



the colourful world  
of entertainment



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# chairman's statement



*The financial year ended 31 March 2000 for the Group has been another challenging but satisfactory one.*

*We saw the full year operation of the cineplexes at Suntec City and West Mall which opened in November and December 1998 respectively.*

*Whilst this brought about a 12% increase in the Group's Turnover, Film Operations continued to be plagued by stiff competition among the cinema operators and declining cinema attendance.*

*As such, the Group's net profit improved marginally when compared to the preceding year.*

## Financial Highlights

For the financial year ended 31 March 2000, the Group achieved:

TURNOVER	12% improvement to	\$21.02 million	(1999 : \$18.79 million)
NET PROFIT AFTER TAX	2% improvement to	\$1.80 million	(1999 : \$1.77 million)
EARNINGS PER SHARE	2% improvement to	1.20 cents	(1999 : 1.18 cents)
NET TANGIBLE ASSETS PER SHARE	2% improvement to	28.73 cents	(1999 : 28.09 cents)

### Events of Interest for the Year in Review

- In July 1999, the Group acquired a wholly owned subsidiary, Mercurine Pte Ltd with an issued share capital of \$2 for a consideration of \$2.
- Due to the low cinema patronage, the lease at White Sands Cineplex was terminated on 1 October 1999.
- In November 1999, provisional permission was obtained from the Urban Redevelopment Authority for the redevelopment of Mandarin Duplex into a proposed 5-storey commercial development comprising a six-screen hall cineplex, restaurants and entertainment centre.

### New Developments for the next Financial Year

- In June 2000, one of the Group's subsidiaries, EWO Entertainment Concepts Pte Ltd, entered into a joint venture agreement with an unrelated third party, Clareville Investments Pte Ltd, to jointly operate a new six-screen hall cineplex at Sun Plaza in Sembawang.
- The Group is planning to redevelop its 2 older cinemas, Mandarin Duplex at Kallang Bahru and Empress Cineplex at Clementi before the end of year 2000. They will be developed into integrated entertainment centres to serve the leisure needs of the heartlanders. This plan is in line with our strategy to create a niche market in the

leisure industry by developing integrated entertainment complexes.

### Current Year Prospects

Business conditions for the current year remain difficult in view of the following:-

- The rental market for commercial properties is expected to remain soft.
- Film operations will continue to be affected by keen competition from the other cinema operators and video compact disk piracy.
- The arcade games business is expected to remain challenging due to declining consumer spending in this sector.

However, we will continue to seek opportunities and diversify into complementary businesses to boost the growth and development of the Group.

### Dividend

The Board recommends a first and final dividend of 3% or 0.75 cents per share less 25.5% tax.

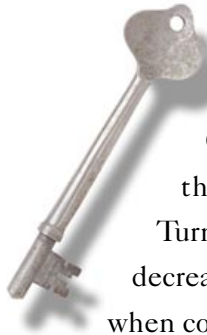
On behalf of the Board, I would like to express our thanks to all our customers, business associates and shareholders for their support and our appreciation to our employees for their dedicated efforts and understanding in a difficult operating environment during the year.

GOH ENG WAH  
*Chairman*

# business review

“ A six-screen hall cineplex was opened at Sun Plaza in Sembawang in June 2000, thus increasing the Group’s number of screen halls to twenty-nine. ”





## Property Leasing

For the year in review, the Group had a lower revenue from the leasing of its properties. Turnover and Profit before Taxation decreased by 15% and 9% respectively when compared to the previous year.

The poorer performance of the property leasing operations was mainly attributed to the concessions and reduced rental rates given to the tenants as the rental market remains soft.

The soft rental rates are expected to continue at the Toa Payoh Entertainment Centre, in view of the massive on-going construction works in the surrounding vicinity, and at Empress Cineplex due to the impending redevelopment plans. The Group plans to implement more creative promotional campaigns among the various business operations to help boost business for the tenants. We hope that this, together with the Group's cost savings measures, will help to mitigate the difficult conditions faced by the operations during the current financial year.

## Film Operations

In spite of the additional revenue brought about by the full year's operations of the cineplexes at Suntec City Mall and West Mall Complex that opened in November and December 1998 respectively, Film Operations suffered a loss as cinema attendance declined and the industry remained competitive among the cinema operators.

Looking ahead, the Group plans to enlarge its market share of movie viewership through

- more aggressive and innovative promotions and loyalty programs;
- convenience of location and ticket booking; and
- the opening of new cineplexes equipped with more comfortable seats, the latest audio and visual equipment and a plush ambience.

To this end, a six-screen hall cineplex was opened at Sun Plaza in Sembawang in June 2000, thus increasing the Group's number of screen halls to twenty-nine.





# coming attraction

“Artist impression of the entertainment complex at Kallang Bahru”



### Food Operations

For the year in review, the Food Operations were given a boost by a full year's operation of the two new concession stands at West Mall Complex and Suntec City Mall.

The Group hopes to enhance the profitability of its Food Operations in the current year through active promotion and loyalty programs.

### Family Entertainment Centre Operations

The loss suffered for the year in review was due to declining consumer spending in this sector and a lack of new and interesting games in the market.

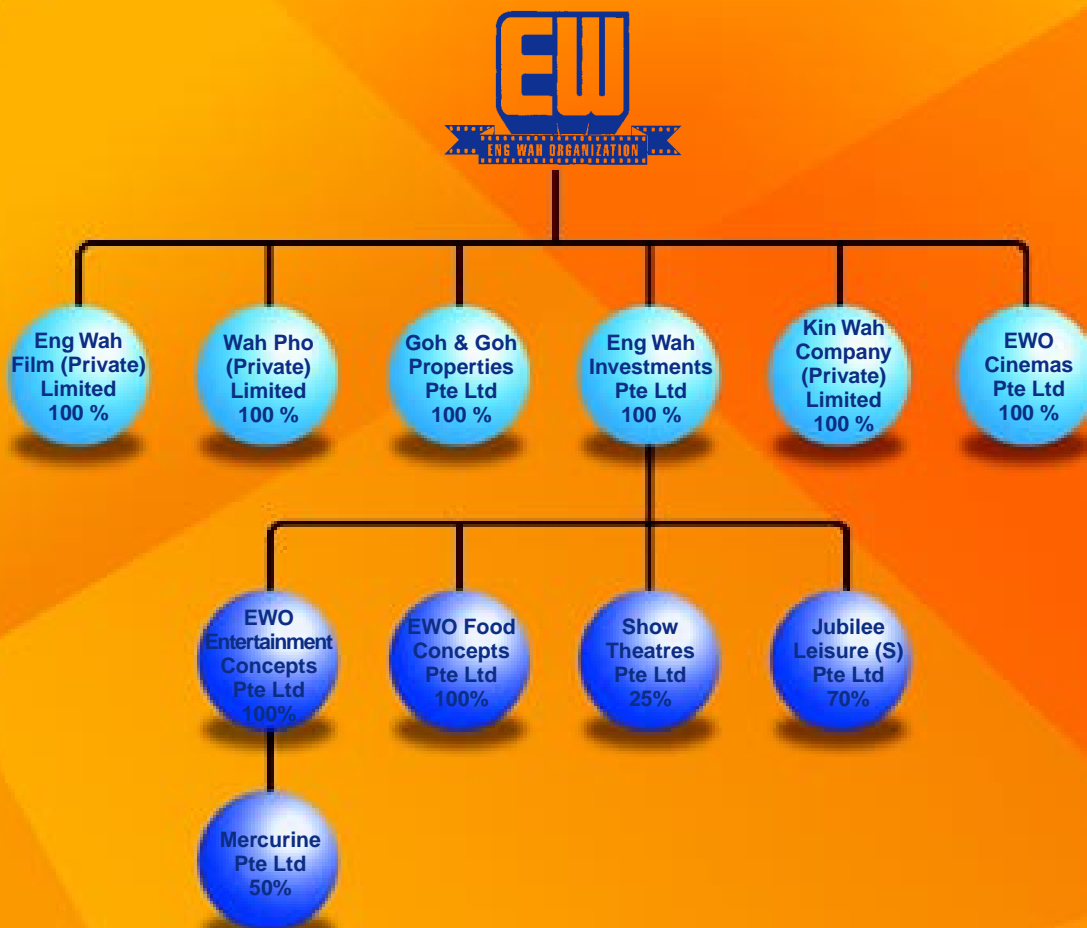
The Group is studying the commercial feasibility of introducing interactive internet games into its games arcades. With the increasing popularity of interactive internet games, the Group hopes to improve the performance of its Family Entertainment Centre Operations.

