

Corporate Information

DIRECTORS

Y. Bhg. Tan Sri Dato' Azizan Bin Husain
(Chairman)

Dato' Danny Tan Chee Sing
(Executive Vice Chairman)

Ler Leong Keh
(Managing Director)

Stanley Tham Chin Choon
(Executive Director)

Phillip Siew Mun Chuang

Allan Lim Kim Huat

Y. Bhg. Datuk Lee Teck Yuen

Y. Bhg. Dato' Ahmad Hassan Bin Osman

Y. Bhg. Dato' Zakaria Bin Mohammed

AUDIT COMMITTEE

Y. Bhg. Datuk Lee Teck Yuen (Chairman)
– (Independent Non-Executive Director)

Y. Bhg. Dato' Zakaria Bin Mohammed
– (Independent Non-Executive Director)

Ler Leong Keh
– (Non-Independent Director)

SECRETARIES

Leslie Lim Siak Kooi

Jessica Low Nyoke Fun

AUDITORS

BDO Binder
Public Accountants
15th Floor, Wisma Hamzah Kwong Hing
1, Leboh Ampang
50100 Kuala Lumpur

REGISTERED OFFICE

Lot 302, 3rd Floor, Wisma Dijaya
No. 1A, Jalan SS 20/1
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77268297
Fax: 03-77268076

PRINCIPAL PLACE OF BUSINESS

Lot 101, 3rd Floor, Wisma Dijaya
No. 1A, Jalan SS 20/1
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77282188
Fax: 03-77283188

SHARE REGISTRAR

Signet Share Registration Services Sdn Bhd
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2421341
Fax: 03-2421353

PRINCIPAL BANKERS

Arab-Malaysian Bank Berhad
Hong Leong Bank Berhad
OCBC Bank (Malaysia) Berhad
Overseas Union Bank (Malaysia) Berhad
RHB Bank Berhad
Southern Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Second Board
Kuala Lumpur Stock Exchange

Audit Committee

FUNCTIONS OF THE AUDIT COMMITTEE

Its responsibilities are:-

1. to examine the manner in which management ensures and monitors the adequacy of the nature, extent and effectiveness of accounting and internal control systems;
2. to review the statutory accounts and other published financial statements and information;
3. to monitor relationships with external auditors, to ensure that there are no restrictions on the scope of the statutory audit; to make recommendations on the auditor's appointment, remuneration and dismissal; and to review the activities, findings, conclusions and recommendations of the external auditors;
4. to review arrangements established by management for compliance with regulatory and financial reporting requirements; and
5. other functions as may be agreed by the Audit Committee and the Board of Directors.

AUTHORITY

1. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
2. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

MEETING AND REPORTING PROCEDURES

1. The Committee shall meet at least three times a year, during the preparation of the interim and final accounts with the principal focus of the third meeting being management control and internal audit.
2. The Secretary is responsible for sending out notices of meetings and preparing and keeping minutes of meetings.
3. The minutes of meetings of the Audit Committee shall be circulated to all members of the Board of Directors of TT Resources Bhd.

QUORUM

Any two members of the Committee present at the meeting shall constitute a quorum.

Chairman's

S T A T E M E N T

On behalf of the Board of Directors of TT Resources Bhd, it is my great pleasure to present to you the Annual Report of the Group and Company for the financial year ended 30 September 2000.

REVIEW OF OPERATIONS

During the year under review, with the economic recovery firmly in place and continuing its upturn, the Group intensifies its efforts to pursue its expansion plans in the food service industry.

Chinese Restaurants

The Chinese restaurant division expanded by opening three new restaurants in Klang Valley, Malaysia namely Summer Palace Restaurant located at Damansara Utama, Spring Garden located at Suria Shopping Complex at KL City Centre ("Suria KLCC") and Summer Palace Restaurant located at Klang which commenced business in September 1999, November 1999 and September 2000 respectively. These 3 new restaurants have contributed RM8.6 million or 55% of the increase in the turnover of Chinese restaurant division.

The Chinese restaurant division generally performed well during the current financial year mainly because of the increase in sales amounting to RM15.6 million or 30% as compared to the previous financial year.

