



	<i>Audited</i>			<i>Unaudited</i>
	<i>As at</i>			<i>As at</i>
	<i>< ----- 31 December ----- ></i>			<i>31 July</i>
	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>

**Represents the following :

Interest in Associated Company

Unquoted shares - at cost	3,700	3,700	3,600	3,600
Less : Provisions for diminution in value	(100)	(100)	-	-
Share of post acquisition reserve	-	-	(12)	(23)
Add : Amount owing by associated company	1,988	1,411	1,488	1,488
	-----	-----	-----	-----
	5,588	5,011	5,076	5,065
	=====	=====	=====	=====

*** Share application funds relate to injection of properties by KE Education Sdn Bhd for the acquisition of 6.773.000 ordinary shares in BBC.



5.1.1 BBC – The Company

	<i>Audited</i> <i>As at</i> < ----- 31 December----- >			<i>Unaudited</i> <i>As at</i> <i>31 July</i> <i>2000</i>
	<i>1997</i> <i>RM'000</i>	<i>1998</i> <i>RM'000</i>	<i>1999</i> <i>RM'000</i>	<i>RM'000</i>
Fixed assets	-	19,542	25,735	-
Subsidiary companies*	4,869	4,427	1,134	24,718
Associated company**	5,588	5,011	5,088	5,088
Current assets	5	4	1,504	1,504
Less : Current liabilities	(5,756)	(4,761)	(3,101)	(972)
Net current liabilities	(5,751)	(4,757)	(1,597)	532
	-----	-----	-----	-----
	4,706	24,223	30,360	30,338
	=====	=====	=====	=====
Financed by :-				
Share capital	5,000	5,000	11,773	11,773
Share premium	24	24	18,988	18,988
Share application funds***	-	19,542	-	-
Accumulated losses	(318)	(343)	(401)	(423)
Shareholders' funds	4,706	24,223	30,360	30,338
	=====	=====	=====	=====
Net tangible assets per ordinary share (RM)	0.94	4.85	2.58	2.58



Note:

	<i>Audited</i>			<i>Unaudited</i>
	<i>As at</i>			<i>As at</i>
	<i>< ----- 31 December ----- ></i>			<i>31 July</i>
	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
* Represents the following :				
<u>Interest in Subsidiary Companies</u>				
Unquoted shares - at cost	5,024	5,024	3,783	3,783
Less :Amount owing (to)/by subsidiary companies	(155)	(597)	(2,649)	20,935#
	-----	-----	-----	-----
	4,869	4,427	1,134	24,718
	=====	=====	=====	=====

** Represents the following :

Interest in Associated Company

Unquoted shares - at cost	3,700	3,700	3,600	3,600
Add : Amount owing by associated company	1,988	1,411	1,488	1,488
	-----	-----	-----	-----
	5,588	5,011	5,088	5,088
	=====	=====	=====	=====

*** Share application funds relate to injection of properties by KE Education Sdn Bhd for the acquisition of 6,773,000 ordinary shares in BBC.

Note:

The increase in amount owing by subsidiary companies mainly relates to proceeds on disposal of a property owned by BBC to its subsidiary, PFSB.



5.1.2 ORSB - The Group

The balance sheet of ORSB is based on the audited accounts of ORSB Group as at 31 December 1999 and unaudited accounts as at 31 July 2000. No consolidated accounts have been prepared for the years ended 31 December 1994 to 1998 as there was no Group in existence at that time.

	<i>Audited As at 31 December 1999 RM'000</i>	<i>Unaudited As at 31 July 2000 RM'000</i>
Fixed assets	3,698	7,163
Current assets	3,698	6,662
Less : Current liabilities	(3,288)	(7,934)
Net current assets/(liabilities)	410	(1,272)
	<u>4,108</u>	<u>5,891</u>
Financed by :-		
Share capital	1,515	1,515
Profit and loss account	(919)	491
Shareholders' funds	<u>596</u>	<u>2,006</u>
Minority interest	(45)	(82)
Long term liability	<u>3,557</u>	<u>3,967</u>
	<u>4,108</u>	<u>5,891</u>
Net tangible assets per ordinary share (RM)	0.40	1.32



5.1.3 ORSB - The Company

	<i>Audited</i> <i>As at</i> <i>31 December</i>						<i>Unaudited</i> <i>As at</i> <i>31 July</i>
	<i>1994</i> <i>RM'000</i>	<i>1995</i> <i>RM'000</i>	<i>1996</i> <i>RM'000</i>	<i>1997</i> <i>RM'000</i>	<i>1998</i> <i>RM'000</i>	<i>1999</i> <i>RM'000</i>	<i>2000</i> <i>RM'000</i>
Fixed assets	570	559	731	1,661	1,708	3,478	6,954
Associated company*	##	##	##	##	##	-	-
Subsidiary company**	#	#	#	#	#	203	302
Current assets	400	1,481	2,341	1,624	963	3,667	6,584
Less : Current liabilities	(4,429)	(4,842)	(5,090)	(3,585)	(2,524)	(3,119)	(7,720)
Net current liabilities	(4,029)	(3,361)	(2,749)	(1,961)	(1,561)	548	(1,136)
	(3,459)	(2,802)	(2,018)	(300)	147	4,229	6,120
Financed by:-							
Share capital	955	955	955	1,515	1,515	1,515	1,515
Profit and loss account	(4,467)	(3,776)	(2,973)	(1,976)	(1,484)	(792)	674
Shareholders' funds	(3,512)	(2,821)	(2,018)	(461)	31	723	2,189
Long term liabilities	53	19	-	161	116	3,506	3,931
	(3,459)	(2,802)	(2,018)	(300)	147	4,229	6,120
Net tangible (liabilities)/ assets per ordinary share (RM)	(3.68)	(2.95)	(2.11)	(0.30)	0.02	0.48	1.44



