

INFORMATION ON SEG

1. HISTORY AND BUSINESS

SEG was incorporated as a private limited company in Malaysia under the Companies Act, 1965 under the name Systematic Professional Centre Sdn Bhd on 11 October 1985. The Company changed its name to Systematic Education Group Sdn Bhd on 3 June 1994. On 8 June 1994, the Company was converted into a public company and assumed its present name, Systematic Education Group Berhad. The shares of the Company were officially listed and quoted on the Second Board of the KLSE on 16 May 1995.

SEG is principally involved in investment holding, provision of management consultancy services and business advisory services. The principal activities of its subsidiaries are the provision of private higher education centres.

2. SHARE CAPITAL

2.1 Authorised and Issued and Paid-up Share Capital

The authorised share capital of SEG as at 29 September 2000 is RM20,000,000 comprising 20,000,000 ordinary shares of RM1.00 each of which RM19,000,000 comprising 19,000,000 SEG ordinary shares have been issued and fully paid-up.

2.2 Changes in the Issued and Paid-up Share Capital

Details of changes in the issued and paid-up share capital of SEG since incorporation up to 29 September 2000 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Total RM
11.10.85	2	Subscribers' shares	2
15.10.91	3,619,998	Shares issued on acquisition of subsidiaries	3,620,000
22.01.92	622,000	Cash	4,242,000
09.03.92	205,000	Cash	4,447,000
30.06.92	291,667	Shares issued on acquisition of subsidiary	4,738,667
02.11.92	261,333	Cash	5,000,000
25.04.94	2,142,858	Issued to Bumiputera investor for cash	7,142,858
09.05.94	*8,928,573	Bonus issue 5:4	16,071,431
28.02.95	**1,928,569	Bonus issue 27:225	18,000,000
02.05.95	1,000,000	Cash	19,000,000

Notes:

* Bonus issue of 8,928,573 new ordinary shares of RM1.00 each on the basis of 5 new ordinary shares for every 4 ordinary shares held at 25 April 1994

** Bonus issue of 1,928,569 new ordinary shares of RM1.00 each on the basis of 27 new ordinary shares for every 225 ordinary shares held at 9 May 1994

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of SEG and their shareholdings as at 29 September 2000 based on the record of depositors are as follows:

Name	<-----Direct----->		<-----Indirect----->		Place of Incorporation/ Nationality
	No. of Shares held	% held	No. of Shares held	% held	
MOCCIS	*6,080,000	32.00	-	-	Malaysia
Yeoh Ah Tu	1,744,000	9.18	**450,440	2.37	Malaysian
Perdana Technology Venture Sdn Bhd	++1,018,000	5.36	-	-	Malaysia
Pujian Wajar Sdn Bhd	930,000	4.89	-	-	Malaysia
William A/L C.D Gnana Arul	760,000	4.00	-	-	Malaysian
Tan Foo Tin	450,440	2.37	+1,744,000	9.18	Malaysian
Tan Hong Aik	721,000	3.79	-	-	Malaysian

Note:

- * MOCCIS' shares in SEG are held in the registered name of Aseam Malaysia Nominees (Tempatan) Sdn Bhd
- ** Deemed interested through his spouse, Tan Foo Tin's shareholdings in SEG
- + Deemed interested through her spouse, Yeoh Ah Tu's shareholdings in SEG
- ++ 594,000 SEG Shares are held in the registered name of JS Nominees (Tempatan) Sdn Bhd, 399,000 SEG Shares are held in the registered name of BBMB Securities Nominees (Tempatan) Sdn Bhd and 25,000 SEG Shares are owned directly.

4. DIRECTORS

The Directors of SEG and their shareholdings (direct and indirect) in SEG, as at 29 September 2000 are as follows:

Name	<-----Direct----->		<-----Indirect----->		Date of Appointment/ Nationality
	No. of shares held	% held	No. of shares held	% held	
Tan Sri Dato' Seri (Dr.) Abdullah bin Ayub	3,000	0.02	-	-	04.12.96 Malaysian
Tan Sri Dato' (Dr.) Abdullah bin Mohd. Salleh	-	-	-	-	04.12.96 Malaysian
Tuan Haji Taib bin Rasak	119,000	0.63	-	-	03.09.97 Malaysian
Dato' Shamsir bin Omar	-	-	-	-	03.09.97 Malaysian
Tan Hong Aik	721,000	3.79	-	-	03.09.97 Malaysian
Yeoh Ah Tu [^]	1,744,000	9.18	*450,440	2.37	11.10.85 Malaysian
Tuan Haji Othman bin Haji Dahlan	23,000	0.12	-	-	26.07.96 Malaysian

Note:

- * Deemed interested through shareholdings held by spouse Tan Foo Tin
- [^] Resigned on 12 October 2000

5. SUBSIDIARY AND ASSOCIATED COMPANIES

The details of the subsidiary companies of SEG as at 29 September 2000 are as follows:

Name	Date and place of incorporation	Authorised capital RM	Paid-up capital RM	% interest held	Principal activities
Systematic Business Training Centre Sdn Bhd	29.09.78 Malaysia	200,000	200,000	100	To carry on the business of professional, commercial and academic education.
Systematic Computer Centre Sdn Bhd	23.09.82 Malaysia	500,000	200,000	100	To carry on the business of training in computer, commercial and academic education
Systematic Business Training Centre (PJ) Sdn Bhd	07.09.85 Malaysia	500,000	200,000	100	To carry on the business of professional commercial and academic education
Systematic Business Training Centre (PG) Sdn Bhd	04.10.89 Malaysia	500,000	200,000	100	To carry on the business of professional commercial and academic education
Systematic Management Resources Centre Sdn Bhd	22.10.87 Malaysia	100,000	40,318	100	To carry on the business as distant learning education
SBT Professional Publications Sdn Bhd	16.06.92 Malaysia	100,000	100,000	100	To carry on the business of a book centre and publisher
Syschom Training Sdn Bhd	17.07.90 Malaysia	250,000	2	100	Dormant
Systematic NVQ Consultants Sdn Bhd	28.11.86 Malaysia	25,000	20,000	100	To carry on the business of management consultancy, commercial and academic tuition and education
Shaw Commercial Institution Sdn Bhd <i>(A wholly owned subsidiary of Systematic NVQ Consultants Sdn Bhd)</i>	08.08.67 Malaysia	200,000	43,000	100	Dormant
Maktab Cambridge Sdn Bhd <i>(A subsidiary of Systematic NVQ Consultants Sdn Bhd)</i>	19.09.84 Malaysia	200,000	200,000	98.21	To operate as an educational institution
Varia Gaya Sdn Bhd	16.08.90 Malaysia	200,000	200,000	95	To carry on the business of providing commercial and tuition
Systematic Secretarial Centre Sdn Bhd	19.01.84 Malaysia	500,000	200,000	75	To carry on the business as a training centre for education upgrading of secretarial skills

Name	Date and place of incorporation	Authorised capital RM	Paid-up capital RM	% interest held	Principal activities
Mutu Unggul Sdn Bhd (<i>Subsidiary of Systematic Computer Centre Sdn Bhd</i>)	05.03.90 Malaysia	500,000	200,000	90	To carry on the business of professional, commercial and academic education
Jobquest Placement Consultants (M) Sdn Bhd	13.02.91 Malaysia	25,000	2	100	To carry on the business of job placement consultancy
EWI-Systematic Sdn Bhd	25.11.93 Malaysia	100,000	2	100	To carry on the business of education
Systematic Business Training Centre (SP) Sdn Bhd	01.04. 94 Malaysia	100,000	100,000	100	Dormant

Note:

SEG does not have any associated companies as at 29 September 2000

6. PROFIT AND DIVIDEND RECORD

The following table sets out a summary of the results of SEG Group based on the audited accounts for the financial years ended 31 December 1995 to 1999 and unaudited six (6) months period ended 30 June 2000:

	-----Year ended 31 December----->					Unaudited 6 months period ended 30
	1995	1996	1997	1998	1999	June 2000
Turnover (RM'000)	28,480	28,607	28,406	23,641	24,021	13,182
Profit before taxation (RM'000)	5,834	3,958	4,411	2,490	4,122	4,210
Taxation (RM'000)	(2,374)	(1,404)	(1,525)	(1,938)	(109)	(978)
Profit after taxation and MI (RM'000)	3,335	2,501	2,792	519	4,005	3,227
Issued shares ('000)	19,000	19,000	19,000	19,000	19,000	19,000
Net EPS per share (sen)	17.55	13.16	14.69	2.73	21.08	16.98
NTA (RM'000)	29,305	30,438	31,901	31,096	33,257	33,660
NTA per share (RM)	1.55	1.60	1.68	1.64	1.75	1.77
Current ratio (times)	1.63	0.44	0.53	0.47	0.78	1.14
Debt/Equity ratio (times)	0.02	0.03	0.06	0.06	0.02	0.01
Gross dividend rate (%)	10.00	10.00	10.00	10.00	10.00	15.00

Note:

There were no extraordinary or exceptional items during the period under review.

