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Chairman's Statement

Following the economic recovery in Asia, the Group achieved a turnaround in profit of S\$1.24 million in contrast to a loss of S\$4.77 million in the previous year.



Cheng Theng Kee
Chairman

The year in review has been a challenging one for the Group. Following the economic recovery in Asia, the Group achieved a turnaround in profit of S\$1.24 million in contrast to a loss of S\$4.77 million in the previous year. This is mainly due to an increase in sales and productivity of the steel fabrication business with the aid of some long-term supply contracts secured in Year 1999. These have helped to boost the profit margins despite the slowdown in the construction industry.

The Group's telecom business in China was compulsorily acquired by China Unicom prior to their listing in Hong Kong and we were compensated on our investments. After taking into account the compensation and reimbursement of

expenses by China Unicom, the Group reported a net gain of S\$0.17 million arising from this disposal.

The Group's steel fabrication division reported a substantial profit before tax of S\$3.92 million. For the property development and management division, a profit before tax of S\$2.09 million was reported.

Prospects

As the Group streamlines its businesses, it expects the various divisions to recover from the effects of the Asian economic slowdown. Even as the economy picks up, the demand for the key construction materials is expected to remain subdued. However as a prudent



Showroom at Dunman Road

management strategy to remain competitive and profitable, the Group will contain its costs and improve the efficiency of its steel fabrication capacity. In addition, long term contracts secured with HDB will continue to enhance our earnings base in the coming year.

For the property development division, effort will be concentrated on marketing the remaining residential units held by the Group. In Singapore, as the majority of the units at Ewe Boon Road and Dunman Road are sold, sales in the coming financial year is not expected to surpass that of the year under review. For its industrial property developments, the Group will offer more competitive

pricing and upgrade its existing industrial buildings in order to attract new tenants.

In Malaysia, the industrial and commercial sector is recovering gradually. As such, the Group's strategy is to identify some residential sites to complement its industrial and commercial land bank for future growth.

Acknowledgment

On behalf of my fellow members of the Board, I wish to express my appreciation for the commitment, hard work and contribution of the management and staff. I would also like to extend my thanks to our clients, shareholders and business associates for their support and

contribution for making this year a fruitful year for the Group. We look forward to the many years of support and co-operation ahead.

Cheng Theng Kee
Chairman

Operations Review

To capitalize on this trend, the Group will construct a new cut-and-bend rebar fabrication factory to reduce dependence on foreign labour for the construction industry.



Angkasa Building Materials supplied fabricated steel reinforcement bars for JTC Headquarter



Angkasa Building Materials supplied steel for the construction of The Mayfair condominium

Steel fabrication division

For the year in review, the steel trading and fabrication division performed exceptionally well. Profit before tax was at S\$3.9 million, a S\$2.2 million increase from the previous year. Turnover also saw an increase of 12.7%.

With the announcement of Singapore's Construction 21 plan, there is an emphasis for the local construction sector to achieve higher productivity and to improve quality of construction products by gradually reducing manual labour on site. Increasingly, there is also a trend to move away from manual work on site to factory cut-and-bend rebar fabrication. To capitalize on this trend, the Group will construct a new cut-and-bend rebar fabrication factory to reduce dependence on foreign labour for the construction

industry. The implementation of better technology in the new factory will further enhance the quality of reinforcement products.

The new cut-and-bend rebar factory is also a milestone to mark the strategic alliance between our subsidiary, Angkasa Building Materials Pte Ltd ("ABM"), and Hong Leong Asia Ltd ("HLA"). The joint venture will maintain the Group's position as one of the leading customized cut-and-bend rebar fabricators.

At present, close to 40% of the local construction industry is adopting this practice of cut-and-bend off-site. The market demand for the rebar products is expected to increase substantially in the next few years as the remaining 60% follows suit. The new investment in another plant will increase production from 6,000 tones to 16,000 tones per

month in two years' time. This will help boost production capacity and efficiency in terms of shorter delivery time.

The joint venture is expected to spearhead the steel fabrication business towards manufacturing of higher value added steel reinforcement products to keep in line with market trends. The partnership between ABM and HLA would provide the necessary network and expertise to capture new markets and ensure higher quality products with economies of scale at the new plant and improvement in turnaround time for our customers.

Property division

Following the economic recession in 1997/98 and the quick recovery in property prices in 1999, the property market has entered a consolidation phase. Property experts have attributed the selective demand in the buyers' market to stock market volatility, oil price fears, political instability in the region and of course, a supply overhang. As for the Group's residential property development in Singapore, 29 out of 37 units of Princeton at Ewe Boon Road have been sold. At Dunman Road, 50 of the 69 units have also been taken up.

In Malaysia, the property market recovered to register gains of 21.4% in overall volume in 1999. This is a positive growth compared to a negative 32.3% in 1998. In terms of value of transactions in 1999, the Malaysian property market also recorded a favourable 23.3%. This is a significant increase from 1998's negative 47.6%. In general, the residential sector has led the surge.

Although the Malaysian property market is recovering, the gains registered in overall volume and value of transactions are not expected to increase the occupancy or rental and sale prices of commercial retail and office space in the immediate future. It would take some time for demand to absorb the surplus supply.

The projected take up rate of the Malacca commercial property market by local and Singaporean investors is likely to remain flat. 75% of the shops and offices in Mahkota Square have been taken up despite less than optimistic market sentiment. Sales to-date is valued at RM123.4 million.

For its industrial property sector, demand is expected to be confined to small and medium industrial units. As such, sales at the Lion Industrial Park, Banting, Selangor will remain slow.

Telecommunications division

The Group's GSM telecommunications business in the People's Republic of China ("PRC") has undergone compulsory acquisition by China Unicom and termination agreements have been signed in April 2000. For the optic fiber telecommunications network in Guangdong, PRC, divestment plan is being pursued.

The associated costs of amortization of network (S\$2.3 million), hire purchase interests (S\$0.9 million) and deferred expenses (S\$1.1 million) were not required in this financial year. The consultancy fee of S\$1.7 million incurred last year was non-recurrent as well. As a result of the compulsory acquisition, this year's financial result of the telecommunications division does not include any turnover or share of results of associated company.

Nevertheless, with the valuable networking and expertise built up by the team operating the telecom business in the past three years, the Group continues to maintain an interest and will constantly look out for opportunities that might arise in the related industry.

Board of Directors



CHENG THENG KEE
CHAIRMAN

Director of Amsteel Corporation Bhd. and an Alternate Director of Lion Corporation Bhd., both of which are listed on the KLSE.



SAM CHONG KEEN
CEO & EXECUTIVE VICE-CHAIRMAN

Managing Director of Lion Asiapac Limited and Director of Stamford Tyres Corporation Ltd, both of which are listed on the SGX. Chairman of NTUC Denticare Co-operative.



CHENG YONG LIANG
MANAGING DIRECTOR

Director of Lion Land Bhd., a company listed on the KLSE.



CHAY YEE
NON-EXECUTIVE DIRECTOR

Managing Director of Forte Management Services Pte Ltd.



ONG TEONG WAN
NON-EXECUTIVE DIRECTOR

Principal Consultant of the Singapore Institute of Management and Director of Vicom Ltd, a company listed on the SGX.



MAZLAN BIN DATO' HARUN
NON-EXECUTIVE DIRECTOR

Executive Chairman of Bidara Holdings Sdn Bhd.



TAN SRI CHENG HENG JEM
NON-EXECUTIVE DIRECTOR

Chairman and Managing Director of Lion Corporation Bhd., Chocolate Products (Malaysia) Bhd. and Posim Bhd., Managing Director of Amsteel Corporation Bhd., and Director of Amalgamated Containers Bhd. and Angkasa Marketing Bhd., all of which are listed on the KLSE.

Corporate Information

Board of Directors

Chairman

Mr Cheng Theng Kee

Chief Executive Officer & Executive Vice-Chairman

Mr Sam Chong Keen

Managing Director

Mr Cheng Yong Liang

Non-Executive Directors

Tan Sri Cheng Heng Jem
Encik Mazlan Bin Dato' Harun
Mr Chay Yee
Mr Ong Teong Wan

Audit Committee

Chairman

Mr Ong Teong Wan

Audit Committee members

Mr Chay Yee
Mr Cheng Yong Liang

Company Secretary

Tan Yen Hui, ACIS

Registered Office

10 Arumugam Road #10-00
Lion Industrial Building
Singapore 409957
Tel : (65) 745 9677
Fax : (65) 747 9493

Registrar and Share Transfer Office

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758
Tel : (65) 323 6200
Fax : (65) 323 6990

Auditors

Ernst & Young
Certified Public Accountants
10 Collyer Quay #21-01
Ocean Building
Singapore 049315
Partner-in-charge : Mrs Lim Siew Koon
Tel : (65) 535 7777
Fax : (65) 532 7662