Note:

	<i>Audited</i>			<i>Unaudited</i>
	<i>As at</i>			<i>As at</i>
	<i>< ----- 31 December ----- ></i>			<i>31 July</i>
	<i>1994-1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<i>*Represents the following :</i>				
<u>Interest in Subsidiary Companies</u>				
Unquoted shares - at cost	127	127	60	60
Less :Provision for diminution in value	(127)	(127)	-	-
Add : Amount owing by a subsidiary company	-	-	143	242
	-----	-----	-----	-----
	#	#	203	302
	=====	=====	=====	=====

#Represents RM1 for year 1994-1997 and RM11 for year 1998.

**Represents the following :

Interest in Associated Company

Unquoted shares - at cost	100	100	-	-
Less : Provisions for diminution in value	(100)	(100)	-	-
	-----	-----	-----	-----
	##	##	-	-
	=====	=====	=====	=====

One of the subsidiary companies and all the associated companies were disposed of on 3 July 1999.

Represents RM1



5.1.4 SESB – The Company

	<i>Audited</i> <i>As at</i> < -----31 December----- > <i>1998</i> <i>1999</i> <i>RM'000</i> <i>RM'000</i>		<i>Unaudited</i> <i>As at</i> <i>31 July</i> <i>2000</i> <i>RM'000</i>
Fixed assets	-	220	209
Intangible assets	2	-	-
Current assets	-	32	78
Less : Current liabilities	(2)	(313)	(456)
Net current liabilities	(2)	(281)	(378)
	*	(61)	(169)
Financed by :-			
Share capital	*	100	100
Accumulated losses	-	(212)	(305)
Shareholders' funds	*	(112)	(205)
Long term liabilities	-	51	36
	*	(61)	(169)
Net tangible liability per ordinary share (RM)	-	(1.12)	(2.05)

* Represents RM2



5.1.5 PFSB – The Company

	<i>Audited</i>				<i>Unaudited</i>
	<i>As at</i>				<i>As at</i>
	<i>< ----- 31 December ----- ></i>				<i>31 July</i>
	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Fixed assets	2,030	2,001	1,972	1,943	27,661
Preliminary expenses	3	-	-	-	-
Pre-operating expenses	52	-	-	-	-
Current assets	11	25	22	8	8
Less : Current liabilities	(935)	(128)	(114)	(80)	(25,961)
Net current liabilities	(924)	(103)	(92)	(72)	(25,953)
	-----	-----	-----	-----	-----
	1,161	1,898	1,880	1,871	1,708
	=====	=====	=====	=====	=====
Financed by :-					
Share capital	*	740	740	740	740
Accumulated losses	-	(115)	(139)	(116)	(204)
Shareholders' funds	*	625	601	624	536
Long term liabilities	1,161	1,273	1,279	1,247	1,172
	-----	-----	-----	-----	-----
	1,161	1,898	1,880	1,871	1,708
	=====	=====	=====	=====	=====
Net tangible (liabilities)/assets per ordinary share (RM)	(550.00)	0.84	0.81	0.84	0.72

*Represents RM100

Notes :

The increase in current liabilities in year 2000 mainly relates to the purchase consideration outstanding in respect of a property purchased from its holding company.

5.2 SES Group

The balance sheets of SES and its subsidiaries based on their respective audited consolidated accounts are summarised as follows:-

	-----Audited-----							Unaudited As at 31 January 2000
	As at 31 December					As at 31 July		
	1993 RM'000	1994 RM'000	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	
Fixed assets	592	501	647	499	341	270	476	10,517
Goodwill	-	-	-	-	-	-	1,133	1,103
Investment in associated company	-	50	-	-	-	-	-	-
Expenditure carried forward	-	-	-	-	-	-	-	2
Current assets	2,461	1,253	563	190	152	505	532	776
Less : Current liabilities	(1,756)	(1,263)	(913)	(795)	(1,522)	(2,123)	(3,171)	(3,830)
Net current liabilities	705	(10)	(350)	(605)	(1,370)	(1,618)	(2,639)	(3,054)
	1,297	541	297	(106)	(1,029)	(1,348)	(1,030)	8,568
Financed by :-								
Share capital	4,000	4,000	4,000	4,000	4,000	4,000	4,000	14,000
Accumulated losses	(2,757)	(3,500)	(3,765)	(4,298)	(5,219)	(5,521)	(5,257)	(5,479)
Shareholders' funds	1,243	500	235	(298)	(1,219)	(1,521)	(1,257)	8,521
Long term liabilities	54	41	62	192	190	173	227	47
	1,297	541	297	(106)	(1,029)	(1,348)	(1,030)	8,568
Net tangible assets/(liabilities) per ordinary share (RM)	0.31	0.13	0.06	(0.07)	(0.30)	(0.38)	(0.60)	0.53

Notes :

The group changed its financial year end from 31 December to 31 July in the 7 month financial period ended 31 July 1998 to be coterminous with the financial year of the ultimate holding company.