7. HISTORICAL SHARE PRICES

The following table sets out the monthly high and low market prices of SEG Shares for the past twelve (12) months to October 2000 as traded on the KLSE since November 1999:

	High RM	Low RM
1999		
November	2.13	1.91
December	2.55	1.93
2000		
January	2.90	2.40
February	6.55	2.73
March	4.56	3.30
April	4.30	3.50
May	3.98	3.50
June	3.50	2.75
July	3.28	2.82
August	3.48	2.89
September	2.98	2.58
October	3.08	2.50

(Source: Bloomberg)

The last transacted market price of SEG Shares on 22 October 1999, being the date prior to the announcement of the Proposals on 25 October 1999 was RM2.10

The last transacted market price of SEG Shares on 3 November 2000 (being the latest practicable date prior to the printing of this Circular) was RM2.98.

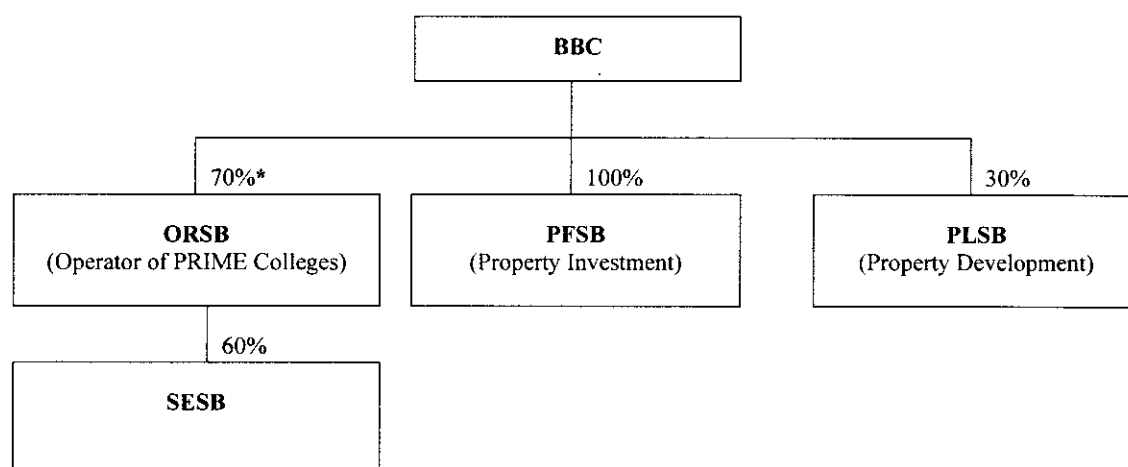
(Source: Bloomberg)

INFORMATION ON BBC

1. HISTORY AND BUSINESS

BBC was incorporated as a private limited company in Malaysia under the Companies Act, 1965 under the name of Berrington Bay Corporation Sdn Bhd on 8 November 1996. BBC commenced its business in 1997. On May 1997, BBC acquired 100% equity interest or 1,515,000 ordinary shares in ORSB at a purchase consideration of RM4,756,342.50. Subsequently on December 1998 and February 1999, BBC disposed off 30% of its equity interest in ORSB or 454,500 ordinary shares for a sale consideration of RM1,200,000 to Dato' Megat. In June 1999, ORSB subscribed for a 60% equity interest or 60,000 ordinary shares of SESB at RM60,000.

Subsequently, the group structure of BBC is as follows:



* Pursuant to the conditional S&P dated 22 October 1999 (as varied by Supplemental S&P dated 16 February 2000) entered into between SEG, KEB, Datin Mah, Kee and Shih-Lene, BBC shall acquire the remaining 30% equity interest in ORSB from Dato Megat for a purchase consideration of RM8,185,200 to be satisfied by 2,617,544 new ordinary shares of RM1.00 each in BBC at an issue price of approximately RM3.13 per ORSB share. However, SEG proposes to acquire Dato Megat's right to receive the aforesaid shares in BBC which shall be satisfied by 5,456,800 SEG New Shares at an issue price of RM1.50 per SEG Share. Upon the completion of this proposed acquisition, ORSB shall be a wholly-owned subsidiary of BBC.

BBC is an investment holding company. The ORSB Group is involved in the provision of educational and training services through the operation of PRIME College with its campus at The Summit, Subang USJ and branch campuses in Alor Setar and Miri. Its other wholly-owned subsidiary, PFSB is involved in property investment whilst its associated company, PLSB is involved in property development.

1.1 Business of ORSB Group

ORSB commenced operations in 1986 with the establishment of the first flagship campus of PRIME College at the Old Klang Road, Kuala Lumpur. SESB commenced operations in March 1999.

Capitalising on the reputation created over the years, PRIME College expanded to the Miri campus, which is located at Lot 2842, Lorong B, Jalan Jee Foh, Krokop, 98000 Miri, Sarawak in 1997. The Miri Campus has a total floor area of 7,500 sq. ft. The Alor Setar Campus commenced operations in March 1999 and is located at No. 17 –19, Jalan Tengah, 05100, Alor Setar Kedah. The Alor Setar Campus has a total floor area of 7,372 sq. ft. In October 1999, the old flagship campus at Old Klang Road, Kuala Lumpur which was operating on partly rented premises, was relocated to The Summit, Subang USJ, Jalan Kewajipan USJ 1, 47600 Subang Jaya, Selangor Darul Ehsan with a total floor area of approximately 70,000 sq. ft. (inclusive mezzanine floor). This new state of the art campus comprises a 350 seater auditorium, modern and well equipped Information Technology ("IT"), science and engineering laboratories as well as a fully networked campus ready for access to virtual libraries and e-textbooks.

PRIME College was the first private education institution in Malaysia to be appointed by the University of Cambridge Local Examinations Syndicate (UCLES) in 1985, to conduct the prestigious Cambridge Advanced Level (Cambridge A-Level). Out of the 39 students in the pioneer batch, 2 students gained admission into the prestigious University of Cambridge, United Kingdom.

PRIME College currently offers the following programmes:

USJ Campus

- Cambridge A-Levels
- PRIME Pre-University Programme (“PPP”)
- PRIME College Diploma (“PCD”) being PCD in Engineering (Civil, Chemical, Electrical & Electronic, Mechanical) and PCD in Management and Finance (Account & Finance, Business Administration, Finance, Economics, E-Commerce and Commerce)
- PRIME English Study Skills (“PES”)
- Universiti Putra Malaysia undergraduate degree programmes in Bachelor in Engineering (Civil, Chemical, Electronical & Electrical and Mechanical)

Alor Setar Campus

- PPP
- PES

Miri Campus

- PES
- PPP

Note:

The PPP, PCD and PES are recognized by over 40 universities internationally. Graduates from these PRIME College programmes, can gain admission into an extensive number of universities both locally and abroad in order to pursue a wide variety of undergraduate programmes.

The Universiti Putra Malaysia (UPM) undergraduate degree programmes are in the challenging field of Engineering, namely Civil Engineering, Chemical Engineering, Electrical & Electronic Engineering and Mechanical Engineering. Students can now complete the bachelor’s degree with honours and obtain a Bachelor in Engineering within a 3-year period. Although the UPM programme is conducted at PRIME College, the degree will be awarded by UPM.

PRIME College has incorporated a fully interactive English language programme using the latest language learning software technology. This is all incorporated at the Multimedia Learning Centre where students of all levels from beginner to advanced may practice their respective skills whilst undertaking the PES.

PRIME College (which encompasses the USJ, Alor Setar and Miri Campuses) has as at 15 September 2000 approximately 1,230 students registered in their courses and a pool of 50 lecturers.

1.2 Business of PFSB

Prestige Front Sdn Bhd (PFSB), a wholly owned subsidiary of BBC, represents the property investment arm of BBC. PFSB holds commercial properties in The Summit, Seri Kembangan of which these properties have been earmarked as the new campus for the BBC Group in its next phase of expansion targeted in Year 2001.

The said properties comprise 1 unit of 5 ½ storey office block identified as Block B with a floor area of 33,585.7 sq. ft. and 2 shop lot units identified as unit Nos. 3.09a and 3.09b with a floor area of 21,986 sq. ft. and 15,482 sq. ft. respectively located on the third floor, The Summit, Seri Kembangan which situated on PN. 7393 for Lot No. 1, Pekan Serdang, Mukim and District of Petaling Jaya (comprises a 99 years leasehold land expiring on November 2093). The said properties are currently under construction and are expected to be completed in Year 2001. The net book value of the said properties as at 31 December 1999 is RM25.7 million.