Solicitors

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

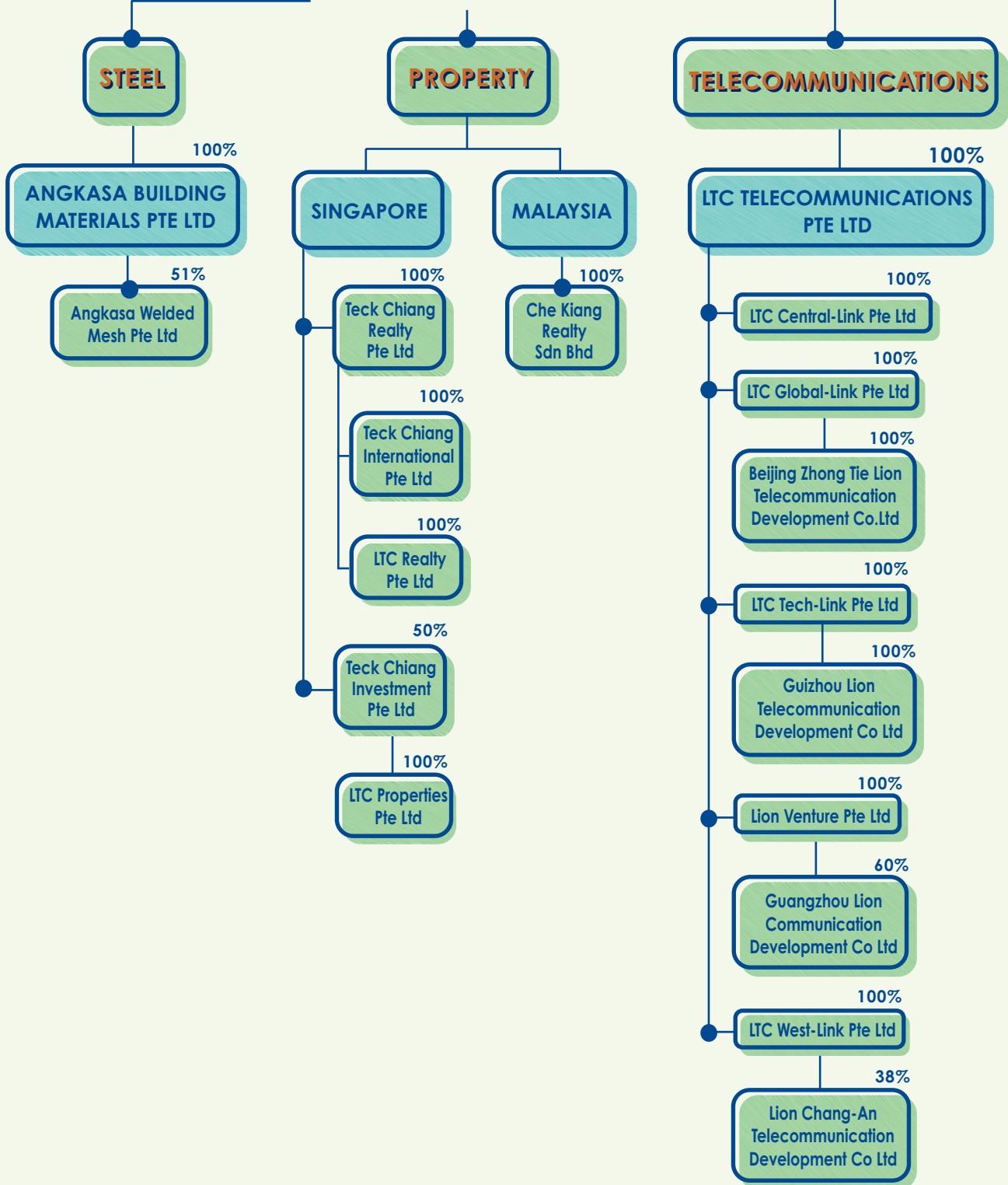
Principal Bankers

The Development Bank of
Singapore Limited
Oversea-Chinese Banking
Corporation Limited
Citibank N.A.

Corporate Structure



Lion Teck Chiang Limited



Financial Highlights

FINANCIAL PERFORMANCE

	2000 S\$'000	1999 S\$'000
Turnover for the year ended 30 June		
Steel trading	82,635	73,352
Property development	30,436	33,921
Property rental and management	3,413	3,933
Investment holdings	-	991
Plantation business	-	4,802
Total	116,484	116,999
Profit before tax for the year ended 30 June		
Steel trading	3,922	1,685
Property development	2,098	(2,317)
Property rental and management	936	1,257
Investment holdings	(4,076)	(9,676)
Plantation business	-	4,802
Total	2,880	(4,249)

	2000 (cents)	1999 (cents)
Earnings/(Loss) per share (after tax and based on existing issued share capital*)	0.79	(3.3)
Net tangible assets backing per ordinary share	93	94
Par value per share	50	50

FINANCIAL POSITION

	2000 S\$'000	1999 S\$'000
Investment Properties	85,000	85,000
Fixed Assets	11,049	9,173
Subsidiary Companies	-	-
Associated Companies	(158)	14,319
Long-Term Investments	3,901	4,416
Interests in Investment Projects	5,937	45,806
Properties Under Development	80,456	97,690
Intangible Assets	-	5,477
Deferred Expenditure	-	491
Current Assets	95,170	64,435
Current Liabilities	(133,303)	(146,825)
Hire Purchase Creditors	(47)	(5,697)
Amount due to bankers	-	(30,945)
Deferred Taxation	(2,356)	(2,093)
	145,649	141,247
Represented by:		
Share Capital	78,227	78,227
Share Premium	71,886	71,886
Capital Reserves	5,337	3,181
Revenue Reserves	(12,569)	(15,792)
	142,881	137,502
Minority Interests	2,768	3,745
	145,659	141,247

* Earnings per share and net tangible assets backing per share are calculated based on 156,453,000 ordinary shares of S\$0.50 each (1999: 143,342,000 weighted average shares of S\$0.50 each).

Financial Content

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Report of the Directors

The Directors have pleasure in presenting their report together with the audited financial statements of the Company and of the Group for the year ended 30 June 2000.

Principal activities

The principal activity of the Company is that of investment holding. The subsidiary companies are primarily engaged in investment holding, property investment and development, steel trading and telecommunication business in China. There have been no significant changes in the nature of these activities during the financial year.

Results for the financial year

	Group \$'000	Company \$'000
Profit after taxation and minority interests transferred to revenue reserve	<u>1,241</u>	<u>6,964</u>

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 affected by any item, transaction or event of a material and unusual nature other than the exceptional item disclosed in Note 7 to the financial statements.

Movements in reserves and provisions

Detailed movements of reserves are shown in Note 31 to the financial statements.

Apart from these movements, there were no material transfers to or from reserves or provisions except for normal amounts set aside for items such as depreciation, provision for foreseeable losses and taxation as disclosed in the financial statements.

Dividends

No dividend was paid during the year in respect of the previous financial year, and no dividend was declared or proposed by the Company during the financial year.

Directors

The names of the Directors of the Company in office at the date of this report are :-

Cheng Theng Kee
Sam Chong Keen
Cheng Yong Liang
Tan Sri Cheng Heng Jem
Mazlan Bin Dato' Harun
Ong Teong Wan
Chay Yee

Report of the Directors

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 164 of the Companies Act, Cap. 50, an interest in shares and share options of the Company, as stated below :-

Name of director	Held in the name of director		Deemed interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
No. of ordinary shares of \$0.50 each				
Cheng Theng Kee	300,000	300,000	53,100,000	53,100,000
Sam Chong Keen	50,000	50,000	-	-
Cheng Yong Liang	150,000	150,000	-	-
Tan Sri Cheng Heng Jem	-	-	20,494,000	20,494,000
Mazlan Bin Dato' Harun	-	-	8,332,000	8,332,000
No. of options to subscribe for ordinary shares of \$0.50 each				
Sam Chong Keen	216,000	216,000	-	-
Cheng Yong Liang	180,000	180,000	-	-

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

By virtue of Section 7 of the Companies Act, Cap. 50, Cheng Theng Kee with shareholdings as set out above, is deemed to have an interest in all the subsidiary companies of the Company.

None of the other Directors who held office at the end of the financial year had an interest in the shares or debentures of the Company or the Company's subsidiaries.

Since the end of the previous financial year, no Director has received or has become entitled to receive benefits under contracts required to be disclosed by Section 201(8) of the Companies Act, Cap. 50 except those disclosed in notes 4 and 17 of the financial statements.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangements, to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than those disclosed in this report.

Corporate governance

The Company believes in maintaining high standards 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 and an Executives' Share Option Scheme Committee.

Report of the Directors

Board of Directors

The Board of Directors is responsible for the corporate governance of the Company. Currently, it consists of seven Directors, three of whom hold executive positions. The executive and non-executive Directors are as follows :

Executive Directors

Cheng Theng Kee	(Chairman)
Sam Chong Keen	(Chief Executive Officer & Executive Vice-Chairman)
Cheng Yong Liang	(Managing Director)

Non-Executive Directors

Tan Sri Cheng Heng Jem
Mazlan Bin Dato' Harun
Ong Teong Wan
Chay Yee

The Board meets frequently to review and approve appropriate strategic plans, key operational and financial matters, major investment and funding decisions, supervise executive management and ensure that the Company's strategies are in the interest of the Company and its shareholders. The Chairman, CEO (Vice-Chairman) and Managing Director are responsible for the day-to-day operation and administration of the Company.

Audit Committee

The Audit Committee comprises three members, two of whom, including its Chairman, are independent members (as defined in Clause 902(4)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited):

Ong Teong Wan	(Chairman)
Chay Yee	
Cheng Yong Liang	

To enable the Committee to discharge its functions more effectively, the Company has also set up an internal audit department. The Audit Committee has full access to both the external and internal 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 relation to the financial statements of the Company and the Group for the year ended 30 June 2000, the Committee reviewed the audit plan and the scope of examination of the external auditors of the Company. It further reviewed the financial statements of the Company and 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 internal audit of the Groups activities 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 Ernst & Young as external auditors at the forthcoming Annual General Meeting of the Company.

Group Internal Audit

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

Executives' Share Option Scheme (ESOS) Committee

The ESOS Committee comprises three members, all of whom are independent of management :

Ong Teong Wan
Mazlan Bin Dato' Harun
Chay Yee

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

Securities Transactions

The Company has issued a Compliance Code on Securities Transactions to all employees of the Company and its subsidiaries setting out the implications 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.

Year 2000 issues ("Y2K")

The Group successfully completed the cross-over into Year 2000 and did not encounter any problem related to the Y2K issues.

