the past and are held on behalf of Yizhong and Yipeng. Management of the Company is confident that the entire balance will be fully recoverable. The financial statements do not include any adjustment that might result from this uncertainty.

auditors' report

to the members of Lion Asiapac Limited (Incorporated in Singapore)

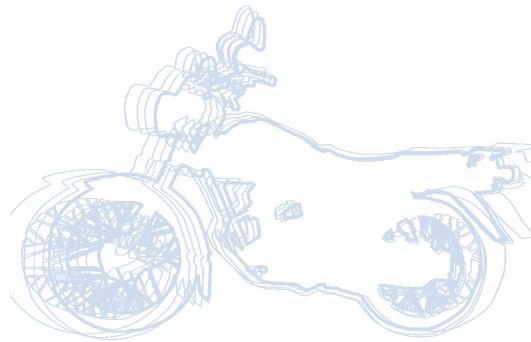
We have considered the financial statements and auditors' reports of all subsidiary companies of which we have not acted as auditors and the financial statements of a subsidiary company which are not required to be audited by the laws of its country of incorporation for the financial period ended 30 June 2000, being financial statements included in the consolidated financial statements. The names of these subsidiary companies are shown in Note 4 to the financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company 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 as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification (other than a qualification that is not considered material in relation to the consolidated financial statements) and in respect of the subsidiary companies incorporated in Singapore did not include any comment made under section 207(3) of the Act.

PricewaterhouseCoopers
Certified Public Accountants

Singapore
25 October 2000



consolidated balance sheet

as at 30 June 2000

	Note	2000 S\$'000	1999 S\$'000
FIXED ASSETS	3	20,051	29,895
ASSOCIATED COMPANIES	5	116,792	99,335
PRELIMINARY EXPENSES	6	133	—
UNQUOTED INVESTMENT		—	56
DUE FROM A SHAREHOLDER OF AN ASSOCIATED COMPANY - NON-TRADE	7	8,100	8,100
CURRENT ASSETS			
Inventories	8	6,284	18,750
Trade debtors	9	4,645	4,977
Notes receivable		1,679	—
Other debtors, deposits and prepayments	10	606	1,485
Due from associated companies - non-trade	5	21	194
Due from ultimate holding company - non-trade	11	—	199
Due from shareholders of a subsidiary company - non-trade	12	19	46
Due from related parties - trade	13	118	63
Due from related parties - non-trade	13	59	5,171
Short-term deposits	14	10,570	23,347
Cash and bank balances	14	1,071	1,947
		25,072	56,179
CURRENT LIABILITIES			
Trade creditors		3,281	1,205
Notes payable		5,751	10,877
Other creditors and accruals	15	2,172	4,671
Due to an associated company - non-trade	5	13,610	13,610
Due to ultimate holding company - non-trade	11	—	2
Due to related parties - non-trade	13	110	11
Provision for taxation		25	610
Bank loans (unsecured)	16	4,484	7,771
Bank overdrafts (unsecured)	14	782	2,153
Proposed final dividend	17	—	916
Term loan (unsecured)	18	51,810	—
		82,025	41,826
NET CURRENT (LIABILITIES)/ASSETS		(56,953)	14,353
NON-CURRENT LIABILITIES			
Term loan (unsecured)	18	—	51,000
Deferred taxation		4	—
		88,119	100,739
SHARE CAPITAL	19	61,871	61,871
CAPITAL RESERVES	20	33,958	31,340
REVENUE RESERVES	21	(11,569)	3,637
RESERVE ARISING ON CONSOLIDATION	22	3,421	3,421
		87,681	100,269
MINORITY INTERESTS		438	470
		88,119	100,739

The notes on pages 28 to 48 form an integral part of the financial statements.

consolidated profit and loss account

for the year year ended 30 June 2000

	Note	2000 S\$'000	1999 S\$'000
TURNOVER	2(i), 23	31,100	43,019
OPERATING LOSS	24	(16,882)	(8,763)
Share of profits less losses of associated companies		23,219	12,256
PROFIT BEFORE TAXATION		6,337	3,493
Taxation	25	(6,128)	(1,753)
PROFIT AFTER TAXATION		209	1,740
Minority interests		91	217
PROFIT BEFORE EXTRAORDINARY ITEM		300	1,957
Extraordinary item	26	(25,733)	(600)
(LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	21	(25,433)	1,357
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)	27		
Before extraordinary item		0.12	0.85
After extraordinary item		(10.28)	0.59
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	27		
Before extraordinary item		0.12	0.85
After extraordinary item		(10.28)	0.59

consolidated cash flow statement

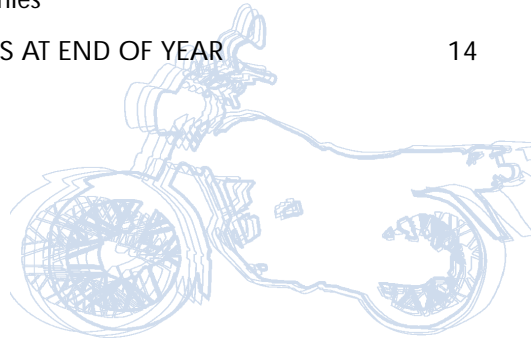
for the year ended 30 June 2000

	Note	2000 S\$'000	1999 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		6,337	3,493
Adjustments for:			
Amortisation of preliminary expenses	6	5	—
Depreciation of fixed assets	3	2,314	2,224
Fixed assets written off		1	—
Interest on bank loans and bank overdrafts		4,719	5,227
Interest income		(489)	(658)
Gain on disposal of fixed assets		(20)	(1)
Provision for doubtful debts		197	—
Share of profits less losses of associated companies		(23,219)	(12,256)
Write-off of inventories		55	—
Write-off of unquoted investments		74	—
Operating loss before working capital changes		(10,026)	(1,971)
(Increase)/decrease in debtors		(665)	23,107
Decrease in creditors		(5,549)	(7,014)
Decrease/(increase) in amount due from ultimate holding company		197	(366)
Decrease in net amount due from related parties		5,156	959
Increase in amount due from a shareholder of an associated company		—	(6,519)
Decrease in amount due from shareholders of subsidiary companies		27	15
Increase in amount due to associated companies (net)		173	13,416
Decrease in inventories		9,484	7,226
Currency translation adjustment		293	2,634
Net cash (used in)/generated from operations		(910)	31,487
Tax (paid)/refund		(606)	6
Net cash (used in)/generated from operating activities		(1,516)	31,493
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of preliminary expenses		(138)	—
Retrenchment benefits paid		(737)	—
Dividend received from an associated company		1,250	11,405
Purchase of fixed assets		(3,264)	(3,180)
Proceeds from sale of fixed assets		574	142
Purchase of shares from minority interests in a subsidiary company		—	(109)
Purchase of investment in an associated company		—	(20,045)
Proceeds from partial disposal of equity interests in a former joint venture company		—	11,282
Purchase of unquoted investment		(18)	(56)
Interest received		489	658
Net cash (used in)/generated from investing activities		(1,844)	97

