

Annual Report
2001



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ASIATIC DEVELOPMENT BERHAD ◆ ANNUAL REPORT 2001



ASIATIC DEVELOPMENT BERHAD

(34993-X)

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Our Vision

We strive:

To become a leader in the plantation industry.

To embark aggressively onto value-added downstream manufacturing activities which are synergistic to our core business.

To enhance return on the company land bank through property development activities.

To adopt a market-driven and customer-oriented approach, with emphasis on product quality and diversity.

To strengthen our competitive position by adopting new technologies and innovations.

As people are the key to achieving the company's vision, we are committed to develop our employees and create a highly motivating and rewarding environment for them.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 24 June 2002 at 3.00 p.m.

BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended
 - 31 December 2001 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
 -
2. To sanction the declaration of a final dividend. **(Resolution 2)**
 -
3. To approve Directors' fees of RM138,041 for the financial year ended 31 December 2001
 - (2000: RM121,500). **(Resolution 3)**
 -
4. To re-elect Directors pursuant to Article 99 of the Articles of Association of the Company:
 - i. Dato' Lim Kok Thay **(Resolution 4)**
 - ii. Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah **(Resolution 5)**
 -
5. To re-elect Mr Quah Chek Tin as a Director pursuant to Article 104 of the Articles of
 - Association of the Company. **(Resolution 6)**
 -
6. To consider and, if thought fit, pass the following resolutions pursuant to Section 129 of
 the Companies Act, 1965:
 -
 - "That _____, retiring in accordance with Section 129 of the Companies Act,
 - 1965, be and is hereby re-appointed as a Director of the Company to hold office until the
 - next Annual General Meeting."
 -
 - in respect of:
 -
 - i. Tan Sri Mohd Amin bin Osman **(Resolution 7)**
 - ii. Tan Sri Lim Goh Tong **(Resolution 8)**
 - iii. Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad **(Resolution 9)**
 - iv. Dato' Siew Nim Chee **(Resolution 10)**
7. To re-appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 11)**
8. To transact any other business of which due notice shall have been given.

By Order of the Board

TAN WOUI MENG

Secretary

Kuala Lumpur

31 May 2002

NOTES

A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

Statement Accompanying Notice of Annual General Meeting Pursuant To Paragraph 8.28 (2) Of The Listing Requirements Of The Kuala Lumpur Stock Exchange

1. The following are the Directors standing for re-election at the Twenty-Fourth Annual General Meeting to be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 24 June 2002 at 3.00 p.m.:

(a) Pursuant to Article 99 of the Articles of Association of the Company

- (i) **Dato' Lim Kok Thay**
- (ii) **Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah**

(b) Pursuant to Article 104 of the Articles of Association of the Company

Mr Quah Chek Tin

(c) In accordance with Section 129 of the Companies Act, 1965

- (i) **Tan Sri Mohd Amin bin Osman**
- (ii) **Tan Sri Lim Goh Tong**
- (iii) **Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad**
- (iv) **Dato' Siew Nim Chee**

2. Number of Board Meetings held during the financial year ended 31 December 2001: 6

Attendance of Directors at Board Meetings held during the financial year ended 31 December 2001

Name of Directors	Number of Meetings Attended
Tan Sri Mohd Amin bin Osman	6
Dato' Baharuddin bin Musa	6
Dato' Lim Kok Thay	3
Tan Sri Lim Goh Tong	4
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	6
Encik Mohd Din Jusoh	6
Dato' Siew Nim Chee	6
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	6
Mr Quah Chek Tin	5
(ceased to be the alternate to Dato' Lim Kok Thay and appointed as a Director on 19.10.2001)	

3. Further details on the Directors standing for re-election at the Twenty-Fourth Annual General Meeting are set out on pages 8 and 9 of the Annual Report.

Corporate Diary

2001

28 February

Announcement of the Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2000.

8 March

Announcement of the proposed acquisition of the entire paid-up capital of Kinavest Sdn Bhd.

18 April

Announcement of the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2000 and the Twenty-Third Annual General Meeting.

20 April

Announcement of the following:

- a) Proposed Amendments to the Articles of Association ("Proposed Amendments")
- b) Proposed Renewal of Mandate for the Proposed Share Buy-Back ("Proposed Share Buy-Back")

28 May

Notice to shareholders of the Twenty-Third Annual General Meeting and Extraordinary General Meeting in respect of the Proposed Amendments and Proposed Share Buy-Back.

29 May

Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2001.

20 June

Announcement of the proposed acquisition of an agricultural land measuring approximately 8,830 hectares at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah.

25 June

Twenty-Third Annual General Meeting and Extraordinary General Meeting in respect of the Proposed Amendments and Proposed Share Buy-Back.

28 August

Announcement of the Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2001.

Announcement of the Entitlement Date for the Interim Dividend in respect of the half-year ended 30 June 2001.

19 October

Announcement of the appointment of Mr Quah Chek Tin as a Director of the Company.

Announcements of the appointment of Mr Quah Chek Tin and Encik Mohd Din Jusoh as members to the Audit Committee of the Company.

28 November

Announcement of the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2001.

Announcement of the proposed amendments to the bye-laws of the Executive Share Option Scheme for eligible executives and Executive Directors of the Company and its subsidiaries ("Proposed Amendments to Bye-Laws").

2002

27 February

Announcement of the Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2001.

1 April

Announcement on the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2001 and the Twenty-Fourth Annual General Meeting.

23 April

Announcement on related party transactions pertaining to the sale of commercial properties to directors of subsidiary companies of the Company.

29 April

Announcement of the proposed acquisition of 81% equity interest in Asiatic Green Tech Sdn Bhd.

3 May

Announcement of the proposed renewal of mandate for purchase of own shares ("Proposed Share Buy-Back").

30 May

Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2002.

DIVIDENDS

□	Announcement	Entitlement Date □	Payment
2000 Final - 1.5 sen less tax	18 April 2001	3 July 2001	20 July 2001
2001 Interim - 1.5 sen less tax	28 August 2001	1 October 2001	19 October 2001
2001 Proposed Final - 2.0 sen less tax	27 February 2002	2 July 2002	22 July 2002*

* Upon approval of shareholders at the Twenty-Fourth Annual General Meeting

Board of Directors and Corporate Information



Tan Sri Mohd Amin bin Osman □
Chairman



Dato' Baharuddin bin Musa □
Joint Chief Executive



Dato' Lim Kok Thay □
Joint Chief Executive



Tan Sri Lim Goh Tong □
Director



**Lt. Gen. (B) Dato' Haji Abdul
Jamil bin Haji Ahmad** □
Director □



Encik Mohd Din Jusoh □
Director



Dato' Siew Nim Chee □
Director



**Lt. Gen. (B) Dato' Abdul
Ghani bin Abdullah** □
Director



Mr Quah Chek Tin □
Director

AUDIT COMMITTEE

- Dato' Siew Nim Chee □
- Chairman/Independent Non-Executive Director
-
- Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad □
- Member/Independent Non-Executive Director
-
- Encik Mohd Din Jusoh □
- Member/Independent Non-Executive Director
-
- Dato' Baharuddin bin Musa □
- Member/Joint Chief Executive
-
- Mr Quah Chek Tin □
- Member/Non-Independent Non-Executive Director