Share capital

During the year, no shares were issued by the Company.

No debentures were issued by the Group during the year.

Options on shares in the Company

Pursuant to the Lion Teck Chiang Executives' Share Option Scheme, options to take up 530,000 unissued shares of \$0.50 each in the Company were outstanding at 30 June 2000 :

Date of grant	No. of share options					Exercise price	Exercise period
	At 1.7.1999	Granted	Lapsed	Exercised	At 30.6.2000		
8.4.1998	523,000	-	(100,000)	-	423,000	\$0.50	9.4.1999 to 7.4.2003
5.4.1999	107,000	-	-	-	107,000	\$0.50	6.4.2000 to 4.4.2004
	630,000	-	(100,000)	-	530,000		

The employees to whom the share options have been granted have no right to participate by virtue of their subscription rights and share options, in any shares of any other company in the Group. The Directors who were granted such options are disclosed under the information on directors' interests in this report.

Acquisition and disposal of subsidiaries

There was no acquisition or disposal of any subsidiary during the year.

Report of the Directors

Asset values

Before the profit and loss account and balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that :

- (a) action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) any current assets which were unlikely to realise their book value in the ordinary course of business had been written down to their estimated realisable values or adequate provision had been made for the difference between those values.

At the date of this report, the Directors are not aware of any circumstances which would render :

- (a) any amount written off or provided for bad and doubtful debts in the Group inadequate to any substantial extent; and
- (b) the values attributed to current assets in the consolidated financial statements misleading.

Charges and contingent liabilities

Since the end of the financial year, no charge on the assets of the Company or any company in the Group have arisen which secure the liabilities of any other person.

Since the end of the financial year, no contingent liability of the Company or any company in the Group has arisen.

No contingent or other liability of the Company or any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the 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 the consolidated financial statements which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

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 or of the Group for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board,

Sam Chong Keen
Director

Cheng Yong Liang
Director

30 October 2000
Singapore

Statement by Directors Pursuant to Section 201(15)

We, Sam Chong Keen and Cheng Yong Liang, being two of the Directors of Lion Teck Chiang Limited, do hereby state that, in the opinion of the Directors :-

- (a) the balance sheets, profit and loss accounts and consolidated statement of cash flows together with the notes thereto, set out on pages 19 to 45 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2000; and the results of the Company and of the Group, and the cash flows of the Group, for the year ended 30 June 2000;
- (b) 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 Board,

Sam Chong Keen
Director

Cheng Yong Liang
Director

30 October 2000
Singapore

Auditors' Report to the Members of Lion Teck Chiang Limited

We have audited the financial statements of Lion Teck Chiang Limited set out on pages 19 to 45. These financial statements comprise the balance sheets of the Company and the Group as at 30 June 2000, and the profit and loss accounts of the Company and the Group and the cash flow statement of the Group for the year then ended. 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 about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

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

We have considered the financial statements and auditors' reports of all subsidiary companies of which we have not acted as auditors, and whose financial statements have been included in the consolidated financial statements. The names of these subsidiaries audited by our associate firms are stated in Note 2.

We are satisfied that the financial statements of the subsidiaries 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 subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

ERNST & YOUNG
Certified Public Accountants

30 October 2000
Singapore

Profit and Loss Accounts

for the year ended 30 June 2000

	Note	Group		Company	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Turnover	3	116,484	116,999	10,234	-
Operating profit/(loss)	4	884	532	(579)	(590)
Share of results of associated companies		(1)	(705)	-	-
Investment and interest income	5	809	322	10,234	-
Interest expenses	6	(3,423)	(4,398)	-	(84)
Exceptional item	7	4,611	-	-	-
Profit/(loss) before taxation		2,880	(4,249)	9,655	(674)
Taxation	8	(1,775)	(1,112)	(2,691)	-
Profit/(loss) after taxation		1,105	(5,361)	6,964	(674)
Minority interests		136	668	-	-
Profit/(loss) before extraordinary item		1,241	(4,693)	6,964	(674)
Extraordinary item	9	-	(76)	-	-
Profit/(loss) for the year	31	1,241	(4,769)	6,964	(674)
Basic earnings/(loss) per share :	10				
Before extraordinary item		0.8¢	(3.3)¢		
After extraordinary item		0.8¢	(3.3)¢		

The accompanying notes form an integral part of the financial statements.

Balance Sheets as at 30 June 2000

	Note	Group		Company	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Investment properties	11	85,000	85,000	-	-
Fixed assets	12	11,049	9,173	-	-
Subsidiary companies	13	-	-	159,058	152,077
Associated companies	14	(158)	14,319	12	2
Long-term investments	15	3,901	4,416	380	380
Interests in investment projects	16	5,937	45,806	-	-
Properties under development	17	80,456	97,690	-	-
Intangible assets	18	-	5,477	-	-
Deferred expenditure	19	-	491	-	-
Current assets					
Completed properties held for sale	20	11,080	5,054	-	-
Stocks	21	7,965	4,878	-	-
Trade debtors	22	22,372	28,709	-	-
Other debtors	23	564	3,310	164	164
Amounts due from related parties	24	4,002	5,071	-	-
Fixed deposits		41,195	14,694	-	-
Cash and bank balances		7,992	2,719	87	34
		<u>95,170</u>	<u>64,435</u>	<u>251</u>	<u>198</u>
Current liabilities					
Trade creditors	25	16,995	11,172	-	-
Other creditors	26	3,452	13,744	221	170
Hire purchase creditors	27	89	11,903	-	-
Amounts due to bankers	28	86,933	70,666	-	-
Amounts due to related parties	24	18,039	32,001	32	3
Provision for taxation		7,795	7,339	-	-
		<u>133,303</u>	<u>146,825</u>	<u>253</u>	<u>173</u>
Net current (liabilities)/assets		(38,133)	(82,390)	(2)	25
Long-term liabilities					
Hire purchase creditors	27	47	5,697	-	-
Amounts due to bankers	28	-	30,945	-	-
Deferred taxation	29	2,356	2,093	-	-
		<u>(2,403)</u>	<u>(38,735)</u>	<u>-</u>	<u>-</u>
		<u>145,649</u>	<u>141,247</u>	<u>159,448</u>	<u>152,484</u>
Capital and reserves					
Share capital	30	78,227	78,227	78,227	78,227
Reserves	31	64,654	59,275	81,221	74,257
		<u>142,881</u>	<u>137,502</u>	<u>159,448</u>	<u>152,484</u>
Minority interests		2,768	3,745	-	-
		<u>145,649</u>	<u>141,247</u>	<u>159,448</u>	<u>152,484</u>

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2000

	2000 \$'000	1999 \$'000
Cash flows from operating activities :		
Operating profit before interest and taxation	884	532
Adjustments for :		
Depreciation of fixed assets	1,121	1,262
(Gain)/loss on disposal of fixed assets	(73)	49
Fixed assets written off	1	-
Provision for foreseeable losses	-	14,503
Provision for diminution in value of long-term investments	565	105
Amortisation of deferred expenditure	93	65
Amortisation of interests in investments projects	-	1,985
Amortisation of goodwill	-	304
Deferred expenditure written off	437	1,075
Goodwill written off	4,436	-
Gain on disposal of interest in investment projects	(4,611)	-
Currency realignment	(1,223)	3,108
Operating profit/(loss) before reinvestment in working capital	<u>1,630</u>	<u>22,988</u>
(Increase)/decrease in stocks	(3,087)	10,763
Decrease/(increase) in debtors	9,083	(6,060)
Increase/(decrease) in creditors	8,586	(36,529)
(Increase)/decrease in properties under development	(1,847)	25,643
Increase in deferred expenditure	(11)	(788)
Cash generated from operations	<u>14,354</u>	<u>16,017</u>
Interest expenses	(3,423)	(4,398)
Income taxes paid	(1,149)	(1,427)
Net cash provided by operating activities	<u>9,782</u>	<u>10,192</u>
Cash flows from investing activities :		
Interest received	809	322
(Investments in)/refund from associated companies	(977)	166
Proceeds from disposal of interest in/(investment in) investment projects	52,544	(17,789)
Additions in long-term investments	(50)	-
Proceeds from sale of fixed assets	75	1,914
Purchase of fixed assets	(827)	(399)
Net cash provided by/(used in) investing activities	<u>51,574</u>	<u>(15,786)</u>
Cash flows from financing activities :		
(Decrease)/increase in hire purchase creditors	(17,464)	17,302
Repayment of long-term borrowings	-	(7,073)
(Repayment of)/proceeds from short-term borrowings	(17,331)	34
(Decrease)/increase in amounts due to related parties	(13,962)	3,705
Decrease/(increase) in amounts due from related parties	1,069	(2,076)
(Decrease)/increase in amounts due from associated companies	(37)	8
Increase in amounts due to associated companies	15,490	-
Proceeds from issuance of share capital by the company, net of issue expenses	-	7,903
Dividend paid	-	(526)
Net cash (used in)/provided by financing activities	<u>(32,235)</u>	<u>19,277</u>
Net increase in cash and cash equivalents	<u>29,121</u>	<u>13,683</u>
Cash and cash equivalents at beginning of year (note 32)	(31,243)	(44,926)
Cash and cash equivalents at end of year (note 32)	<u>(2,122)</u>	<u>(31,243)</u>

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements - 30 June 2000

1. Significant accounting policies

(a) **Basis of accounting**

The financial statements of the Company and of the Group, which are expressed in Singapore dollars, are prepared under the historical cost convention modified by revaluation of certain fixed assets and properties under development.

The financial statements are prepared in accordance with applicable accounting standards.