### Show Theatres Pte Ltd

Provision was made for the losses in the Group's associate company, Show Theatres Pte Ltd, as its operations were adversely affected by keen competition within the industry. The cinema operations of Show Theatres Pte Ltd at White Sands Cineplex were terminated on 1 October 1999.



# corporate structure & information



## board of directors

Goh Eng Wah - Chairman  
Goh Min Yen - Managing  
Director

Mok Yuet Heng  
Goh Keng Soon  
Goh Keng Beng  
Goh Min Lu  
Gan Choon Beng  
Hong Chin Fock

## audit committee

Hong Chin Fock - Chairman  
Gan Choon Beng  
Goh Keng Soon

## company secretaries

Melissa Anne Teo Eu-Leng  
Christine Chan Meng Yook

## registrars

B.A.C.S. Private Limited

## auditors

KPMG  
Certified Public Accountants  
Partner in charge  
Eileen Tay - Tan Bee Kiew

## share transfer office

63 Cantonment Road  
Singapore 089758  
Telephone: 323 6200

## registered office

400 Orchard Road  
#16-06 Orchard Towers  
Singapore 238875  
Telephone: 734 0028

# financial statements

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# Directors' Report *for the year ended 31 March 2000*

We, the undersigned directors, on behalf of all the directors of the Company, submit this annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2000.

## Directorate

The directors in office at the date of this report are as follows:-

Goh Eng Wah  
Mok Yuet Heng  
Goh Keng Beng  
Goh Keng Soon  
Goh Min Lu  
Goh Min Yen  
Gan Choon Beng  
Hong Chin Fock

## Principal Activities

The principal activities of the Company are those relating to rental of retail space. The Company also acts as a holding company and provides management services to its subsidiaries.

The principal activities of the subsidiaries are those relating to cinema operators, film distributors, rental of office and retail space, operation and management of family entertainment centres, concession stands and investment holding and trading.

There have been no other significant changes in such activities of the Company and its subsidiaries during the financial year.

## Acquisitions and Disposals of Subsidiaries

During the financial year, the Company acquired the following subsidiary:-

	<b>Consideration</b>	<b>Share of Net Tangible Assets</b>	<b>Interest Acquired</b>
	<b>\$</b>	<b>\$</b>	<b>%</b>
Mercurine Pte Ltd	2	2	100

Except for the above, the Company and its subsidiaries did not acquire nor dispose of any other subsidiaries during the financial year.

# Directors' Report *for the year ended 31 March 2000*

## Financial Results

Results of the Group and of the Company for the financial year are as follows:-

	<b>The Group</b>	<b>The Company</b>
	<b>\$</b>	<b>\$</b>
Profit after taxation	1,822,281	564,084
Minority interests	(20,874)	–
Profit attributable to members of the Company	1,801,407	564,084
Unappropriated profit brought forward	3,038,174	316,849
	4,839,581	880,933
Appropriations:		
Proposed first and final dividend of 3% less tax at 25.5%	(838,125)	(838,125)
Unappropriated profit carried forward	<u>\$ 4,001,456</u>	<u>\$ 42,808</u>

## Transfers to and from Reserves and Provisions

There were no material transfers to or from reserves during the financial year. Movements in provisions are as set out in the accompanying notes to the financial statements.

## Issue of Shares and Debentures

Neither the Company nor any of its subsidiaries issued any other shares or debentures during the financial year.

## Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## Directors' Interests in Shares or Debentures

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year in shares or debentures in the Company and in related corporations other than wholly-owned subsidiaries are as follows:-

	<b>Holdings in the name of the director</b>		<b>Other holdings in which the director is deemed to have an interest</b>	
	<b>At beginning of the year</b>	<b>At end of the year</b>	<b>At beginning of the year</b>	<b>At end of the year</b>
<b>The Company</b>	<b>Ordinary shares of \$0.25 each fully paid</b>			
Goh Eng Wah	–	–	105,000,000	105,000,000
Mok Yuet Heng	–	–	105,000,000	105,000,000
Goh Min Yen	–	–	1,710,000	1,710,000

# Directors' Report *for the year ended 31 March 2000*

	Holdings in the name of the director		Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
<b>The Holding Company</b>	<b>Ordinary shares of \$1 each fully paid</b>			
<b>Eng Wah Holdings Pte Ltd</b>				
Goh Eng Wah	18,720,002	18,720,002	–	–
Mok Yuet Heng	17,680,000	17,680,000	–	–
Goh Keng Beng	7,800,000	7,800,000	–	–
Goh Min Yen	7,800,000	7,800,000	–	–
<b>Subsidiary</b>	<b>Ordinary shares of \$1 each fully paid</b>			
<b>Jubilee Leisure (S) Pte Ltd</b>				
Goh Eng Wah	–	–	70,000	70,000
Mok Yuet Heng	–	–	70,000	70,000

By virtue of Section 7(4) of the Companies Act, Chapter 50, Goh Eng Wah and Mok Yuet Heng are deemed to have interests in all of the wholly-owned subsidiaries of the Company at the beginning and at the end of the financial year.

There was no change in any of the above interests in the Company and related corporations between the end of the financial year and 21 April 2000.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or debentures of the Company or of related corporations either at the beginning or at the end of the financial year.

## Dividends

Since the end of the last financial year, the Company has paid a net dividend of \$832,500 in respect of the previous year as proposed in the directors' report of that year. No dividend has been paid in respect of the financial year under review. The directors now recommend the payment of a net final dividend of \$838,125 in respect of the financial year under review.

## Other Statutory Information

### (a) **Bad and Doubtful Debts**

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain what action had been taken in relation to writing off bad debts and providing for doubtful debts of the Company. The directors have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

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

# Directors' Report *for the year ended 31 March 2000*

## **(b) Current Assets**

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values and that adequate provision has been made for the diminution in value of such current assets.

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

## **(c) Charges and Contingent Liabilities**

Since the end of the financial year:

- no charge on the assets of the Company or any corporation in the Group has arisen which secures the liabilities of any other person; and
- no contingent liability of the Company or any corporation in the Group has arisen.

## **(d) Ability to Meet Obligations**

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

## **(e) Other Circumstances Affecting the Financial Statements**

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

## **(f) Unusual Items**

In the opinion of the directors, no item, transaction or event of a material and unusual nature has substantially affected the results of the operations of the Group or of the Company during the financial year.

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

## Directors' Interests in Contracts

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

# Directors' Report *for the year ended 31 March 2000*

## Share Options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

## Audit Committee

The members of the Audit Committee at the date of this report are as follows:-

Hong Chin Fock (Chairman)  
Gan Choon Beng  
Goh Keng Soon

The functions of the Audit Committee are laid down in Section 201B(5) of the Companies Act, Chapter 50.