NOMINATION COMMITTEE □

- Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad □
- Member/Independent Non-Executive Director
- □ □ □ □
- Dato' Siew Nim Chee □
- Member/Independent Non-Executive Director
- □ □ □ □
- Encik Mohd Din Jusoh □
- Member/Independent Non-Executive Director

REMUNERATION COMMITTEE □

- Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad □
- Member/Independent Non-Executive Director □
-
- Dato' Siew Nim Chee □
- Member/Independent Non-Executive Director □
-
- Encik Mohd Din Jusoh □
- Member/Independent Non-Executive Director □
-
- Dato' Baharuddin bin Musa □
- Member/Joint Chief Executive

SECRETARY □

- Mr Tan Wooi Meng

PRINCIPAL EXECUTIVE OFFICERS□ **DIRECTORATE**

Dato' Baharuddin bin Musa
Joint Chief Executive

Dato' Lim Kok Thay
Joint Chief Executive

□ **PLANTATION** □

□ **Mr Chan Chee Leong** □
□ *Chief Operating Officer*

□ **Mr Sze Kok Sing** □
□ *Senior Manager - Processing*

□ **Mr Khoo Lian Hong** □
□ *Regional Operating Manager - Sabah*

□ **Encik Abdul Halim bin Abdul Majid** □
□ *Regional Operating Manager - West Malaysia*

□ **Mr Clifford Che Keng Soon** □
□ *Marketing Manager*

PROPERTY

Mr Phang Kong Wong
Chief Operating Officer

Encik Khaidzir bin Zainuddin
General Manager - Indahpura

Encik Mohd Sukairi bin Sohot
Operations Manager - Permaipura

Ms Tan Siew Foong
Marketing Manager - Indahpura

□ **FINANCE**

□ **Mr Yong Chee Kong**
□ *Chief Financial Officer*

ASIATIC DEVELOPMENT BERHAD

A public limited liability company
Incorporated and domiciled in Malaysia
Company no. 34993-X

REGISTERED OFFICE

24th Floor, Wisma Genting,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel: (03) 2161-2288 Fax: (03) 2161-5304
Email: info@asiatic.com.my

REGISTRARS

**Genting Management and
Consultancy Services Sdn Bhd,**
23rd Floor, Wisma Genting,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel: (03) 2161-2288 Fax: (03)2161-5304

CORPORATE HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

10th Floor, Wisma Genting,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel: (03) 2161-3733/2032-3733 Fax: (03) 2161-6149

ASIATIC REGIONAL OFFICE, SABAH

Lot 39, Taman Wemin,
Mile 5, Labuk Road,
P.O. Box 901,
90710 Sandakan, Sabah
Tel: (089) 208-204 Fax: (089) 211-108

AUDITORS

PricewaterhouseCoopers
(Chartered Accountants)

STOCK EXCHANGE LISTING

Main Board of Kuala Lumpur Stock Exchange
(30 August 1982)

INTERNET HOMEPAGE

<http://www.asiatic.com.my> □

Directors' Profile

Tan Sri Mohd Amin bin Osman (Malaysian, aged 74), appointed on 27 June 1992, is the Chairman. He has had a distinguished career spanning a period of 37 years with the Royal Malaysian Police Force. He joined the police force as an Inspector and retired as the Acting Inspector General of Police, Malaysia. In between, he had served as Deputy Commissioner of Police, Sabah; Brigade Commander, Police Field Force, East Malaysia; Chief of City Police, Kuala Lumpur; and Director of Special Branch, Malaysia. He has won various awards including the Panglima Setia Mahkota and Sri Indera Mahkota Pahang. He also sits on the Board of Genting Berhad, DMIB Berhad and Shangri-La Hotels (Malaysia) Berhad.

Tan Sri Mohd Amin holds 164,000 ordinary shares in the Company whose shares are listed under the Plantation Sector on the Kuala Lumpur Stock Exchange. He does not hold any shares in the subsidiaries of the Company.

Dato' Baharuddin bin Musa (Malaysian, aged 65), appointed on 8 November 1985, is the Joint Chief Executive and Director. He holds a Bachelor of Arts (Honours) Degree from the University of Malaya and a Master's Degree in Public Administration from Pittsburgh University. He is also a Parvin Fellow of Princeton University. He served the Malaysian Government in the Malaysian Administrative and Diplomatic Service for 20 years in various positions, including inter alia, Assistant State Secretary in the States of Pahang and Malacca and the first Director of Culture and then the Deputy Secretary General of the Ministry of Culture, Youth and Sports and the first Deputy Chairman and Director General of Tourist Development Corporation Malaysia. He was also seconded to the University of Malaya as Chairman of the Division of Public Administration in the Faculty of Economics and Administration where apart from lecturing on Government and Administration also started the course for Diploma in Public Administration. His last posting whilst in the Government Service was as Deputy Secretary General, Ministry of Defence. He also sits on the Board of some of the companies within the Genting Group and a number of other private limited companies.

Dato' Baharuddin holds 613,000 ordinary shares and has a share option to subscribe for 200,000 ordinary shares in the Company. He does not hold any shares in the subsidiaries of the Company.

Dato' Lim Kok Thay (Malaysian, aged 50), appointed on 29 September 1977, is the Joint Chief Executive and Director. Dato' Lim holds a Bachelor of Science Degree in Civil Engineering from the University of London. He is also the Managing Director of Genting Berhad and Resorts World Bhd; and the Chairman of Genting International Public Limited Company. He is the Chairman, President and Chief Executive Officer of Star Cruises Limited and a director of Kien Huat Berhad. In addition, he sits on the boards of other Malaysian and foreign companies. He joined the Genting Group in 1976 and has since served in various positions within the Group. He also sits on the Board of trustees of several charitable organisations in Malaysia.

Dato' Lim holds 144,000 ordinary shares in the Company. He does not hold any shares in the subsidiaries of the Company.

Dato' Lim is a son of Tan Sri Lim Goh Tong.

Tan Sri Lim Goh Tong (Malaysian, aged 84), appointed on 29 September 1977, is a Consultant and Director. Tan Sri Lim is also the founder, Chairman and Chief Executive of Genting Berhad and Resorts World Bhd. In addition, he is also the Chairman of Lim Foundation, a charitable Foundation established by him and his family in Malaysia.

Tan Sri Lim holds 437,500 ordinary shares in the Company. He does not hold any shares in the subsidiaries of the Company.

Tan Sri Lim is the father of Dato' Lim Kok Thay.

Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad (Malaysian, aged 73), appointed on 12 June 1980, is an Independent Non-Executive Director. Dato' Jamil received his early training at the Royal Military Academy, Sandhurst, and did further training courses at Staff College Queenscliff, joined Services Staff College Latimer and the Royal College of Defence Studies, London. He served in the Malaysian Armed Forces for 33 years and retired from military service in January 1984 as Army Corps Commander.

Dato' Jamil was appointed as the Deputy Chairman and Chief Executive of Kontena Nasional Berhad ("KN") and served in the said position from 1984 to 1989. He is presently the Deputy Chairman of KN, a member of the Institute of Strategic and International Studies, Malaysia; Chemsain Konsultant Sdn Bhd and is also director of certain subsidiaries of KN.