(b) **Basis of consolidation**

The accounting year of the Company and all its subsidiaries ends on 30 June and the consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. The results of subsidiaries acquired or disposed off during the period are included in or excluded from the respective dates of acquisition or disposal, as applicable.

Assets, liabilities and results of overseas subsidiaries are translated into Singapore dollars on the basis outlined in paragraph (o) below.

(c) **Goodwill**

Goodwill arising on consolidation of subsidiaries and on acquisition of associated companies represents the excess of the purchase consideration paid for subsidiaries/associated companies over the fair values ascribed to the net underlying assets acquired at the date of acquisition and is amortised to the profit and loss account on a straight-line basis over its estimated useful economic life of 20 years.

Capital reserve on consolidation represents the excess of the fair values ascribed to the acquired subsidiaries' net underlying assets at the date of acquisition over the purchase consideration for such subsidiaries.

Upon disposal of subsidiaries or associated companies, the attributable amount of purchased goodwill or capital reserve on consolidation previously dealt with in reserves is realised and taken into account in arriving at the gain or loss on disposal of the investments.

(d) **Subsidiary companies**

Shares in subsidiary companies are stated at cost. Provision is made for any diminution in value which is considered to be permanent.

(e) **Associated companies**

An associated company is defined as a company, not being a subsidiary, in which the Group has a long-term interest of not less than 20% of the equity and in whose financial and operating policy decision the Group exercises significant influence.

The Groups share of the results of associated companies is included in the consolidated profit and loss account. The Groups share of the post-acquisition reserves of associated companies is included in the investments in the consolidated balance sheet.

Shares in associated companies are stated in the balance sheet of the company holding the investment, at cost and provision is made for permanent impairment in value.

Notes to the Financial Statements - 30 June 2000

(f) **Fixed assets**

Fixed assets are stated at cost or valuation less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to a working condition for its intended use including interests capitalised. Expenditure for additions, improvements and renewals are capitalised, and expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account. Any surpluses held in capital reserves in respect of previous revaluations of fixed assets disposed off during the year are regarded as having become realised and are transferred to the profit and loss account.

Revaluations of the Group's properties is stated at Directors' valuation which is based on independent professional valuation on an open market value basis.

Revaluation surpluses arising on valuations of the Group's properties are credited directly to capital reserves. Revaluation deficits are taken to the profit and loss account in the absence of or to the extent that they exceed any surpluses held in reserves relating to previous revaluations.

Leasehold land and buildings are revalued by an independent professional valuer at least once every three to five years.

(g) **Depreciation**

Depreciation is calculated on the straight line method to write off the cost or valuation of fixed assets over their estimated useful lives. No depreciation is provided on construction in progress and freehold land. The estimated useful lives of fixed assets are as follows :-

Industrial buildings	-	30 years
Plant and machinery	-	3 - 10 years
Renovation	-	5 - 10 years
Furniture and fittings	-	8 - 10 years
Office equipment	-	5 - 10 years
Electrical fittings	-	3 - 10 years
Computers	-	5 years
Motor vehicles	-	5 - 10 years

Fully depreciated fixed assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(h) **Leased assets**

Where assets are financed by lease agreements that give rights approximating to ownership (finance leases), the assets are capitalised under fixed assets as if they had been purchased outright at the values equivalent to the present values of total rental payable during the periods of the leases and the corresponding lease commitments are included under liabilities. Lease payments are treated as consisting of capital and interest elements and the interest is charged to profit and loss account. Depreciation on the relevant assets is charged to profit and loss account on the basis outlined in paragraph (g) above.

(i) **Investment properties**

Investment properties are those properties which are held on long-term basis for their investment potential and income.

Investment properties are stated at Directors' valuation made each year on an open market value on existing use basis. The net surplus or deficit on revaluation is taken to a revaluation reserve account unless the total revaluation surplus is insufficient to cover the deficit, in which case the amount by which the deficit exceeds the amount in the revaluation reserve account is charged to the profit and loss account as an extraordinary item. A surplus on revaluation directly related to a previous deficit arising from the same investment that was charged to profit and loss account, will be credited as an extraordinary item to the extent that it offsets the previously recorded deficit.

(j) **Investments**

Investments held on a long-term basis are stated at cost. Provision is made for any diminution in value which is considered to be permanent determined on an individual basis.

Interests in investment projects with underlying contractual periods are stated at cost less provisions for permanent diminution in values, or where appropriate, amortised over its estimated useful life to the Group from the commencement date of operations.

(k) **Properties under development**

Properties under development are properties developed for sale. They are stated at the lower of cost and estimated net realisable value. Provision is made for foreseeable losses and for diminution in value where the cost of any property exceeds net realisable value. Cost comprises development and construction expenditures, and where applicable, finance costs.

The Group recognises profits from properties under development on the percentage of completion method. These profits are brought into the financial statements only in respect of sale agreements finalised and in proportion to the extent of completion of development work undertaken.

Provision for anticipated loss on properties under development for sale is recognised in the financial statements as soon as the possibility of a loss is ascertained.

(l) **Deferred expenditure**

Deferred expenditure comprises pre-operating and preliminary expenses which is written off to profit and loss account on a straight line basis over a period commencing from the date of commercial operations as follows :-

Pre-operating expenses	-	5 - 10 years
Preliminary expenses	-	1 - 3 years

Notes to the Financial Statements - 30 June 2000

(m) **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes all costs in bringing the stocks to their present location and condition. Net realisable value is the price at which stocks can be sold in the ordinary course of business after allowing for costs of realisation. Provision is made where necessary for obsolete, slow-moving and defective stocks.

(n) **Deferred taxation**

Deferred taxation is accounted for under the liability method whereby the tax charge for the year is based on the disclosed book profit after adjusting for all permanent differences. The amount of taxation deferred on account of all timing differences is reflected in the deferred taxation account. Deferred tax benefits are not recognised unless there is reasonable expectation of their realisation.

(o) **Foreign currencies**

Transactions arising in foreign currencies during the year are converted at rates closely approximating those ruling on the transaction dates. Foreign currency monetary assets and liabilities are converted into local currency at exchange rates ruling at the balance sheet date. All exchange differences arising from conversion are included in the profit and loss account.

For inclusion in the consolidated financial statements, all assets and liabilities of foreign subsidiaries and associated companies are translated into Singapore dollars at the exchange rates ruling at the balance sheet date and the results of foreign subsidiaries and associated companies are translated into Singapore dollars at the average exchange rates. Exchange differences due to such currency translations are included in exchange translation reserve as a separate component of the shareholders' fund.

(p) **Revenue recognition**

Revenues from the sale of steelbars and fabricated products are recognised upon passage of title to the customer which generally coincides with their delivery and acceptance.

Profits recognised from properties under development is outlined in paragraph (k) above.

Dividend income is accrued on the basis of dividends declared by the investee companies up to the date of the Directors' Report.

Service income is recognised as revenue on an accrual basis.

(q) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, bank deposits and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

2. General

The principal activities of the Company, which is incorporated in Singapore, is that of investment holding. The subsidiary companies are primarily engaged in investment holding, property investment and development, steel trading, plantation and telecommunication business in China. There have been no significant changes in the nature of these activities during the financial year.

The subsidiary and associated companies at 30 June 2000 are :-

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost		Percentage of equity held	
		2000 \$'000	1999 \$'000	2000 %	1999 %
Subsidiary companies					
* Che Kiang Realty Sdn Bhd (Malaysia)	Property development (Malaysia)	42,070	42,070	100	100
Teck Chiang Realty Private Limited (Singapore)	Investment holding, property investment and development and general merchants (Singapore)	73,000	73,000	100	100
Angkasa Building Materials Pte Ltd (Singapore)	Importers, exporters and distributors of steel and iron products and commission agents (Singapore)	15,000	15,000	100	100
LTC Telecom- munications Pte Ltd (Singapore)	Investment holding (Singapore)	-	-	100	100
LTC Assets Pte Ltd (Singapore)	Investment holding (Singapore)	-	-	100	100
Teck Chiang (International) Pte Ltd (Singapore)	Investment holding (Singapore)	**	**	100	100
Angkasa Welded Mesh Pte Ltd (Singapore)	Fabricator of steel bars (Singapore)	**	**	51	51
LTC Development Pte Ltd (Singapore)	Investment holding and property investment (Singapore)	**	**	100	100
LTC Realty Pte Ltd (Singapore)	Investment holding and property investment (Singapore)	**	**	100	100
Lion Venture Pte Ltd (Singapore)	Investment holding (Singapore)	**	**	100	100

Notes to the Financial Statements - 30 June 2000

2. General (cont'd)

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost		Percentage of equity held	
		2000 \$'000	1999 \$'000	2000 %	1999 %
Subsidiary companies (cont'd)					
LTC West-Link Pte Ltd (Singapore)	Investment holding (Singapore)	**	**	100	100
LTC Tech-Link Pte Ltd (Singapore)	Investment holding (Singapore)	**	**	100	100
LTC Global-Link Pte Ltd (Singapore)	Investment holding (Singapore)	**	**	100	100
LTC Central-Link Pte Ltd (Singapore)	Investment holding (Singapore)	**	**	100	100
* Guangzhou Lion Communication Development Co Ltd (The People's Republic of China)	Investment in telecommunication business (The People's Republic of China)	**	**	60	60
* Guizhou Lion Telecommunication Development Co Ltd (The People's Republic of China)	Investment in telecommunication business (The People's Republic of China)	**	**	100	95
* Beijing Zhong Tie Lion Telecommunication Development Co Ltd (The People's Republic of China)	Investment in telecommunication business (The People's Republic of China)	**	**	100	86
Associated companies					
Teck Chiang Investment Pte Ltd (Singapore)	Investment holding (Singapore)	-	-	50	50
LTC Venture Pte Ltd (Singapore)	Property development (Singapore)	-	-	50	50
LTC Properties Pte Ltd (Singapore)	Property development (Singapore)	-	-	50	50
* Lion Chang-An Telecommunication Development Co Ltd (The People's Republic of China)	Investment in telecommunication business (The People's Republic of China)	**	**	38	38

* Audited by associate firms of Ernst & Young, Singapore.