1.3 Business of PLSB

Palm Leisure Sdn Bhd, an associated company of BBC, is a property development company which holds development land of approximately 22.999 acres located in Taman Melawati, Kuala Lumpur. The property comprises converted development freehold land situated at Lot Nos. 501, 502 and 503, Mukim Ulu Kelang, District of Gombak, State of Selangor for the proposed development of bungalow lots.

2. SHARE CAPITAL

2.1 Authorised and Issued and Paid-up Share Capital

The authorised and issued and paid-up share capital of BBC as at 29 September 2000 is as follows:

	No. of ordinary shares of RM1.00 each	Amount RM
Authorised	25,000,000	25,000,000
Issued and fully paid-up	11,773,002	11,773,002

2.2 Changes in the Issued and Paid-up Share Capital

Details of the changes in the issued and paid-up share capital of BBC since incorporation up to 29 September 2000 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Total RM
08.11.96	2	Subscribers' shares	2
05.05.97	5,000,000	Otherwise than cash	5,000,002
06.07.99	6,773,000	Cash	11,773,002

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of BBC and their beneficial shareholdings as at 29 September 2000 are as follows:

Shareholders	Nationality/ Place of incorporation	<-----Direct----->		<-----Indirect----->	
		No. of Shares held	%	No. of Shares held	%
KEB	Malaysia	6,773,000	57.53	-	-
Meda Capital Sdn Bhd	Malaysia	-	-	6,773,000 ⁽ⁱ⁾	57.53
Teoh Seng Foo	Malaysian	-	-	6,773,000 ⁽ⁱⁱ⁾	57.53
Teoh Seng Kian	Malaysian	-	-	6,773,000 ⁽ⁱⁱ⁾	57.53
Teoh Seng Aun	Malaysian	-	-	6,773,000 ⁽ⁱⁱ⁾	57.53
Datin Mah	Malaysian	4,250,000	36.10	-	-
Kee Shih-Lene	Malaysian	750,002	6.37	-	-

Notes:

(i) Deemed interested as substantial shareholder of KEB

(ii) Deemed interested as substantial shareholder of Meda Capital Sdn Bhd

4. DIRECTORS

The directors of BBC and their shareholdings (direct and indirect) in BBC, as at 29 September 2000 are as follows

Name	<-----Direct----->		<-----Indirect----->		Date of Appointment/ Nationality
	No. of shares held	% held	No. of shares held	% held	
Datin Mah	4,250,00	36.10	-	-	07.05.1997 Malaysian
Kee Shih-Lene *	750,002	6.37	-	-	06.07.1999 Malaysian
Kee E-Lene	-	-	-	-	24.01.2000 Malaysian
Kee Lian Yong	-	-	-	-	06.07.1999 Malaysian
Dr. Tan Beng Cheok	-	-	-	-	12.06.2000 Malaysian
Tan Sin Kean	-	-	-	-	21.09.1999 Malaysian

Notes:

* Appointed as alternate director to Datin Mah on 7 May 1997

5. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the subsidiary and associated companies of BBC as at 29 September 2000 are as follows:

Name	Date and place of incorporation	Issued and paid-up share capital of RM1.00 each	% effective interest held	Principal activities
<i>Subsidiary companies</i>				
Organizational Resources Sdn Bhd	27.04.83 Malaysia	1,515,000	70.00	Provision of educational and training services
Superior Element Sdn Bhd (a subsidiary of ORSB)	01.06.98 Malaysia	100,000	42.00	Provision of educational and training services
Prestige Front Sdn Bhd	27.04.96 Malaysia	740,000	100.00	Property investment
<i>Associated Company</i>				
Palm Leisure Sdn Bhd	25.10.93 Malaysia	1,000,000	30.00	Property development

6. PROFIT AND DIVIDEND RECORD

	←-----Proforma----->			←----- Audited ----->			Unaudited 7 months ended 31 July 2000 RM'000
	←-----Year ended 31 December----->						
	1994	1995	1996	1997	1998	1999	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	3,650	4,868	6,311	7,609	7,193	7,117	8,135
Profit/(loss) before taxation and minority interest ("MI")	(199)	499	588	366	475	[^] 316	[^] 1,739
Taxation	-	-	-	-	(230)	-	(570)
Profit/(loss) after taxation but before MI	(199)	499	588	366	245	316	1,169
MI	-	-	-	-	-	(202)	(386)
Profit/(loss) after taxation and MI	(199)	499	588	366	245	114	783
Weighted average no of ordinary shares of RM1.00 each in issue ('000)	5,000	5,000	5,000	5,000	5,000	**8,387	*11,773
Net earnings per share (RM)	0.04	0.10	0.12	0.07	0.05	#0.01	*0.11

* Annualised

** Weighted average number of shares of RM1.00 each in issue including 6,773,000 ordinary shares of RM1.00 each issued in July 1999.

Net earnings per share has been calculated based on profit after taxation, share of associated company's results and minority interest on the weighted average number of ordinary shares in issue

[^] After taking into consideration RM11,000 share of associated company's loss

Notes:

(a) *The summarised results of BBC Group for the financial years ended 31 December 1994 to 31 December 1996 have been prepared based on the proforma audited accounts of BBC Group on the assumption that BBC has been incorporated as at 1 January 1994.*

(b) *The increase in turnover from 1995 to 1997 was due to the increase in the number of students intakes for its educational programmes. Correspondingly, the profit after taxation from 1995 to 1996 has also improved. However, the profit after taxation in 1997 has decreased as compared to previous years mainly due to operational and administrative cost incurred by BBC since its incorporation on 8 November 1996. The decrease in turnover and profit after taxation for BBC Group in 1998 compared to the previous year was mainly due to the economic downturn. The effect of the decrease in student intake for the A-Level programme was set off by the increase in students for the Universiti Putra Malaysia (UPM) course that was introduced in 1998. However, the profit before taxation for 1999 was lower as compared to 1998 as the group incurred relocation cost as well as renovation cost after the education operations moved to a new and larger campus in The Summit USJ, Subang Jaya.*

The increase in turnover in 2000 was mainly due to increase in student intake, especially with the introduction of short courses in management, finance and E-commerce, coupled with larger campus and better educational facilities available after the relocation to the new campus at The Summit, Subang USJ. In addition, the increase in profit before taxation in 2000 was mainly due to the introduction of short courses with higher profit margin.

(c) *There were no extraordinary or exceptional items during the years/periods under review.*

(d) *There were no provision for taxation for the financial years ended 31 December 1994 to 1997 due to utilisation of unabsorbed tax losses and unabsorbed capital allowances brought forward.*

However, in 1998, the effective tax rate for BBC Group was higher than the statutory rate due to certain expenses being disallowed for tax purposes.

There was no tax charge for chargeable income in 1999 as the amount payable for that year was waived in accordance with the Income Tax (Amendment) Act, 1999.

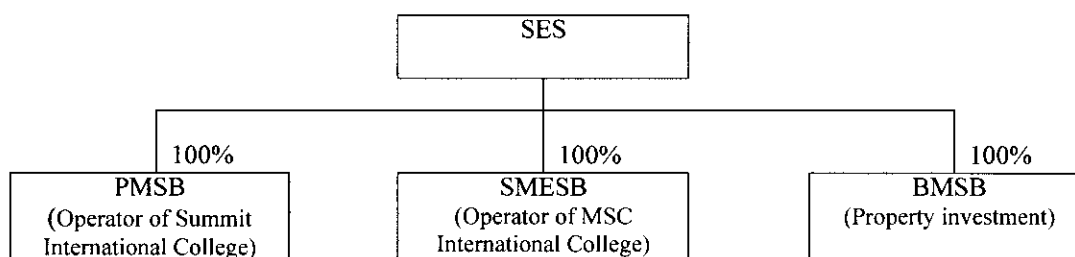
(e) *There were no dividends declared or paid by BBC Group in respect of all the financial years/periods under review.*

INFORMATION ON SES

1. HISTORY AND BUSINESS

SES was incorporated in Malaysia as Summit Education Sdn Bhd, as a private limited company, under the Companies Act, 1965 on 1 November 1984. SES commenced its business in 1984.

The group structure of SES is as follows:



The principal activities of SES are investment holding and provision of management consultancy services. The subsidiary companies of SES are involved in operation of institutes providing educational programmes as well as property investment.