On 15 July 2000, the Group opened its first Chopstik Noodle House located at Plaza Mont Kiara. The Group continues to expand into the noodle house business by opening another outlet located at Mid Valley Mega Shopping Mall on 23 December 2000.

Lifestyle Restaurants

As mentioned in the last annual report, the Group has ventured into lifestyle restaurants during this financial year. The Group opened 3 lifestyle restaurants in Klang Valley, Malaysia namely Shrooms Fusion Restaurant located at Suria KLCC, Santini Ristorante Italiano located at Plaza Mont Kiara and Pickled Ginger Fusion Restaurant located at Kuala Lumpur Plaza ("KLP"). These 3 restaurants contributed RM3.2 million or 3.1% to the Group turnover.



SUMMER PLACE RESTAURANT AT
WISMA DIJAYA, DAMANSARA UTAMA,
PETALING JAYA.



SPRING GARDEN AT SURIA
SHOPPING COMPLEX, KLCC.

SHROOMS FUSION
RESTAURANT AT SURIA
SHOPPING CENTRE, KLCC.

SANTINI RISTORANTE
ITALIANO AT
PLAZA MONT KIARA.

PICKLED GINGER FUSION
RESTAURANT AT
KL PLAZA.



Other than lifestyle restaurants, the Group also opened 3 bistro outlets namely Stars Oyster & Sushi Bar located at Suria KLCC, Stars Oyster & Sushi Bar and Stars Super Sandwiches both located at KLP. These bistro outlets contributed RM3.7 million or 3.6% to the Group turnover.

Gloria Jean's Gourmet Coffees

Since the opening of the first Gloria Jean's Coffees' gourmet café outlet in Suria KLCC on 5 December 1999, the Group had opened another 10 Gloria Jean's coffee outlets in Malaysia. During the current financial year, the coffee division contributed RM3.7 million or 3.6% to the Group turnover.

Leisure and Entertainment

The leisure and entertainment division which mainly comprises of karaoke outlets and Australian subsidiaries have contributed RM20.1 million or 19.4% (1999 : RM19.9 million or 25.7%) to the Group turnover. This represents a slight increase of RM0.2 million or 1% in this division.

The karaoke outlets which operate under the names of Songbird and Star KTV have had maintained their leading position in the industry and have contributed significantly to the Group results.

Bridal Houses

In August 2000, the Company has completed the acquisition of Fotorex Holdings Sdn Bhd group of companies which currently operates 4 bridal houses in Kuala Lumpur namely Fotorex Wedding Plaza, Taipei Taipan Bridal World, Princess Grand Wedding Castle and Defrance Wedding. The bridal houses group is currently profitable.

CHAIRMAN'S STATEMENT

Overseas Operations

The two wholly owned Australian subsidiaries namely TTRB Hotel Management Pty. Ltd. and TTRB Property Pty. Ltd., which owns and manages the St Mary's Hotel in Sydney, are engaged in gaming and food and beverage businesses. These overseas subsidiaries contributed RM970,000 or 68% (1999 : RM1,075,000 or 47%) to the Group pre-tax profit.

FINANCIAL PERFORMANCE REVIEW

The Group achieved a pre-tax profit of RM1.4 million on a turnover of RM103.2 million against the previous year's Group pre-tax profit of RM2.3 million on a turnover of RM77.3 million, representing a decrease of RM 0.9 million or 39% and an increase of RM25.9 million or 33% respectively.

The increase in turnover of food service division by RM26.1 million or 46.4% was mainly contributed by Chinese restaurants and new businesses namely lifestyle restaurants, bistro outlets and coffee outlets amounting to RM15.6 million and RM10.6 million respectively.