consolidated cash flow statement

for the year ended 30 June 2000

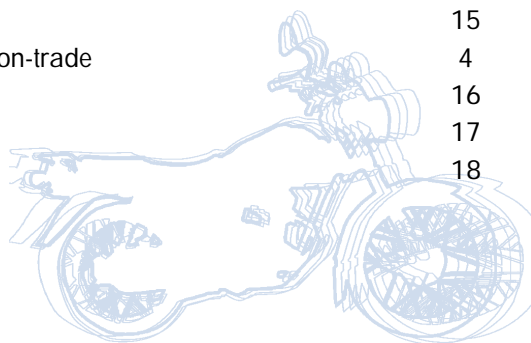
	Note	2000 S\$'000	1999 S\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		—	6,041
Capital contribution by minority shareholders		—	496
Dividends paid		(916)	(851)
Repayment of bank loans		(3,287)	(9,238)
Interest paid		(4,719)	(5,227)
Net cash used in financing activities		(8,922)	(8,779)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(12,282)	22,811
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		23,141	15,259
Cash and cash equivalents relating to companies which are no longer regarded as joint venture companies		—	(14,929)
CASH AND CASH EQUIVALENTS AT END OF YEAR	14	10,859	23,141



balance sheet

as at 30 June 2000

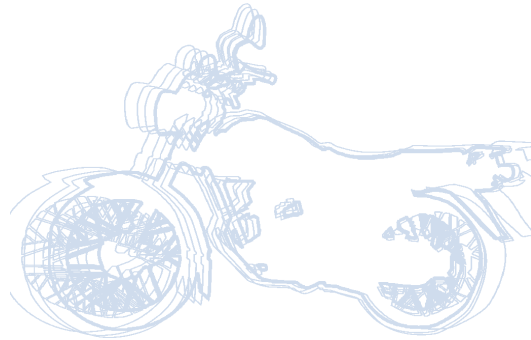
	Note	2000 S\$'000	1999 S\$'000
FIXED ASSETS	3	169	241
SUBSIDIARY COMPANIES	4	100,838	134,164
CURRENT ASSETS			
Other debtors and prepayments	10	39	33
Due from associated companies - non-trade	5	22	194
Due from related parties - non-trade	13	36	40
Short-term deposits		274	7,094
Cash and bank balances		29	201
		400	7,562
CURRENT LIABILITIES			
Other creditors and accruals	15	1,098	1,342
Due to subsidiary companies - non-trade	4	9,475	9,487
Bank loans (unsecured)	16	4,484	7,771
Proposed final dividend	17	—	916
Term loan (unsecured)	18	51,810	—
		66,867	19,516
NET CURRENT LIABILITIES		(66,467)	(11,954)
NON-CURRENT LIABILITY			
Term loan (unsecured)	18	—	51,000
		34,540	71,451
SHARE CAPITAL			
CAPITAL RESERVES	20	6,938	6,938
REVENUE RESERVES	21	(34,269)	2,642
		34,540	71,451



profit and loss account

for the year ended 30 June 2000

	Note	2000 S\$'000	1999 S\$'000
OPERATING LOSS	24	(1,465)	(2,521)
Taxation	25	—	14
LOSS AFTER TAXATION		(1,465)	(2,507)
Extraordinary item	26	(34,636)	—
LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	21	(36,101)	(2,507)



notes to the financial statements

30 June 2000

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL

The financial statements of the Company and the consolidated financial statements of the Group are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are set out in Note 4.

During the financial year, a subsidiary company, Lion Containers Sdn Bhd, ceased its activity relating to manufacturing of dry cargo containers. Following the cessation of its manufacturing activity, the principal activity of the subsidiary company consists of the sales of the remaining raw materials and dry cargo containers.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to end of financial year. The results of the subsidiary companies acquired or disposed of during the financial year are included in or excluded from the consolidated profit and loss account from the date of their acquisition or disposal. Intercompany balances and transactions and resulting unrealised profits are eliminated in full on consolidation.

The excess of the cost of investment over the fair value of net identifiable assets acquired represents goodwill on consolidation, which is taken directly to reserves.

Any excess of the value of net identifiable assets acquired over the cost of acquisition is taken directly to capital reserves as reserve arising on consolidation.

(c) Associated companies

An associated company is defined as a company in which the Group has significant influence over the financial and operating policies.

The Group's interests in associated companies have been accounted for using the equity method. In the consolidated balance sheet, the carrying value of associated companies reflects the Group's share of their underlying net assets. The excess of the attributable fair values of the net assets of the associated companies at the date of acquisition over the cost of investment is taken to reserves in the year of acquisition. The consolidated profit and loss account include the Group's share of post-acquisition profit (or loss) before taxation, taxation and profit (or loss) after taxation of the associated companies.

notes to the financial statements

30 June 2000

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Fixed assets and depreciation

Fixed assets are stated at cost less depreciation which is calculated on the straight-line method to write down the costs of the assets over their estimated useful lives to their residual values. No depreciation is provided on freehold land. Long leasehold lands are depreciated over the period of the leases. The annual depreciation rates applied are as follows:

Buildings	-	2% - 5%
Plant and machinery	-	10% - 46%
Office equipment and vehicles	-	10% - 40%
Furniture and fittings	-	10% - 33.3%

Construction in progress represents fixed assets under construction or being installed and is stated at cost. Cost comprises cost of plant and equipment and other direct costs incurred for the construction or installation of the fixed assets. No depreciation is provided on construction in progress.

(e) Investments

Investments in subsidiary and associated companies are stated in the financial statements of the Company at cost which includes acquisition charges such as legal and professional fees. Provision is made for diminution in value that is other than temporary.

Unquoted investments held on a long-term basis are stated at cost and a provision is made for any diminution in value that is other than temporary.

(f) Preliminary expenses

Preliminary expenses of the subsidiary companies are amortised on a straight-line basis to the profit and loss account over a period of 5 years from the commencement of their operations.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the following bases:

Steel and steel-related products	-	first-in first-out
Others	-	weighted average

In respect of finished goods and work-in-progress, cost includes materials, direct labour and an appropriate proportion of overhead expenditure.

Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition.

Provision is made where necessary for obsolete, slow-moving and defective inventories.

notes to the financial statements

30 June 2000

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date except for those hedged by foreign exchange forward contracts which are translated at such contracted rates. Transactions in foreign currencies are translated into Singapore dollars at exchange rates prevailing at transaction dates. All exchange differences, except as described below, are taken to the profit and loss account.

Foreign exchange differences arising on a foreign currency liability accounted for as a hedge of the Company's net investment in a foreign entity are taken directly to the foreign currency translation reserve in the Company's financial statements until the disposal of the net investment, at which time they are recognised as income or expenses as the case may be.

For inclusion in the consolidated financial statements of the Group, the assets and liabilities of foreign subsidiary companies and associated companies are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date. The results of foreign subsidiary companies and associated companies are translated into Singapore dollars at the average exchange rates for the year.