The Committee meets periodically with management and the external auditors of the Company to discuss and review:-

- (i) the audit plans of the external auditors of the Company and the results of their examination and evaluation of the Company's systems of internal accounting controls;
- (ii) the scope and results of audit procedures;
- (iii) the Group's financial and operating results and accounting policies;
- (iv) the assistance given by the Company's officers to the external auditors;
- (v) the Group's transactions with related parties; and
- (vi) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors and the auditors' report on those financial statements.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

## Subsequent Event

Subsequent to the financial year end, pursuant to the terms of a joint venture agreement entered into with an unrelated third party, the Company transferred one ordinary share of \$1 each in Mercurine Pte Ltd to each of EWO Entertainment Concepts Pte Ltd (a wholly owned subsidiary of the Company) and the unrelated third party, for a total consideration of \$2. Following such transfer, Mercurine Pte Ltd ceased to be a wholly-owned subsidiary of the Company and became an associated company of the Company.

## Auditors

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

**GOH ENG WAH**  
Director

**GOH MIN YEN**  
Director

Singapore  
26 July 2000

# Statement by Directors *for the year ended 31 March 2000*

We, **GOH ENG WAH** and **GOH MIN YEN**, being directors of **ENG WAH ORGANIZATION LIMITED**, do hereby state that in our opinion:-

- (a) the financial statements set out on pages 18 to 37 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2000 and of the results of the business of the Group and of the Company and cash flows of the Group for the year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

**GOH ENG WAH**  
Director

**GOH MIN YEN**  
Director

Singapore  
26 July 2000

# Corporate Governance

## **Corporate Governance**

The Board of Directors (the "Board") fully supports the Best Practices Guide on corporate governance as recommended by the Singapore Exchange Securities Trading Limited ("SGX"). For effective corporate governance, the Group has in place various self-regulatory and monitoring mechanisms as follows:-

## **The Board of Directors**

The Board consists of one executive chairman, four executive directors, one non-executive director and two independent directors.

The Board supervises the management of the business and affairs of the Group. Apart from its statutory responsibilities, the Board approves the Group's strategic plans, key operational initiatives, major investments, funding decisions and reviews the financial performance of the Group. These functions are carried out either directly or through the Audit Committee.

## **Management**

The Managing Director presides over regular meetings with senior management staff to review the progress of projects and operational performances. Major issues arising are highlighted for follow-up and corrective actions and if deemed necessary these are reported to the Board.

## **Audit Committee**

The Audit Committee comprises two independent directors and one executive director. The members of the Audit Committee at the date of this report are as follows:-

Hong Chin Fock (Chairman)  
Gan Choon Beng  
Goh Keng Soon

Some of the functions of the Audit Committee are listed in the Directors' Report on page 14.

## **Internal Audit**

The Group does not have internal auditors but the role of the finance department has been extended to cover the basic functions of internal audit.

The directors are responsible for the Group's system of internal controls. The Group's internal controls are designed to provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained, and that the financial information used within the business and for publication is reliable.

The Board, through its Audit Committee, conducts regular reviews and evaluations of the Group's system of internal controls, and where necessary or appropriate, will recommend measures to be implemented to ensure their continuing effectiveness.

## **Securities Transactions**

Following the introduction of the Best Practices Guide by the SGX, the Company has issued a Policy on Share Dealings to key employees of the Company setting out the implications of insider trading and the recommendations of the Best Practices Guide. To provide further guidance to employees on dealing in the Company's shares, the Company has adopted a code of conduct on transactions in the Company's shares. The code of conduct was modelled after the Best Practices Guide with some modifications.

# Report of the Auditors to the Members of Eng Wah Organization Limited

We have audited the financial statements of Eng Wah Organization Limited and consolidated financial statements of the Group for the year ended 31 March 2000 as set out on pages 18 to 37. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:-

- (a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:-
  - (i) the state of affairs of the Company and of the Group as at 31 March 2000 and of the results of the Company and of the Group and of the cash flows of the Group for the year ended on that date; and
  - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and in the consolidated financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the Act.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

**KPMG**  
Certified Public Accountants

Singapore  
26 July 2000

# Balance Sheets *as at 31 March 2000*

	Note	The Group		The Company	
		2000 \$	1999 \$	2000 \$	1999 \$
<b>Fixed Assets</b>	3	<b>41,350,592</b>	46,041,027	<b>1,387,778</b>	1,411,455
<b>Investments in Subsidiaries</b>	4	<b>–</b>	–	<b>9,293,378</b>	9,293,376
<b>Interests in Associated Company</b>	5	<b>–</b>	486,904	<b>–</b>	–
<b>Unquoted Equity Investment, at cost</b>		<b>405,000</b>	405,000	<b>30,000</b>	30,000
<b>Current Assets</b>					
Stocks, at cost		<b>81,673</b>	63,695	<b>–</b>	–
Trade debtors	6	<b>595,920</b>	1,059,303	<b>10,210</b>	13,133
Advances to film producers	7	<b>22,388</b>	147,284	<b>–</b>	–
Amounts owing by:					
- subsidiaries (mainly non-trade)	8	<b>–</b>	–	<b>13,927,942</b>	16,155,040
- associated company (mainly trade)	10	<b>2,350</b>	–	<b>–</b>	8,756
Investments	11	<b>336,115</b>	300,889	<b>–</b>	–
Other debtors, deposits and prepayments	12	<b>654,489</b>	472,990	<b>5,648,514</b>	7,362,871
Fixed deposits at banks		<b>9,808,032</b>	5,331,608	<b>8,948,005</b>	4,800,679
Cash at banks and in hand		<b>1,367,328</b>	933,146	<b>–</b>	38,130
		<b>12,868,295</b>	8,308,915	<b>28,534,671</b>	28,378,609
Less:					
<b>Current Liabilities</b>					
Trade creditors and accruals		<b>2,333,068</b>	2,877,208	<b>283,951</b>	411,651
Amounts owing to:					
- related party (trade)	9	<b>13,236</b>	23,267	<b>–</b>	–
- associated company (mainly trade)	10	<b>–</b>	10,745	<b>–</b>	–
Other creditors	13	<b>5,070,083</b>	6,750,753	<b>395,070</b>	52,440
Provision for taxation		<b>1,142,823</b>	732,619	<b>–</b>	–
Bank overdraft (unsecured)		<b>264,020</b>	54,378	<b>185,873</b>	–
Proposed dividend - net		<b>838,125</b>	832,500	<b>838,125</b>	832,500
		<b>9,661,355</b>	11,281,470	<b>1,703,019</b>	1,296,591
<b>Net Current Assets/(Liabilities)</b>		<b>3,206,940</b>	(2,972,555)	<b>26,831,652</b>	27,082,018
<b>Non-Current Liability</b>					
Deferred taxation	14	<b>(1,636,000)</b>	(1,618,000)	<b>–</b>	–
		<b>\$43,326,532</b>	\$42,342,376	<b>\$37,542,808</b>	\$37,816,849
Representing:-					
<b>Share Capital</b>	15	<b>37,500,000</b>	37,500,000	<b>37,500,000</b>	37,500,000
<b>Capital Reserve Arising on Consolidation</b>		<b>1,595,717</b>	1,595,717	<b>–</b>	–
<b>Unappropriated Profit</b>		<b>4,001,456</b>	3,038,174	<b>42,808</b>	316,849
		<b>43,097,173</b>	42,133,891	<b>37,542,808</b>	37,816,849
<b>Minority Interests</b>		<b>229,359</b>	208,485	<b>–</b>	–
		<b>\$43,326,532</b>	\$42,342,376	<b>\$37,542,808</b>	\$37,816,849

The notes set out on pages 22 to 37 form part of these financial statements.