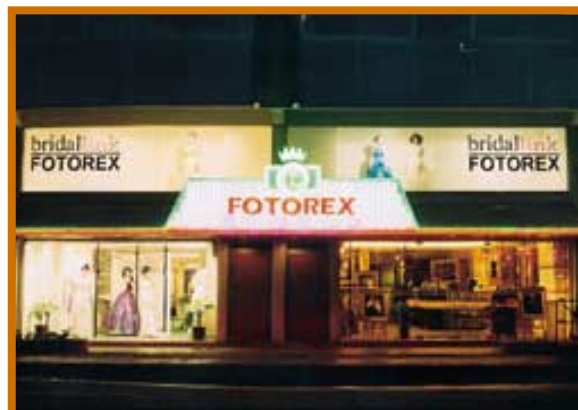
The drop in the Group pre-tax profit is mainly due to losses incurred by new businesses in the food service division as they are still under gestation period.

CORPORATE HIGHLIGHTS

During the current financial year, the Company acquired the entire equity interest in the following companies as part of its expansion plans:-

- (a) TT Santini Italian Restaurant Sdn Bhd (formerly known as Solid Factor Sdn Bhd) was acquired in November 1999 and it opened an Italian restaurant called Santini Ristorante Italiano at Plaza Mont Kiara in April 2000.
- (b) Pickled Ginger Fusion Restaurant Sdn Bhd (formerly known as TT Santini Italian Restaurant (KLP) Sdn Bhd) was acquired in December 1999 and it opened a fusion cuisine restaurant with the same name at KLP in July 2000.
- (c) TT Stars Oyster Bar Sdn Bhd (formerly known as Dynamic Judgement Sdn Bhd) was acquired in December 1999 and it opened an oyster, sushi and wine bar kiosk called Stars Oyster & Sushi Bar at KLP in December 1999.

FOTOREX WEDDING PLAZA
AT JALAN SUNGAI BESI,
KUALA LUMPUR.



ASSORTMENT OF ICE BLENDED
DRINKS FROM GLORIA JEAN'S.

STARS SUPER SANDWICHES
AT KL PLAZA.



- (d) TT Stars Super Sandwiches Sdn Bhd (formerly known as Active Horizon Sdn Bhd) was acquired in December 1999 and it opened a super sandwiches kiosk called Stars Super Sandwiches at KLP in December 1999.
- (e) Specialty Beans (Singapore) Pte Ltd (formerly known as JMI Investment Pte Ltd) was acquired in December 1999 and it is moving into gourmet coffee retailing business in Singapore with its first outlet opened at One Fullerton in October 2000.
- (f) Discoveryfood Dot Com Sdn Bhd (formerly known as Unique Corner Sdn Bhd) was acquired in February 2000 with the intention to undertake business-to-business and/or business-to-customer internet services in the food related industry.
- (g) San Francisco Steak House Sdn Bhd (formerly known as SBC's Best Coffee Sdn Bhd) was acquired in June 2000 in the Group's effort to venture into steak house restaurant business. It opened a steak house restaurant with the same name at Damansara Intan, Petaling Jaya in October 2000.

- (h) TT F&B Marketing Sdn Bhd (formerly known as Pedoman Hidup Sdn Bhd) was acquired in July 2000. The principal activity of this subsidiary is trading of food and beverage products.
- (i) Summer Palace Restaurant (Klang) Sdn Bhd (formerly known as Edisi Lengkap Sdn Bhd) was acquired in August 2000 and it opened a chinese restaurant with the same name within Klang in September 2000.
- (j) Pickled Ginger Catering Services Sdn Bhd (formerly known as Alaf Organza Sdn Bhd) was acquired in August 2000 in view of the Group's venture into halal food catering services business.

In August 2000, the Company completed the acquisition of 510,000 ordinary shares of RM1.00 each in Fotorex Holdings Sdn Bhd ("Fotorex") representing 51% equity interest for a cash consideration of RM2,040,000 only. Fotorex is principally engaged in the business of photography services and operating bridal houses. It has two wholly owned subsidiaries namely Fotoreka Sdn Bhd and Defrance Wedding Sdn Bhd which are principally engaged in the business of professional colour lab and operating a bridal house respectively.



GLORIA JEAN'S OUTLET
AT ONE FULLERTON,
SINGAPORE.