The following foreign exchange translation differences are taken directly to consolidated foreign currency translation reserve:

- (a) those arising on the assets and liabilities of foreign subsidiary companies and foreign associated companies;
- (b) those arising on any monetary balance which in substance forms part of the Group's net investment in foreign subsidiary companies and foreign associated companies; and
- (c) those arising on any foreign currency liability accounted for as a hedge of the Company's net investment in foreign subsidiary companies or foreign associated companies.

(i) Turnover

Group turnover comprises the invoiced value of cargo containers that have been inspected and accepted by customers, sales of cargo container component parts, seafood, food and beverages, electrical and electronic goods.

Turnover of the Group excludes transactions between related companies.

Turnover of the Company comprises the dividend income from investments.

(j) Revenue recognition

Revenue from the sale of goods is recognised upon delivery to customers, net of goods and services tax and sales returns.

Interest income is recognised on an accrual basis.

Dividend income from investments is recognised when declared to be payable.

notes to the financial statements

30 June 2000

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Taxation

Current taxation is provided based on the tax payable on the income for the year that is chargeable to tax.

Tax expense is determined on the basis of tax effect accounting using the liability method. Deferred taxation is provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items.

In accounting for timing differences, deferred tax assets are not recognised unless there is reasonable expectation of their realisation.

3 FIXED ASSETS

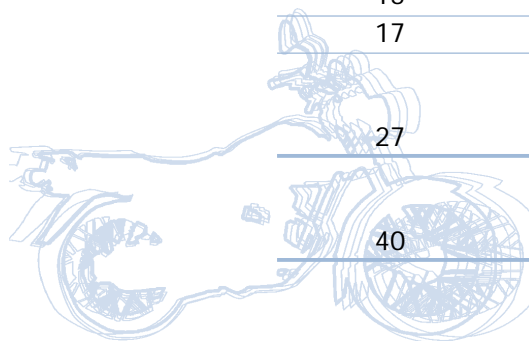
The Group	Freehold land S\$'000	Long leasehold land S\$'000	Buildings S\$'000	Plant and machinery S\$'000	Office equipment and vehicles S\$'000	Furniture and fittings S\$'000	Construction in progress S\$'000	Total S\$'000
<u>Cost</u>								
At 1 July 1999	5,505	3,347	13,173	12,496	1,254	744	60	36,579
Additions, at cost	—	—	370	250	210	108	2,326	3,264
Disposals, at cost	—	—	—	(1,110)	(120)	(2)	(61)	(1,293)
<u>Write down</u>								
(Note 26)	(1,532)	(1,766)	(3,351)	(3,979)	(50)	(106)	—	(10,784)
<u>Exchange rate adjustments</u>								
At 30 June 2000	85	52	204	181	7	15	1	545
At 30 June 2000	4,058	1,633	10,396	7,838	1,301	759	2,326	28,311
<u>Accumulated depreciation</u>								
At 1 July 1999	—	195	694	4,930	598	267	—	6,684
Disposals	—	—	—	(735)	(90)	—	—	(825)
<u>Depreciation charge</u>								
Exchange rate adjustments	—	60	333	1,510	261	150	—	2,314
At 30 June 2000	—	3	11	73	(1)	1	—	87
At 30 June 2000	—	258	1,038	5,778	768	418	—	8,260
<u>Net book value</u>								
At 30 June 2000	4,058	1,375	9,358	2,060	533	341	2,326	20,051
<u>Net book value</u>								
At 30 June 1999	5,505	3,152	12,479	7,566	656	477	60	29,895

notes to the financial statements

30 June 2000

3 FIXED ASSETS (CONT'D)

	Furniture and fittings S\$'000	Office equipment and vehicles S\$'000	Total S\$'000
<u>Company</u>			
<u>Cost</u>			
At 1 July 1999	42	396	438
Additions	2	24	26
Disposals	—	(1)	(1)
At 30 June 2000	44	419	463
<u>Accumulated depreciation</u>			
At 1 July 1999	2	195	197
Disposals	—	(1)	(1)
Depreciation charge	15	83	98
At 30 June 2000	17	277	294
<u>Net book value</u>			
At 30 June 2000	27	142	169
<u>Net book value</u>			
At 30 June 1999	40	201	241



4 SUBSIDIARY COMPANIES

	Company	
	2000 S\$'000	1999 S\$'000
Unquoted shares at cost	6,434	3,934
Less : Provision for diminution in value of investment	(6)	(6)
	6,428	3,928
Due from subsidiary companies		
- non-trade	8,650	7,766
- loans	55,630	51,694
- advance, net of provision for doubtful debts of S\$34,636,000 (1999: Nil)	30,130	70,776
	100,838	134,164
<u>Movement in provision for doubtful debts is as follows:</u>		
Provision made during the financial year/		
Balance at end of the year	34,636	—

The loans to subsidiary companies are unsecured and there is no specified payment date. Interest is charged at rates ranging from 6.875% to 8.46% (1999: 7.2188% to 7.9375%) per annum.

The non-trade balance due from and advance to subsidiary companies are unsecured, interest-free and there is no specified payment date.

notes to the financial statements

30 June 2000

4 SUBSIDIARY COMPANIES (CONT'D)

The Company has indicated that it will not demand settlement for the non-trade balance due from, loans and advance to subsidiary companies within one year from 30 June 2000.

The non-trade balance due to subsidiary companies are unsecured, interest-free and repayable upon demand.

The subsidiary companies at 30 June 2000 are as follows:

Subsidiary companies	Principal activities	Country of incorporation and place of business	Percentage of equity held by				Cost of the Company's investment	
			The Company		Subsidiary Company		2000	1999
			2000 %	1999 %	2000 %	1999 %	S\$'000	S\$'000
<u>Held by the Company:</u>								
Bright Steel Pte Ltd *	Investment holding	Singapore	100	100	—	—	25	25
Ternair Jaya Sdn Bhd **	Investment holding	Malaysia	100	100	—	—	***	***
Arbon Investment Pte Ltd ("Arbon") *	Investment holding	Singapore	100	100	—	—	477	477
Aarau Investment Pte Ltd ("Aarau") *	Investment holding	Singapore	100	100	—	—	306	306
Grenchen Investment Pte Ltd ("Grenchen") *	Investment holding	Singapore	100	100	—	—	279	279
Kloten Investment Pte Ltd ("Kloten") *	Investment holding	Singapore	100	100	—	—	47	47
Sonlife International Pte Ltd * (a)	Trading and distribution of metal and mineral products, food and beverages, seafood and investment holding	Singapore	86	75	—	—	4,750	2,250
Advent Electronics Pte Ltd *	Trading and distribution of semiconductors and related components	Singapore	55	55	—	—	550	550
<u>Held by subsidiary companies:</u>								
Lion Containers Sdn Bhd **	Manufacture and sale of dry cargo containers. Ceased manufacturing operation during the year	Malaysia	—	—	100	100	—	—
Sonlife Yangon Company Limited ** (b)	Trading of metal, mineral products and seafood	Myanmar	—	—	100	100	—	—
Sonfood Limited ## (c)	Seafood processing	Myanmar	—	—	100	—	—	—
Sonlife Mongolia Co Ltd#	Distribution of food and beverages, electrical and electronic goods	Mongolia	—	—	100	100	—	—
Sonlife International (Mongolia) Co., Ltd#	Distribution of food and beverages, electrical goods. Dormant during the year.	Mongolia	—	—	100	100	—	—
SonMarine (Thailand) Ltd #	Seafood processing	Thailand	—	—	50	50	—	—
Advent Electronics (M) Sdn Bhd ## (d)	Trading and distribution of semi-conductors and related components	Malaysia	—	—	100	—	—	—
							6,434	3,934

notes to the financial statements

30 June 2000

4 SUBSIDIARY COMPANIES (CONT'D)

The cost of investment includes acquisition charges such as professional fees and other incidental expenses amounting to S\$1,108,794 (1999: S\$1,108,794).