1.1 Business of PMSB

Premier Media Sdn Bhd is a wholly-owned subsidiary of SES and commenced operations in 1995. PMSB holds the licence for the operation of Summit International College ("SIC") which is currently operating on the 3rd Floor, The Summit, Subang USJ, USJ1, Persiaran Kewajipan, 47600 UEP Subang Jaya, Selangor Darul Ehsan with a total floor area of approximately 12,800 sq. ft.. On 4 March 1999, SIC obtained the rights of being the sole authorised representative in Malaysia to conduct and administer the Montessori Method of Education in collaboration with the Montessori Centre International, London ("MCI"). MCI represents one of the world's largest Montessori training body as a result of the merger of the two largest Montessori bodies in the United Kingdom and Europe, i.e. Montessori St. Nicholas, United Kingdom and London Montessori Centre, United Kingdom.

SIC's involvement in this Montessori Teacher Training Diploma works in complete synergy with the operations of the SME Group. SME is principally an operator of kindergarten and pre-school childcare centres adopting the Montessori Method of Childhood Education. With the proposed expansion by SME of such childcare centres throughout Malaysia, there will be further demand created for Montessori trained teachers.

SIC specialises in early childhood education programmes and currently offers the Diploma in Montessori Method of Early Childhood Education for age group 2 ½ - 6 years and the Diploma/ Certificate in Speech and Drama in collaboration with the London Guildhall School of Speech and Drama, the largest speech and drama school in United Kingdom. SIC has also signed up with the University of Wollongong, Australia for the provision of The Bachelor of Teaching in Early Childhood Education (a 3 + 0 programme). The SIC will also be offering the Certificate in Early Childhood Nutrition and the Certificate in Children's Art to further complement its existing early childhood programmes.

The SIC has as at 15 September 2000 approximately 210 students registered in their courses and a pool of 8 lecturers.

1.2 Business of SMESB

Summit Multimedia Education Sdn Bhd (SMESB), a wholly owned subsidiary of SES, is the operator of MSC International College ("MSC") which is located on the 3rd Floor, The Summit, Subang USJ, USJ1, Persiaran Kewajipan, 47600 UEP Subang Jaya, Selangor Darul Ehsan with a total floor area of approximately 14,800 sq. ft MSC is currently being developed for the provision of multimedia art, design and cultural related education programmes. It will introduce diploma courses in advertising, photography, drama and theatre, industrial design, graphic design, video and animation. MSC expects to be fully operational in year 2001.

1.3 Business of BMSB

The investment holding arm of SES is Binary Mark Sdn Bhd which currently holds commercial property in The Summit, Seri Kembangan of which this property has been earmarked as the new campus for SES Group in its next phase of expansion targeted in year 2001.

The said property comprises a 5 ½ storey office block with a floor area of 33,020.30 sq. ft. provisionally known as Block A located at The Summit, Seri Kembangan and situated on PN 7393 for Lot No. 1, Pekan Serdang, Mukim and District of Petaling Jaya (land comprises a 99 year leasehold expiring on November 2093). The said property is currently under construction and is expected to be completed in year 2001. The net book value of the property as at 31 July 2000 is RM9.4 million.

2. SHARE CAPITAL

2.1 Authorised and Issued and Paid-up Share Capital

The authorised, issued and fully paid-up share capital of SES as at 29 September 2000 are as follows:

	No. of ordinary shares of RM1.00 each	Amount RM
Authorised	25,000,000	25,000,000
Issued and fully paid-up	14,000,000	14,000,000

2.2 Changes in the Issued and Paid-up Share Capital

Details of the changes in the issued and paid-up share capital of SES since incorporation up to 29 September 2000 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Total RM
01.11.1984	2	Subscribers' shares	2
20.05.1985	49,998	Cash	50,000
12.05.1988	200,000	Cash	250,000
24.08.1989	350,000	Cash	600,000
13.05.1991	600,000	Cash	1,200,000
23.01.1992	1,800,000	Rights Issue	3,000,000
21.05.1993	1,000,000	Rights Issue	4,000,000
20.12.1999	600,000	Cash	4,600,000
20.01.2000	9,400,000	Cash	14,000,000

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of SES and their beneficial shareholdings as at 29 September 2000 are as follows:

Shareholders	Nationality/ Place of incorporation	<-----Direct----->		<-----Indirect----->	
		No. of Shares held	%	No. of Shares held	%
KEB	Malaysia	12,052,634	86.09	-	-
Meda Capital Sdn Bhd	Malaysia	-	-	12,052,634 ⁽ⁱ⁾	86.09
Teoh Seng Foo	Malaysian	-	-	12,052,634 ⁽ⁱⁱ⁾	86.09
Teoh Seng Kian	Malaysian	-	-	12,052,634 ⁽ⁱⁱ⁾	86.09
Teoh Seng Aun	Malaysian	-	-	12,052,634 ⁽ⁱⁱ⁾	86.09
Noah Foundation	Malaysia	1,200,000	8.57	-	-

Notes:

(i) Deemed interested as substantial shareholder of KEB

(ii) Deemed interested as substantial shareholder of Meda Capital Sdn Bhd

4. DIRECTORS

The directors of SES and their respective shareholdings (direct and indirect) in SES as at 29 September 2000 are as follows:

Name	<-----Direct----->		<-----Indirect----->		Date of Appointment/ Nationality
	No. of shares held	% held	No. of shares held	% held	
Tan Sri Dato' Mohd Amin Osman	150,000	1.07	-	-	01.03.1988 Malaysian
Dr. Faridah Abdullah	189,999	1.36	-	-	19.08.1993 Malaysian
Kee Lian Yong	-	-	-	-	08.02.1996 Malaysian
Tan Sin Kean	-	-	-	-	21.09.1999 Malaysian
Maria Cheah Wye Leng	-	-	-	-	21.09.1999 Malaysian
Dr. Tan Beng Cheok	-	-	-	-	12.06.2000 Malaysian

5. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the subsidiaries of SES as at 29 September 2000 are as follows:-

Name	Date and place of incorporation	Issued and paid-up share capital of RM1.00 each	% effective interest held	Principal activities
Premier Media Sdn Bhd	17.12.93 Malaysia	200,000	100.00	Operation of an institute providing educational programmes
Summit Multimedia Education Sdn Bhd	12.11.90 Malaysia	750,000	100.00	Operation of an institute providing educational programmes
Binary Mark Sdn Bhd	04.08.99 Malaysia	2	100.00	Property investment

Note:

SES has no associated companies as at 29 September 2000

6. PROFIT AND DIVIDEND RECORD

	←----- Audited -----→						Unaudited
	←----- Year ended 31 December -----→				7 months ended	Year ended	6 months ended
	1994	1995	1996	1997	31 July	31 July	31
	RM'000	RM'000	RM'000	RM'000	1998	1999	January
Turnover	2,573	2,295	1,549	706	382	550	681
Loss before taxation and minority interest ("MI")	(743)	(315)	(522)	(921)	(303)	(653)	(237)
Taxation	-	-	(11)	-	-	-	16
Loss after taxation but before MI	(743)	(315)	(533)	(921)	(303)	(653)	(221)
MI	-	50	-	-	-	-	-
Loss after taxation and MI	(743)	(265)	(533)	(921)	(303)	(653)	(221)
Weighted average no. of ordinary shares of RM1.00 each assumed in issue ('000)	4,000	4,000	4,000	4,000	4,000	4,000	**4,883
Net loss per share (RM) #	(0.19)	(0.07)	(0.13)	(0.23)	*(0.13)	(0.16)	*(0.09)

* Annualised

** Weighted average number of shares of RM1.00 each in issue including issue of 600,000 ordinary shares in December 1999 and 9,400,000 ordinary shares in January 2000.

Net loss per share has been calculated based on loss after taxation and minority interest on the weighted average number of ordinary share in issue.