** The shareholdings of these companies are held indirectly through subsidiaries of the Company.

3. Turnover

Turnover for the Company represents dividends received from subsidiary companies.

Turnover for the Group represents dividends received, invoiced value of sales, rental income and service charges received and profit from properties under development. Turnover excludes intra-group transactions. It also excludes goods and services tax.

4. Operating profit/(loss)

	Group		Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) is stated after charging/(crediting) :-				
Amortisation of goodwill arising from acquisition of subsidiary and associated companies	-	304	-	-
Amortisation of interests in investment projects	-	1,985	-	-
Amortisation of deferred expenditure	93	65	-	-
Auditors' remuneration - Auditors of the parent company				
- Audit fees				
- Current year	130	121	48	35
- Underprovision in prior year	26	27	14	15
Other auditors				
- Audit fees	21	21	-	-
Bad debts written off	150	-	11	-
Bad debts written back	(985)	-	-	-
Directors' fees	113	113	109	109
Directors' remuneration	783	758	-	-
Depreciation of fixed assets	1,121	1,262	-	-
Deferred expenditure written off	437	1,075	-	-
Preliminary expenses written off	-	11	-	-
Provision for foreseeable losses	-	14,503	-	-
Provision for doubtful debts	74	2,023	-	-
Provision for diminution in value of investments	565	105	-	-
(Gain)/loss on exchange	(474)	(1,053)	51	22
(Gain)/loss on disposal of fixed assets	(73)	49	-	-
Fixed asset written off	1	-	-	-
Goodwill written off	4,463	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Number of Directors in remuneration bands :				
\$500,000 and above	-	-		
\$250,000 to \$499,999	1	1		
Below \$250,000	6	6		
	<u> </u>	<u> </u>		
Total	<u> </u>	<u> </u>		

Notes to the Financial Statements - 30 June 2000

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
5. Investment and interest income				
Dividend income from :				
Unquoted subsidiary company	-	-	10,234	-
Interest income from :				
Fixed deposits	375	178	-	-
Others	434	144	-	-
	<u>809</u>	<u>322</u>	<u>10,234</u>	<u>-</u>
6. Interest expenses				
Interest on amounts due to related parties	1,354	788	-	84
Interest on bank loans	85	60	-	-
Interest on bank overdrafts	1,392	1,019	-	-
Interest on hire purchase	10	971	-	-
Interest on trust receipts	582	1,560	-	-
	<u>3,423</u>	<u>4,398</u>	<u>-</u>	<u>84</u>
7. Exceptional item				
Net gain on disposal of interests in investment projects	<u>4,611</u>	<u>-</u>	<u>-</u>	<u>-</u>
8. Taxation				
Provision for taxation in respect of profit/(loss) for the year :-				
Current taxation	1,527	634	2,691	-
Deferred taxation	248	707	-	-
Overprovision in respect of prior years	-	(445)	-	-
	<u>1,775</u>	<u>896</u>	<u>2,691</u>	<u>-</u>
Associated company	-	216	-	-
	<u>1,775</u>	<u>1,112</u>	<u>2,691</u>	<u>-</u>

The taxation charge for the Group differs from the amount determined by applying the Singapore income tax rate of 25.5% (1999 : 26%) to the pre-tax profit mainly because losses incurred by subsidiaries are not available for set-off against the taxable profits of other companies within the Group.

9. Extraordinary item

	Group		Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Provision for diminution in value of long-term investments	-	76	-	-

10. Earnings/(loss) per share

	Group	
	2000	1999
	\$'000	\$'000
Earnings/(loss)		
Earnings/(loss) before extraordinary items	1,241	(4,693)
Extraordinary items	-	(76)
Earnings after extraordinary items	<u>1,241</u>	<u>(4,769)</u>
Number of shares	'000	'000
Weighted average number of ordinary shares for calculation of basic earnings per share	<u>156,453</u>	<u>143,342</u>
Earnings/(loss) per share	Cents	Cents
For earnings/(loss) before extraordinary items		
- Basic	<u>0.8</u>	<u>(3.3)</u>
For earnings/(loss) after extraordinary items		
- Basic	<u>0.8</u>	<u>(3.3)</u>

Notes to the Financial Statements - 30 June 2000

11. Investment properties

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Investment properties, at valuation	85,000	85,000	-	-

The details of the Group's investment properties are as follows :

	Location	Description	Approx. site area	Tenure of land
(i)	10 Arumugam Road Singapore 409957	Lion Industrial Building	5,183.3 sq.m.	Freehold
(ii)	12 Arumugam Road Singapore 409958	Cheng Chwee Huat Industrial Building	13,069.2 sq.m.	Freehold
(iii)	14 Arumugam Road Singapore 409959	Teck Chiang Realty Building	8,279.2 sq.m.	Freehold
(iv)	16 Arumugam Road Singapore 409961	Teck Chiang Industrial Building	6,697.0 sq.m.	Freehold

The above investment properties were professionally valued by Knight Frank Cheong Hock Chye & Baillieu (Property Consultants) Pte Ltd on 30 October 1994.

Investment properties have been mortgaged to secure various banking facilities as disclosed in note 28.

12. Fixed assets

Group	Construction in progress	Industrial buildings	Plant and machinery	Reno- vation	Furniture and fittings	Office equipment	Electrical fittings	Computers	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost and valuation										
At 1 July 1999										
Cost	-	5,437	5,270	221	409	270	31	421	1,169	13,228
Additions	157	25	517	-	8	12	-	48	60	827
Disposals/written off	-	-	(13)	-	-	(5)	-	-	-	(18)
Revaluation surplus	-	2,156	-	-	-	-	-	-	-	2,156
Currency realignment	-	-	-	-	-	9	-	-	13	22
At 30 June 2000	157	7,618	5,774	221	417	286	31	469	1,242	16,215
Representing :										
Cost	157	-	5,774	221	417	286	31	469	1,242	8,597
Valuation	-	7,618	-	-	-	-	-	-	-	7,618
At 30 June 2000	157	7,618	5,774	221	417	286	31	469	1,242	16,215
Accumulated depreciation										
At 1 July 1999	-	537	2,014	165	247	86	20	215	771	4,055
Charge for the year	-	181	603	13	41	39	4	92	148	1,121
Disposals/written off	-	-	(13)	-	(2)	-	-	-	-	(15)
Currency realignment	-	-	-	-	-	2	-	-	3	5
At 30 June 2000	-	718	2,604	178	286	127	24	307	922	5,166
Charge for 1999	-	214	638	15	40	50	4	74	227	1,262
Net book value										
At 30 June 2000	157	6,900	3,170	43	131	159	7	162	320	11,049
At 30 June 1999	-	4,900	3,256	56	162	184	11	206	398	9,173

Notes to the Financial Statements - 30 June 2000

12. Fixed assets (cont'd)

- (a) Net book value of plant and machinery amounting to \$ Nil (1999 : \$124,167) includes an asset acquired under hire purchase.
- (b) Net book value of revalued assets if carried at cost less accumulated depreciation amounts to \$4,744,058 (1999 : Nil).
- (c) The following is the land and building held by the Group :

Location	Description	Approx. site area	Tenure of land
20 Woodlands Loop, Singapore	Factory and office building	11,203.0 sq.m.	60-year leasehold commencing 1 October 1994

The land and building was professionally valued by Knight Frank Pte Ltd and CB Richard Ellis (Pte) Ltd on 17 April 2000 and 10 August 2000 respectively. The valuations were performed on an open market value basis. The surplus of \$2.2 million arising from the valuations has been credited to capital reserve.

13. Subsidiary companies

	Company	
	2000 \$'000	1999 \$'000
Unquoted equity investments, at cost	130,070	130,070
Amounts due from subsidiary companies	40,261	24,494
Amount due to a subsidiary company	(11,273)	(2,487)
	<u>159,058</u>	<u>152,077</u>

The amounts due from and to subsidiary companies are non-trade related, unsecured, interest-free and not due for repayment within the next twelve months.

14. Associated companies

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Unquoted equity investments, at cost	17,732	16,755	-	-
Goodwill arising from acquisition of associated company (note 18)	(1,621)	(1,621)	-	-
	<u>16,111</u>	<u>15,134</u>	<u>-</u>	<u>-</u>
Share of net post-acquisition reserves	(845)	(844)	-	-
Amounts due (to)/from associated companies	(15,424)	29	12	2
	<u>(158)</u>	<u>14,319</u>	<u>12</u>	<u>2</u>

The amounts due from associated companies are non-trade related, unsecured, interest free and not due for repayment within the next twelve months.