- * Audited by PricewaterhouseCoopers, Singapore
- ** Audited by associated firms of PricewaterhouseCoopers, Singapore
- *** Cost of investment less than S\$1,000
- # Audited by other firms
- ## No statutory audit requirement in the country of incorporation for the financial period from date of incorporation of the subsidiary company to 30 June 2000 but the financial statements of this subsidiary company were reviewed as part of the audit of the Group.

During the financial year:

- (a) Sonlife International Pte Ltd issued to the Company additional 2,500,000 ordinary shares of S\$1 each at par for cash for the purpose of providing working capital. As a result, the percentage of equity interest held by the Company has been increased from 75% to 86%;
- (b) Sonlife Yangon Company Limited issued to Sonlife International Pte Ltd additional 250 new shares of Kyats 1,000 each for cash for the purpose of providing additional working capital;
- (c) Sonfood Limited issued to Sonlife International Pte Ltd 1,040 new shares of Kyats 1,000 each for cash for the purpose of incorporation and providing working capital;
- (d) Advent Electronics Sdn Bhd issued to Advent Electronics Pte Ltd 2 shares of RM1 each for cash for the purpose of incorporation; and
- (e) The Group has ceased its container business. The contribution of the container business to the results of the Group for the current and preceding financial years is as follows:

	2000 S\$'000	1999 S\$'000
Loss before and after taxation	(8,390)	(314)
Extraordinary item	(14,448)	-
Loss after taxation and extraordinary item	<u>(22,838)</u>	<u>(314)</u>

notes to the financial statements

30 June 2000

5 ASSOCIATED COMPANIES

Interests in associated companies are held by five (1999: five) wholly-owned investment holding subsidiary companies.

	Group	
	2000 S\$'000	1999 S\$'000
<u>Associated companies</u>		
Unquoted equity shares at cost	64,114	64,114
Share of reserve on acquisition of associated companies	5,703	5,703
Share of post-acquisition reserves and profits less losses	46,975	29,518
	116,792	99,335

The details of the associated companies are as follows:

Name	Principal activities	Country of incorporation and place of business	Percentage of effective equity interest held by the Group	
			2000 %	1999 %
<u>Held by subsidiary companies:</u>				
Zhejiang Yipeng Engine Parts Co., Ltd ("Yipeng")	Manufacture of motorcycle engine parts and assembly of motorcycle engines	The People's Republic of China	49	49
Zhejiang Yirong Engine Parts Co., Ltd ("Yirong")	Manufacture of fuel tanks and exhaust pipes, spray painting of fuel tanks	The People's Republic of China	38	51
Zhejiang Yizhong Motorcycle Electric Products Co., Ltd ("Yizhong")	Manufacture of shock absorbers and body frame, assembly of various electrical instruments and components	The People's Republic of China	51	51
Zhejiang Victor Motorcycle Co., Ltd ("Victor")	Assembly of motorcycles	The People's Republic of China	43	43
Taizhou Mount-Channel Machinery Co., Ltd ("TMC")	Manufacture of motorcycle clutches	The People's Republic of China	30	30
Zhejiang Qianjiang Motorcycle Co., Ltd ("ZML")	Manufacture and distribution of motorcycles and accessories and investment holding	The People's Republic of China	24	24

notes to the financial statements

30 June 2000

5 ASSOCIATED COMPANIES (CONT'D)

- (a) The Group's investment in ZML, held through Bright Steel Pte Ltd with a cost of S\$20,045,000, represents a 24% shareholding in ZML whose shares are listed as "A" shares on the Shenzhen Stock Exchange of the People's Republic of China, and these "A" shares can only be traded by Chinese nationals. The Group's holding represents promoter's shares which cannot be traded on the exchange presently.

During the financial year, ZML contributed additional share capital of RMB 129,698,000 to Yirong. As a result, the percentage of effective equity interest held by the company has been diluted from 51% to 38%.

The Group regards Yipeng, Yirong and Yizhong, whose operations are integrated with that of Victor and ZML as associated companies at 30 June 2000 as it does not have control or joint control, but merely exercise significant influences, over their financial and operating policy decisions. Yizhong is a subsidiary company of the Group within the meaning of the Companies Act as the Group's equity interest in this company is 51%. However, it is not meaningful to consolidate or attach the financial statements of Yizhong as they would only give a partial view of the integrated operations of the motorcycle business in China.

The non-trade amounts due from/to associated companies are unsecured, interest-free and repayable upon demand.

- (b) During the financial year, two associated companies, Yizhong and Yipeng traded in shares listed on the stock exchanges in the People's Republic of China. These trades have been conducted through accounts not in the names of Yizhong and Yipeng at a securities trading house (hereinafter referred to as 'these accounts'). At 30 June 2000, the listed shares recorded by Yizhong and Yipeng arising from trades conducted through these accounts amounted to Rmb 88,300,000 (S\$18,366,400).

Notwithstanding this arrangement, the securities trading house has confirmed that it held these listed shares on behalf of Yizhong and Yipeng. At the date of adoption of these financial statements, the management of Yizhong and Yipeng have indicated their intention to cease these share trading activities and an amount of Rmb15,000,000 (S\$3,120,000) has been received by Yizhong from the securities trading house. The management of the Company is confident that the entire balance will be fully recoverable.

The Group's interests in associated companies have been accounted for using the equity method based on the percentage of shareholdings indicated above.

6 PRELIMINARY EXPENDITURE

	Group	
	2000 S\$'000	1999 S\$'000
Cost	138	—
Accumulated amortisation	(5)	—
	<hr/> 133	<hr/> —
Amortisation for the year/Balance at end of the year	<hr/> 5	<hr/> —

notes to the financial statements

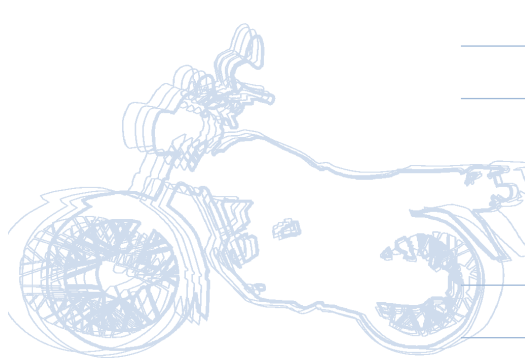
30 June 2000

7 DUE FROM A SHAREHOLDER OF AN ASSOCIATED COMPANY - NON-TRADE

The amount due from a shareholder of an associated company is unsecured, interest-free and is not repayable within the next twelve months.