In September 2000, the Company has via its wholly owned subsidiary, Specialty Beans Holding Sdn Bhd ("SBHSB"), subscribed for 9,798 Class A ordinary shares of 100 Baht each in Specialty Beans (Thailand) Ltd ("SBTL"), a company incorporated in Thailand, representing 49% of the total issued and paid-up share capital of SBTL which entitled to 79.35% of the total voting rights in SBTL at par for a total consideration of 979,800 Baht only, thus making SBTL a subsidiary of SBHSB. In that same month, SBHSB has entered into a second Area Development Agreement with Gloria Jean's Gourmet Coffee Franchising Corp. for the exclusive right to develop, own and operate a minimum of 40 Gloria Jean's gourmet coffees stores or kiosks within Thailand in the next five years.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

PROSPECTS

Barring unforeseen circumstances and with a stable economic growth, the food and beverage service industry is expected to continue to expand. With this in mind, the Group shall continue to expand its core business in the Chinese restaurant sub-sector and to expand into the new sub-sectors within the food and beverage service industry namely:-

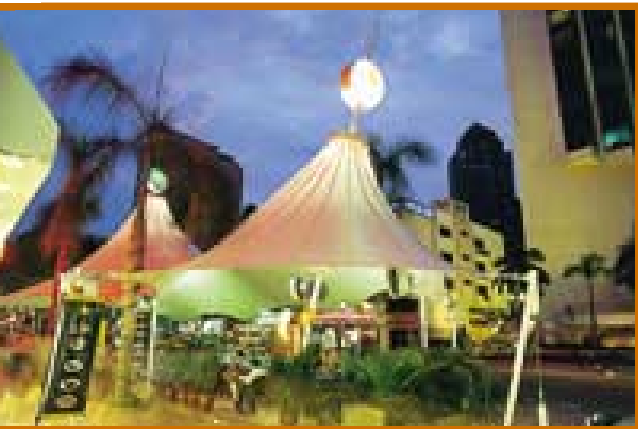
(a) Gloria Jean's Gourmet Coffees

In a short period of time, the Group has emerged as one of the major players in gourmet coffee retailing market in Malaysia. The Group would continue to expand the chain of gourmet coffee outlets in Malaysia.

On 23 October 2000, the Group opened its first gourmet coffee outlet at One Fullerton, Singapore. Several more new outlets in Singapore are now under planning and development.

With the signing of the second Area Development Agreement, the Group is now actively planning to penetrate into the Thailand market as part of its plan to expand further its gourmet coffee retailing business.

CHAIRMAN'S STATEMENT



STARS OYSTER & SUSHI BAR
AT KL PLAZA.



CHOPSTIK NOODLE HOUSE
AT PLAZA MONT KIARA.

(b) Lifestyle Restaurants

The Group has achieved considerable success in its venture into the Stars oyster wine bar and bistro business with the outlets turning in profits in its first financial year. Subsequent to the financial year end, the Group has opened 3 more Stars oyster wine bar and bistro outlets in Klang Valley and Johor Bahru, Malaysia. Several more new outlets are under planning and development at present.

On 7 October 2000, the Group opened its first San Francisco Steakhouse at Damansara Intan. This new restaurant concept has received overwhelming response from the consumer public. The Group has decided to expand the steakhouse business into a restaurant chain in the future.

(c) Chopstik Noodle Houses

After successfully opening the second and the flagship Chopstik Noodle House at Mid Valley Mega Shopping Mall, Kuala Lumpur the Group aims to develop Chopstik Noodle House into a retailing chain in the future.

The risk of rising costs is still a primary concern. However, the Group will continue with its efforts to preserve and expand quality businesses while staying vigilant on costs and prudent on expenditure.

APPRECIATION

On behalf of the Board, I would like to commend the management and staff for their diligence, commitment and dedication. I also wish to thank our valued customers, bankers, business associates, the relevant authorities and shareholders for their continuous support, confidence and advice.

The Board would like to extend its appreciation to Y.M. Tengku Dato' Adnan bin Tengku Mansor and Madam Tang Yee who both resigned from the Board on 25 August 2000 and welcome Dato' Tan Chee Sing and Mr. Tham Chin Choon to the Board.

Tan Sri Dato' Azizan Bin Husain

Chairman

16 February 2001