Notes to the Financial Statements - 30 June 2000

	Group		Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
15. Long-term investments				
Unquoted equity investments, at cost	5,873	5,823	380	380
Less: Provision for diminution in value	(2,215)	(1,615)	-	-
	<u>3,658</u>	<u>4,208</u>	<u>380</u>	<u>380</u>
Club memberships	313	313	-	-
Less: Provision for diminution in value	(70)	(105)	-	-
	<u>3,901</u>	<u>4,416</u>	<u>380</u>	<u>380</u>
16. Interests in investment projects				
Cost				
At 1 July	47,791	13,366	-	-
Additions	-	28,805	-	-
Disposals	(45,349)	-	-	-
Reclassification	-	5,520	-	-
Currency realignment	3,495	100	-	-
At 30 June	<u>5,937</u>	<u>47,791</u>	<u>-</u>	<u>-</u>
Amortisation				
At 1 July	1,985	-	-	-
Provided for during the year	-	1,985	-	-
Disposals	(2,027)	-	-	-
Currency realignment	42	-	-	-
At 30 June	<u>-</u>	<u>1,985</u>	<u>-</u>	<u>-</u>
Net book value	<u>5,937</u>	<u>45,806</u>	<u>-</u>	<u>-</u>
17. Properties under development				
Land, at cost	96,160	106,802	-	-
Interest capitalised	23,133	20,905	-	-
Development costs	38,062	44,792	-	-
	<u>157,355</u>	<u>172,499</u>	<u>-</u>	<u>-</u>
Attributable profit	2,558	8,972	-	-
	<u>159,913</u>	<u>181,471</u>	<u>-</u>	<u>-</u>
Transfer of completed properties to stocks	(5,627)	(3,356)	-	-
	<u>154,286</u>	<u>178,115</u>	<u>-</u>	<u>-</u>
Provision for foreseeable losses	(24,862)	(24,862)	-	-
	<u>129,424</u>	<u>153,253</u>	<u>-</u>	<u>-</u>
Progress billings	(48,968)	(55,563)	-	-
	<u>80,456</u>	<u>97,690</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements - 30 June 2000

17. Properties under development (cont'd)

The following expenses incurred during the year have been capitalised in properties under development :-

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Directors' remuneration	176	175	-	-
Interest expense	4,407	6,607	-	-

As at 30 June 2000, a parcel of the above land recorded in the book of a subsidiary company has not yet been registered under the subsidiary company's name. The land and development costs, net of progress billings and attributable profits incurred on this piece of land amounted to \$1,777,361 (1999 : \$6,796,870).

The properties under development are mortgaged as detailed in note 28 to the financial statements. The details of the Group's properties under development are as follows :-

	Property	Tenure of land	Percentage of completion at 30.6.00/ expected date of completion	Site area/ gross floor area	Groups effective interest	Description and existing use
Malaysia						
(i)	Kawasan Bandar XLII District of Melaka Tengah	99 years lease (expiring in 2090)	Phase 1 - 100% Phase 2a - 100% Phase 2b - a - 100% Phase 2b - b - planning stage	23.3 acres/ 34.72 hectare	100%	328 units of 4-storey shop/office
(ii)	HS(D) 27705 Lot 5836 Mukim of Plentong, District Of Johor Bahru	Freehold	Phase 1 to 3 - 100%	19 acres/ 9.56 hectare	100%	168 units of 2-storey terrace, 63 units of 21/2 storey terrace and 14 units of shop/office
			Phase 4/ Planning stage	3 acres/ 2.64 hectare	100%	176 units of low cost flats
(iii)	Lot 8243 (formerly Lot 1916) Mukim Tanjung Duabelas, District of Kuala Langat Selangor	Freehold	Phase 1A - 17%/ May 2002 Phase 1B - 6%/ May 2002 Phase 2/Planning stage Phase 3/Planning stage	500.14 acres/ 325.91 acres	100%	Industrial land

17. Properties under development (cont'd)

	Property	Tenure of land	Percentage of completion at 30.6.00/ expected date of completion	Site area/ gross floor area	Groups effective interest	Description and existing use
	Malaysia					
(iv)	Lot 3066 & 3067 Mukim of Tebrau District of Johor Bahru, Johor	Freehold	Planning stage	35.11 acres	100%	Industrial land
	Singapore					
(v)	2A, 2B, 4, 4A, 4B, 6, 6A-6E Ewe Boon Road Singapore	Freehold	93%/ August 2000	1989.2 sq m/ 3448.3 sq m	100%	37 units of 20-storey residential flat
(vi)	Lot 3817 Mukim 25 Dunman Road Singapore	Freehold	55%/ December 2002	3412.4 sq m/ 8648.2 sq m	100%	69 units of 18-storey residential flat

Items (i) and (ii) were professionally valued by C H Williams Talhar & Wong Sdn Bhd on 5 December 1994 and 17 November 1994 respectively. Item (iii) was professionally valued by Appraisal (Malaysia) Sdn Bhd on 28 November 1994.

Notes to the Financial Statements - 30 June 2000

18. Intangible assets

Group

Goodwill on acquisition and incorporation of	Subsidiary companies \$'000	Associated company \$'000	Total \$'000
Cost			
At 1 July 1999	4,451	1,621	6,072
Negative goodwill acquired during the year	(1,041)	-	(1,041)
Written-off	(3,410)	(1,621)	(5,031)
At 30 June 2000	-	-	-
Amortisation			
At 1 July 1999	433	162	595
Written-off	(433)	(162)	(595)
At 30 June 2000	-	-	-
Charge for 1999	223	81	304
Net book value			
At 30 June 2000	-	-	-
At 30 June 1999	4,018	1,459	5,477

19. Deferred expenditure

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Cost :				
At 1 July	556	904	-	-
Additions	11	788	-	-
Written off	(567)	(1,075)	-	-
Currency realignment	-	(61)	-	-
At 30 June	-	556	-	-
Amortisation :				
At 1 July	65	-	-	-
Provided during the year	93	65	-	-
Written off	(130)	-	-	-
Currency realignment	(28)	-	-	-
At 30 June	-	65	-	-
Net book value	-	491	-	-

Notes to the Financial Statements - 30 June 2000

	Group		Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
20. Completed properties held for sales				
At valuation -				
Freehold and leasehold land	2,715	1,280	-	-
Construction costs	7,385	3,250	-	-
Overheads capitalised	980	524	-	-
	<u>11,080</u>	<u>5,054</u>	<u>-</u>	<u>-</u>
21. Stocks				
At cost -				
Trading stocks	3,069	3,000	-	-
Goods-in-transit	4,896	1,878	-	-
	<u>7,965</u>	<u>4,878</u>	<u>-</u>	<u>-</u>
22. Trade debtors				
Trade debtors are stated after deducting provision for doubtful debts of	<u>758</u>	<u>2,596</u>	<u>-</u>	<u>-</u>
Analysis of provision for doubtful debts :				
Balance at beginning of year	2,596	557	-	-
Provided during the year	74	2,023	-	-
Bad debts written back	(985)	-	-	-
Bad debts written off	(926)	-	-	-
Currency realignment	(1)	16	-	-
	<u>758</u>	<u>2,596</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>758</u>	<u>2,596</u>	<u>-</u>	<u>-</u>
Bad debts written off directly to the profit and loss account	<u>150</u>	<u>-</u>	<u>11</u>	<u>-</u>
23. Other debtors				
Deposits	291	307	-	-
Prepayments	26	89	-	-
Staff advances	3	7	-	-
Sundry debtors	80	2,743	-	-
Income tax recoverable	164	164	164	164
	<u>564</u>	<u>3,310</u>	<u>164</u>	<u>164</u>

Notes to the Financial Statements - 30 June 2000

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
24. Amounts due from/(to) related parties				
Trade related	3,420	3,286	-	-
Non-trade related	582	1,785	-	-
	<u>4,002</u>	<u>5,071</u>	<u>-</u>	<u>-</u>
Trade related	(6,282)	(11,750)	-	-
Non-trade related	(11,757)	(20,251)	(32)	(3)
	<u>(18,039)</u>	<u>(32,001)</u>	<u>(32)</u>	<u>(3)</u>

Related parties refer to companies for which certain directors have substantial interest.

The amounts are unsecured, interest-free and have no fixed terms of repayment except for amounts due to a related party for the Group of \$10,936,352 (1999 : \$20,183,588) which bears interest at 8.00% to 9.62% (1999 : 8.00% to 9.75%).

25. Trade creditors

Trade creditors	4,372	5,320	-	-
Bills payable, unsecured	12,490	5,709	-	-
Goods and services tax	133	143	-	-
	<u>16,995</u>	<u>11,172</u>	<u>-</u>	<u>-</u>

26. Other creditors

Accruals	2,551	13,479	221	170
Accrued development cost	6	10	-	-
Interest payable	65	121	-	-
Sundry creditors	830	134	-	-
	<u>3,452</u>	<u>13,744</u>	<u>221</u>	<u>170</u>

27. Hire purchase creditors

Repayable within one year	89	11,903	-	-
Repayable after one year	47	5,697	-	-
	<u>136</u>	<u>17,600</u>	<u>-</u>	<u>-</u>

The future hire purchase payments are as follows :-

2000	-	12,798	-	-
2001	96	2,589	-	-
2002	47	2,421	-	-
2003	-	1,142	-	-
	<u>143</u>	<u>18,950</u>	<u>-</u>	<u>-</u>
Less: Amounts representing interest	(7)	(1,350)	-	-
	<u>136</u>	<u>17,600</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements - 30 June 2000

	Group		Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
28. Amounts due to bankers				
Due within one year :				
Bank overdraft, secured	51,309	48,456	-	-
Bank loans, secured	32,066	15,000	-	-
Bank overdrafts, unsecured	-	200	-	-
Bank loan, unsecured	834	850	-	-
Term loans, secured	2,724	6,160	-	-
	<u>86,933</u>	<u>70,666</u>	<u>-</u>	<u>-</u>
Due after one year :				
Bank loans, secured	-	30,945	-	-
	<u>-</u>	<u>30,945</u>	<u>-</u>	<u>-</u>

Bank overdraft which is secured on the investment properties of the Group, bears interest at 5.75% (1999 : 5.75%) per annum, and repayable on demand.

Bank loans are secured on the properties under development of the Group and assignments guarantees of certain Directors, bear interest at 6.0% to 6.25% (1999 : 6.0% to 8.5%) per annum.