8 INVENTORIES

	Group	
	2000	1999
	S\$'000	S\$'000
<u>At cost:</u>		
Raw materials	—	11,945
Work-in-progress	—	200
Stores and consumables	—	863
Finished goods	2,013	4,105
Goods in transit	—	570
	<hr/>	<hr/>
	2,013	17,683
<u>At net realisable value:</u>		
Raw materials	4,147	—
Stores and consumables	124	—
Finished goods	—	1,067
	<hr/>	<hr/>
	4,271	1,067
	<hr/>	<hr/>
	6,284	18,750



Inventories stated at net realisable value were arrived at net of the following provisions (Note 26):

Raw materials	2,895	—
Stores and consumables	32	—
Finished goods	—	338
	<hr/>	<hr/>
	2,927	338

9 TRADE DEBTORS

	Group	
	2000	1999
	S\$'000	S\$'000
Trade debtors	4,842	4,977
Less: Provision for doubtful debts	(197)	—
	<hr/>	<hr/>
	4,645	4,977
<u>Movements in provision for doubtful debts are as follows:</u>		
Provision made during the financial year/		
Balance at the end of the financial year	<hr/>	<hr/>
	197	—

notes to the financial statements

30 June 2000

10 OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Deposits	44	37	9	9
Prepayments	159	521	3	3
Advances to suppliers	90	261	—	—
Sundry debtors	313	666	27	21
	<u>606</u>	<u>1,485</u>	<u>39</u>	<u>33</u>

11 HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company is Omali Corporation Sdn Bhd, a company incorporated in Malaysia. The Company's ultimate holding company is Amalgamated Containers Bhd, a company incorporated in Malaysia.

The non-trade amounts due from/(to) ultimate holding company are unsecured, interest-free and repayable upon demand.

12 DUE FROM SHAREHOLDERS OF A SUBSIDIARY COMPANY

The amount due from shareholders of a subsidiary company is unsecured, interest-free and repayable upon demand.

13 DUE FROM/(TO) RELATED PARTIES

The amounts due from/(to) related parties are unsecured, interest-free and repayable upon demand.

Related parties refer to companies which are connected to the Company through certain common director or through indirect common shareholding.

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks and short-term deposits with banks and financial institutions less bank overdrafts. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group	
	2000 S\$'000	1999 S\$'000
Short-term deposits with banks	10,570	23,347
Cash and bank balances	1,071	1,947
Bank overdrafts	(782)	(2,153)
	<u>10,859</u>	<u>23,141</u>

notes to the financial statements

30 June 2000

15 OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Advance deposits from customers	150	—	—	—
Accruals for operating expenses	1,678	3,166	1,098	1,342
Sundry creditors	344	905	—	—
Provision for loss of inventories due to disappearance of a shipping vessel	—	600	—	—
	<u>2,172</u>	<u>4,671</u>	<u>1,098</u>	<u>1,342</u>

Movements in provision for loss of inventories due to disappearance of a shipping vessel as follows:

Balance at beginning of the year	600	—	—	—
(Utilisation)/provision during the year	(600)	600	—	—
Balance at end of the year	<u>—</u>	<u>600</u>	<u>—</u>	<u>—</u>

16 BANK LOANS (UNSECURED)

The bank loans which are repayable upon demand, bear interest at rates ranging from 4.1% to 8.4% (1999: 4.1%) and are secured by a corporate guarantee of US\$10,500,000 issued by the holding company.

17 PROPOSED FINAL DIVIDEND

	Group and Company	
	2000 S\$'000	1999 S\$'000
Final dividend proposed of Nil% (1999: 2%) less tax at Nil% (1999: 26%)	<u>—</u>	<u>916</u>

18 TERM LOAN (UNSECURED)

The bank loan is fully repayable on 30 June 2001 and bears interest at rates ranging from 7.5% to 8.6% (1999: 7.2% to 8.6%) per annum.

19 SHARE CAPITAL

	Group and Company	
	2000 S\$'000	1999 S\$'000
Authorised: 400,000,000 ordinary shares of S\$0.25 each	<u>100,000</u>	<u>100,000</u>

notes to the financial statements

30 June 2000

19 SHARE CAPITAL (CONT'D)

	Group and Company	
	2000	1999
	S\$'000	S\$'000
Issued and fully paid:		
Balance at beginning of the year - 247,485,120 (1999: 229,953,120) ordinary shares of S\$0.25 each	61,871	57,488
Issue of Nil (1999: 17,532,000) ordinary shares of S\$0.25 each	—	4,383
Balance at end of the year - 247,485,120 (1999: 247,485,120) ordinary shares of S\$0.25 each	61,871	61,871

20 CAPITAL RESERVES

	Group		Company	
	2000	1999	2000	1999
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Share premium</u>				
Balance at beginning of the year	6,938	5,280	6,938	5,280
Share premium on issue of Nil (1999: 17,532,000) ordinary shares of S\$0.25 each	—	1,658	—	1,658
Balance at end of the year	6,938	6,938	6,938	6,938
<u>Capital redemption reserve</u>				
Balance at beginning of the year	45	—	—	—
Transfer from revenue reserve (Note 21)	60	45	—	—
Balance at end of the year	105	45	—	—
<u>Enterprise development reserve</u>				
Balance at beginning of the year	1,159	1,769	—	—
Partial disposal of equity interest in an associated company	—	(1,039)	—	—
Transfer from revenue reserves (Note 21)	612	429	—	—
Balance at end of the year	1,771	1,159	—	—

notes to the financial statements

30 June 2000

20 CAPITAL RESERVES (CONT'D)

	Group		Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
<u>General reserve</u>				
Balance at beginning of the year	2,461	2,940	—	—
Partial disposal of equity interest in an associated company	—	(1,114)	—	—
Transfer from revenue reserves (Note 21)	1,946	635	—	—
Balance at end of the year	4,407	2,461	—	—
<u>Others</u>				
Gain on restructuring of motorcycle business	20,737	20,737	—	—
Total reserves	33,958	31,340	6,938	6,938

The amount of share premium is net of share issue expenses.

The enterprise development reserve and the general reserve are maintained by the Group's associated companies in accordance with the accounting regulations in the People's Republic of China and are not available for the payment of cash dividends. The amounts shown represent the Group's share of the reserves.

The capital redemption reserve pertains to redemption of redeemable preference shares by a subsidiary company and is not available for the payment of cash dividends.