# Profit and Loss Accounts *for the year ended 31 March 2000*

	Note	The Group		The Company	
		2000 \$	1999 \$	2000 \$	1999 \$
<b>Turnover</b>	16	<b>\$21,022,934</b>	\$18,794,297	<b>\$1,815,409</b>	\$1,313,818
<b>Profit before taxation</b>	17	<b>3,329,222</b>	3,205,930	<b>749,493</b>	83,855
<b>Share of results of an associated company</b>		<b>(356,654)</b>	(102,778)	–	–
		<b>2,972,568</b>	3,103,152	<b>749,493</b>	83,855
<b>Taxation</b>	18	<b>(1,150,287)</b>	(1,295,113)	<b>(185,409)</b>	(5,894)
<b>Profit after taxation</b>		<b>1,822,281</b>	1,808,039	<b>564,084</b>	77,961
<b>Minority Interests</b>		<b>(20,874)</b>	(36,248)	–	–
<b>Profit</b> attributable to members of the Company		<b>1,801,407</b>	1,771,791	<b>564,084</b>	77,961
<b>Unappropriated Profit</b> brought forward		<b>3,038,174</b>	2,098,883	<b>316,849</b>	1,071,388
		<b>4,839,581</b>	3,870,674	<b>880,933</b>	1,149,349
<b>Appropriations:</b>					
Proposed final dividend of 3% (1999: 3%) less tax at 25.5% (1999: 26%)		<b>(838,125)</b>	(832,500)	<b>(838,125)</b>	(832,500)
<b>Unappropriated Profit</b> carried forward		<b>\$4,001,456</b>	\$3,038,174	<b>\$42,808</b>	\$316,849
Retained by:-					
<b>The Company</b>		<b>42,808</b>	316,849		
<b>Subsidiaries</b>		<b>4,753,398</b>	3,159,612		
<b>Associated Company</b>		<b>(794,750)</b>	(438,287)		
		<b>\$4,001,456</b>	\$3,038,174		
<b>Earnings Per Share</b>	19	<b>1.20 cents</b>	1.18 cents		

The notes set out on pages 22 to 37 form part of these financial statements.

# Consolidated Statement of Cash Flows *for the year ended 31 March 2000*

	2000 \$	1999 \$
<b>Cash Flows from Operating Activities</b>		
Net profit before taxation	2,972,568	3,103,152
Adjustments for:-		
Share of loss of an associated company	356,654	102,778
Depreciation of fixed assets	3,933,352	3,474,114
Dividend income	(690,476)	(158,264)
Fixed assets written off	36,465	686
Interest expense	-	11,000
Interest income	(164,639)	(272,102)
Investments written off	-	2,093
Loss on disposal of fixed assets	1,333	31,556
(Profit)/Loss on disposal of quoted equity investments	(24)	9,000
Provision for diminution in value of quoted equity investments written back	(29,512)	89,798
Reduction in contract sum for fixed assets	1,498,154	-
	<b>4,941,307</b>	<b>3,290,659</b>
	<b>7,913,875</b>	<b>6,393,811</b>
Changes in working capital:-		
Stocks	(17,978)	(15,939)
Trade debtors	463,383	432,980
Advances to film producers	124,896	155,070
Amount owing by an associated company	(13,095)	152,152
Other debtors, deposits and prepayments	18,189	(94,124)
Trade creditors and accruals	(544,140)	253,649
Other creditors	(1,680,670)	1,706,715
Amount owing to a related party	(10,031)	5,717
	<b>(1,659,446)</b>	<b>2,596,220</b>
	<b>6,254,429</b>	<b>8,990,031</b>
Interest paid	-	(11,000)
Interest received	164,639	272,102
Income tax paid	(921,771)	(605,161)
<b>Net cash generated from operating activities</b>	<b>5,497,297</b>	<b>8,645,972</b>

# Consolidated Statement of Cash Flows *for the year ended 31 March 2000*

	2000 \$	1999 \$
<b>Cash Flows from Investing Activities</b>		
Dividend received	690,476	158,264
Proceeds from disposal of fixed assets	28,734	20,187
Purchase of fixed assets	(807,603)	(7,852,282)
Purchase of short-term investments	(5,741)	(7,580)
Proceeds from disposal of investments	51	24,000
Proceeds from repayment of loan to an associated company	130,250	–
Goodwill on acquisition of subsidiary	–	(300)
<b>Net cash generated from / (used in) in investing activities</b>	<b>36,167</b>	<b>(7,657,711)</b>
	<b>5,533,464</b>	<b>988,261</b>
<b>Cash Flows from Financing Activities</b>		
Dividend paid to shareholders of the Company	(832,500)	(832,500)
Repayment of bank loan	–	(360,000)
<b>Net cash utilised in financing activities</b>	<b>(832,500)</b>	<b>(1,192,500)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>4,700,964</b>	<b>(204,239)</b>
<b>Cash and Cash Equivalents at beginning of year</b>	<b>6,210,376</b>	<b>6,414,615</b>
<b>Cash and Cash Equivalents at end of year</b>	<b>\$10,911,340</b>	<b>\$6,210,376</b>
<b>Cash and Cash Equivalents at end of year comprise:-</b>		
	2000 \$	1999 \$
Fixed deposits at banks	9,808,032	5,331,608
Cash at banks and in hand	1,367,328	933,146
Bank overdraft	(264,020)	(54,378)
	<b>\$10,911,340</b>	<b>\$6,210,376</b>
<b>Summary of Effects of Acquisition of Subsidiary</b>		
	2000 \$	1999 \$
Current assets	2	4
Current liabilities	–	(300)
	<b>2</b>	<b>(296)</b>
Purchase consideration	(2)	(4)
	<b>\$ –</b>	<b>\$ (300)</b>

The notes set out on pages 22 to 37 form part of these financial statements.

# Notes to the Financial Statements *31 March 2000*

These notes form an integral part of and should be read in conjunction with the accompanying balance sheets, profit and loss accounts and consolidated statement of cash flows.

## 1. Principal Activities

The principal activities of the Company, incorporated in the Republic of Singapore, are those of rental of retail space. The Company also acts as a holding company and provides management services to its subsidiaries.

The principal activities of the subsidiaries are those of cinema operators, film distributors, rental of office and retail space, operation and management of family entertainment centres, concession stands and investment holding and trading.

## 2. Summary of Significant Accounting Policies

### (a) **Basis of Financial Statements Preparation**

The financial statements, expressed in Singapore dollars, are prepared in accordance with the historical cost convention.

### (b) **Basis of Consolidation**

(i) The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year. All intra-Group balances and transactions are eliminated on consolidation.

(ii) The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal.

(iii) Where the acquisition of a subsidiary is accounted for by the use of the purchase method of accounting, the difference between the consideration paid for shares in a subsidiary and the fair value of the net assets acquired is treated as goodwill on consolidation or reserve on consolidation. Goodwill on consolidation is written off against reserves.

(iv) The Group's share of the results of the associated company is included in the consolidated profit and loss account and the Group's share of the post-acquisition reserves of the associated company is included in the carrying value of the investment in the consolidated balance sheet.