Note:

- (a) *The summarised results are based on the audited consolidated financial results of SES Group for the four (4) financial years ended 31 December 1994 to 1997, seven (7) months financial period ended 31 July 1998, financial year ended 31 July 1999 and the unaudited consolidated financial results for the six (6) month period ended 31 January 2000.*
- (b) *The turnover in 1994 was mainly attributable to the consulting business and revenue from a twinning programme contracted with Monash University, Australia. However, the turnover decreased in 1995 due to a slow down in the consulting business. Subsequently, the consulting business ceased in 1996 and thus resulting in no contribution to the SES Group's turnover in the following years. Meanwhile, the turnover in 1995 to 1998 were also attributable to the inception of the Summit International College and the introduction of the foundation and twinning programme with Charles Sturt University, Australia which were subsequently terminated in mid 1999.*
- The Montessori Teaching Training Diploma in Early Childhood Education ("Montessori Programme") which commenced in May 1999 contributed to the increase in turnover for the year ended 31 July 1999. The increase in turnover for the six (6) month period ended 31 January 2000 was mainly due to an increase in students intake as the company has improved educational capacity and facilities as well as business synergies derived from the SME Group.*
- (c) *The losses incurred in 1994 to 1997 were mainly due to substantial advertising costs being provided for to promote educational programmes as well as rental costs incurred for their rented campus in Jalan Pahang, Kuala Lumpur.*
- The loss before tax in 1998 was lower as compared to previous years mainly due to lower advertising costs incurred. However, the increase in loss before tax in 1999 was due to the termination of the twinning programme.*
- In tandem with the growth in turnover in 2000, the loss incurred in 2000 has also reduced accordingly.*
- (d) *There were no provision for taxation during the years/periods under review except for 1996 due to utilisation of unabsorbed losses and unutilised capital allowances brought forward. Taxation charge in 1996 was attributable to under provision of taxation in prior years. In 2000, there was tax refund of tax overpaid of RM16,000.*
- (e) *There were no other extraordinary or exceptional items during the years/periods under review.*
- (f) *There were no dividends declared or paid by SES Group in respect of all the financial years/periods under review.*
- (g) *The company changed its financial year end from 31 December to 31 July in the seven (7) month financial period ended 31 July 1998 to be coterminous with the financial year end of the ultimate holding company.*

INFORMATION ON SME

1. HISTORY AND BUSINESS

SME was incorporated in Malaysia under the Companies Act, 1965 on 13 February 1996 as a private limited company. SME is principally involved in the operation of kindergartens and child-care centres.

The SME Group is principally involved in setting up nurseries, kindergartens and child-care centres in synergy with the SES Group. These centres are set up under the name of “Taska Sri Emas” and “Tadika Sri Emas” (St. Nicholas Montessori Children’s House). The first centre was established in Melaka, which commenced operations in April 1997.

The Montessori concept evolves around the objectives of helping children reach maximum learning potential, while becoming well-balanced individuals who are able to cope with the emotional, social and practical pressures of modern-day living. Montessori education incorporates a range of experiences which will educate the “whole” child, covering all aspects of development – intellectual, social, physical, emotional and spiritual.

SME’s existing 7 centres are located in Melaka, Subang, Klang, Bandar Utama, Rawang and Penang of which it has in total 410 students registered under the SME Group. SME currently employs 48 qualified teachers.

2. SHARE CAPITAL

2.1 Authorised and Issued and Paid-up Share Capital

The authorised, issued and fully paid-up share capital of SME as at 29 September 2000 are as follows:

	No. of ordinary shares of RM1.00 each	Amount RM
Authorised	5,000,000	5,000,000
Issued and fully paid-up	1,350,002	1,350,002

2.2 Changes in the Issued and Paid-up Share Capital

Changes in the issued and paid-up share capital of SME from the date of incorporation up to 29 September 2000 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Total RM
13.02.96	2	Cash	2
01.06.98	650,000	Otherwise than cash	650,002
16.06.98	700,000	Cash	1,350,002

3. SUBSTANTIAL SHAREHOLDER

The substantial shareholders of SME and their beneficial shareholdings (as per Register of Substantial Shareholders) as at 29 September 2000 are as follows:

Shareholders	Nationality/Place of incorporation	<-----Direct----->		<-----Indirect----->	
		No. of Shares held	% held	No. of Shares held	% held
KEB	Malaysia	700,002	51.85	-	-
Meda Capital Sdn Bhd	Malaysia	-	-	700,002 ⁽ⁱ⁾	51.85
Teoh Seng Foo	Malaysian	-	-	700,002 ⁽ⁱⁱ⁾	51.85
Teoh Seng Kian	Malaysian	-	-	700,002 ⁽ⁱⁱ⁾	51.85
Teoh Seng Aun	Malaysian	-	-	700,002 ⁽ⁱⁱ⁾	51.85
Mohd Nor Bin Ibrahim	Malaysian	284,223	21.05	-	-
Loh Poh Choo	Malaysian	111,491	8.26	-	-
Cheam Tow Yong	Malaysian	254,286	18.84	-	-

Note:

- (i) Deemed interested as substantial shareholder of KEB
(ii) Deemed interested as substantial shareholder of Meda Capital Sdn Bhd

4. DIRECTORS

The directors of SME and their respective shareholdings (direct and indirect) in SME as at 29 September 2000 are as follows:

Name	<-----Direct----->		<-----Indirect----->		Date of Appointment/ Nationality
	No. of shares held	% held	No. of shares held	% held	
Tan Sin Kean	-	-	-	-	22.09.99 Malaysian
Maria Cheah Wye Leng	-	-	-	-	22.09.99 Malaysian
Dr. Tan Beng Cheok	-	-	-	-	12.06.2000 Malaysian

5. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the subsidiary company of SME as at 29 September 2000 is as follows:-

Name	Date and place of incorporation	Issued and paid-up share capital (RM)	% effective interest held	Principal activities
Montessori Focus Sdn Bhd	21.03.96 Malaysia	805,000	100.00	Operation of child-care centres

Note:

SME has no associated companies as at 29 September 2000.

6. PROFIT AND DIVIDEND RECORD

	←-----Proforma----->			Unaudited 6 months ended 31 January 2000 RM'000
	From 13 February 1996 to 30 June 1997 RM'000	Year ended 30 June 1998 RM'000	13 months ended 31 July 1999 RM'000	
Turnover	251	225	389	201
Loss before taxation	(396)	(417)	(248)	(46)
Taxation	-	-	-	-
Loss after taxation	(396)	(417)	(248)	(46)
Weighted average no of ordinary shares in issue ('000)	*	**54	***708	1,350
Net loss per share (RM)#	(198,000)	(7.70)	**(0.32)	**(0.07)

* Represents 2 ordinary shares of RM1.00 each

** annualised

*** Weighted average number of ordinary shares of RM1.00 each in issue including issue of 650,000 ordinary shares in June 1998 and 700,000 ordinary shares in June 1999.

Net loss per share has been calculated based on loss after taxation on the weighted average number of ordinary shares in issue

Note:

- (a) The summarised results of the SME Group for the financial period from the date of incorporation on 13 February 1996 to 30 June 1997, the financial year ended 30 June 1998 and financial period ended 31 July 1999 have been prepared based on the proforma consolidated accounts of the SME Group on the assumption that the Group was in existence since the date of incorporation of SME on 13 February 1996. SME acquired Montessori Focus Sdn Bhd on 1 June 1998. No consolidated accounts were prepared at SME level for the 13 month financial period ended 31 July 1999. However, the consolidation was prepared at the ultimate holding company level, KEB.
- (b) The revenue for SME Group for the financial years/periods under review were mainly contributed from the sales of books and operation of a convenience store as well as the provision for child-care services. The decrease in turnover in 1998 was because of the closure of the convenience store in Melaka. In 1999, the increase in turnover was attributable to the opening of a new store in Kuala Lumpur and improved business from its nursery centers. In 2000, the turnover has further improved as compared to the previous year due to increase in children enrollment for its existing nursery and child-care centres.
- (c) The increase in loss after taxation in 1998 compared to the previous year was mainly due to closure of the convenience store in Melaka. The loss in year 1999 was mainly due to start up cost incurred for opening a new store in Kuala Lumpur. However, in tandem with the better performance of the nursery and child care operations, the loss position in year 2000 has reduced accordingly.
- (d) There were no provision for taxation during the years/periods under review except for year 2000 as the Group has no chargeable income as it is in a loss making position. No provision for taxation is made in the accounts for the 6 months ended 31 January 2000 due to utilisation of unabsorbed tax losses and unabsorbed capital allowances brought forward.
- (e) There were no extraordinary or exceptional items during the years/periods under review.
- (f) There were no dividends declared or paid by SME Group in respect of all the financial years/periods under review.
- (g) The company changed its financial year end from 30 June to 31 July in the thirteen (13) month financial period ended 31 July 1999 to be coterminous with the financial year end of the ultimate holding company.

INFORMATION ON RMSB

1. HISTORY AND BUSINESS

RMSB was incorporated in Malaysia under the Companies Act, 1965 on 15 October 1999 as a private limited company. RMSB is principally an investment holding company. Its subsidiary company is principally involved in the operation of children educational and recreational centres.

RMSB is an investment holding company with its wholly owned subsidiary, Sadec-KE Utilities Sadec-KE involved in the operation of a children's educational and recreational centre. Sadec-KE operates the centre under the International Sub-Franchise with trademark "Kidsports Family Fun & Fitness Centre". The centre is located at The Summit, Subang USJ in an approximately 19,536 sq. ft. facility. The authorized sub-franchise owner's rights to operate the "Kidsports Family Fun & Fitness Centre" in Malaysia is established through an agreement entered into between Kidsports International Inc. (incorporated in the USA) and Kidsports Family Fun & Fitness Sdn. Bhd. and Sadec-KE on 27 October 1999.