21 REVENUE RESERVES

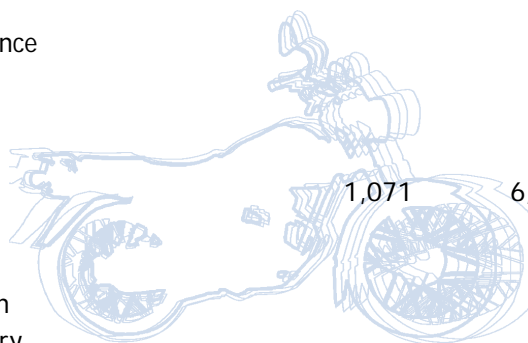
	Group		Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
<u>Unappropriated profit</u>				
Balance at beginning of the year	13,046	13,714	12,325	15,748
(Loss)/profit attributable to shareholders	(25,433)	1,357	(36,101)	(2,507)
Dividend (Note 17)	—	(916)	—	(916)
Transfer to capital reserves (Note 20):				
Capital redemption reserve	(60)	(45)	—	—
Enterprise development reserve	(612)	(429)	—	—
General reserve	(1,946)	(635)	—	—
Balance at end of the year	(15,005)	13,046	(23,776)	12,325

notes to the financial statements

30 June 2000

21 REVENUE RESERVES (CONT'D)

	Group		Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
<u>Foreign currency translation reserve</u>				
Balance at beginning of the year	(9,409)	(13,659)	(9,683)	(9,422)
Adjustments during the year:				
Arising on partial disposal of equity interest in an associated company	—	(1,781)	—	—
Arising on the assets and liabilities of foreign subsidiary companies and foreign associated companies	1,299	(231)	—	—
Arising on monetary balance which in substance forms part of the Group's net investment in foreign subsidiary companies	1,071	6,523	—	—
Transfer to extraordinary item arising from cessation of operation of a subsidiary company (Note 26)	11,285	—	—	—
Arising on foreign currency liability accounted for as a hedge of the Company's net investment in foreign associated companies	(810)	(261)	(810)	(261)
Balance at end of the year	3,436	(9,409)	(10,493)	(9,683)
Total reserves	(11,569)	3,637	(34,269)	2,642



22 RESERVE ARISING ON CONSOLIDATION

	Group	
	2000 S\$'000	1999 S\$'000
Balance at beginning of the year	3,421	10,876
Partial disposal of equity interest in an associated company	—	(7,455)
Balance at end of the year	3,421	3,421

notes to the financial statements

30 June 2000

23 REVENUE

	Group	
	2000 S\$'000	1999 S\$'000
Turnover - Revenue from sale of goods (net)	31,100	43,019
Share of associated companies' turnover	286,009	162,468
	317,109	205,487
Interest income	489	658
	317,598	206,145

24 OPERATING LOSS

	Note	Group		Company	
		2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Operating loss is stated after charging the following:					
Amortisation of preliminary expenses	6	5	—	—	—
Auditors' remuneration					
- auditors of the Company					
• current year		98	69	43	37
• under-provision in respect of prior year		—	2	—	2
- other auditors		125	122	118	102
Directors' remuneration and fees		1,134	908	425	463
Depreciation of fixed assets	3	2,314	2,224	98	83
Fixed assets written off		1	—	1	—
Foreign exchange loss		145	1,345	60	414
Interest on bank loans and bank overdrafts		4,719	5,227	4,476	4,429
Provision for doubtful debts	9	197	—	—	—
Write-off of unquoted investments		74	—	—	—
Write-off of inventories		55	—	—	—
And after crediting the following:					
Gain on disposal of fixed assets		(20)	(1)	—	—
Interest income					
- subsidiary companies		—	—	(4,194)	(3,772)
- others		(489)	(658)	(131)	(80)

notes to the financial statements

30 June 2000

25 TAXATION

	Group		Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Current income tax provision	21	—	—	—
- overprovision in respect of prior years	—	(14)	—	(14)
	21	(14)	—	(14)
Deferred taxation	4	—	—	—
Share of taxes of associated companies	6,103	1,767	—	—
	6,128	1,753	—	(14)

The associated companies (Note 5) are entitled to tax concessions whereby the profit of the first two financial years beginning with the first profit making year is exempted from income tax in the People's Republic of China and the profit of the subsequent three financial years is taxed at half of the normal income tax rate of 33%. Their taxable profits are determined on a calendar year basis.

The losses of certain subsidiary companies cannot be offset against the income tax payable by certain profitable subsidiary companies and associated companies.

As at 30 June 2000, the Group has unutilised tax losses and capital allowances of approximately S\$17,751,000 (1999: S\$8,500,000) available for offsetting against future taxable income subject to compliance with the relevant provisions of the Income Tax Act and agreement with the tax authorities in the respective jurisdictions.

There is no tax charge for the Company as the Company has no taxable income for the current financial year.

26 EXTRAORDINARY ITEM

	Group		Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Loss of inventories on board a vessel which went missing	—	600	—	—
Provision for doubtful debts on an advance to a subsidiary company, which has ceased operation during the financial year	—	—	34,636	—
Provision for cessation of operation of a subsidiary Company	14,448	—	—	—
Transfer from foreign currency translation reserve arising from cessation of operation of a subsidiary company (Note 21)	11,285	—	—	—
	25,733	600	34,636	—

notes to the financial statements

30 June 2000

26 EXTRAORDINARY ITEM (CONT'D)

Details of provision for cessation of operation of a subsidiary company are as follows:

	S\$'000
Fixed assets write down (Note 3)	10,784
Inventories write down (Note 8)	2,927
Retrenchment benefits	737
	<hr/>
	14,448

27 EARNINGS PER SHARE

	Group	
	2000	1999
	S\$'000	S\$'000
Profit after taxation and minority interest but before extraordinary items	300	1,957
(Loss)/profit after taxation and minority interests and extraordinary items	(25,433)	1,357
Weighted average number of ordinary shares ('000)	247,485	231,414
Adjustment for assumed exercise of share options ('000)	94	—
Weighted average number of ordinary shares for diluted earnings per share ('000)	247,579	231,414

Basic earnings per share before the extraordinary item is calculated by dividing the profit after taxation and minority interest but before extraordinary item by the weighted average number of ordinary shares in issue during the financial year.

Basis earnings per share after the extraordinary item is calculated by dividing the profit after taxation and minority interest and extraordinary item by the weighted average number of ordinary shares in issue during the financial year.

For the purposes of calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted to take into account the dilutive effect on the exercise of all outstanding share options granted to employees. This dilutive effect is computed based on the difference between the number of shares under option and the number of shares that could have been issued at fair values (based on the assumed proceeds from the issue of these shares) during the financial year. No adjustment is made to profit/loss after tax attributable to members of the Group.

28 RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the year at terms agreed between the parties:

notes to the financial statements

30 June 2000

28 RELATED PARTY TRANSACTIONS (CONT'D)

	Group	
	2000	1999
	S\$'000	S\$'000
Sales of inventories to a related party	121	—
Handling fee from a related party	391	201
Management fees received from related parties	124	—
Rental income from related parties	139	80
Rental charges paid to a related party	175	118

During the year, the Group provided trade financing amounting to S\$19,576,000 (1999: S\$5,052,000) to a related party for purchases made by that related party.