5.2.1 SES- The Company

	-----Audited-----							Unaudited	
	As at					As at			As at
	31 December					31 July			31 January
	1993	1994	1995	1996	1997	1998	1999	2000	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Fixed assets	290	170	184	142	106	85	141	120	
Subsidiary companies*	525	525	575	-	-	-	375	12,168	
Associated companies	-	50	-	-	-	-	-	-	
Current assets	2,360	1,263	993	146	540	955	1,290	5	
Less : Current liabilities	(1,190)	(515)	(326)	(334)	(826)	(1,279)	(2,053)	(2,650)	
Net current (liabilities)/assets	1,170	748	667	(188)	(286)	(324)	(763)	(2,645)	
	1,985	1,493	1,426	(46)	180	(239)	(247)	9,643	
Financed by: -									
Share capital	4,000	4,000	4,000	4,000	4,000	4,000	4,000	14,000	
Accumulated losses	(2,062)	(2,534)	(2,635)	(4,086)	(4,212)	(4,263)	(4,324)	(4,405)	
Shareholders' funds	1,937	1,466	1,365	(86)	(212)	(263)	(324)	9,595	
Long term liabilities	48	27	61	40	32	24	77	47	
	1,985	1,493	1,426	(46)	(180)	(239)	(247)	9,643	
Net tangible assets/ (liabilities) per ordinary share (RM)	0.48	0.37	0.34	(0.02)	(0.05)	(0.06)	(0.08)	0.69	

Notes :

The company changed its financial year end from 31 December to 31 July in the 7 month financial period ended 31 July 1998 to be coterminous with the financial year of the ultimate holding company.

Note:

*Represents the following :

	<i>Audited</i>							<i>Unaudited</i>
	<i>As at</i>					<i>As at</i>		<i>As at</i>
	<i>31 December</i>					<i>31 July</i>		<i>31 January</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
Unquoted shares - at cost	525	525	575	575	575	575	950	950
Less : Provision for diminution in value -	-	-	-	(575)	(575)	(575)	(575)	(575)
Add: Amount owing from subsidiary companies	-	-	-	-	-	-	-	11,793
	=====	=====	=====	=====	=====	=====	=====	=====
	525	525	575	-	-	-	375	12,168
	=====	=====	=====	=====	=====	=====	=====	=====

The increase in investment in subsidiary companies in 1999 relates to the acquisition of additional shares in PMSB (from 50.001% interest to 100%) and SMESB (from 70% interest to 100%) from the minority shareholders. MSC-Monash Education (M) Sdn Bhd was disposed of after the financial year ended 31 July 1999.

The increase in amount owing from subsidiary companies in 2000 relates to payment made on behalf of BMSB in respect of acquisition of property from the ultimate holding company.

5.2.2 PMSB – The Company

	<-----Audited----->						<i>Unaudited</i> As at 31 January 2000 RM'000
	As at 31 December			As at 31 July			
	1994 RM'000	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	
Fixed assets	-	85	75	40	35	235	890
Preliminary expenses	2	-	-	-	-	-	-
Pre-operating expenses	6	-	-	-	-	-	-
Current assets	100	34	22	18	217	527	550
Less : Current liabilities	(8)	(470)	(663)	(827)	(1,035)	(1,658)	(2,473)
Net current liabilities	92	(436)	(641)	(809)	(818)	(1,131)	(1,923)
	<u>100</u>	<u>(351)</u>	<u>566</u>	<u>(769)</u>	<u>(783)</u>	<u>(896)</u>	<u>(1,033)</u>
Financed by :-							
Share capital	100	100	100	100	100	200	200
Accumulated losses	-	(451)	(784)	(993)	(1,003)	(1,216)	(1,233)
Shareholders' funds	100	(351)	(684)	(893)	(903)	(1,016)	(1,033)
Long term liabilities	-	-	118	124	120	120	-
	<u>100</u>	<u>(351)</u>	<u>566</u>	<u>(769)</u>	<u>(783)</u>	<u>(896)</u>	<u>(1,033)</u>
Net tangible liabilities per ordinary share	0.00	(2.50)	(6.84)	(8.02)	(8.02)	(5.00)	(5.15)



5.2.3 SMESB – The Company

	<-----Audited----->							Unaudited
	As at <-----31 December----->					As at <-----31 July----->		As at
	1993 RM'000	1994 RM'000	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000
Fixed assets	302	330	378	282	195	150	100	107
Current assets	376	144	200	23	23	67	14	182
Less : Current liabilities	(939)	(898)	(778)	(649)	(1,070)	(1,270)	(1,488)	(1,787)
Net current liabilities	(563)	(754)	(578)	(626)	(1,046)	(1,203)	(1,474)	(1,605)
	(261)	(424)	(200)	(344)	(851)	(1,053)	(1,374)	(1,498)
Financed by :-								
Share capital	650	750	750	750	750	750	750	750
Accumulated losses	(917)	(1,188)	(951)	(1,128)	(1,634)	(1,833)	(2,154)	(2,248)
Shareholders' funds	(267)	(438)	(201)	(378)	(884)	(1,083)	(1,404)	(1,498)
Long term liabilities	6	14	1	34	33	30	30	-
	(261)	(424)	(200)	(344)	(851)	(1,053)	(1,374)	(1,498)
Net tangible liabilities per ordinary share (RM)	(0.41)	(0.58)	(0.27)	(0.50)	(1.18)	(1.44)	(1.87)	(2.00)