### (c) **Fixed Assets and Depreciation**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on the straight line basis to write off the costs of fixed assets over the following estimated useful lives:-

Freehold residential unit and renovation	-	5 to 50 years
Office premises on freehold land	-	50 years

# Notes to the Financial Statements *31 March 2000*

## **(c) Fixed Assets and Depreciation (Cont'd)**

Leasehold land and buildings	-	50 years
Plant and equipment	-	6 <sup>2</sup> / <sub>3</sub> to 10 years
Cinema equipment, furniture and fittings	-	3 to 10 years
Food court furniture and equipment	-	2 to 5 years
Concession equipment, fixtures and fittings	-	2 to 10 years
Office furniture and equipment	-	10 years
Game machines - hardware	-	5 years
Game machines - software	-	1 year
Motor vehicles	-	5 years

Where an existing building is demolished for redevelopment, the net book value of the building as at the date of demolition is capitalised and treated as part of the cost of redevelopment if the open market value of the property is in excess of its book value. No depreciation is provided on the property under redevelopment.

Depreciation is not provided for ticketing software under development until the software is fully developed and operational.

## **(d) Investments**

### (i) Subsidiaries

Investments in subsidiaries are stated at cost.

### (ii) Associated company

An associated company is one in which the Company has a long-term interest of between 20% and 50% of the equity and has a significant influence in the operating and financial policy decisions. Investments in associated companies are stated at cost.

### (iii) Unquoted equity investments

Unquoted equity investments held on long-term basis are stated at cost.

### (iv) Short term investments

Investments held on short term basis are stated at the lower of cost and market value on an individual investment basis. Cost is determined using the weighted average method.

Provision for diminution in value of investments in subsidiaries, associated company and unquoted equity investments is made, when in the opinion of the directors, there has been a decline, other than temporary, in the value of the investments.

## **(e) Stocks**

Stocks, comprising mainly snacks, drinks and play cards for sale, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis.

# Notes to the Financial Statements *31 March 2000*

**(f) Film Rights**

Costs relating to film rights are expensed upon the first screening of a film. Certain costs are deferred if future revenue can reasonably be determined so as to match the deferred cost with the future revenue.

**(g) Revenue Recognition**

- (i) Film takings are recognised as revenue when movies are screened.
- (ii) Income from advertisements, filmlets and slides are recognised as revenue when the advertisements or commercials are screened.
- (iii) Film agency commission and film rental income are recognised as revenue when the movies are screened.
- (iv) Licence fees from the assignment of television rights to television stations are recognised over the licence periods.
- (v) Rental and service charge income are recognised on an accrual basis.
- (vi) Interest income from bank and fixed deposits is recognised on an accrual basis.
- (vii) Income from sales of snack food and drinks is recognised when cash is received.
- (viii) Management fee income is recognised as revenue when the services are provided.
- (ix) Amusement takings are recognised as revenue when play cards are utilised by patrons.
- (x) Dividend income:
  - dividends from the subsidiaries are included in the Company's profit and loss account in the same financial year in which they are proposed in the financial statements of the subsidiaries.
  - dividends from the associated companies are recognised in the Company's profit and loss account as and when declared by the investee companies.
  - dividends from other investments are recognised upon receipt.

**(h) Foreign Currency Translation**

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximate to those ruling at the balance sheet date. Transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Translation differences are included in the profit and loss account.

# Notes to the Financial Statements *31 March 2000*

**(i) Deferred Taxation**

Deferred taxation is calculated using the liability method on all material timing differences in the treatment of certain items for accounting and taxation purposes. A deferred tax benefit is not recognised in the financial statements except when there is a reasonable expectation of realisation.

**(j) Cash and Cash Equivalents**

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

3. Fixed Assets

The Group 2000	At Cost				At end of the year \$
	At beginning of the year \$	Additions \$	Disposals \$	Reclassi- fications \$	
Freehold residential unit and renovation	306,688	439	–	–	307,127
Office premises on freehold land	3,837,559	–	–	–	3,837,559
Leasehold land and buildings	28,896,341	8,590	(4,635)	–	28,900,296
Plant and equipment	5,896,912	22,991	(33,787)	6,899	5,893,015
Cinema equipment, furniture and fittings	13,935,708	177,252	(1,554,857)	(6,899)	12,551,204
Food court furniture and equipment	576,512	–	–	–	576,512
Concession equipment, fixtures and fittings	417,232	990	(25,593)	–	392,629
Office furniture and equipment	562,084	212,191	(20,583)	–	753,692
Game machines					
- hardware	1,123,998	122,625	(10,150)	–	1,236,473
- software	263,340	33,320	–	–	296,660
Motor vehicles	1,191,525	70,805	–	–	1,262,330
Ticketing software under development	–	158,400	–	–	158,400
	<u>\$57,007,899</u>	<u>\$807,603</u>	<u>\$(1,649,605)</u>	<u>\$ –</u>	<u>\$56,165,897</u>

# Notes to the Financial Statements *31 March 2000*

## 3. Fixed Assets (Cont'd)

The Group 2000	Accumulated Depreciation					At end of the year \$	Depreciation charge for 1999 \$
	At beginning of the year \$	Depreciation Charge for the year \$	Disposals \$	Reclassi- fications \$			
Freehold residential unit and renovation	35,529	11,113	–	–	<b>46,642</b>	11,078	
Office premises on freehold land	900,686	76,654	–	–	<b>977,340</b>	76,651	
Leasehold land and buildings	3,158,487	577,803	–	–	<b>3,736,290</b>	585,784	
Plant and equipment	1,440,818	658,935	(14,078)	3,490	<b>2,089,165</b>	630,141	
Cinema equipment, furniture and fittings	2,947,944	1,958,931	(44,451)	(3,490)	<b>4,858,934</b>	1,479,747	
Food court furniture and equipment	335,509	107,453	–	–	<b>442,962</b>	115,914	
Concession equipment, fixtures and fittings	100,968	74,760	(4,517)	–	<b>171,211</b>	50,101	
Office furniture and equipment	380,262	95,531	(14,978)	–	<b>460,815</b>	98,173	
Game machines							
- hardware	447,367	236,586	(6,895)	–	<b>677,058</b>	236,663	
- software	240,413	48,335	–	–	<b>288,748</b>	95,543	
Motor vehicles	978,889	87,251	–	–	<b>1,066,140</b>	94,319	
	<u>\$10,966,872</u>	<u>\$3,933,352</u>	<u>\$(84,919)</u>	<u>\$ –</u>	<u><b>\$14,815,305</b></u>	<u>\$3,474,114</u>	

The Company 2000	At Cost			
	At beginning of the year \$	Additions \$	Disposals \$	At end of the year \$
Leasehold land and buildings	2,317,918	3,000	–	<b>2,320,918</b>
Cinema equipment, furniture and fittings	114,862	–	–	<b>114,862</b>
Office furniture and equipment	970	–	(970)	–
Motor vehicles	53,794	21,785	–	<b>75,579</b>
	<u>\$2,487,544</u>	<u>\$24,785</u>	<u>\$(970)</u>	<u><b>\$2,511,359</b></u>

# Notes to the Financial Statements *31 March 2000*

## 3. Fixed Assets (Cont'd)

The Company 2000	Accumulated Depreciation				
	At beginning of the year \$	Depreciation Charge for the year \$	Disposals \$	At end of the year \$	Depreciation charge for 1999 \$
Leasehold land and buildings	906,948	46,162	–	<b>953,110</b>	46,161
Cinema equipment, furniture and fittings	114,862	–	–	<b>114,862</b>	4,930
Office furniture and equipment	485	–	(485)	–	97
Motor vehicles	53,794	1,815	–	<b>55,609</b>	–
	<u>\$1,076,089</u>	<u>\$47,977</u>	<u>\$(485)</u>	<u><b>\$1,123,581</b></u>	<u>\$51,188</u>