RMSB, operates a children entertainment centre, "Kidsports", which offers programmes that use sports, games and other physical activities to develop physical and social skills. Programmes are offered on a planned timetable. However registration to some of these programmes such as the "Adventure Challenge" (a children's obstacle course) are on a walk-in basis with no predetermined number of enrollment. There are twelve (12) trained staff employed by Kidsports to run and conduct the various sessions and programmes which are offered by Kidsports.

The RMSB Group commenced operations with its first centre in The Summit, Subang USJ in November 1999.

2. SHARE CAPITAL

2.1 Authorised and Issued and Paid-up Capital

The authorised, issued and fully paid-up share capital of RMSB as at 29 September 2000 are as follows:

	No. of ordinary shares of RM1.00 each	Amount RM
Authorised	1,000,000	1,000,000
Issued and fully paid-up	500,000	500,000

2.2 Changes in the Issued and Paid-up Capital

The changes in issued and paid-up share capital since incorporation up to 29 September 2000 are as follows:

Date of allotment	No. of ordinary shares of RM1.00 each	Consideration	Total RM
15.10.99	2	Subscribers' shares	2
18.10.99	499,998	Cash	500,000

3. SUBSTANTIAL SHAREHOLDER

The substantial shareholders of RMSB and their beneficial shareholdings (as per Register of Substantial Shareholders) as at 29 September 2000 are as follows:

Shareholders	Nationality/Place of incorporation	<-----Direct----->		<-----Indirect----->	
		No. of shares held	% held	No. of shares held	% held
KEB	Malaysia	500,000	100.00	-	-
Meda Capital Sdn Bhd	Malaysia	-	-	500,000 ⁽ⁱ⁾	100.00
Teoh Seng Foo	Malaysian	-	-	500,000 ⁽ⁱⁱ⁾	100.00
Teoh Seng Kian	Malaysian	-	-	500,000 ⁽ⁱⁱ⁾	100.00
Teoh Seng Aun	Malaysian	-	-	500,000 ⁽ⁱⁱ⁾	100.00

Notes:

- (i) Deemed interested as substantial shareholder of KEB
(ii) Deemed interested as substantial shareholder of Meda Capital Sdn Bhd

4. DIRECTORS

The directors of RMSB and their respective shareholdings (direct and indirect) in RMSB as at 29 September 2000 are as follows:

Name	<-----Direct----->		<-----Indirect----->		Date of Appointment/ Nationality
	No. of shares held	% held	No. of shares held	% held	
Maria Cheah Wye Leng	-	-	-	-	17.10.99/ Malaysian
Tan Sin Kean	-	-	-	-	17.10.99/ Malaysian

5. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the subsidiary of RMSB, as at 29 September 2000 are as follows:-

Name	Date and place of incorporation	Issued and paid-up capital (RM)	% effective interest held	Principal activities
Sadec-KE Utilities Corporation Sdn Bhd	18.11.92 Malaysia	500,000	100.00	Operation of children education and recreational centres

Note:
RMSB has no associated companies as at 29 September 2000

6. PROFIT AND DIVIDEND RECORD

As at 29 September 2000, RMSB does not have audited financial data as the company was only incorporated on 15 October 1999.

Its subsidiary, Sadec-KE commenced operations only in November 1999 and hence the latest audited accounts for the financial year ended 31 July 1999 reflects only a dormant company.

INFORMATION ON KEB

1. HISTORY AND BUSINESS

KEB was incorporated as a private limited company in Malaysia on 8 August 1973 under the name of Kumpulan Emas Sdn Bhd under the Companies Act 1965. After having changed its status to a public company, the Company adopted its present name on 24 July 1984 and subsequently listed on the Main Board of the KLSE on 21 September 1984.

The principal activities of its subsidiary companies include process engineering and operation for clean water and waste water treatment plants, undertaking turnkey projects for palm oil mills, mechanical and structural services for general industries, property development and investment, operation of timber concessions, cultivation of oil palm, provision of agricultural advisory services to promote and develop oil palm, palm oil milling, operation of colleges and child-care centres as well as children's educational and recreational centres, provision of educational programmes and training services and investment holding.

The principal activities of its associated companies include property development and investment holding in respect of a water supply project in Vietnam.

2. SHARE CAPITAL

Details of authorised and issued and paid-up share capital as at 29 September 2000 are as follows:

	No. of ordinary shares of RM0.50 each	Amount RM
Authorised	1,000,000,000	500,000,000
Issued and fully paid-up	414,413,938	207,206,969

3. CHANGES IN THE ISSUED AND PAID-UP SHARE CAPITAL

Details of changes in the company's issued and paid-up share capital since incorporation to 29 September 2000 are as follows:

Date of allotment	No. of ordinary shares of RM0.50 each	Consideration	Total RM
08.08.1973	4	Cash	2
08.03.1974	120,000	Cash	60,002
12.08.1974	119,996	Cash	120,000
12.08.1974	360,000	Cash	300,000
09.07.1975	400,000	Cash	500,000
29.03.1977	39,526	Cash	519,763
29.03.1977	97,154	Cash	568,340
29.07.1977	63,380	Cash	600,030
27.08.1977	35,422	Cash	617,741

Date of allotment	No. of ordinary shares of RM0.50 each	Consideration	Total RM
31.12.1977	1,235,482	Bonus issue of 1 for 1	1,235,482
16.06.1978	496,724	Cash	1,483,844
10.02.1979	2,967,688	Bonus issue of 1 for 1	2,967,688
05.03.1979	64,624	Cash	3,000,000
27.02.1981	6,000,000	Bonus issue of 1 for 1	6,000,000
11.05.1981	360,000	Issued pursuant to the acquisition of 9% interest in Sawitani Sdn Bhd at RM1.25 per share	6,180,000
03.09.1981	2,200,000	Issued pursuant to the acquisition of 51% interest in Sawitani Sdn Bhd at RM1.275 per share	7,280,000
30.11.1982	14,559,984	Bonus issue of 1 for 1	14,559,992
29.07.1983	879,858	Issued pursuant to the acquisition of 6.8% interest in Salcon Engineering Sdn Bhd at RM1.0417 per share	14,999,921
30.07.1983	854,613	Issued pursuant to the acquisition of 43% interest in CSC Kemico (South East Asia) Sdn Bhd at RM1.0417 per share	15,427,228
04.10.1983	1,730,206	Issued pursuant to the acquisition of 50% interest in Taman Rakyat Sdn Bhd at RM1.00 per share	16,292,331
07.11.1983	406,932	Issued pursuant to the acquisition of 45% interest in Salcon-Centrimax Engineering Sdn Bhd at RM1.0417 per share	16,495,797
09.12.1983	5,708,502	Issued pursuant to the acquisition of 28.3% interest in Sri Lingga Sdn Bhd and 62.5% interest in Jiddi Joned Enterprises Sdn Bhd at RM1.00 per share	19,350,048
12.12.1983	6,751,057	Issued pursuant to the acquisition of 90.6% interest in Berembang Sdn Bhd, 96.3% interest in Seri Jasin Sdn Bhd and 63.6% interest in Mudek Sdn Bhd at RM1.00 per share	22,725,576
20.01.1984	119,000	Cash	22,785,076
27.01.1984	119,000	Cash	22,844,576
14.02.1984	1,120,112	Issued pursuant to the acquisition of 3.3% interest in Sri Lingga Sdn Bhd, 0.3% interest in Berembang Sdn Bhd, 0.2% interest in Seri Jasin Sdn Bhd, 1% interest in Mudek Sdn Bhd, 97.7% interest in Gaberna Sdn Bhd and 100% interest in Lapan Bersaudara Sdn Bhd, at RM1.00 per share	23,404,632
16.08.1984	16,190,736	Public issue at RM0.70 per share	31,500,000
15.05.1990	21,000,000	Rights issue of 1 for 3 at RM0.90 per share	42,000,000
15.05.1990	28,000,000	Bonus issue of 1 for 3	56,000,000
14.08.1990	6,000,000	Special issue at RM0.90 per share	59,000,000
18.02.1991	961,000	Exercise of ESOS	59,480,500
18.02.1991	410,000	Exercise of ESOS	59,685,500
06.03.1991	618,000	Exercise of ESOS	59,994,500