Notes :

The company changed its financial year end from 31 December to 31 July in the 7 month financial period ended 31 July 1998 to be coterminous with the financial year of the ultimate holding company

5.3 SME - The Group

The balance sheet of SME is based on the audited accounts of SME as at 31 July 1999 and unaudited accounts as at 31 January 2000. No consolidated accounts have been prepared for the years ended 30 June 1997 and 1998 as there was no group in existence.

	<i>Audited</i> <i>As at</i> <i>31 July</i> <i>1999</i> <i>RM'000</i>	<i>Unaudited</i> <i>As at</i> <i>31 January</i> <i>2000</i> <i>RM'000</i>
Fixed assets	361	413
Goodwill	592	576
Current assets	48	300
Less : Current liabilities	(277)	(334)
Net current liabilities	(229)	(34)
Expenditure carried forward	86	99
	<u>810</u>	<u>1,054</u>
Financed by :-		
Share capital	1,022	1,350
Accumulated losses	(250)	(296)
Shareholders' funds	<u>772</u>	<u>1,054</u>
Long term liability-term loan	38	-
	<u>810</u>	<u>1,054</u>
Net tangible assets per ordinary share (RM)	0.09	0.28

Notes:

The company changed its financial year end from 30 June to 31 July in the 13 month financial period ended 31 July 1999 to be coterminous with the financial year of the holding company.

5.3.1 SME– The Company

	<-----Audited----->			Unaudited
	As at		As at	As at
	<-----30 June-----> 1997 RM'000	1998 RM'000	31 July 1999 RM'000	31 January 2000 RM'000
Fixed assets	-	-	104	397
Investments in subsidiary	-	650	650	650
Expenditure carried forward	3	11	54	67
Current assets	-	10	239	394
Less : Current liabilities	(3)	(22)	(53)	(136)
Net current assets/(liabilities)	(3)	(12)	186	258
	-----	-----	-----	-----
	-	649	994	1,372
	=====	=====	=====	=====
Financed by :-				
Share capital	*	650	1,022	1,350
Profit and loss account	-	(1)	(28)	22
Shareholders' funds	*	649	994	1,372
	=====	=====	=====	=====
Net tangible (liabilities)/assets per ordinary share (RM)	(1,500)	0.98	0.92	0.97

* Represents RM2

Notes:

The company changed its financial year end from 30 June to 31 July in the 13 month financial period ended 31 July 1999 to be coterminous with the financial year of the holding company.



5.3.2 MFSB – The Company

	<-----Audited----->			Unaudited
	As at		As at	As at
	<-----30 April----->		31 July	31 January
	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000
Fixed assets	396	325	258	16
Current assets	285*	31**	31	21
Less : Current liabilities	(204)	(27)	(446)	(313)
Net current assets/(liabilities)	81	(239)	(415)	(292)
Expenditure carried forward	31	31	31	31
	<u>508</u>	<u>117</u>	<u>(126)</u>	<u>(245)</u>
Financed by :-				
Share capital	655	805	805	805
Share application money	205	-	-	-
Accumulated loss	(352)	(784)	(969)	(1,050)
Shareholders' funds	<u>508</u>	<u>21</u>	<u>(164)</u>	<u>(245)</u>
Long term liabilities	-	96	38	-
	<u>508</u>	<u>117</u>	<u>(126)</u>	<u>(245)</u>
Net tangible assets/(liabilities) per ordinary share (RM)	0.73	(0.01)	(0.24)	(0.34)

*Includes stocks amounting to RM254,000 for the convenience store in Melaka.

**There are no stocks in 1998 as goods in the new store in Kuala Lumpur are on consignment basis.

Notes:

The company changed its financial year end from 30 April to 31 July in the 15 month financial period ended 31 July 1999 to be coterminous with the financial year of the ultimate holding company.

6 Statement of assets and liabilities

6.1 BBC Group – Statement of assets and liabilities

The statement of assets and liabilities of BBC Group set below is based on the audited accounts of the Group as at 31 December 1999 and should be read in conjunction with the notes thereto:-

	Notes	Group RM'000	Company RM'000
Fixed assets	6.1.1.2	31,377	25,735
Subsidiary companies	6.1.1.3	-	1,134
Associated companies	6.1.1.4	5,076	5,088
Goodwill on consolidation	6.1.1.5	3,110	-
Current assets			
Other debtors, deposits and prepayments		2,231	1,496
Amount owing by ultimate holding company		-	2
Fixed deposits	6.1.1.6	139	-
Cash and bank balances		190	6
		2,560	1,504
Less: Current liabilities			
Trade creditors		283	-
Other creditors, deposits and accruals		1,534	26
Amount owing to ultimate holding company		885	-
Amount owing to directors	6.1.1.7	3,075	3,075
Advances from shareholders		80	-
Hire purchase creditor	6.1.1.8	61	-
Lease creditors	6.1.1.9	174	-
Term loan	6.1.1.10	61	-
Bank overdraft	6.1.1.11	84	-
Taxation		230	-
		6,467	3,101
Net current liabilities		(3,907)	(1,597)
		<u>35,656</u>	<u>30,360</u>
		=====	=====
Financed by:-			
Share capital	6.1.1.12	11,773	11,773
Share premium		18,988	18,988
Profit and loss account		(66)	(401)
		30,695	30,360
Long term liabilities	6.1.1.13	4,804	-
Minority interest		157	-
		<u>35,656</u>	<u>30,360</u>
		=====	=====