Dato' Jamil holds 140,000 ordinary shares in the Company. He does not hold any shares in the subsidiaries of the Company.

Dato' Siew Nim Chee (Malaysian, aged 76), appointed on 12 June 1980, is an Independent Non-Executive Director. Dato' Siew is also a director of Resorts World Bhd. He holds a Bachelor of Arts Degree and a Bachelor of Arts (Honours) Degree in Economics from the University of Malaya. Dato' Siew went on to obtain a Master of Science Degree in Industrial Labour Relations from Cornell University in 1953. He was an adviser and consultant to Genting Berhad from 1977 to 1985 and continues to be active in the corporate sector. He also sits on the Boards of Ancom Berhad, Johan Holdings Berhad, UAC Berhad, Malaysia Smelting Corporation Berhad and Malaysian Oxygen Berhad.

Dato' Siew holds 10,000 ordinary shares in the Company. He does not hold any shares in the subsidiaries of the Company.

Encik Mohd Din Jusoh (Malaysian, aged 58), appointed on 12 June 1980, is an Independent Non-Executive Director. He is a member of the Institute of Chartered Secretaries and Administrators (UK) and had attended a number of senior management courses abroad. He is also the Chairman and/or director of a number of private companies including a public company, Asiatic Golf Course (Sg. Petani) Berhad.

He does not hold any shares in the Company or in any of its subsidiaries.

Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah (Malaysian, aged 61), appointed on 14 February 1996, is an Independent Non-Executive Director. Dato' Abdul Ghani has had a distinguished career with the Malaysian Armed Forces for 36 years. He was Field Army Commander for the Malaysian Armed Forces before his retirement as a three star general. Prior to that, Dato' Abdul Ghani served in Kuching, Sarawak as Commander of the First Division for East Malaysia and earlier between 1990 and 1993 commanded the Infantry Army's Strategic Division with the rank of Major General. His long army career also saw Dato' Abdul Ghani doing planning and logistics at the Ministry of Defence and attending training programs at the US Army Intelligence

School, Defence Services Staff College in India, the Joint Services Staff College in Canberra and the National Defence College in Pakistan. Dato' Abdul Ghani holds a Masters of Science degree in Defence and Strategic Studies. He is also a director of AFFIN-ACF Holdings Berhad.

Dato' Abdul Ghani does not hold any shares in the Company or in any of its subsidiaries.

Mr Quah Chek Tin (Malaysian, aged 50), appointed on 19 October 2001, is a Non-Independent Non-Executive Director. He is also the Executive Director of Genting Berhad. He holds a Bachelor of Science (Honours) Degree in Economics from the London School of Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is an Alternate Director to Dato' Lim Kok Thay on the Board of Genting International PLC. He also holds directorships in other companies within the Genting Group which include two public companies namely, Genting Golf Course Bhd and Genting Highlands Berhad.

He does not hold any shares in the Company or in any of its subsidiaries.

NOTES TO DIRECTORS' PROFILE

1. Family Relationship

Save as disclosed above for Dato' Lim Kok Thay and Tan Sri Lim Goh Tong, the other Directors do not have any family relationship with any Director and/or major shareholder of the Company.

2. Conflict of Interest

The Directors' personal interests in material business arrangement, if any, with the Company are set out in Note 31 to the Financial Statements under "Significant Related Party Disclosures" on page 55 of this Annual Report.

3. Conviction for Offences

None of the Directors have any conviction for offences within the past 10 years.

4. Attendance at Board Meetings

The details of Directors' attendances at Board Meetings are set out in the Corporate Governance statement on page 22 of this Annual Report.

Chairman's Statement

On behalf of the Board of Directors, it is my pleasant task to present the Annual Report and Audited Financial Statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2001.

PERFORMANCE REVIEW

The year under review was an active one notwithstanding the tremendous challenges encountered by the Group. In an economic environment of weakening palm oil prices and sluggish property market, it managed to stay on course and delivered a consolidated profit before tax of RM87.1 million, some 25% higher over that of 2000. Whilst the improved results were, to a certain extent, contributed by the additional compensations received in relation to land previously compulsorily acquired, both the Plantation and Property Divisions, albeit at reduced operating profits, had performed commendably when benchmarked to their peers.

With the crude palm oil ("CPO") prices heading south throughout the major part of the year, the contribution from the Plantation Division unavoidably experienced a setback leading to lower pre-tax profit of RM31.7 million. It nevertheless was still an admirable achievement to stay profitable given that the Group's average selling price tumbled to RM883 per tonne, the lowest since 1991. Our continued efforts in enhancing operating efficiency and productivity in the past have put us in good stead at times like this.

On the property side, the market condition outside Klang Valley remained lethargic if not difficult. It is not unexpected that the contributions from the Group's projects in Johor, Melaka and Kedah were flat for the year under review. The Property Division recorded a pre-tax profit of RM12.5 million, mainly derived from Indahpura, the Group's flagship project in Kulai, Johor.

As mentioned in my previous reports, the structural brick factory under the Group's associated company, Asiatic Ceramics Sdn Bhd, has tried hard to keep afloat in the face

Penyata Pengerusi

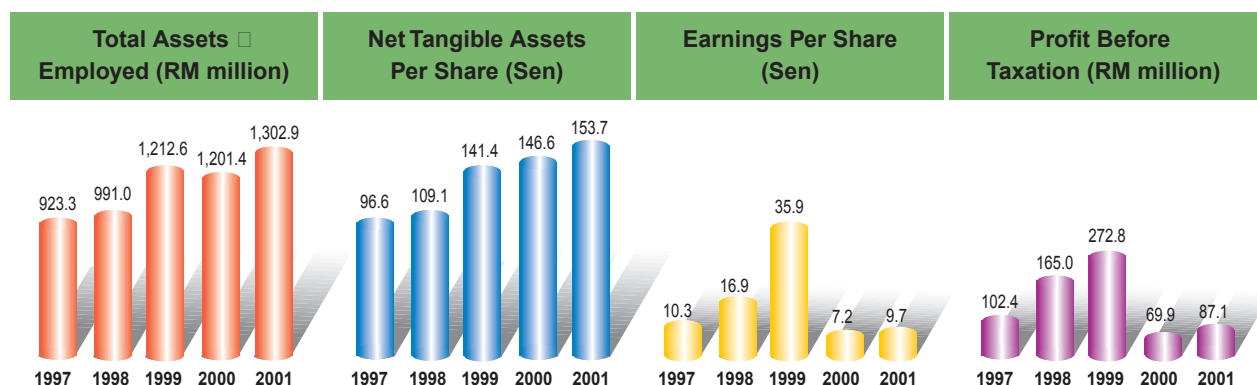
Saya, bagi pihak Ahli Lembaga Pengarah dengan sukacitanya membentangkan Laporan Tahunan serta Penyata Kewangan Syarikat dan anak-anak syarikat ("Kumpulan") untuk tahun berakhir 31 Disember 2001.