	Net Book Value			
	The Group		The Company	
	2000 \$	1999 \$	2000 \$	1999 \$
Freehold residential unit and renovation	<b>260,485</b>	271,159	–	–
Office premises on freehold land	<b>2,855,584</b>	2,936,873	–	–
Leasehold land and buildings	<b>25,168,641</b>	25,737,854	<b>1,367,808</b>	1,410,970
Plant and equipment	<b>3,803,850</b>	4,456,094	–	–
Cinema equipment, furniture and fittings	<b>7,692,270</b>	10,987,764	–	–
Food court furniture and equipment	<b>133,550</b>	241,003	–	–
Concession equipment, fixtures and fittings	<b>221,418</b>	316,264	–	–
Office furniture and equipment	<b>292,877</b>	181,822	–	485
Game machines				
- hardware	<b>559,415</b>	676,631	–	–
- software	<b>7,912</b>	22,927	–	–
Motor vehicles	<b>196,190</b>	212,636	<b>19,970</b>	–
Ticketing software under development	<b>158,400</b>	–	–	–
	<u><b>\$41,350,592</b></u>	<u>\$46,041,027</u>	<u><b>\$1,387,778</b></u>	<u>\$ 1,411,455</u>

# Notes to the Financial Statements *31 March 2000*

## 3. Fixed Assets (Cont'd)

### The Group

Office premises on freehold land and leasehold land and buildings are mortgaged to banks to secure banking facilities granted to the Group.

Particulars of the properties included in fixed assets of the Group are as follows:-

<b>Location</b>	<b>Approximate Area (sq. feet)</b>	<b>Description</b>	<b>Tenure</b>
Lot 208, Section 63, Jln Binjai, Kuala Lumpur, Malaysia	1,509*	Condominium unit	Freehold
400 Orchard Road, Singapore	7,330*	Office units	Freehold
321 Clementi Avenue 3, Singapore	16,000#	Empress Theatre	99 years leasehold commencing July 1978
61 Ang Mo Kio Avenue 8, Singapore	18,300#	Jubilee Entertainment Complex	99 years leasehold commencing June 1979
535 Kallang Bahru, Singapore	15,000#	Mandarin Theatre	99 years leasehold commencing May 1975
450 Toa Payoh Lorong 6, Singapore	15,000#	Toa Payoh Entertainment Centre	99 years leasehold commencing August 1970

Note:-

\* denotes floor space

# denotes land area

## 4. Investments in Subsidiaries

	<b>The Company</b>	
	<b>2000</b>	<b>1999</b>
Unquoted equity shares, at cost	<b>\$9,293,378</b>	<b>\$9,293,376</b>

# Notes to the Financial Statements *31 March 2000*

## 4. Investments in Subsidiaries (Cont'd)

Details of the subsidiaries, all of which are incorporated and carrying on business in the Republic of Singapore, are as follows:-

Name of Company	Principal Activities	Equity Interest held		Cost of Investments	
		2000	1999	2000	1999
		%	%	\$	\$
Wah Pho (Private) Limited	Cinema operator and rental of retail space	100	100	1,381,249	1,381,249
Goh & Goh Properties Pte Ltd	Cinema operator	100	100	1,745,494	1,745,494
Kin Wah Company (Private) Limited	Cinema operator and rental of retail space	100	100	3,151,201	3,151,201
Eng Wah Film (Private) Limited	Film distributor, rental of office and retail spaces, cinema operator and investment trading	100	100	2,990,430	2,990,430
EWO Cinemas Pte Ltd	Cinema operator	100	100	25,000	25,000
Mercurine Pte Ltd	Cinema operator	100	–	2	–
Eng Wah Investments Pte Ltd and its subsidiaries:	Investment holding	100	100	2	2
EWO Food Concepts Pte Ltd	Operator and manager of concession stands	100	100	–	–
Jubilee Leisure (S) Pte Ltd	Operator and manager of family entertainment centres	70	70	–	–
EWO Entertainment Concepts Pte Ltd	Manager of cinema	100	100	–	–
				<b>\$9,293,378</b>	<b>\$9,293,376</b>

# Notes to the Financial Statements *31 March 2000*

## 5. Interests in Associated Company

	<b>The Group</b>	
	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
Unquoted equity shares, at cost	<b>125,000</b>	125,000
Long-term loan	<b>669,750</b>	800,000
	<b>794,750</b>	925,000
Share of post-acquisition losses	<b>(794,750)</b>	(438,096)
	<b>\$ –</b>	<b>\$486,904</b>

The long-term loan to the associated company is unsecured, interest-free and not repayable within the next 12 months.

The associated company is Show Theatres Pte Ltd, a company incorporated in the Republic of Singapore, in which the Company has a 25% (1999: 25%) equity interest.

The principal activities of the associated company are those of a cinema operator. The associated company ceased operations during the financial year.

## 6. Trade Debtors

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade debtors	<b>625,388</b>	1,063,423	<b>10,210</b>	17,253
Provision for doubtful debts	<b>(29,468)</b>	(4,120)	–	(4,120)
	<b>\$595,920</b>	<b>\$1,059,303</b>	<b>\$10,210</b>	<b>\$13,133</b>

Movements in provision for doubtful debts are as follows:-

Balance at beginning of the year	<b>4,120</b>	25,338	<b>4,120</b>	4,120
Provision for the year	<b>29,468</b>	–	–	–
Write back of provision no longer required	–	(21,218)	–	–
Provision written off	<b>(4,120)</b>	–	<b>(4,120)</b>	–
Balance at end of the year	<b>\$29,468</b>	<b>\$4,120</b>	<b>\$ –</b>	<b>\$4,120</b>

# Notes to the Financial Statements *31 March 2000*

## 7. Advances to Film Producers

	<b>The Group</b>	
	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
Advances to film producers	<b>150,388</b>	247,284
Provision for doubtful advances to film producers	<b>(128,000)</b>	(100,000)
	<b>\$22,388</b>	\$147,284

Movements in provision for doubtful advances to film producers are as follows:-

Balance at beginning of the year	<b>100,000</b>	100,000
Provision for the year	<b>28,000</b>	-
Balance at end of the year	<b>\$128,000</b>	\$100,000

## 8. Amounts Owing by Subsidiaries

The amounts owing by subsidiaries are unsecured and interest free, with no fixed terms of repayment.

## 9. Related Party

A related party is a company in which the minority shareholders of a subsidiary have substantial financial interest.

## 10. Amounts Owing by/(to) Associated Company

The amounts owing by/(to) the associated company are unsecured and interest free, with no fixed terms of repayment.

## 11. Investments

	<b>The Group</b>	
	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
Quoted equity investments, at cost	<b>755,733</b>	750,019
Provision for diminution in value	<b>(419,618)</b>	(449,130)
	<b>\$336,115</b>	\$300,889
Market value of quoted equity investments	<b>\$378,915</b>	\$307,920

Included in the quoted equity investments is a balance of \$123,309 (1999: \$123,309) representing Central Limit Order Book ("CLOB") International shares which have been suspended from trading. Trading of these CLOB International shares was subsequently resumed in stages in July 2000. Provision for diminution in value has been made to write down these investments to their net realisable values.