6.1.1 Notes to the statement of assets and liabilities

6.1.1.1 Significant accounting policies

(a) Basis of accounting

The accounts are prepared under the historical cost convention and comply with approved Accounting Standards.

(b) Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiary companies made up to 31 December 1999. All inter-company accounts and material transactions have been eliminated.

The excess of purchase price over the book value of the net underlying assets of subsidiary companies at the date of acquisition is included in the consolidated balance sheet as goodwill arising on consolidation.

Goodwill arising on consolidation is amortised over the period of 25 years.

(c) Depreciation and amortisation

No depreciation has been provided on freehold land and buildings as the cost of the freehold land and buildings cannot be segregated.

Depreciation of fixed assets is calculated to write off the cost of fixed assets on a straight line basis over the expected useful of the assets concerned at the following annual rates:-

Computer equipments	-	15%
Motor vehicles	-	20%
Furniture and fittings	-	15%
Office equipments	-	15% - 25%
Electrical fittings	-	15%
Library books	-	20%
Renovation	-	10%
Laboratory equipments	-	25%
Air conditioner	-	15%
Robe	-	10%
Guard house		15%

Leasehold land and building are amortised on the straight line basis over the year of 69 years.

No provision for depreciation is made for the renovation which is yet to be completed during the year and is included in capital work in progress.

(d) Associated company

This is defined as a corporation in which the Company holds a long term equity interest of between 20% to 50% and is in a position to exercise a significant influence in its management decision.

(e) Debtors

Known bad debts are written off and specific provision is made for any considered to be doubtful for collection.

6.1.1.2 Fixed assets

Group	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000	Current depreciation RM'000
Freehold land and buildings at cost	25,735	-	25,735	-
Leasehold land and building at cost	2,031	88	1,943	29
Computer equipments	882	326	556	97
Motor vehicles	148	54	94	29
Furniture & fittings	832	466	366	88
Office equipments	319	277	42	44
Electrical fittings	129	97	32	9
Library books	306	235	71	33
Renovation	921	657	264	30
Laboratory equipments	885	625	260	144
Air conditioners	267	112	155	36
Robe	51	12	39	5
Capital work in progress	1,820	-	1,820	-
Guard house	2	2	-	-
	34,328	2,951	31,377	544
<hr/>				
Company	RM'000	RM'000	RM'000	RM'000
Freehold land and buildings at cost	25,735	-	25,735	-
<hr/>				

6.1.1.3 *Subsidiary companies*

	Company 1999 RM'000
Unquoted shares at cost	3,783
Less : Provision for diminution in value	-
Amount owing to subsidiary company	(2,649)
	<hr/> 1,134 <hr/> <hr/> <hr/>

<u>Name of company</u>	<u>Country of Incorporation</u>	<u>Principal activities</u>	<u>Effective interest</u>
Organizational Resources Sdn Bhd	Malaysia	Educational and training services	70%
Prestige Front Sdn Bhd	Malaysia	Property investment	100%
<u>Indirect Subsidiary Company</u>			
Superior Element Sdn Bhd	Malaysia	Educational and training services	42%

6.1.1.4 *Associated companies*

	Group 1999 RM'000	Comapny 1999 RM'000
Unquoted shares at cost	3,600	3,600
Add : Amount owing by associated company	1,488	1,488
Less : Share of post acquisition reserve	(12)	-
	<hr/> 5,076 <hr/> <hr/> <hr/>	<hr/> 5,088 <hr/> <hr/> <hr/>

<u>Name of company</u>	<u>Country of Incorporation</u>	<u>Principal activities</u>	<u>Effective interest</u>
Palm Leisure Sdn Bhd	Malaysia	Property development	30%

6.1.1.5 Goodwill on consolidation

	Group 1999 RM'000	Company 1999 RM'000
Organizational Resources Sdn Bhd	3,383	-
Prestige Front Sdn Bhd	148	-
	<hr/>	<hr/>
	4,950	-
Amortisation	(421)	-
	<hr/>	<hr/>
Balance at 31 December	3,110	-
	<hr/> <hr/>	<hr/> <hr/>

6.1.1.6 Fixed deposits

	Group 1999 RM'000	Company 1999 RM'000
Fixed deposit with licensed bank	139	-
Fixed deposit with financial institution	-	-
	<hr/>	<hr/>
	139	-
	<hr/> <hr/>	<hr/> <hr/>

The amount of RM31,500 of the fixed deposit of the Group has been pledged to a local bank as collateral for a bank guarantee of RM30,000 issued to a third party.

6.1.1.7 Amount owing to directors

Amount owing to directors is interest free and has no fixed term of repayment.