TINJAUAN PRESTASI

Tahun dalam kajian merupakan tahun yang cergas meskipun saingan yang hebat diterima oleh Kumpulan. Dalam suasana ekonomi yang menghadapi kelemahan harga minyak sawit dan pasaran hartanah yang lembap, namun pihak Kumpulan masih dapat menunjukkan kemampuannya dengan menghasilkan keuntungan sebelum cukai sebanyak RM87.1 juta, 25% lebih tinggi dari tahun 2000. Meskipun sebahagian keuntungan tersebut adalah hasil daripada pampasan tambahan yang diterima berhubung dengan serahan tanah yang diwajibkan sebelum ini dan berlakunya pula pengurangan dalam keuntungan operasi, adalah jelas bahawa Bidang Perladangan dan Hartanah telah menunjukkan prestasi baik yang boleh dibanggakan apabila dibandingkan dengan saingannya.

Apabila harga minyak sawit mentah ("MSM") turun begitu ketara di sebahagian besar tahun lepas, maka pulangan dari Perladangan tidak dapat dielakkan dari rencatan menyebabkan tahap keuntungan sebelum cukai menjadi lebih rendah sebanyak RM31.7 juta. Bagaimanapun, ianya masih satu pencapaian yang baik ke arah mengekalkan status perniagaan berkeuntungan melihat kepada purata harga jualan jatuh ke paras RM883 se tan, yang terendah sejak 1991. Usaha kita secara berterusan dalam meningkatkan keberkesanan operasi dan produktiviti telah meletakkan kita kuat dan teguh dalam situasi seperti sekarang.

Di lapangan hartanah pula, keadaan pasaran di luar Lembah Klang terus lembap atau sukar. Tidakkah memeranjatkan bahawa sumbangan dari projek di Johor, Melaka dan Kedah hanya mendatar dalam tahun di bawah kajian. Bidang Hartanah cuma mencatatkan keuntungan sebelum cukai sebanyak RM12.5 juta, yang mana sebahagian besar adalah dari Indahpura, projek unggul bagi Kumpulan di Kulai.



FINANCIAL HIGHLIGHTS

Year Ended 31 December	2001 RM'000	2000 RM'000	Change %
Operating revenue	199,863	230,783	-13
Profit before taxation	87,149	69,885	+25
Profit after taxation	72,686	54,507	+33
Profit attributable to shareholders	71,818	53,634	+34
Shareholders' equity	1,139,514	1,086,439	+5
Total assets employed	1,302,855	1,201,379	+8
Earnings per share (sen)	9.7	7.2	+35
Net dividend per share (sen)	2.5	2.2	+14
Dividend cover (times)	3.8	3.3	+15
Net tangible assets per share (sen)	153.7	146.6	+5
Return (after tax and minority interests) on average shareholders' equity (%)	6.5	5.0	+30

of stiff competition and declining demand. However, considering the prolonged slowdown in property and construction sectors unlikely to recover in the near future, the Group had discontinued its financial support and intends to divest its entire stake in the joint venture. The associated company was placed under receivership in December 2001.

CORPORATE DEVELOPMENT

In line with the Group's long term vision in furthering its plantation interest, it completed acquisitions of some 9,985 hectares of agricultural lands in Sabah during the course of the year. With these acquisitions, the Group's total landbanks are set to expand to over 50,000 hectares, an increase of nearly 24%, hence broadening the existing operation to benefit from economies of scale whilst widening its earning base.

DIVIDENDS

The Board of Directors has recommended a final dividend of 2.0 sen less 28% income tax per ordinary share for the year ended 31 December 2001. If approved by shareholders at the forthcoming Twenty-Fourth Annual General Meeting, the total dividend for the year inclusive of the interim dividend of 1.5 sen less 28% income tax per ordinary share of 50 sen each paid on 19 October 2001 will amount to a total distribution of RM18.7 million (2000: RM16.0 million).

FUTURE PROSPECTS

The global vegetable oil market is cyclical in nature. In a short span of less than five years, the plantation sector has seen the extremes in CPO prices, from the unprecedented

Seperti dalam laporan saya sebelum ini, kilang batu-bata struktur di bawah Syarikat bersekutu Kumpulan, Asiatic Ceramics Sdn Bhd, telah berusaha sedaya upaya untuk bertahan dalam keadaan saingan begitu hebat dan kekurangan permintaan. Bagaimanapun, setelah mengambil kira penurunan sektor hartanah dan binaan yang berpanjangan, maka Kumpulan telah mengambil keputusan memberhentikan sokongan kewangan dan bercadang untuk melepaskan semua pegangan. Syarikat bersekutu ini juga telah diletakkan di bawah "receivership" pada bulan Disember 2001.

PEMBANGUNAN KORPORAT

Selaras dengan wawasan jangka panjang Kumpulan dalam usaha meluaskan kepentingan perladangannya, maka Kumpulan telah selesai memperolehi beberapa bidang tanah pertanian seluas 9,985 hektar di Sabah di tahun dalam kajian. Dengan perolehan ini, maka jumlah keluasan tanah Kumpulan telah bertambah melebihi 50,000 hektar, pertambahan sebanyak 24%, dan ini telah memperluaskan operasi yang sedia ada untuk memberi faedah dari sudut ekonomi dan juga menambah pendapatan asasnya.

DIVIDEN

Ahli Lembaga Pengarah telah mengesyorkan dividen muktamad sebanyak 2.0 sen ditolak cukai pendapatan 28% sesaham biasa bagi tahun berakhir 31 Disember 2001. Jika diluluskan oleh pemegang saham pada Mesyuarat Agung Kedua Puluh Empat yang akan datang, dividen bagi tahun dalam kajian termasuk dividen interim 1.5 sen ditolak cukai pendapatan 28% sesaham biasa 50 sen setiap satu yang dibayar pada 19 Oktober 2001 akan berjumlah RM18.7 juta (2000: RM16.0 juta).

high of exceeding RM2,500 per tonne in 1998 to a historical low of under RM700 per tonne just a few months ago. Taking due cognisance of such vagaries of the agro business, the Group has long emphasised on yield enhancement and cost efficiency to embrace itself against the onslaught of future price volatility.

On a positive note, palm oil prices have recovered somewhat towards end of last year on the expectation of a seasonal tightening of world edible oil supplies. In addition, the demand resumption from India and Pakistan with fears of prolonged war allayed, the committed higher imports by China following its entry into World Trade Organisation coupled with the barter trade arrangement with India and China in exchange of railway lines have also contributed to the brighter outlook. Whilst the price spurts in recent months have been intermittent and volatile, an up-trend pattern is unmistakably in the making. Should the much-hoped-for price recovery materialises and remains sustainable, Plantation earnings is expected to be the growth driver for the Group in the coming year particularly with the increase in fresh fruit bunches production as our estates move into prime yielding brackets.

The Group has ventured into property development with the objectives to unlock the potential of its strategically located landbank and to reduce its dependence on single source income. Being a relatively new player, the Group has done well thus far despite the sluggish and competitive market environment. The Group recognises that township development may take several years to mature and before that is achievable, substantial sums may need to be incurred upfront to put in place the requisite infrastructure. However, on a long term view, it should benefit considerably from this readiness as the Group positions itself to capitalise on the next property upturn.

Whilst there are indications of bottoming-out of world recessionary trend, the economic recovery remains unclear or at best, mild and fragile. In view of the uncertainty, the Group will conduct smaller new launches and focus on medium-range residential properties. It will also continue to be innovative in development concept to meet consumer demands for higher standard of living environment. Given the Group's commitment and pragmatic approach towards its property projects, the Board is optimistic that the Property Division would contribute positively in the coming year.