The repayment terms of secured bank loans are as follows :-

Repayment terms	Loan amounts
	\$'000
Repayable in full on 31 May 2001	4,000
Repayable in full on 30 June 2001 or one year from date of issuance of the temporary occupation permit, whichever is earlier	28,066
	<u>32,066</u>

Bank loan which is unsecured, bears interest at 5.25% (1999 : 6.25%) and repayable on 15 November 2000.

Term loan is secured by the Group's landed properties, bears interest at 8.5% to 10.3% (1999 : 9.75% to 15.30%) per annum and repayable on demand.

29. Deferred taxation

Balance at beginning of year	2,093	1,292	-	-
Provided during the year	248	707	-	-
Currency realignment	15	94	-	-
Balance at end of year	<u>2,356</u>	<u>2,093</u>	<u>-</u>	<u>-</u>

The deferred taxation arises as a result of excess of net book value over tax written down value of fixed assets.

Notes to the Financial Statements - 30 June 2000

30. Share capital

	No. of shares		Company	
	2000 '000	1999 '000	2000 \$'000	1999 \$'000
Authorised :- 200,000,000 (1999 : 200,000,000) ordinary shares of \$0.50 (1999 : \$0.50) each	200,000	200,000	100,000	100,000
Issued and fully paid :- Balance at beginning of year : 156,453,000 (1999 : 142,070,000) ordinary shares of \$0.50 each	156,453	142,070	78,227	71,035
Issued during the year : Nil (1999 : 176,000) ordinary shares at \$0.50 per share by way of the exercise of share option	-	176	-	88
Nil (1999 : 14,207,000) ordinary shares at \$0.50 per share by way of a private placement	-	14,207	-	7,104
Balance at end of year : 156,453,000 (1999 : 156,453,000) ordinary shares of \$0.50 each	156,453	156,453	78,227	78,227

At the end of the financial year, there were 530,000 (1999 : 630,000) unissued shares in the Company under the Lion Teck Chiang Executives' Share Option Scheme. Details of the unissued shares of the Company under options at the end of the financial year are indicated on page 14 of the Report of the Directors under the "Options on shares in the Company".

31. Reserves

	Group		Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
<i>(Accumulated losses)/revenue reserve</i>				
Balance at beginning of year	(1,854)	2,915	2,371	3,045
Profit/(loss) for the year	1,241	(4,769)	6,964	(674)
Balance at end of year	<u>(613)</u>	<u>(1,854)</u>	<u>9,335</u>	<u>2,371</u>
<i>Share premium account</i>				
Balance at beginning of year	71,886	71,175	71,886	71,175
Premium on issue of ordinary shares	-	1,421	-	1,421
Expenses on issue of ordinary shares	-	(710)	-	(710)
Balance at end of year	<u>71,886</u>	<u>71,886</u>	<u>71,886</u>	<u>71,886</u>
<i>Capital reserves</i>				
Balance at beginning of year	3,181	3,634	-	-
Written back against properties under development	-	(453)	-	-
Revaluation surplus on industrial building	2,156	-	-	-
Balance at end of year	<u>5,337</u>	<u>3,181</u>	<u>-</u>	<u>-</u>
<i>Exchange translation reserve</i>				
Balance at beginning of year	(13,938)	(16,523)	-	-
Currency adjustment arising from translating of foreign subsidiary companies	1,982	2,585	-	-
Balance at end of year	<u>(11,956)</u>	<u>(13,938)</u>	<u>-</u>	<u>-</u>
	<u>64,654</u>	<u>59,275</u>	<u>81,221</u>	<u>74,257</u>
Made up of :				
Distributable	(613)	(1,854)	9,335	2,371
Non-distributable	65,267	61,129	71,886	71,886
	<u>64,654</u>	<u>59,275</u>	<u>81,221</u>	<u>74,257</u>

Notes to the Financial Statements - 30 June 2000

32. Cash and cash equivalents

Cash and cash equivalents comprise the following balance sheet amounts :-

	Group	
	2000 \$'000	1999 \$'000
Cash and bank balances	7,992	2,719
Fixed deposits	41,195	14,694
Bank overdraft, secured	(51,309)	(48,456)
Bank overdrafts, unsecured	-	(200)
	<u>(2,122)</u>	<u>(31,243)</u>

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000

33. Contingent liabilities

Contingent liabilities not provided for in the financial statements :-

Bankers' guarantees, secured	11,518	23,060	-	-
Guarantees, unsecured	-	12,953	-	-
	<u>-</u>	<u>12,953</u>	<u>-</u>	<u>-</u>

The bankers' guarantees are secured by mortgage on certain properties under development.

34. Future capital expenditure

Capital expenditure not provided for in the financial statements :-

Commitments in respect of contracts placed	14,222	40,077	-	-
	<u>14,222</u>	<u>40,077</u>	<u>-</u>	<u>-</u>

35. Related party transactions

Related party transactions carried out during the financial year pursuant to the Shareholders' Mandate obtained for Interested Person Transactions under Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited by the Group and the Company are as follows :-

Management fee paid	115	104	115	104
Purchases	25,210	21,837	-	-
Transport charges	1,274	904	-	-
Rental expense	23	17	17	-
Interest paid	1,351	788	-	84
Sales	(11,060)	(7,106)	-	-
Rental and service income	273	(405)	-	-
	<u>11,852</u>	<u>16,125</u>	<u>132</u>	<u>84</u>

36. Commitments

- (a) The Group leases certain properties under lease agreements that are non-cancellable within a year. The leases expire at various dates till 2024 and contain provisions for rental adjustments. Future minimum lease payments are as follows :-

	Group		Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Year ending 30 June				
2000	-	289	-	-
2001	279	208	-	-
2002	208	208	-	-
2003	208	208	-	-
2004	208	208	-	-
Remaining years	4,215	4,215	-	-
	<u>5,118</u>	<u>5,336</u>	<u>-</u>	<u>-</u>

- (b) As at 30 June 2000, the Group has forward foreign exchange contracts amounting to \$12,243,575 (1999 : \$26,979,750).

37. Information by segment on Groups operations

	Turnover		Profit/(loss) before tax		Assets employed	
	2000	1999	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Business activities						
Steel trading	82,635	73,352	3,922	1,685	42,329	33,757
Property development	30,436	33,921	2,098	(2,317)	112,857	132,659
Property rental and management	3,413	3,933	936	1,257	94,495	90,130
Plantation business	-	4,802	-	4,802	-	4,305
Investment holding	-	991	(4,076)	(9,676)	31,674	65,956
	<u>116,484</u>	<u>116,999</u>	<u>2,880</u>	<u>(4,249)</u>	<u>281,355</u>	<u>326,807</u>
(b) Geographical locations based on countries of incorporation						
Singapore	115,902	97,377	1,703	(13,446)	183,285	184,113
Malaysia	582	18,631	1,177	18,873	70,657	76,738
Others	-	991	-	(9,676)	27,413	65,956
	<u>116,484</u>	<u>116,999</u>	<u>2,880</u>	<u>(4,249)</u>	<u>281,355</u>	<u>326,807</u>

Notes to the Financial Statements - 30 June 2000

38. Subsequent events

Subsequent to the financial year ended 30 June 2000, a subsidiary, Angkasa Building Materials Pte Ltd ("ABM") entered into a subscription and shareholders' agreement with Hong Leong Asia Ltd ("HLA") for the subscription of new shares by HLA representing 50% less one share of the enlarged share capital of ABM.

39. Comparative figures

Certain figures have been reclassified to conform with the current years presentation.

Shareholding Statistics - as at 8 November 2000

Authorised Share Capital	: S\$100,000,000.00
Issued and Fully Paid-Up Capital	: S\$78,226,500.00
Class of Shares	: Ordinary shares of S\$0.50 each
Voting Rights	: One (1) Vote per share

Size Of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 1,000	9,004	68.21	8,194,337	5.23
1,001 - 10,000	3,553	26.91	13,229,829	8.46
10,001 - 1,000,000	632	4.79	24,933,560	15.94
1,000,001 & Above	12	0.09	110,095,274	70.37
Total	13,201	100.00	156,453,000	100.00

TOP TWENTY SHAREHOLDERS AS AT 8 NOVEMBER 2000

	No. of Shares	%
Oversea-Chinese Bank Nominees Private Limited	53,198,074	34.00
BNP Paribas Peregrine Securities Pte Ltd	10,015,000	6.40
Lion Realty Private Limited	9,950,000	6.36
Fraser Securities Pte Ltd	8,332,000	5.33
Lion Enterprise (Kuala Lumpur) Sdn Bhd	8,250,000	5.27
The Brooklands Selangor Rubber Company Limited	5,583,000	3.57
Andalas Development Sdn Bhd	4,961,000	3.17
Umatrac Enterprises Sdn Bhd	3,275,000	2.09
Kay Hian Private Limited	2,516,600	1.61
Mayban Nominees (S) Pte Ltd	1,714,600	1.10
United Overseas Bank Nominees Pte Ltd	1,189,000	0.76
Citibank Consumer Nominees Pte Ltd	1,111,000	0.71
Southern Nominees (S) Sdn Bhd	1,000,000	0.64
Ching Kwong Yew	820,000	0.52
Yim Chee Tong	783,000	0.50
DBS Nominees Pte Ltd	744,800	0.48
Chin Kiam Hsung	460,000	0.29
Choo Yoong Fatt @ Chow Yoong Fatt	437,000	0.28
Vickers Ballas & Co Pte Ltd	386,600	0.25
Ng Chwee Cheng	320,000	0.20
	115,046,674	73.53