6.1.1.8 Hire purchase creditors

	Group 1999 RM	Company 1999
Amount payable not later than one year	61	-
Amount payable later than one year and not later than five years (Note 6.1.1.13)	69	-
	<hr/>	<hr/>
	131	-
	<hr/> <hr/>	<hr/> <hr/>

6.1.1.9 Lease creditors

	Group 1999 RM'000	Company 1999 RM'000
Amount payable not later than one year	174	-
Amount payable later than one year and not later than five years (Note 6.1.1.13)	110	-
	<hr/>	<hr/>
	284	-
	<hr/> <hr/>	<hr/> <hr/>

6.1.1.10 Term loan

	Group 1999 RM'000	Company 1999 RM'000
Amount payable within next 12 months	61	-
Amount payable after next 12 months (Note 6.1.1.13)	1,247	-
	<hr/>	<hr/>
	1,308	-
	<hr/> <hr/>	<hr/> <hr/>

6.1.1.11 Bank Overdraft

The bank overdraft are jointly and severally guaranteed by the Directors of the company.

6.1.1.12 Share capital

	Group and Company 1999 RM'000
Authorised shares of RM1 each	
Balance at 1st January	10,000
Creation during the year	15,000
	<hr/>
Balance at 31st December	25,000
	<hr/> <hr/>
Issued and fully paid ordinary shares of RM1 each	
Balance at 1st January	5,000
Issued during the year	6,773
	<hr/>
Balance at 31st December	11,773
	<hr/> <hr/>



6.1.1.13 Long term liabilities

	Group 1999 RM'000	Company 1999 RM'000
Hire purchase creditors (Note 6.1.1.8)	69	-
Lease creditors (Note 6.1.1.9)	110	-
Term loan (Note 6.1.1.10)	1,247	-
Al-Tarkhis facility	3,378	-
	<hr/>	<hr/>
	4,804	-
	<hr/> <hr/>	<hr/> <hr/>

The Al-Tarkhis facility is secured by a third party legal charge over a landed property and a corporate guarantee by the ultimate holding company.

6.1.1.14 Net tangible assets cover

Based on the statement of assets and liabilities of BBC Group as at 31 December 1999, the net tangible assets per ordinary share is calculated as follows:.

	RM'000
Net tangible assets	27,584
	<hr/> <hr/>
Number of ordinary shares of RM1 each	11,773
	<hr/> <hr/>
Net tangible assets per ordinary share of RM1 each	RM2.34
	<hr/> <hr/>

6.1.1.15 Accounts

No audited accounts have been prepared in respect of any period subsequent to 31 December 1999.

6.2 SES Group – Statement of assets and liabilities

The statement of assets and liabilities of SES Group set below is based on the audited accounts of the Group as at 31 July 1999 and should be read in conjunction with the notes thereto:-

	Notes	Group RM'000	Company RM'000
Fixed assets	6.2.1.2	476	141
Subsidiary companies	6.2.1.3	-	375
Goodwill	6.2.1.4	1,133	-
Current assets			
Trade debtors		199	2
Other debtors, deposits and prepayments		215	3
Amount due from subsidiary companies		-	1,284
Cash and bank balances		118	1
		532	1,290
Less : Current liabilities			
Other creditors and accruals		1,804	686
Amount due to holding company	6.2.1.5	1,341	1,341
Hire purchase creditor	6.2.1.6	26	26
		3,171	2,053
Net current liabilities		(2,639)	(763)
		(1,030)	(247)
Financed by:-			
Share capital	6.2.1.7	4,000	4,000
Accumulated losses		(5,257)	(4,324)
		(1,257)	(324)
Hire purchase creditor	6.2.1.6	62	62
Amount due to a director	6.2.1.8	165	15
		(1,030)	(247)



6.2.1 Notes to the statement of assets and liabilities

6.2.1.1 Accounting policies

(a) Basis of accounting

The accounts of the Company and its subsidiary companies are prepared under the historical cost convention, in compliance with approved accounting standards in Malaysia and on a going concern basis in view of an undertaking from the ultimate holding company to provide continuing financial support to the Company and its subsidiary companies, for the foreseeable future.

(b) Basis of consolidation

The consolidated accounts include the accounts of the Company and all its subsidiary companies made up to the end of the financial year.

(c) Investments

Investments in subsidiaries are stated at cost. A provision is made when, in the opinion of the directors, a permanent diminution has arisen on the value of the investments.

(d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis so as to write off the cost of the assets over their estimated useful lives. The principal annual depreciation rates are as follows:

Teaching materials	10%
Renovation, furniture and fittings	15% - 33.33%
Computer and office equipment	15% - 33.33%
Library resources	15%
Motor vehicles	20%

(e) Hire purchase commitments

Assets acquired under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element is charged to the profit and loss account over the year of the hire purchase and accounted for on the sum of digits method.

(f) Foreign currency translation

Assets and liabilities in foreign currencies are translated into Ringgit Malaysia at the rates of exchange approximating to those ruling at the balance sheet date. Transactions in foreign currencies during the year are translated into Ringgit Malaysia at rates of exchange approximating to those ruling on transaction dates. Translation differences are dealt with through the profit and loss account.

(g) Deferred taxation

Deferred taxation is provided for under the liability method for all timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefits are only recognised when there is reasonable expectation of realisation in the near future.