PROSPEK MASA DEPAN

Industri minyak sayuran dunia dipengaruhi oleh pelbagai faktor dan keadaan semasa. Dalam jangka pendek kurang dari lima tahun, sektor pertanian telah memperlihatkan keterlaluhan dalam paras harga MSM, dari ketinggian yang melebihi RM2,500 se tan dalam tahun 1998 kepada kelembapan di bawah RM700 se tan beberapa bulan yang lalu. Menyedari sesuatu di luar jangkaan dalam bidang perniagaan pertanian boleh berlaku, maka Kumpulan telah memberi penekanan dan menitikberatkan penambahan hasil tuaian dan keberkesanan kos untuk melindungi diri dari diserang keruntuhan harga pada masa akan datang.

Secara positif, harga minyak sawit kian pulih sejak akhir tahun lepas di atas jangkaan bahawa bekalan minyak masak sedunia bermusim akan berkurangan. Tambahan pula, permintaan yang berterusan dari India dan Pakistan sesudah kebimbangan mereka terhadap perang telah reda, kadar impot yang lebih tinggi dari China berikutan penyertaannya dalam Organisasi Dagangan Dunia disertai pula dengan sistem tukar menukar dagangan dengan India dan China yang akan membina rangkaian jalan keretapi di Malaysia maka kesemuanya ini telah menyumbang kepada ramalan yang lebih cergas. Meskipun lonjakan harga dalam bulan-bulan lepas bersifat sementara dan tidak stabil, ianya merupakan satu proses kenaikan. Sekiranya kenaikan harga yang diharapkan berlaku dan terkawal, pulangan dalam Perladangan adalah diharapkan menjadi pemangkin dalam tahun mendatang terutamanya dengan pertambahan buah tandan basah memandangkan ladang-ladang kita menghala ke arah tuaian yang tinggi.

Kumpulan telah menceburkan diri dalam pembangunan hartanah dengan objektif untuk membuka satu peluang keuntungan dalam hartanah strategik yang tersimpan dan untuk mengurangkan pergantungan kepada satu sumber. Sebagai satu bidang baru, Kumpulan telah beroperasi dengan baik meskipun menghadapi saingan yang kuat. Kumpulan telah mengenalpasti bahawa rancangan pembangunan bandar akan mengambil masa beberapa tahun untuk matang dan sebelum ianya tercapai, jumlah wang yang besar perlu dibelanjakan untuk infrastruktur terdapan. Namun dalam jangka masa panjang, ianya sudah tentu akan menguntungkan kerana kita sudahpun membuat persediaan bagi mengaut faedah yang besar apabila pasaran hartanah berubah kepada keadaan yang lebih baik.

APPRECIATION

On behalf of the Board, I would like to welcome our new board member, Mr Quah Chek Tin who has previously been an alternate director to Dato' Lim Kok Thay, with full confidence that he will contribute positively towards the governance of our management.

To all the people behind the Group, the Board would like to convey its utmost gratitude for having performed their respective functions and roles with a high degree of effectiveness and efficiencies towards the achievement of the results. Lastly, we would also like to thank our shareholders and business associates for their unwavering support and confidence.

Walaupun ada tanda-tanda krisis ekonomi semakin reda, pemulihannya masih lagi belum ketara ataupun terlalu perlahan dan tidak kukuh. Memandangkan ketidakpastian ini, Kumpulan akan mengadakan pelancaran baru secara kecil-kecilan dengan memfokus kepada perumahan kos sederhana. Ianya akan berterusan menjadi pembaharuan dalam konsep pembangunan kita bagi memenuhi permintaan pengguna yang inginkan taraf kediaman yang lebih selesa. Dengan adanya komitmen dan langkah pragmatik ke arah projek hartanah, pihak Lembaga Pengarah adalah optimis bahawa Bahagian Hartanah mampu memberi sumbangan yang positif di tahun yang akan datang.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengalu-alukan perlantikan ahli lembaga pengarah baru, Encik Quah Chek Tin yang sebelum ini merupakan pengarah silihan kepada Dato' Lim Kok Thay, dan menaruh penuh keyakinan bahawa beliau akan dapat membantu dan memberi sumbangan positif terhadap pengurusan syarikat.

Kepada semua yang berganding bahu untuk Kumpulan, pihak Lembaga Pengarah ingin merakamkan penghargaan dan ucapan terima kasih yang tidak terhingga dalam menjayakan tugas dan memainkan peranan masing-masing dengan keberkesanan, kecekapan dan pencapaian yang tinggi. Akhir kata, kami juga ingin mengucapkan terima kasih kepada pemegang-pemegang saham Kumpulan dan rakan perniagaan di atas sokongan dan keyakinan yang tidak berbelah bagi.

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TAN SRI MOHD AMIN BIN OSMAN

Chairman

22 April 2002

TAN SRI MOHD AMIN BIN OSMAN

Pengerusi

22 April 2002

主席文告

我謹代表董事部欣然呈獻本公司及其子公司（本集團）截至2000年12月31日的常年報告及已審核的財政報告。

業績檢討

雖然在這一年面對巨大的挑戰，本集團的業務活動卻是頻繁的。處于一個趨軟的棕油價格及產業市場的經濟困境，本集團仍能照常運作，並取得八千七百一十萬零吉的稅前盈利，比2000年的稅前盈利增多了25%。雖然業績的改善在某種程度上是因過去強制徵用土地而獲得的額外賠償所致，若以其同行的業績作基準，種植及產業組的表現應受讚揚，雖然營運盈利已減少。

由于這一年大部份時間的原棕油價格趨軟，種植組的貢獻無可避免地遭受挫折，導致其稅前盈利降低至三千一百七十萬零吉。雖然如此，若以本集團自1991年來每噸平均售價跌至最低883零吉來看，能保持盈利仍是一項令人激賞的成就。過去我們在提升運作效率及生產力所作的不斷努力，已使我們安然渡過此艱難時期。

產業組方面，巴生谷之外的市況仍然呆滯。因此這一年，本集團在柔佛、馬六甲及吉打的計劃取得平平的業績是預料中事。產業組取得一千二百五十萬零吉的稅前盈利，主要是來自本集團在柔佛古來的最大計劃，即英達布拉建屋計劃。

一如我在前報告中所說的，本集團聯號公司，即亞地瓷磚私人有限公司轄下的結構磚廠，在面對激烈競爭及需求下降的情況下，仍努力不懈，求取生存。不過，在考慮到近期内產業將持續放緩，以及建築業不可能復蘇，本集團已停止給予資助，並打算脫售其在聯營投資中的全部股權。該家聯號公司已在2001年12月被接管。