The above transactions are conducted pursuant to the Shareholders' Mandate obtained for Interested Person Transactions as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited.

Related parties refer to companies which are connected to the Company through certain common directors or through indirect common shareholding.

29 FUTURE CAPITAL EXPENDITURE

	Group	
	2000	1999
	S\$'000	S\$'000
Capital expenditure not provided for in the financial statements is as follows:		
Amounts approved by directors	1,135	2,538

30 OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group was committed to making the payments shown below in respect of operating leases with a term of more than one year:

	Group	
	2000	1999
	S\$'000	S\$'000
Within one year	95	33
Within 2 to 5 years	15	—

31 DIRECTORS' REMUNERATION

The number of directors of the Company within each range of remuneration is as follows:

	2000	1999
S\$250,000 to S\$499,000	1	1
Below S\$250,000	5	5
	6	6

notes to the financial statements

30 June 2000

32 CONTINGENT LIABILITIES

	Company	
	2000 S\$'000	1999 S\$'000
Unsecured guarantees given in respect of obligations of:		
- subsidiary companies	12,262	14,860

33 SUBSEQUENT EVENTS

- (a) In July 2000, one of the associated companies, Taizhou Mount-Channel Machinery Co., Ltd received additional share capital of US\$1,000,000 from the shareholders in the same proportion as that of the existing shareholdings. As a result, the Group's investment, held by Aarau Investment Pte Ltd, in this associated company has increased by US\$300,000.
- (b) In July 2000, Arbon Investment Pte Ltd has entered into a joint venture agreement with Zhejiang Qianjiang Motorcycle Co., Ltd to set up another joint venture company, Zhejiang Kaosin Precision Co., Ltd ("ZKP"). ZKP is incorporated in the People's Republic of China. The initial registered capital of ZKP is US\$2,500,000 and its principal activities are designing, producing and trading of mould. The Group's capital contribution to the joint venture company is US\$1,225,000, representing 49% equity interest in ZKP.

34 FINANCIAL INFORMATION BY SEGMENT

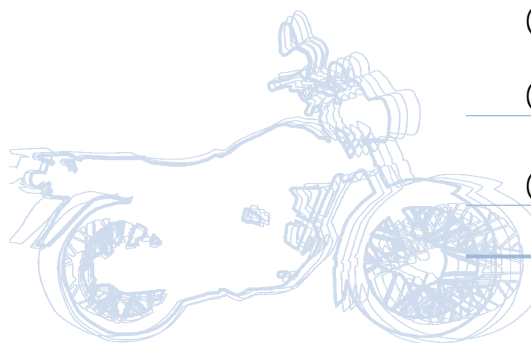
	Group	
	2000 S\$'000	1999 S\$'000
<u>Turnover</u>		
Industry segments:		
International trading and distribution business	23,837	12,094
Dry cargo container business	7,263	30,925
	31,100	43,019
Motorcycle business - share of associated companies' turnover	286,009	162,468
	317,109	205,487
Geographical areas:		
China	286,009	162,468
Malaysia	7,263	30,925
Singapore	23,472	10,488
Others	365	1,606
	317,109	205,487

notes to the financial statements

30 June 2000

34 FINANCIAL INFORMATION BY SEGMENT (CONT'D)

	Group	
	2000	1999
	S\$'000	S\$'000
<u>Profit before taxation</u>		
Industry segments:		
International trading and distribution business	(2,891)	(2,149)
Dry cargo container business	(8,389)	(268)
Motorcycle business		
- share of associated companies' profits net of allocated costs	18,743	7,827
	7,463	5,410
Less: Unallocated costs	(1,126)	(1,917)
	6,337	3,493
Geographical areas:		
China	18,743	7,827
Malaysia	(8,389)	(268)
Singapore	(416)	(1,078)
Others	(2,475)	(1,071)
	7,463	5,410
Less: Unallocated costs	(1,126)	(1,917)
	6,337	3,493
<u>Total assets employed</u>		
Industry segments:		
International trading and distribution business	14,761	15,496
Dry cargo container business	29,794	62,656
Motorcycle business	124,892	107,435
	169,447	185,587
Add: Unallocated assets	701	7,978
	170,148	193,565
Geographical areas:		
China	124,892	107,435
Malaysia	29,794	62,656
Singapore	10,224	11,813
Others	4,537	3,683
	169,447	185,587
Add: Unallocated assets	701	7,978
	170,148	193,565



There are no significant inter-segment transactions.

35 COMPARATIVES

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

shareholding statistics

as at 8 November 2000

Authorised Share Capital	:	S\$100,000,000.00
Issued and Fully Paid-up Capital	:	S\$ 61,871,280.00
Class of Shares	:	Ordinary Shares of S\$0.25 each
Voting Rights	:	One (1) Vote per share

Size of Shareholdings	No. of Shareholders	% of Holders	No. of Shares	% of Shares
1 - 1,000	134	1.99	134,000	0.05
1,001 - 10,000	4,583	67.96	28,316,760	11.44
10,001 - 1,000,000	2,018	29.92	82,472,600	33.33
1,000,001 & Above	9	0.13	136,561,760	55.18
Total	6,744	100.00	247,485,120	100.00

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
Omali Corporation Sdn Bhd	124,262,760	50.21
Citibank Consumer Nominees Pte Ltd	2,446,000	0.99
Oversea Chinese Bank Nominees Pte Ltd	1,673,000	0.68
Cheong Soh Chin Julie	1,600,000	0.65
Tan Huat	1,500,000	0.61
United Overseas Bank Nominees Pte Ltd	1,405,000	0.57
Singapore Nominees Pte Ltd	1,391,000	0.56
Hong Leong Finance Nominees Pte Ltd	1,157,000	0.46
DBS Nominees Pte Ltd	1,127,000	0.45
Phillip Securities Pte Ltd	947,000	0.38
Tan Boy Tee	800,000	0.32
Hoo Len Yuh	790,000	0.32
Eng Hup Seng Co Sdn Bhd	764,000	0.31
Kay Hian Private Limited	714,000	0.29
Lem (Lim) Ah Lek	699,000	0.28
Ardi Santoso Tan @ Tan Bun Hoa	675,000	0.27
Lioe Kyun Jin	558,000	0.23
Chai Ming Hin	550,000	0.22
Overseas Union Bank Nominees Pte Ltd	509,000	0.21
Sugama Trisnadi	483,000	0.20
	144,050,760	58.21

SUBSTANTIAL SHAREHOLDERS

(as in the Register of Substantial Shareholders)

Name	Direct Interests		Deemed Interests*	
	(No. of Shares held)	%	(No. of Shares held)	%
Omali Corporation Sdn Bhd	124,262,760	50.21	-	-
Bright Steel Sdn Bhd	-	-	124,262,760	50.21
Amalgamated Containers Bhd	-	-	124,262,760	50.21
Amsteel Corporation Bhd	-	-	124,262,760	50.21

* pursuant to Section 7 of the Companies Act, Cap. 50

notice of thirtieth annual general meeting

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of Lion Asiapac Limited (the "Company") will be held at The Conference Room at 10 Arumugam Road #10-00 Lion Industrial Building Singapore 409957 on Thursday, 14 December 2000 at 10.00 a.m. to transact the following business :-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts and Report of the Directors and Auditors of the Company for the year ended 30 June 2000.
2. To re-elect Mr Cheng Yong Kwang, a Director retiring pursuant to Article 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election.