# Notes to the Financial Statements *31 March 2000*

## 11. Investments (Cont'd)

Movements in provision for diminution in value are as follows:-

	The Group	
	2000 \$	1999 \$
Balance at beginning of the year	449,130	359,332
Provision for the year	–	89,798
Provision written back	(29,512)	–
Balance at end of the year	<u>449,618</u>	<u>449,130</u>

## 12. Other Debtors, Deposits and Prepayments

	The Group		The Company	
	2000 \$	1999 \$	2000 \$	1999 \$
Deposits	198,207	188,367	1,525	1,325
Prepaid expenses	302,105	164,127	9,833	6,568
Income tax recoverable	42,996	10,466	365,156	267,968
Other debtors	121,181	120,030	10,000	10,010
Dividend receivable from subsidiaries	–	–	5,272,000	7,087,000
	<u>664,489</u>	482,990	<u>5,658,514</u>	7,372,871
Provision for doubtful debts	(10,000)	(10,000)	(10,000)	(10,000)
	<u>\$654,489</u>	<u>\$472,990</u>	<u>\$5,648,514</u>	<u>\$7,362,871</u>

## 13. Other Creditors

	The Group		The Company	
	2000 \$	1999 \$	2000 \$	1999 \$
Accrued redevelopment costs	2,087,995	2,087,995	–	–
Rental deposits received	1,535,010	1,431,520	395,070	52,440
Tender deposits received	14,100	14,100	–	–
Amounts owing to suppliers of fixed assets	660,782	2,522,246	–	–
Retention money payable to contractors	611,667	612,314	–	–
Rental income received in advance	34,077	–	–	–
Other creditors	126,452	82,578	–	–
	<u>\$5,070,083</u>	<u>\$6,750,753</u>	<u>\$ 395,070</u>	<u>\$ 52,440</u>

# Notes to the Financial Statements *31 March 2000*

## 14. Deferred Taxation

	The Group		The Company	
	2000	1999	2000	1999
	\$	\$	\$	\$
Tax effect on:				
Excess of net book value over tax written down value of fixed assets	2,338,500	2,166,500	–	–
Unabsorbed wear and tear allowances and tax losses	(691,300)	(525,500)	–	–
Other timing differences	(11,200)	(23,000)	–	–
	<b>\$1,636,000</b>	<b>\$1,618,000</b>	<b>\$ –</b>	<b>\$ –</b>

## 15. Share Capital

	The Company	
	2000	1999
Authorised:-		
200,000,000 ordinary shares of \$0.25 each	<b>\$50,000,000</b>	\$50,000,000
Issued and fully paid:-		
150,000,000 ordinary shares of \$0.25 each	<b>\$37,500,000</b>	\$37,500,000

## 16. Turnover

### The Group

Turnover of the Group comprises dividend income, rental income and operating revenue from film distribution, cinema operations, and operation and management of family entertainment centres and concession stands. Intra-Group transactions are excluded in arriving at the turnover of the Group.

### The Company

Turnover of the Company comprises dividend income, rental income and management fees.

## 17. Profit Before Taxation

	Note	The Group		The Company	
		2000	1999	2000	1999
		\$	\$	\$	\$
Profit before taxation is arrived at :-					
<i>After Charging:-</i>					
Auditors' remuneration:	20				
- audit services		56,500	51,500	21,000	22,000
- other services		22,900	17,500	3,900	1,500

# Notes to the Financial Statements *31 March 2000*

## 17. Profit Before Taxation (Cont'd)

	Note	The Group		The Company	
		2000 \$	1999 \$	2000 \$	1999 \$
Bad debts written off (trade)		<b>306,163</b>	214,764	<b>63,680</b>	–
Depreciation of fixed assets	3	<b>3,933,352</b>	3,474,114	<b>47,977</b>	51,188
Directors' remuneration	21	<b>1,014,047</b>	1,040,903	<b>962,834</b>	990,224
Fixed assets written off		<b>36,465</b>	686	<b>485</b>	–
Interest expense on bank loan		–	11,000	–	–
Investments written off		–	2,093	–	–
Loss on:					
- disposal of fixed assets		<b>1,333</b>	31,556	–	31,866
- disposal of quoted equity investments		–	9,000	–	–
Loss on foreign exchange		<b>1,641</b>	–	–	–
Preliminary expenses written off		<b>3,150</b>	3,580	–	–
Provision for:					
- doubtful debts (trade)	6	<b>29,468</b>	–	–	–
- doubtful advances to film producers	7	<b>28,000</b>	–	–	–
- diminution in value of quoted equity investments	11	–	89,798	–	–
- doubtful debts (non-trade)	12	–	10,000	–	10,000
<i>And Crediting:-</i>					
Interest income:					
- fixed deposits		<b>129,218</b>	208,379	<b>115,121</b>	189,649
- others		<b>35,421</b>	63,723	–	–
Gain on foreign exchange		–	10,633	–	–
Gross dividends from:					
- unquoted equity investment in subsidiaries		–	–	<b>1,000,000</b>	500,000
- unquoted equity investments		<b>683,550</b>	150,675	<b>102,300</b>	22,550
- quoted equity investments		<b>6,926</b>	7,589	–	–
Profit on disposal of quoted equity investments		<b>24</b>	–	–	–
Write back of provision for doubtful trade debts	6	–	21,218	–	–
Write back of provision for diminution in value of quoted equity investments	11	<b>29,512</b>	–	–	–

# Notes to the Financial Statements *31 March 2000*

## 18. Taxation

	The Group		The Company	
	2000	1999	2000	1999
	\$	\$	\$	\$
Taxation charge based on results for the year:				
- Current taxation	<b>1,102,000</b>	672,520	<b>194,500</b>	5,700
- Deferred taxation	<b>144,500</b>	581,500	–	–
	<b>1,246,500</b>	1,254,020	<b>194,500</b>	5,700
(Over)/Under provision in respect of prior years:				
- Current taxation	<b>30,287</b>	73,902	–	33,194
- Deferred taxation	<b>(126,500)</b>	(33,000)	<b>(9,091)</b>	(33,000)
	<b>(96,213)</b>	40,902	<b>(9,091)</b>	194
Share of tax of associated company	–	191	–	–
	<b>\$1,150,287</b>	\$1,295,113	<b>\$185,409</b>	\$5,894

The tax charge for the Group is higher than the amount obtained by applying the standard tax rate to the profit for the year primarily because losses arising in some companies in the Group cannot be offset for taxation purposes against profits arising in other companies in the Group, and because certain expenses are disallowed for taxation purposes.

## 19. Earnings Per Share

Earnings per share are calculated based on the Group's profit attributable to members of the Company of \$1,801,407 (1999: \$1,771,791) on the 150,000,000 (1999: 150,000,000) ordinary shares.

## 20. Auditors' Remuneration

	The Group		The Company	
	2000	1999	2000	1999
	\$	\$	\$	\$
Audit services				
- current year	<b>57,000</b>	57,500	<b>21,000</b>	22,000
- overprovision in respect of prior year	<b>(500)</b>	(6,000)	–	–
	<b>\$56,500</b>	\$51,500	<b>\$21,000</b>	\$22,000
Other services				
- current year	<b>22,300</b>	19,000	<b>3,400</b>	3,000
- under/(over) provision in respect of prior year	<b>600</b>	(1,500)	<b>500</b>	(1,500)
	<b>\$22,900</b>	\$17,500	<b>\$3,900</b>	\$1,500

# Notes to the Financial Statements *31 March 2000*

## 21. Directors' Remuneration

The number of directors in each of the remuneration bands are as follows:-

	The Company	
	2000	1999
	Number of Directors	
\$500,000 and above	–	–
\$250,000 to \$499,999	1	1
\$0 to \$249,999	7	7
	<b>8</b>	<b>8</b>

## 22. Holding Company

The immediate and ultimate holding company is Eng Wah Holdings Pte Ltd, a company incorporated in the Republic of Singapore.