企業發展

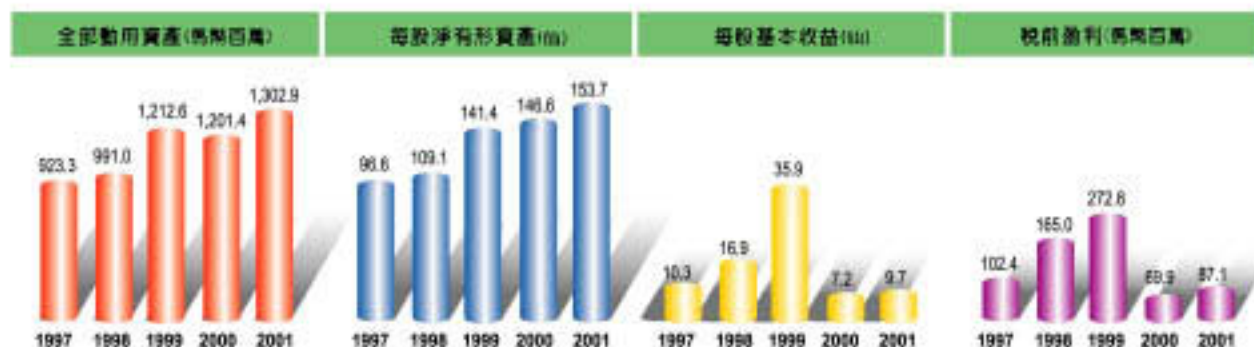
為了促進其種植利益的長遠理想，在這一年裡，本集團已完成收購位于沙巴的9,985公頃的農業地。隨著此項收購，本集團的總地庫將增加24%而達5萬公頃以上，因而擴大其現有的運作，從規模經濟中受惠，同時也擴大其收益基礎。

股息

本董事部已建議在截至2001年12月31日的年度，分發2仙，但須扣28%所得稅的中期股息。若獲取將來臨的第24屆常年股東大會的批准，這一年的股息總額，包括已在2001年10月19日付出的每一普通股享有1.5仙，但須扣28%所得稅的中期股息，將高達一千八百七十萬零吉（2000年一千六百萬零吉）。

未來前景

全球的菜油市場是週期性的。在短短不到5年內，種植業已看到原棕油價格走向極端，即從1988年每噸超過



財政重點

截至12月31日年度	2001 馬幣 百萬	2000 馬幣 百萬	相差 %
營運收入	199,863	230,783	-13
稅前盈利	87,149	69,885	+25
稅後盈利	72,686	54,507	+33
歸股東盈利	71,818	53,634	+34
股東投資	1,139,514	1,086,439	+5
全部動用資產	1,302,855	1,201,379	+8
每股基本收益(仙)	9.7	7.2	+35
每股淨股息(仙)	2.5	2.2	+14
股息補定率(倍數)	3.8	3.3	+15
每股淨有形資產(仙)	153.7	146.6	+5
平均股東投資(在扣稅及少數股東利益後)的回報率(%)	6.5	5.0	+30

2,500零吉的史無前例高價，跌至數月前每噸低過700零吉的有史以來低價。在考慮到農產生意此項變幻無常的價格後，本集團早已著重產量的提升及成本的效率，以防止本身受到未來價格大跌的打擊。

還好好的是，去年年尾棕油的價格在世界食油供應面對季節性吃緊的預期中，已多少收復失地。此外，在延續交戰的恐懼獲得緩和的情況下，印度和巴基斯坦的需求已回復。中國在進入世界貿易機構之後所作的更高進口承諾，加上與印度和中國之間物物交換貿易的安排，以換取鐵軌，也助使創造更光明的前景。雖然最近幾個月來面對價格斷斷續續及飄浮不定地急劇上升，無可置疑的一個上升趨勢的格局已經形成。若殷切期望中的價格復蘇成為事實，而且能保持下去，種植的收益預料在來年將由于我們的園地進入旺盛收成期而提高棕油的生產，而成為本集團的增長能手。

本集團投資在產業發展，旨在開發其位于策略性地點的地庫潛能，以及減低它對單一收入來源的依賴。雖然我們進軍此行業不久，又面對呆滯和競爭的市況，本集團迄今的表現還算好。本集團承認，市鎮發展業也許要好幾年才能有收成，而在獲致收成前，有需預先付出大筆款項，以建好所需

的基本設施。但以長遠來看，由于本集團在下一輪的產業飆升處於有利出擊地位，此項準備就緒之舉將會使我們受益不淺。

雖然跡象顯示世界經濟衰退趨勢已見底，經濟復蘇仍然未明朗化，最多只能說是溫和及脆弱。鑑于情況的難於預料，本集團將進行較小的新房屋推展，並集中發展中價住宅產業。它也將繼續以創新的發展概念，應付消費者對生活環境較高水平的需求。由于本集團對其產業計劃所作的承諾和採取的實際手法，董事部對產業組能在來年作出積極貢獻甚感樂觀。

致謝

我謹代表董事部歡迎新的董事成員柯建伯先生。柯氏前為拿督林國泰的替代董事。我深具信心他將對公司管理層的監管作出積極的貢獻。

對那些居集團幕後的人來說，董事部也要對他們以高度效率來執行各自任務，以獲致佳績，表示萬分謝意。最後，我們也要對我們的股東及商界同仁給予堅定不移的支持和信心致以謝意。

主席
丹斯里莫哈末阿敏
2002年4月22日

Review of Operations

PLANTATION

Bearish sentiments continued to dominate the palm oil market for the major part of the year under review. The palm oil price was down to sub-RM700 per tonne level by the same negative factors carried over from the year before - the build up of palm oil inventory reaching an all time high of 1.52 million tonnes, the bumper harvest of other competing edible oils and the high discriminating import tariff against palm oil by India, a major buyer. In an effort to stem the rapidly deteriorating situation, a series of recovery initiatives were implemented by the Government including duty free direct export of crude palm oil ("CPO"), old palms replanting incentive scheme and CPO burning as biofuel for power generation, all of which were aimed at easing the onerous stock surplus. The swift proactive action taken by our Government should be lauded as it did provide some respite to the palm oil industry with prices, firming up in the third quarter of 2001, breaching RM1,200 per tonne. Just when positive news came in and the market became firmer, the terrorist attack in the United States and the retaliatory warfare in Afghanistan sent prices reeling down again to below RM900 per tonne. It was fortunate that such a reaction subsided quickly and fear of prolonged war allayed. With the pent up demand from Pakistan and India as well as the accession of China into World Trade Organisation end of the year, CPO prices staged a rebound and have since stabilised at around RM1,050 per tonne.

As a consequence of such trying and volatile trading conditions, the Group's 2001 average selling price for CPO took a severe hit dipping by RM117 per tonne to RM883 per tonne when compared with that of 2000. Even more drastic is the extent of plunge in the Group's average selling price realised for palm kernel ("PK") from RM703 per tonne last year to RM438 per tonne representing a hefty 38% drop, a level not seen for many years past.



Presentation ceremony of MS ISO 9002:1994 Quality Systems Certificate to Ayer Item Oil Mill by SIRIM QAS Sdn Bhd.



Newly constructed storage tanks at our Sabah mills to cope with increasing production.

Although the drastic fall in palm oil prices resulted in eroding margin, the Plantation Division still returned a respectable earnings before tax of RM31.7 million, contributing 36% of the consolidated profit before tax of the Group. The profitable performance is a creditable achievement indeed and ranked us among the low cost producers. It is gratifying to note that the Group has managed to further reduce its unit production cost by 13% without cutting back the optimum level of fertiliser and maintenance inputs. This will ensure high yield be sustained when prices pick up.