(Note: Mr Cheng Yong Kwang, if re-elected, will remain as an Audit Committee Member and will not be considered an independent Director.)

3. To consider and, if thought fit, to pass the following resolutions under Section 153(6) of the Companies Act, Cap. 50 :-

(a) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Othman Wok be and is hereby re-elected as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

(Note: Mr Othman Wok, if re-elected, will remain as Chairman of the Audit Committee and will be considered an independent Director.)

(b) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Ying Yoke Kwai be and is hereby re-elected as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

(Note: Mr Ying Yoke Kwai, if re-elected, will remain as an Audit Committee Member and will be considered an independent Director.)

4. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

5. To approve the payment of S\$110,000/- as Directors' fees for the year ended 30 June 2000.
6. To consider and, if thought fit, to pass, with or without amendments, the following resolution as Ordinary Resolution:-

"That pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50% of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company for the time being, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

notice of thirtieth annual general meeting

7. To consider and, if thought fit, to pass, with or without amendments, the following resolution as Ordinary Resolution:-

"That the Directors of the Company be and are hereby authorised to offer and grant Options in accordance with the provisions of the LAP Share Option Scheme 2000 approved by the Company on 20 September 2000 (the "Scheme 2000") and pursuant to Section 161 of the Companies Act, Chapter 50 to allot and issue from time to time such number of shares in the capital of the Company (the "Shares") as may be required to be issued pursuant to the exercise of the Options under the Scheme 2000 and the Lion Asiapac Executives' Share Option Scheme approved by the Company on 31 March 1998 (the "Scheme 1998") provided always that the aggregate number of Shares to be issued pursuant to the Scheme 2000 and the Scheme 1998 shall not exceed 10% of the total issued share capital of the Company from time to time."

8. To consider and, if thought fit, to pass, with or without amendments, the following resolutions as Ordinary Resolutions:-

- (a) "That approval be and is hereby given for the purposes of Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling into the types of Interested Person Transactions, particulars of which are set out in the Company's Circular to Shareholders dated 16 March 1998 (the "Circular") with any party who is of the class of Interested Persons described in the Circular provided that such transactions are made on an arm's length basis and on normal commercial terms; and
- (b) That such approval (the "Mandate") shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company; and
- (c) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Mandate and/or this Resolution."

9. To transact such other ordinary business as can be transacted at an Annual General Meeting of the Company.

By Order of the Board

Tan Yen Hui
Company Secretary

Singapore, 27 November 2000

notice of thirtieth annual general meeting

STATEMENT PURSUANT TO ARTICLE 54A OF THE ARTICLES OF ASSOCIATION OF THE COMPANY:-

The effect of the resolutions under the heading "Special Business" in the Notice of the Annual General Meeting is as follows :-

- a) The Ordinary Resolution proposed in item 6 above, if passed, will empower the Directors of the Company to issue shares in the Company up to and not exceeding in aggregate 50% of the issued share capital of the Company for the time being provided that the issue of shares other than on a pro-rata basis shall not exceed 20% of the issued share capital of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority will, unless revoked, varied or substituted by a fresh Shareholders' Mandate at a general meeting, expire at the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier.
- b) The Ordinary Resolution proposed in item 7 above, if passed, will empower the Directors of the Company to offer and grant options under the Scheme 2000 and to allot and issue shares in the capital of the Company pursuant to the exercise of the options under the Scheme 2000 and the Scheme 1998.
- c) The Ordinary Resolution proposed in item 8 above, if passed, will renew the Mandate to allow the Company, its subsidiaries and target associated companies or any of them to enter into certain interested person transactions with persons who are considered "Interested Persons" (as defined in Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited). This authority will, unless revoked, varied or substituted by a fresh Shareholders' Mandate at a general meeting, expire at the next Annual General Meeting of the Company.

NOTES :

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend at the same meeting. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy need not be a member of the Company.

The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 10 Arumugam Road #10-00 Lion Industrial Building Singapore 409957 not less than 48 hours before the time appointed for holding the meeting.

proxy form

LION ASIAPAC LIMITED

(Incorporated in the Republic of Singapore)

IMPORTANT: FOR CPF INVESTORS ONLY

1. This Annual Report is forwarded to you at the request of your CPF Approved Nominees and is sent solely for YOUR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name)

of _____ (Address)

being a member(s) of LION ASIAPAC LIMITED (the "Company"), hereby appoint:-

Name	Address	NRIC/Passport Number	Proportion of Shareholdings(%)
and/or (delete as appropriate)			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote on my/our behalf and, if necessary, to demand a poll, at the Thirtieth Annual General Meeting of the Company to be held at The Conference Room, 10 Arumugam Road #10-00 Lion Industrial Building Singapore 409957 on Thursday, 14 December 2000 at 10:00 am and at any adjournment thereof in the following manner.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific direction, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting).

No.	Resolutions	For	Against
	Ordinary Business		
1.	Adoption of Directors' Report, Accounts and Auditors' Report for the year ended 30 June 2000		
2.	Re-election of Mr Cheng Yong Kwang as Director pursuant to Article 91 of the Company's Articles of Association		
3(a)	Re-election of Mr Othman Wok as Director pursuant to Section 153(6) of the Companies Act, Cap. 50		
3(b)	Re-election of Mr Ying Yoke Kwai as Director pursuant to Section 153(6) of the Companies Act, Cap. 50		
4.	Re-appointment of Messrs PricewaterhouseCoopers as Auditors		
	Special Business		
5.	Approval of payment of Directors' fees		
6.	Authority for the Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50		
7.	Authority for the Directors to offer and grant options in accordance with the provisions of the Scheme 2000 and to issue shares pursuant to the exercise of options under the Scheme 2000 and the Scheme 1998		
8.	Renewal of Shareholders' Mandate for Interested Person Transactions		

Dated this _____ day of _____ 2000

Total No. of Shares in:	No. of Shares
1) CDP Register	
2) Register of Members	

Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read notes overleaf.

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to the entire number of shares registered in your name in the Depository Register and the Register of Members.
2. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead and such proxy or proxies need not be a member of the Company.
3. Where a member of the Company appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 10 Arumugam Road #10-00, Lion Industrial Building, Singapore 409957 not less than 48 hours before the time appointed for the Annual General Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or an officer duly authorised.
6. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Cap. 50.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member of the Company, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.