## 23. Business Segment Information

	Turnover \$'000	Profit/(Loss)	Total Assets
		Before Taxation \$'000	Employed \$'000
<b>2000</b>			
Film operations	12,137	(696)	29,172
Property leasing operations	4,982	2,965	21,584
Food operations	1,727	496	1,204
Family entertainment centre operations	1,452	(156)	1,731
Others	725	720	933
	<b>21,023</b>	<b>3,329</b>	<b>54,624</b>
<b>1999</b>			
Film operations	9,543	(833)	29,740
Property leasing operations	5,892	3,263	22,003
Food operations	1,428	380	1,263
Family entertainment centre operations	1,691	(115)	980
Others	240	511	1,256
	<b>18,794</b>	<b>3,206</b>	<b>55,242</b>

The Group operates predominantly in Singapore.

# Notes to the Financial Statements *31 March 2000*

## 24. Contingent Liabilities (Unsecured)

	<b>The Company</b>	
	<b>2000</b>	<b>1999</b>
Guarantee to a bank in respect of credit facilities granted to a subsidiary	<b>\$ -</b>	<b>\$720,000</b>

## 25. Operating Lease Commitments

As at balance sheet date, the Group had the following minimum lease payments under non-cancellable operating leases with a term of more than one year:-

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
Payable		
Within 1 year	<b>1,150,818</b>	1,150,818
Within 2 to 5 years	<b>4,687,505</b>	4,799,764
After 5 years	<b>5,961,754</b>	7,000,313
	<b>\$11,800,077</b>	<b>\$12,950,895</b>

## 26. Subsequent Event

Subsequent to the financial year end, the Company entered into an agreement to dispose of a 50% equity share in a subsidiary, Mercurine Pte Ltd, to a third party.

## 27. Comparative Figures

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

# Analysis of Shareholdings *as at 21 July 2000*

Authorised Share Capital	:	\$50,000,000
Issued And Fully Paid-up Capital	:	\$37,500,000
Class Of Shares	:	Ordinary shares of \$0.25 each
Voting Rights	:	1 vote per share

Size Of Shareholdings	No. Of		No. Of Shares	%
	Shareholders	%		
1 - 1,000	218	6.49	147,000	0.10
1,001 - 10,000	2,862	85.23	8,061,000	5.37
10,001 - 1,000,000	270	8.04	15,473,500	10.32
1,000,001 & above	8	0.24	126,318,500	84.21
<b>Total</b>	<b>3,358</b>	<b>100.00</b>	<b>150,000,000</b>	<b>100.00</b>

## Twenty Largest Shareholders

Name of Shareholders	No. Of Shares	%
Eng Wah Holdings Pte Ltd	105,000,000	70.00
Kay Hian Private Limited	7,668,500	5.11
Ang Yee Lim	4,000,000	2.67
Citibank Nominees S'pore Pte Ltd	2,672,000	1.78
Phillip Securities Pte Ltd	2,588,000	1.73
Raffles Nominees Pte Ltd	1,750,000	1.17
Teo Chiang Long	1,500,000	1.00
DBS Nominees Pte Ltd	1,140,000	0.76
Bank of East Asia Nominees Pte Ltd	890,000	0.59
Hong Leong Finance Nominees Pte Ltd	816,000	0.54
Wong Song Siw	688,500	0.46
Ng Kah Him @ Lau Shee Thim	614,500	0.41
Lam Teck Bong	535,000	0.36
Lim Sai Yang	450,000	0.30
Lim Swee Jee	442,000	0.29
Goh Eng Guan @ Goh Kee Guan	405,000	0.27
Khojama Kalimuddin	400,000	0.26
June Song Pte Ltd	330,000	0.22

# Analysis of Shareholdings *as at 21 July 2000*

## Twenty Largest Shareholders (Cont'd)

Name of Shareholders	No. Of Shares	%
Kim Eng Securities Pte Ltd	308,500	0.21
United Overseas Bank Nominees Pte Ltd	302,500	0.20
Total	132,500,500	88.33

## Substantial Shareholders

Name of Substantial Shareholders	Number of Shares in which Shareholder has an interest			
	Direct Interest	%	Deemed Interest	%
Eng Wah Holdings Pte Ltd	105,000,000	70.00	–	–
Kay Hian Private Limited	7,668,500	5.11	–	–
Goh Eng Wah	–	–	105,000,000	70.00
Mok Yuet Heng	–	–	105,000,000	70.00

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN that the Thirty-Second ANNUAL GENERAL MEETING of ENG WAH ORGANIZATION LIMITED will be held at the Colonial Room, The American Club, 21 Scotts Road, Singapore 228219 on Friday, 1 September 2000 at 9.30 a.m. for the following purposes:-**

## **As Ordinary Business**

1. To receive and adopt the Audited Accounts of the Company for the financial year ended 31 March 2000 together with the Reports of the Directors and the Auditors.
2. To approve the payment of a first and final dividend of 3 percent (1999: 3 percent) less income tax for the financial year ended 31 March 2000.
3. To re-elect the following Directors:-
  - (a) Mdm Mok Yuet Heng;
  - (b) Ms Goh Min Lu

each of whom retires by rotation pursuant to Article 92 of the Articles of Association of the Company.

4. To consider and, if thought fit, to pass the following resolution:-

“That pursuant to Section 153(6) of the Companies Act (Cap. 50), Mr Goh Eng Wah be re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting.”

5. To approve Director's fees of S\$150,000 (1999: S\$150,000) for the financial year ended 31 March 2000.
6. To re-appoint Messrs KPMG as Auditors and authorise the Directors to fix their remuneration.
7. To transact any other business that may properly be transacted at an Annual General Meeting.

## **As Special Business**

8. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:-

“That pursuant to Section 161 of the Companies Act (Cap. 50), approval be and is hereby given to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10 percent of the issued share capital of the Company for the time being.”

## **BY ORDER OF THE BOARD**

Melissa Anne Teo Eu-Leng  
Joint Secretary

15 August 2000

# Notice of Annual General Meeting

**Notes:**

- (1) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not also be a member.
  
- (2) The instrument appointing a proxy must be deposited at the registered office of the Company not less than 48 hours before the time of the Meeting.

# Notes

# Proxy Form – Annual General Meeting

Eng Wah Organization Limited (Incorporated in the Republic of Singapore)

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of ENG WAH ORGANIZATION LIMITED hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting of the Company, to be held on 1 September 2000, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolution	To be used on a show of hands		To be used in the event of a Poll	
		For*	Against*	No. of Votes For**	No. of Votes Against**
	<b>Ordinary Business</b>				
1	Adoption of Reports and Accounts				
2	Declaration of Dividend				
3	(a) Re-election of Mdm Mok Yuet Heng  (b) Re-election of Ms Goh Min Lu				
4	Re-appointment of Mr Goh Eng Wah as a Director				
5	Approval of Directors' Fees				
6	Re-appointment of Messrs KPMG as Auditors				
7	Any other ordinary business				
	<b>Special Business</b>				
8	Authority to issue shares				

\* Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.

\*\* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2000

Total Number Of Shares Held	
-----------------------------------	--

\_\_\_\_\_  
Signature(s) of member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

## **NOTES**

- 1 A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
- 2 Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
- 3 A proxy need not be a member of the Company.
- 4 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 5 The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 400 Orchard Road #16-06 Orchard Towers, Singapore 238875 not less than 48 hours before the time set for the Meeting.
- 6 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 7 Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

## **GENERAL**

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



**Eng Wah Organization Limited**

400 Orchard Road, #16-06 Orchard Towers,

Singapore 238875

Tel: 734 0028 Fax: 235 4897

Telegram & Cable 'Telemgoh'