Another noteworthy achievement is the continuation of the incremental trend of fresh fruit bunches ("FFB") yield with 6% gain at 21.4 tonnes per hectare from 20.2 tonnes per hectare previously. Reflecting the higher yield, FFB harvested for the year maintained its uptrend surpassing 700,000 tonnes for the first time to register 700,275 tonnes. The rising yield pattern is likely to accelerate as the young palms in the Tenegang Group of Estates will reach their prime. Nevertheless, with the addition of new land yet to be planted and the sizeable hectareage of old palms replanted, a certain degree of diluting effect is unavoidable on average yield per hectare.

Underpinned by the surge in FFB harvest, the Group's oil mills stepped up the FFB intake inclusive of third party crops to a record throughput of 706,775 tonnes. Correspondingly, the milling capacity utilisation improved to 84% as against 81% last year. Arising therefrom, CPO production registered a 6% jump amounting to 135,263 tonnes whilst PK production likewise rose to 37,043 tonnes. In order to cater for the growing CPO production and to minimise disruption to estate harvesting and CPO despatches, additional bulking tanks of some 2,000 tonnes were constructed at our Sabah mills.

The average oil and kernel extraction rate continued to press forward progressing from 19.0% and 5.2% for last financial year to 19.2% and 5.3% respectively. Of interest is the superior yield attained by the crops from the young areas in Sabah. With the progressive maturing profile of these palms and the accelerated planting at the newly acquired land, the Sabah plantations in the long run will provide a strong impetus for future yield enhancement.

The year under review saw the successful completion of the implementation of ISO9002 Quality Management System at Ayer Item Oil Mill. The presentation of the SIRIM accreditation certificate was witnessed by the Minister of Primary Industries on 30 April 2001.

In view of the economic downturn and alarming unemployment rate, our Government imposed more stringent conditions on employing foreign workers. However, where it relates to the plantation industry, the Government has been very sympathetic to allow the continued employment of such workers for up to 5 years. This is a huge relief and a big 'thank you' to the Government is in place.

The Group's replanting programme involves not only replacing the old tall palms which are undergoing natural yield decline but also replacing rubber areas with oil palms. The last of some 508 hectares of rubber plantation were phased out during the year in favour of oil palms. Meanwhile, in response to the Government's call for accelerated replanting, a total of 1,186 hectares of old oil palm estates were cleared. The Division incurred a sum of RM8.6 million on replanting and maintenance of immature fields.

Several significant acquisitions took place in the course of the year which demonstrated the Group's fervour and continued faith in the oil palm business. With Tenegang Group of Estates being fully planted, these acquisitions could not be more timely. At Pulau Jambongan, an island off the coastal town of Kanibongan, northeast of Sabah, the Group has to date in possession of about 963 hectares of small contiguous parcels of vacant land at a cost of RM4.8 million. The Group plans to acquire a sizeable area before commencement of oil palm cultivation on the island. As for the new plantation land at Sungai Tongod near Telupid in the district of Kinabatangan, Sabah, it was purchased for a total consideration of RM56.0 million. This 8,830-hectare land is currently being developed with some 4,300 hectares expected to be planted by end of 2002. The Group intends to speed up the completion of the planting programme by 2004. In addition, the Group has also acquired some 192.4



Signing ceremony for the acquisition of plantation land at Sungai Tongod.



Development works at Phase 1 of the newly acquired land at Sungai Tongod (top); Yg Bhg Tan Sri Mohd Amin bin Osman officiating planting works at Phase 2 (bottom).

hectares of land which is adjacent to Sri Tanjung Estate for RM1.4 million. In view of these acquisitions and new planting activities in the pipeline, the Group will be ploughing back monies in the form of capital expenditure. The Group has enough reserves to fund the projects.

Notwithstanding the lower FFB supplies from the nearby estates as a result of aggressive sourcing by competing oil mills, Serian Palm Oil Mill, the Group's 40% owned joint venture with Sarawak Land Consolidated and Rehabilitation Authority ("SALCRA"), continued to post commendable results and higher than average oil extraction rates. The 30 tonnes per hour oil mill processed 137,000 tonnes of FFB achieving a capacity utilisation of 85%.

PROPERTY DEVELOPMENT

The property sector, which witnessed a slowdown towards the second half of the year 2000, extended its weakness into the year under review. The industry was burdened with high inventory overhang particularly commercial and industrial properties, languishing stock market and fears of rising unemployment. This was made worse by anticipation of a global economic slowdown. Outside the Klang Valley, the impact is more pronounced as take-up rate for the Group's property projects in Johor, Kedah and Melaka generally slackened even with low interest rates, easy accessibility to loans and other stimulus measures put in place by the Government.

With purchasers adopting a budget conscious stance, preference was towards affordable properties whilst demand for higher range properties were muted. Operating under such difficult conditions, the Division did fairly well to contribute a pre-tax profit of RM12.5 million on the back of RM43.9 million progressive revenue.

The main profit contributor remains the Group's priced jewel in the southern state of Johor, Indahpura or 'beautiful city' in Sanskrit, which spans an area of 8,000 acres in the Kulai district, a short distance away from Johor Bahru and Singapore. During the year, active participation by the Division in property exhibitions coupled with demand driven marketing strategies bore fruit where sales of RM31.2 million were transacted. As predicted in our last report, demand for medium range housing remained firm judging from the good take-up rate for our medium-cost single- and double-storey terrace houses, which contributed sales of RM18.2 million. In addition, the Division also managed to

finalise the sale of 10 acres of industrial land despite the languid market for such property.

During the year, 209 units of residential houses were completed and handed over to purchasers and it is encouraging to note that the take-up rate for these units were near 100%. Given the good response from the public towards our residential development, some additional medium cost double-storey terrace houses will be offered for sale in early 2002. In addition, the Division also launched some double- and three-storey shop offices strategically located at the prime area near the main gateway to Indahpura, a stone's throw away from the bustling residential area. These lower rise shop offices would complement the existing four-storey shop offices and will cater for the demands of the market for such properties.



Sekolah Kebangsaan Taman Indahpura 1 - One of the many schools at Indahpura project.

Despite the underlying profit motive of every developer, our commitment towards social responsibility has been high on our list of priorities and we are pleased to inform that the 1,040 low-cost apartments in Indahpura under the 'Rumah Rakyat' scheme have been almost fully sold during the year.

As Permaipura in Kedah evolves into a more populous township with more bungalow owners shifting in, awareness towards our project has noticeably picked up. With the efforts of our marketing team, we have managed to bring in additional sales of bungalow lots, bringing to date sales of this particular development to 90%. That aside, Permaipura for the year under review has been uneventful with no new launches, as the property market up north has not been encouraging. Notwithstanding this, the Division is closely monitoring the market and new launches will be undertaken when the timing is right.

As in the case of Permaipura, Desa Cheng Perdana in Melaka saw no major development during the year as the Division focussed their attention on clearing stocks of Bumiputera residential and commercial units. The cause was made easier with the kind consideration of the local authorities, which have granted us Bumiputera release on



Double-storey terrace house (Cassia C), Indahpura.