Substantial Shareholders - as at 8 November 2000

No.	Name	Number of shares of S\$0.50 each fully paid-up			% of Issued Share Capital
		Direct Interest	Deemed Interest	Total	
1	Lion Investment (Singapore) Pte Ltd (9)	53,100,000	-	53,100,000	33.939%
2	Lion Realty Private Limited (2)	9,950,000	10,544,000	20,494,000	13.099%
3	Lion Holdings Sdn Bhd (7)	9,950,000	-	9,950,000	6.359%
4	Angkasa Marketing (Singapore) Pte Ltd (11)	10,000,000	-	10,000,000	6.391%
5	The Brooklands Selangor Rubber Company Limited (4)	5,583,000	4,961,000	10,544,000	6.739%
6	Bidara Holdings Sdn Bhd (10)	8,332,000	-	8,332,000	5.325%
7	Cheng Theng Kee (1)	300,000	53,100,000	53,400,000	34.131%
8	Tan Sri Cheng Heng Jem (3)	-	20,494,000	20,494,000	13.099%
9	Datuk Cheng Yong Kim (1)	50,000	53,100,000	53,150,000	33.971%
10	Lancaster Trading Company Limited (6)	-	9,950,000	9,950,000	6.359%
11	William Cheng Sdn Bhd (6)	-	9,950,000	9,950,000	6.359%
12	Utara Enterprise Sdn Bhd (6)	-	9,950,000	9,950,000	6.359%
13	Amsteel Corporation Berhad (5)	-	23,952,000	23,952,000	15.30%
14	Lion Corporation Berhad (5)	-	23,952,000	23,952,000	15.30%
15	Akurjaya Sdn Bhd (2)	-	10,544,000	10,544,000	6.739%
16	Lembaga Tabung Angkatan Tentera (5)	-	23,952,000	23,952,000	15.30%
17	Horizon Towers Sdn Bhd (2)	-	10,544,000	10,544,000	6.739%
18	Lion Development (Penang) Sdn Bhd (2)	-	10,544,000	10,544,000	6.739%
19	Mazlan Bin Dato' Harun (8)	-	8,332,000	8,332,000	5.325%

NOTES : -

- (1) Deemed to be interested in the 53,100,000 shares held by Lion Investment (Singapore) Pte Ltd.
- (2) Deemed to be interested in : -
 - a. 4,961,000 shares held by Andalas Development Sdn Bhd, and
 - b. 5,583,000 shares held by The Brooklands Selangor Rubber Company Limited.
- (3) Deemed to be interested in : -
 - a. 4,961,000 shares held by Andalas Development Sdn Bhd,
 - b. 5,583,000 shares held by The Brooklands Selangor Rubber Company Limited, and
 - c. 9,950,000 shares held by Lion Holdings Sdn Bhd.
- (4) Deemed to be interested in the 4,961,000 shares held by Andalas Development Sdn Bhd.
- (5) Deemed to be interested in : -
 - a. 4,961,000 shares held by Andalas Development Sdn Bhd,
 - b. 5,583,000 shares held by The Brooklands Selangor Rubber Company Limited,
 - c. 10,000,000 shares held by Angkasa Marketing (Singapore) Pte Ltd,
 - d. 33,000 shares held by Lion Land Berhad,
 - e. 100,000 shares held by Angkasa Marketing Berhad, and
 - f. 3,275,000 shares held by Umatrac Enterprises Sdn Bhd.
- (6) Deemed to be interested in the 9,950,000 shares held by Lion Holdings Sdn Bhd.
- (7) 9,950,000 shares registered in the name of Lion Enterprise (Kuala Lumpur) Sdn Bhd.
- (8) Deemed to be interested in the 8,332,000 shares held by Bidara Holdings Sdn Bhd.
- (9) Includes 53,000,000 shares registered in the name of Oversea-Chinese Bank Nominees Private Limited.
- (10) 8,332,000 shares registered in the name of Fraser Securities Pte Ltd.
- (11) 10,000,000 shares registered in the name of Alliance Securities Nominees Pte Ltd.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Lion Teck Chiang Limited (the "Company") will be held at 10 Arumugam Road #10-00, Lion Industrial Building, Singapore 409957 on Wednesday, the 20th day of December 2000 at 10.30 a.m. to transact the following business :-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts and Reports of the Directors and Auditors of the Company for the year ended 30 June 2000.
2. To approve the payment of S\$109,000 as Directors' fees for the year ended 30 June 2000 (1999 : S\$109,000).
3. (a) To re-elect Tan Sri Cheng Heng Jem, a Director retiring pursuant to Article 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election.
(b) To re-elect Mr Ong Teong Wan, 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 Ong Teong Wan, if re-elected, will remain as Chairman of the Audit Committee, and will be considered an independent director.)

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

"That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Cheng Theng Kee be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.
6. To transact such other ordinary business as can be transacted at an Annual General Meeting of the Company.

AS SPECIAL BUSINESS

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

7. Authority to issue shares up to 10% of the issued share capital of the Company

"THAT pursuant to Section 161 of the Companies Act, Cap. 50, authority be and is hereby given to the Directors to issue shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit PROVIDED THAT the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% 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 Annual General Meeting

8. **Authority to offer and grant options and to allot and issue shares under the Lion Teck Chiang Executives' Share Option Scheme**

"THAT the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Lion Teck Chiang Executives' Share Option Scheme approved by the Company on 12 February 1998 (the "Scheme") and subject to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the capital of the Company (the "Scheme Shares") as may be required to be issued pursuant to the exercise of the options granted under the Scheme provided always that the aggregate number of Scheme Shares shall not exceed five (5) per cent. of the issued share capital of the Company (the "Shares") from time to time and that the total number of Shares to be issued to an eligible executive or executive director of the Company during the entire operation of the Scheme shall not, subject to such adjustments as may be made in accordance with the Scheme, exceed twenty-five (25) per cent. of the total number of Shares available under the Scheme and not more than fifty (50) per cent. of the Shares available under the Scheme shall be issued to directors, chief executive officers, general managers and officers of equivalent rank."

9. **Authority to grant options and issue shares to Executive Directors, Mr Sam Chong Keen and Mr Cheng Yong Liang**

"THAT the Directors of the Company be and are hereby authorised to offer and grant to Messrs Sam Chong Keen and Cheng Yong Liang, being executive directors of the Company (who will abstain from voting) and who are not substantial shareholders of the Company and whose participation in the Scheme had been previously approved, options from time to time to subscribe for Scheme Shares and to allot and issue Scheme Shares to them under the Scheme subject to a maximum entitlement not exceeding twenty-five (25) per cent. of the total number of Scheme Shares which may be issued by the Company (including any Shares which may be issued pursuant to adjustments, if any, made under the Scheme) pursuant to the exercise of options under the Scheme, during the entire operation of the Scheme."

10. **Renewal of Approval for the Shareholders' Mandate for Interested Person Transactions**

"THAT :

- (a) 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 (the "Group") or any of them to enter into any of the property-based, steel trading, plantation management, joint ventures and other general transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Company's Circular to Shareholders dated 3 December 1997 (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 in accordance with the guidelines and procedures of the Company for Interested Person Transactions as set out in the Circular; and
- (b) such approval (the "Mandate") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) 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."

By order of the Board

Tan Yen Hui
Company Secretary

Singapore, 4 December 2000

Notice Of Annual General Meeting

STATEMENT PURSUANT TO ARTICLE 54(A) OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

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

- a. Ordinary Resolution proposed in item 7 above, if passed, will empower the Directors of the Company to issue shares in the Company up to and not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, continue in force until the next Annual General Meeting 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. Ordinary Resolution proposed in item 8 above, if passed, will empower the Directors of the Company to offer and grant options and to allot and issue shares in the capital of the Company pursuant to the exercise of the options under the Scheme.
- c. Ordinary Resolution proposed in item 9 above, if passed, will empower the Directors of the Company to offer and grant options under the Scheme to the Executive Directors, Messrs Sam Chong Keen and Cheng Yong Liang, and to allot and issue shares (not exceeding in aggregate twenty-five (25) per cent. of the total shares available under the Scheme during the entire operation of the Scheme) to them, pursuant to the exercise of options under the Scheme, subject to the terms of the Scheme.
- d. Ordinary Resolution proposed in item 10 above, if passed, will renew the Shareholders' 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 of the Company entitled to attend and vote at the above 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 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 Teck Chiang 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 Nominee and is sent SOLELY FOR YOUR INFORMATION ONLY.
2. This Proxy Form is therefore 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/members of LION TECK CHIANG LIMITED hereby appoint :

Name	Address	NRIC/ Passport No.	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 to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 10 Arumugam Road #10-00, Lion Industrial Building, Singapore 409957 on Wednesday, 20 December 2000 at 10.30 a.m., and at any adjournment(s) 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 directions, 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 Audited Accounts, Directors' Report and Auditors' Report		
2	Approval of Directors' Fees		
3(a)	Re-election of Tan Sri Cheng Heng Jem as a Director pursuant to Article 91 of the Company's Articles of Association		
3(b)	Re-election of Mr Ong Teong Wan as a Director pursuant to Article 91 of the Company's Articles of Association		
4	Re-appointment of Mr Cheng Theng Kee as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50		
5	Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration		
6	To transact any other ordinary business		
Special Business			
7	Authority for Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50		
8	Authority for Directors to offer and grant options and to allot and issue shares pursuant to the exercise of options under the Scheme.		
9	Authority for Directors to offer and grant options to Mr Sam Chong Keen and Mr Cheng Yong Liang (Executive Directors of the Company) and to allot and issue shares to them pursuant to their exercise of options under the Scheme		
10	Renewal of Approval for the 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) of Member(s)/Corporation's Common Seal

IMPORTANT : PLEASE READ NOTES OVERLEAF

IMPORTANT - PLEASE READ NOTES BELOW

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 all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead and such proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (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 of 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 seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member 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, Chapter 50 of Singapore.

General :

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or 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 Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor is not shown to have 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.