Date of allotment	No. of ordinary shares of RM0.50 each	Consideration	Total RM
20.03.1991	336,000	Exercise of ESOS	60,162,500
30.04.1991	81,000	Exercise of ESOS	60,203,000
31.05.1991	1,000	Exercise of ESOS	60,203,500
29.11.1991	10,000	Exercise of ESOS	60,208,500
30.11.1992	9,000	Exercise of ESOS	60,213,000
15.03.1993	649,000	Exercise of ESOS	60,537,500
31.03.1993	452,000	Exercise of ESOS	60,763,500
30.04.1993	58,000	Exercise of ESOS	60,792,500
01.06.1993	61,000	Exercise of ESOS	60,823,000
30.06.1993	2,000	Exercise of ESOS	60,824,000
30.07.1993	9,000	Exercise of ESOS	60,828,500
29.10.1993	7,000	Exercise of ESOS	60,832,000
30.01.1994	6,000	Exercise of ESOS	60,835,000
31.03.1994	85,000	Exercise of ESOS	60,877,500
27.01.1995	121,755,000	Rights issue of 1 for 1 at RM2.60 per share	121,755,000
15.01.1996	387,000	Exercise of ESOS	121,948,500
31.01.1996	151,000	Exercise of ESOS	122,024,000
15.02.1996	10,000	Exercise of ESOS	122,029,000
01.03.1996	27,000	Exercise of ESOS	122,042,500
25.04.1996	174,000	Exercise of ESOS	122,129,500
16.05.1996	188,000	Exercise of ESOS	122,223,500
30.05.1996	3,000	Exercise of ESOS	122,225,000
27.02.1997	237,000	Exercise of ESOS	122,343,500
03.03.1997	145,000	Exercise of ESOS	122,416,000
06.03.1997	124,000	Exercise of ESOS	122,478,000
24.03.1997	19,000	Exercise of ESOS	122,487,500
15.05.1997	23,000	Exercise of ESOS	122,499,000
26.02.1998	13,000	Exercise of ESOS	122,505,500
05.03.1998	12,000	Exercise of ESOS	122,511,500
12.03.1998	4,000	Exercise of ESOS	122,513,500
26.03.1998	21,000	Exercise of ESOS	122,524,000
13.04.1998	3,000	Exercise of ESOS	122,525,500
04.12.1998	253,000	Exercise of ESOS	122,652,000
10.12.1998	132,000	Exercise of ESOS	122,718,000
15.12.1998	348,000	Exercise of ESOS	122,892,000
22.12.1998	114,000	Exercise of ESOS	122,949,000
29.12.1998	63,000	Exercise of ESOS	122,980,500
06.01.1999	40,000	Exercise of ESOS	123,000,500
07.01.1999	185,000	Exercise of ESOS	123,093,000
08.01.1999	20,000	Exercise of ESOS	123,103,000
25.01.1999	210,000	Exercise of ESOS	123,208,000
28.01.1999	53,000	Exercise of ESOS	123,234,500
05.02.1999	75,000	Exercise of ESOS	123,272,000

Date of allotment	No. of ordinary shares of RM0.50 each	Consideration	Total RM
18.02.1999	10,000	Exercise of ESOS	123,277,000
02.03.1999	9,000	Exercise of ESOS	123,281,500
28.04.1999	120,000	Exercise of ESOS	123,341,500
04.05.1999	63,000	Exercise of ESOS	123,373,000
11.05.1999	809,000	Exercise of ESOS	123,777,500
14.05.1999	7,000	Exercise of ESOS	123,781,000
18.05.1999	299,000	Exercise of ESOS	123,930,500
19.05.1999	608,000	Exercise of ESOS	124,234,500
21.05.1999	585,000	Exercise of ESOS	124,527,000
27.05.1999	316,000	Exercise of ESOS	124,685,000
31.05.1999	229,000	Exercise of ESOS	124,799,500
04.06.1999	284,000	Exercise of ESOS	124,941,500
09.06.1999	7,000	Exercise of ESOS	124,945,000
14.06.1999	339,000	Exercise of ESOS	125,114,500
18.06.1999	727,000	Exercise of ESOS	125,478,000
24.06.1999	205,000	Exercise of ESOS	125,580,500
29.06.1999	311,000	Exercise of ESOS	125,736,000
02.07.1999	621,000	Exercise of ESOS	126,046,500
07.07.1999	488,000	Exercise of ESOS	126,290,500
14.07.1999	529,000	Exercise of ESOS	126,555,000
19.07.1999	50,000	Exercise of ESOS	126,580,000
27.07.1999	558,000	Exercise of ESOS	126,859,000
05.08.1999	410,000	Exercise of ESOS	127,064,000
11.08.1999	285,000	Exercise of ESOS	127,206,500
19.08.1999	578,000	Exercise of ESOS	127,495,500
26.08.1999	234,000	Exercise of ESOS	127,612,500
18.11.1999	127,612,500	Rights issue 1 for 2 at RM0.50 per share	191,418,750
08.02.2000	132,000	Conversion of RM132,000 ICULS to ordinary shares	191,484,750
09.02.2000	633,000	Conversion of RM495,000 ICULS and cash of RM138,000 to ordinary shares	191,801,250
16.02.2000	222,494	Conversion of RM198,247 ICULS and cash of RM24,247 to ordinary shares	191,912,497
18.02.2000	286,000	Exercise of ESOS	192,055,497
23.02.2000	751,500	Conversion of RM440,750 ICULS and cash of RM310,750 to ordinary shares	192,431,247
23.02.2000	444	Conversion of 444 warrants to ordinary shares	192,431,469
29.02.2000	1,206,000	Conversion of RM869,000 ICULS and cash of RM337,000 to ordinary shares	193,034,469
01.03.2000	183,000	Exercise of ESOS	193,125,969
06.03.2000	511,000	Conversion of RM280,500 ICULS and cash of RM230,500 to ordinary shares	193,381,469
15.03.2000	371,000	Conversion of RM290,500 ICULS and cash of RM80,500 to ordinary shares	193,566,969
20.03.2000	37,000	Exercise of ESOS	193,585,469
22.03.2000	265,500	Conversion of RM176,500 ICULS and cash of RM89,000 to ordinary shares	193,718,219
30.03.2000	828,500	Conversion of RM627,000 ICULS and	194,132,469

Date of allotment	No. of ordinary shares of RM0.50 each	Consideration	Total RM
		cash of RM201,500 to ordinary shares	
05.04.2000	203,000	Exercise of ESOS	194,233,969
07.04.2000	780,000	Conversion of RM417,500 ICULS and cash of RM362,500 to ordinary shares	194,623,969
17.04.2000	103,000	Exercise of ESOS	194,675,469
18.04.2000	386,000	Conversion of RM193,000 ICULS and cash of RM193,000 to ordinary shares	194,868,469
24.04.2000	68,000	Exercise of ESOS	194,902,469
11.05.2000	117,000	Exercise of ESOS	194,960,969
26.05.2000	742,000	Exercise of ESOS	195,331,969
11.08.2000	14,800,000	Special issue at RM0.50 per share	202,481,969
06.09.2000	9,450,000	Special issue at RM0.50 per share	207,206,969

4. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of KEB and their respective beneficial shareholdings (as per Register of Substantial Shareholders) as at 29 September 2000 are as follows:

Name	<-----Direct----->		<-----Indirect----->		Nationality
	No. of shares held	% held	No. of shares held	% held	
Meda Capital Sdn Bhd	71,245,000	17.20	-	-	
Bernas Bermutu Sdn Bhd	12,500,000	3.02	-	-	
Teoh Seng Foo	941,000	0.23	71,245,000 ⁽ⁱ⁾	17.20	
Teoh Seng Kian	-	-	71,245,000 ⁽ⁱ⁾	17.20	
Teoh Seng Aun	-	-	71,245,000 ⁽ⁱ⁾	17.20	
Mohd Nor bin Ibrahim	-	-	12,500,000 ⁽ⁱⁱ⁾	3.02	
Norma Bt. Ibrahim	-	-	12,500,000 ⁽ⁱⁱ⁾	3.02	

Note:

(i) Deemed interest held through Meda Capital Sdn Bhd

(ii) Deemed interest held through Bernas Bermutu Sdn Bhd

5. BOARD OF DIRECTORS

The directors of KEB and their beneficial shareholdings in KEB as at 29 September 2000 are as follows:

Name	<-----Direct----->		<-----Indirect----->		Nationality
	No. of shares held	% held	No. of shares held	% held	
Gen (B) Tan Sri Dato' Mohd Ghazali Haji Che Mat	4,330,000	1.04	-	-	Malaysian
Teoh Seng Foo	941,000	0.23	71,245,000 ⁽ⁱ⁾	17.20	Malaysian
Kee Lian Yong	-	-	-	-	Malaysian
Othman bin Merah	3,600,000	0.87	-	-	Malaysian
Lee Teik Yang	-	-	-	-	Malaysian
Lim Seng Chai	-	-	-	-	Malaysian
Mohamed Saleh bin Gomu	-	-	-	-	Malaysian