6.2.1.2 Fixed assets

Group	Teaching materials	Renovation, furniture and fittings	Computer and office equipment	Library resources	Motor vehicles	Total
<i>Cost</i>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 1998	-	348	504	125	120	1,097
Additions	43	178	14	-	119	354
Disposal	-	-	-	-	(120)	(120)
At 31 July 1999	43	526	518	125	119	1,331
===== =====						
<i>Accumulated Depreciation</i>						
At 1 August 1998	-	225	431	100	70	826
Charge for the year	1	56	26	12	6	101
Disposal	-	-	-	-	(72)	(72)
At 31 July 1999	1	281	457	112	4	855
===== =====						
<i>Net book value</i>						
At 31 July 1999	42	245	61	13	115	476
===== =====						
At 31 July 1998	-	123	73	25	50	271
===== =====						

**Company**

<i>Cost</i>	Furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Motor vehicle RM'000	Total RM'000
At 1 August 1998	85	53	108	120	366
Additions	-	2	8	119	129
Disposal	-	-	-	(120)	(120)
At 31 July 1999	85	55	116	119	375
<i>Accumulated Depreciation</i>					
At 1 August 1998	57	45	108	70	280
Charge for the year	14	4	2	6	26
Disposal	-	-	-	(72)	(72)
At 31 July 1999	71	49	110	4	234
<i>Net book value</i>					
At 31 July 1999	14	6	6	115	141
At 31 July 1998	28	8	-	50	86



6.2.1.3 *Subsidiary companies*

	Company 1999 RM'000
Unquoted shares at cost	950
Less: Provision for diminution in value	(575)
	<hr/>
	375
	<hr/> <hr/>

The following subsidiary companies are incorporated in Malaysia:-

Name	Effective interest	Principal Activities
Summit Multimedia Education Sdn. Bhd.(Formerly known as Malaysian – Syme Business Sdn Bhd)	100%	To carry on the business of operating an institute providing educational programmes.
Premier Media Sdn. Bhd.	100%	To carry on the business of operating an institute providing educational programmes.

6.2.1.4 *Goodwill*

	Group 1999 RM'000	Company 1999 RM'000
At 1 August	-	-
Goodwill attributable to acquisition of subsidiary companies	275	-
Transfer from accumulated loss	917	-
Amortisation	(59)	-
	<hr/>	<hr/>
	1,133	-
	<hr/> <hr/>	<hr/> <hr/>

The transfer from accumulated loss represents pre-acquisition loss on shares in subsidiary companies acquired from minority shareholders.

6.2.1.5 *Amount due to ultimate holding company*

The amount due to ultimate holding company is unsecured, interest free and has no fixed term of repayment.



6.2.1.6 *Hire purchase creditors*

	Group 1999 RM'000	Company 1999 RM'000
Hire purchase	105	105
Less : Interest-in-suspense	(17)	(17)
	<u>88</u>	<u>88</u>
	=====	=====
Due within twelve months	26	26
Due after twelve months	62	62
	<u>88</u>	<u>88</u>
	=====	=====

6.2.1.7 *Share capital*

	Group 1999 RM'000	Company 1999 RM'000
Ordinary shares of RM1 each:		
Authorised	5,000	5,000
	=====	=====
Issued and fully paid	4,000	4,000
	=====	=====

6.2.1.8 *Amount due to a director*

The amount due to a director is unsecured, interest free and has no fixed term of repayment.

6.2.1.9 *Deferred taxation*

Subject to agreement by the Inland Revenue Board, the Group has estimated potential deferred tax benefits calculated under the liability method not taken up in the financial statements amounting to approximately RM1,902,000 principally in respect of unabsorbed tax losses.



6.2.1.10 Net tangible liabilities cover

Based on the statement of assets and liabilities of SES Group as at 31 July 1999, the net tangible liabilities per ordinary share is calculated as follows:.

	RM'000
Net tangible liabilities per the statement of assets and liabilities	2,389
	=====
Number of ordinary shares of RM1 each	4,000
	=====
Net tangible liabilities per ordinary share of RM1 each	RM0.60
	=====

6.2.1.11 Accounts

No audited accounts have been prepared in respect of any period subsequent to 31 July 1999.

6.3 SME Group– Statement of assets and liabilities

The statement of assets and liabilities of SME and the Proforma Group set below are based on the audited accounts of SME and its subsidiary, MFBSB as at 31 July 1999 and on the assumption that there were consolidated statement of assets and liabilities for the Group as at 31 July 1999. The statement of assets and liabilities are prepared for illustration purposes and should be read in conjunction with the notes thereto:-

	Notes	Proforma Group RM'000	Company RM'000
Fixed assets	6.3.1.2	361	104
Subsidiary companies	6.3.1.3	-	650
Goodwill		592	-
Current assets			
Amount owing by subsidiary company	6.3.1.4	-	222
Other debtors, deposits and prepayments		29	11
Cash balance		19	6
		48	239
Less : Current liabilities			
Trade creditors		20	-
Other creditors and accruals		148	11
Amount owing to related company	6.3.1.5	43	42
Amount owing to a director	6.3.1.6	15	-
Term loan	6.3.1.7	51	-
		(277)	(53)
Net current assets		(229)	186
Expenditure carried forward	6.3.1.8		
Preliminary expenses		3	3
Pre-operating expenses		83	51
		86	54
		810	994
Financed by:-			
Share capital	6.3.1.9	1,022	1,022
Accumulated loss		(250)	(28)
		772	994
Long term loan		38	-
		810	994

6.3.1 Notes to the statement of assets and liabilities

6.3.1.1 Significant accounting policies

(a) Basis of accounting

The accounts are stated in Ringgit Malaysia and are prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 1965 and Approved Accounting Standards applicable in Malaysia.