Note:

(i) Deemed interest held through Meda Capital Sdn Bhd

6. SUBSIDIARY AND ASSOCIATED COMPANIES

The details of the subsidiary and associated companies of KEB as at 29 September 2000 are as follows:

Name	Date and place of incorporation	Issued and paid-up capital (RM)	% effective interest held	Principal activities
Salcon Engineering Sdn Bhd	3 April 1974 Malaysia	20,000,000	51.00	Process engineering and operation for clean water and waste water treatment plants, undertaking turnkey projects for palm oil mills, mechanical and structural services for general industries and investment holding
Salcon-Centrimax Engineering Sdn Bhd	3 May 1979 Malaysia	3,000,000	51.00	Fabrication and trading of engineering equipment
Precise Metal Sdn Bhd	28 April 1983 Malaysia	200,000	51.00	Contracting for water supply projects
Bumi Tiga Enterprise Sdn Bhd	12 May 1980 Malaysia	1,700,000	51.00	Investment holding and contracting for water supply projects
Integrated Water Services (M) Sdn Bhd (owned via a 51% subsidiary company)	4 July 1985 Malaysia	20,000	26.01	Operation and maintenance of water treatment plants
Skeel Engineering Sdn Bhd	28 May 1970 Malaysia	1,000,000	51.00	Dormant
Salcon Building Services Sdn Bhd (Formerly known as <i>Salcon Construction Sdn Bhd</i>)	9 December 1980 Malaysia	1,400,000	51.00	Dormant
Salcon Agro Sdn Bhd	22 February 1992 Malaysia	2	51.00	Dormant
Eagle Metalizing and Coatings Company Sdn Bhd (owned via a 51% subsidiary company)	13 May 1991 Malaysia	555,000	30.60	Dormant
Salcon (Sarawak) Sdn Bhd (formerly known as <i>Gateway Explorer Sdn Bhd</i>)	13 October 1999 Malaysia	2	51.00	Dormant
Pujian Development Sendirian Berhad	5 March 1980 Malaysia	6,200,000	100.00	Property development and property investment
ABI-KE Construction Sdn Bhd	28 December 1990 Malaysia	100,000	100.00	Property development
Impressive Performance Sdn Bhd	12 July 1991 Malaysia	100	100.00	Property investment
Everlasting Growth Sdn Bhd	29 July 1991 Malaysia	100	100.00	Property investment
Kumpulan Emas Properties Sdn Bhd	22 June 1992 Malaysia	300,000	100.00	Property development
Nandex Trading Sdn Bhd	31 July 1991 Malaysia	100	100.00	Property investment

Name	Date and place of incorporation	Issued and paid-up capital (RM)	% effective interest held	Principal activities
Salcon Resources Sdn Bhd	12 September 1975 Malaysia	500,000	51.00	Property investment
Genting Unggul Sdn Bhd	26 July 1995 Malaysia	250,000	60.00	Property development
Gangsa Etnik Sdn Bhd	8 December 1999 Malaysia	500,000	68.00	Property development
Tashima Development Sdn Bhd	28 May 1993 Malaysia	500,000	70.00	Property development and property investment
Prestige Front Sdn Bhd	27 April 1996 Malaysia	740,000	57.53	Property investment
Binary Mark Sdn Bhd	4 August 1999 Malaysia	2	86.09	Property investment
Palm Leisure Sdn Bhd (owned via a 57.53% subsidiary company)	25 October 1993 Malaysia	1,000,000	17.26	Property development
Southern Utilities Corporation Sdn Bhd	3 September 1987 Malaysia	2	100.00	Provision of management services
Sawitani Sdn Bhd	19 April 1975 Malaysia	10,000,000	100.00	Investment holding
Sri Lingga Sdn Berhad	30 November 1974 Malaysia	10,000,000	86.60	Cultivation of oil palm
Jiddi Joned Enterprises Sdn Bhd	30 July 1975 Malaysia	5,500,000	81.20	Cultivation of oil palm
Berembang Sendirian Berhad	21 July 1977 Malaysia	2,800,000	97.80	Cultivation of oil palm
Mudek Sdn Bhd	19 February 1976 Malaysia	2,800,000	89.30	Cultivation of oil palm
Seri Jasin Sdn Bhd	10 September 1976 Malaysia	1,945,525	97.10	Cultivation of oil palm
Gabema Sdn Bhd	4 November 1978 Malaysia	25,702	97.70	Plantation management
Pengangkutan Gabema Sdn Bhd	5 August 1980 Malaysia	64,765	90.20	Rental of vehicles
Silvania Plantation Products (S.I.) Limited	20 May 1997 Solomon Islands	SBD1,907,000	100.00	Cultivation of oil palm
Cross Continental Investments	25 June 1998 Republic of Mauritius	USD100/-	100.00	Investment holding
Palm Tech India Limited	6 April 1993 India	RS53,500,000	60.75	Provision of agricultural advisory service to promote and develop oil palm and processing and marketing of oil palm products
Emas Pacific Limited	10 July 1990 British Virgin Islands	USD45,920,000	100.00	Investment holding
Silvania Products (S.I.) Limited	10 January 1989 Solomon Islands	SBD1,197,000	100.00	Operation of timber concessions

Name	Date and place of incorporation	Issued and paid-up capital (RM)	% effective interest held	Principal activities
Integrated Forest Industries (S.I.) Limited	9 February 1982 Solomon Islands	SBD1,000,000	100.00	Operation of timber concessions
Rural Industries Limited	16 August 1982 Solomon Islands	SBD98,000	100.00	Operation of timber concessions
Isabel Timber Company Limited	31 August 1990 Solomon Islands	SBD100,000	70.00	Operation of timber concessions
Summit Education Sdn Bhd	1 November 1984 Malaysia	14,000,000	86.09	Investment holding and provision of management consultancy services
Summit Multimedia Education Sdn Bhd	12 November 1990 Malaysia	750,000	86.09	Operation of an institute providing educational programmes
Premier Media Sdn Bhd	17 December 1993 Malaysia	200,000	86.09	Operation of an institute providing educational programmes
Summit Montessori Edu-Care Sdn Bhd	13 February 1996 Malaysia	1,350,002	51.85	Provision of childcare services
Montessori Focus Sdn Bhd	21 March 1996 Malaysia	805,000	51.85	Provision of childcare services
Berrington Bay Corporation Sdn Bhd	8 November 1996 Malaysia	11,773,002	57.53	Investment holding
Organizational Resources Sdn Bhd	27 April 1983 Malaysia	1,515,000	40.27	Provision of educational and training services
Superior Element Sdn Bhd (owned via a 57.53% subsidiary company)	1 June 1998 Malaysia	100,000	24.16	Provision of educational and training services
Rekaan Medianet Sdn Bhd	15 October 1999 Malaysia	500,000	100.00	Investment holding
Sadec-KE Utilities Corporation Sdn Bhd	18 November 1992 Malaysia	500,000	100.00	Operation of children's educational and recreational centres
KE Education Sdn Bhd	21 January 1998 Malaysia	2	100.00	Investment holding
Summit Kidsport Sdn Bhd	21 August 1993 Malaysia	2	100.00	Dormant
KE Management & Training Sdn Bhd	16 July 1990 Malaysia	100,000	60.00	Dormant
Salcon Corporation Sdn Bhd	26 July 1991 Malaysia	2	100.00	Dormant
IKG-Salcon Sdn Bhd	27 October 1992 Malaysia	500,000	25.50	Marketing of steel and other types of floor gratings
Emas Utilities Corporation Sdn Bhd.	3 September 1987 Malaysia	2,000,000	20.40	Investment holding company in respect of a water supply project in Vietnam

7. PROFIT AND DIVIDEND RECORD

The summary of financial performance of KEB based on the audited accounts of the KEB Group for the five (5) years ended 31 July 1995 to 1999 and the unaudited results for the financial year ended 31 July 2000 are as follows:

	<-----Audited----->					Unaudited
	<-----Year ended 31 July----->					
	1995	1996	1997	1998	1999	2000
Turnover (RM'000)	235,546	255,145	211,094	269,361	191,550	228,249
Profit before taxation (RM'000)	41,652	22,029	22,645	22,850	24,580	28,792
Taxation (RM'000)	(4,645)	(5,126)	(4,814)	(8,778)	1,815	(4,361)
Profit after taxation and minority interest (RM'000)	36,367	17,692	17,364	15,965	22,493	17,708
No. of ordinary shares assumed in issue	121,755	122,225	122,499	122,526	126,859	195,332
Earnings per 50 sen share (sen)	19.91	7.25	7.10	6.52	9.11	5.16
Gross Dividend Rate (%)	-	-	-	-	-	-