(b) Depreciation

Depreciation is calculated on the straight-line method so as to write off the cost of the assets over their estimated useful lives.

The principal annual rates of depreciation used is:

	%
Teaching material	15
Electrical installation	15
Furniture and fittings	10-15
Office equipment	15
Signboard	15
Renovation	20
Motor vehicle	20

(c) Expenditure carried forward

Expenditure carried forward consists of preliminary expenses and pre-operating expenses. These expenses are carried forward at cost and are to be written off against future profits of the Company.

(d) Investment

Investment are stated at cost. Provision for diminution in value is made if in the opinion of the directors, there is a permanent diminution in the value of the investments.

(e) Taxation

The charge for taxation is based on the profits for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. However, no provision is made for deferred taxation if there is reasonable evidence that such deferred taxation will not be payable in the foreseeable future.

6.3.1.2 Fixed assets

Proforma Group	Renovation, furniture and fittings	Computer and office equipment	Teaching equipment	Motor vehicles	Total
<i>Cost</i>	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 1998	333	100	12	20	465
Additions	128	-	8	-	136
Disposal	-	-	-	-	-
At 31 July 1999	461	100	20	20	601
Accumulated Depreciation					
At 1 May 1998	105	28	3	4	140
Charge for the year	72	19	4	5	100
Disposal	-	-	-	-	-
At 31 July 1999	177	47	7	9	240
Net book value					
At 31 July 1999	284	53	13	11	361

Company	Renovation, furniture and fittings	Total
<i>Cost</i>	RM'000	RM'000
At 1 May 1998	-	-
Additions	104	104
Disposal	-	-
At 31 July 1999	104	104
Net book value	104	104

No depreciation was provided on furniture and fittings at company level, as the assets were acquired just before the year end.

Subsidiary companies

	Proforma Group 1999 RM'000	Company 1999 RM'000
Unquoted shares at cost	-	650
	=====	=====

The subsidiary company, incorporated in Malaysia, is as follows :-

<u>Name of Company</u>	<u>Principal Activity</u>	<u>Equity interest (%)</u>
Montessori Focus Sdn. Bhd. (Formally known as Beyond Multistores Sdn. Bhd.)	Childcare service, sales of books and convenience store	100

6.3.1.4 Amount owing by subsidiary company

This amount is unsecured, interest free and has no fixed term of repayment.

6.3.1.5 Amount owing to related company

This amount is unsecured, interest free and has no fixed term of repayment.

6.3.1.6 Amount owing to a director

This amount is unsecured, interest free and has no fixed term of repayment.

6.3.1.7 Term loan

	Proforma Group 1999 RM'000	Company 1999 RM'000
Repayable within 12 months	51	-
Repayable after 12 months	38	-
	-----	-----
	89	-
	=====	=====

6.3.1.8 Expenditure carried forward

	Proforma Group 1999 RM'000	Company 1999 RM'000
Preliminary expenses	3	3
Preoperating expenses:		
Audit and tax fee	1	1
Rental	82	50
	-----	-----
	86	54
	=====	=====

6.3.1.9 Share capital

	Proforma Group 1999 RM'000	Company 1999 RM'000
Ordinary shares of RM1 each:		
Authorised		
Balance at 1 st July	1,000	1,000
Created during the year	4,000	4,000
	<hr/>	<hr/>
Balance at 31 st July	5,000	5,000
	<hr/> <hr/>	<hr/> <hr/>
Issued and fully paid		
Balance at 1 st July	650	650
Created during the year	700	700
	<hr/>	<hr/>
	1,350	1,350
Less: Call in arrears	(328)	(328)
	<hr/>	<hr/>
Balance at 31 st July	1,022	1,022
	<hr/> <hr/>	<hr/> <hr/>

6.3.1.10 Change in the financial year end

The Company changed its financial year end from 30 June to 31 July to be coterminous with the financial year of the holding company, Kumpulan Emas Berhad. Accordingly, these accounts of the Company are drawn up to thirteen months period ending 31 July 1999.

6.3.1.11 Net tangible assets cover

Based on the statement of assets and liabilities of the Proforma Group as at 31 July 1999, the net tangible assets per ordinary share is calculated as follows:.

	RM'000
Net tangible assets per the statement of assets and liabilities	180
	<hr/> <hr/>
Number of ordinary shares of RM1 each	1,022
	<hr/> <hr/>
Net tangible assets per ordinary share of RM1 each	RM0.18
	<hr/> <hr/>

6.3.1.10 Accounts

No audited accounts have been prepared in respect of any period subsequent to 31 July 1999.



Yours faithfully

KPMG

Firm Number: AF 0758

Public Accountants

GNANACHANDRAN A/L S AYADURAI

Partner

Approval Number: 1722/9/01(J)