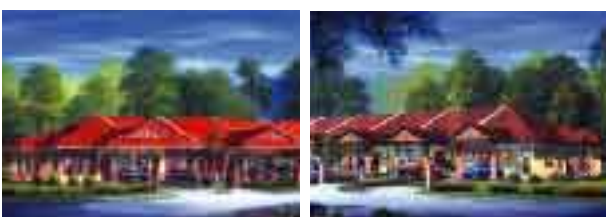
Double-storey shop offices, Indahpura.

some of these units. With inventories reaching a more comfortable level, the Division is in the midst of finalising its development plans for the current year, which may include some new launches of residential units.

Since the Permaipura Golf & Country Club ("PGCC") commenced operations in 1997, it has been operating under intense competition from more established golf courses nearby. As such, it was indeed satisfying to note that the outfit had turned in an operating profit before depreciation for 2001. The better performance can be traced to intensified marketing efforts in promoting tournament packages and channeling the sale of golf coupons through local tour operators which in turn saw increased patronage to the golf club. To further enhance PGCC as a recreational retreat, a swimming pool with an adjoining wading pool was constructed during the year and upgrading works commenced on the golf course to feature more challenging fairways and greens. All these, we believe will help increase the awareness towards PGCC and elevate its stature amongst the local golfing fraternity.

Our joint venture with Johor Corporation Berhad, Sri Gading industrial estate project, fared better in 2001 by contributing some RM0.8 million in pre-tax profit through the sale of its industrial land from existing stock.

Some 108 hectares of estate land in various locations were acquired by the Government for infrastructure and other public projects during the year.



Affordable single-storey houses to capture current demand (Rose, Tulip - left and right respectively), Indahpura.

HUMAN RESOURCE

In developing a high performance organisation with committed and competent workforce capable of delivering business results, the Group has strived to nurture the talent and develop maximum potential of its employees by providing a conducive yet challenging climate at work. In addition, comprehensive trainings, both external and in-house, are provided to employees at all levels to equip them in responding to the ever-changing business environment and customer needs.



Golfers participating at the 2001 Tan Sri Mohd Amin Golf Challenge Trophy at Awana Genting Highlands.

The theme of the 21st Management Conference - "Back to Basics - Higher Yield, Lower Costs" was most appropriate amidst the severe plunge in CPO prices to a level that challenged the well being of the oil palm industry. With prices and market forces beyond our control, yield and cost management will feature prominently in the survival of the plantation business. The delegates were urged to refine the old practices that stand in the way of progress and to embark on new proven techniques to boost yield. Two other in-house training programmes were held in Sri Tanjung Estate and Batu Pahat during the year covering budget management and internal controls.

In 2000, the Company implemented the Executive Share Option Scheme ("ESOS") with the approval of the shareholders. As at 31 December 2001, a total number of 3,136,000 share options were allocated by the Company and accepted by the executives.

The principal objective of the ESOS is to induce our staff to contribute the utmost to the Company as their interest is inevitably tied to the achievement of the Company.















Forum Panelist at 21st Management Conference.
















Participants at the annual Management Conference.

List of Group Properties

-  Rubber
-  Oil Palm
-  Permaipura Golf & Country Club
-  Orchard
-  Property Development
-  Office
-  Vacant Land
-  Mill
-  Factory
-  Plantation
-  Property Project
-  Unplanted Agricultural Land



Properties & Location	Tenure	Unexpired Lease Period (years)	Hectares		Description	Age Of Buildings (years)	Year Of Acquisition/Revaluation*	Net Book Value As At 31 Dec 2001 (RM million)
			Plantation	Property Development				
PENINSULAR MALAYSIA								
A. NORTH								
1. Paya Kamunting Estate, Jitra, Kedah	Freehold		529				1981*	7.8
2. Bukit Sembilan/Riverside Estate, Baling/Sg. Petani, Kedah	Freehold		817	131		6	1981*	56.9
3. Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	Freehold		1,853				1981*	24.1
B. CENTRAL								
4. Bute/Dominion Estate, Sepang & Ulu Langat, Selangor	Freehold		666				1981*	13.8
5. Tebong/Repah Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold		2,329				1981*	29.9
6. Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	Freehold		793	13			1981*	26.9
7. Tanah Merah Estate, Tangkak, Johor	Freehold		1,820				1981*	25.5
C. SOUTH								
8. Sg. Rayat Estate, Batu Pahat, Johor	Freehold		1,707				1983	29.5
9. Sri Gading Estate, Batu Pahat, Johor	Freehold		3,662				1983	65.6
10. Sing Mah Estate, Air Hitam, Johor	Freehold		669			21	1983	13.1
11. Kulai Besar (North) Estate, Simpang Renggam, Johor	Freehold		634				1983	11.9
12. Kulai Besar Estate, Kulai, Johor	Freehold		2,538	120		12	1983	327.6
13. Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold		176	100			1996	86.6



Properties & Location	Tenure	Unexpired Lease Period (years)	Hectares		Description	Age Of Buildings (years)	Year Of Acquisition/ Revaluation*	Net Book Value As At 31 Dec 2001 (RM million)
			Plantation	Property Development				
SABAH								
14. Sabapalm Estate, Labuk Valley, Sandakan (Expiring on 9/7/2887)	Leasehold (999 yrs)	886	4,077			31	1991	39.7
(Expiring on 31/12/2085)	Leasehold (99 yrs)	84	283				1991	
15. Sri Tanjung Estate, Kinabatangan (Expiring on 31/12/2086)	Leasehold (99 yrs)	85	4,153			7	1988	41.8
(Expiring on 31/12/2096)	Leasehold (99 yrs)	95	192				2001	1.6
16. Sri Bahagia Estate, Kinabatangan (Expiring on 31/12/2086)	Leasehold (99 yrs)	85	3,941				1988	28.2
17. Sri Tenegang Estate, Kinabatangan (Expiring on 31/12/2088)	Leasehold (99 yrs)	87	4,047				1990	30.3
18. Sri Landworthy Estate, Kinabatangan (Expiring on 31/12/2083)	Leasehold (99 yrs)	82	4,039				1992	31.1
19. Sri Layang Estate, Kinabatangan (Expiring on 31/12/2090)	Leasehold (99 yrs)	89	1,683				1993	14.9
20. Pulau Jambongan, Beluran (Expiring on 31/12/2072)	Leasehold (99 yrs)	71	693					
(Expiring on 31/12/2074)	Leasehold (99 yrs)	73	102				2001	4.8
(Expiring on 31/12/2077)	Leasehold (99 yrs)	76	168				2001	
21. Tongod, Kinabatangan (Expiring on 31/12/2096)	Leasehold (99 yrs)	95	8,830				2001	59.7
OTHER PROPERTIES OWNED								
22. Bangi Factory, Selangor (Expiring on 29/9/2086)	Leasehold (99 yrs)	85	12,140			20	1990	2.4
			(sq.m)					
23. Asiatic Regional Office, Sandakan, Sabah (Expiring on 9/7/2887)	Leasehold (999 yrs)	886	1,206			17	1991	0.1
			(sq.m)					
24. Asiatic Vegetable Oils Refinery, Sandakan, Sabah (Expiring on 31/12/2080)	Leasehold (99 yrs)	79	8				1992	2.4
PROPERTIES MANAGED								
25. Bundoora Estate, Ulu Yam, Selangor	Freehold		105					
26. Serian Palm Oil Mill, Serian, Sarawak	Leasehold (60 yrs)	53	31			5		

Corporate Governance

The Malaysian Code on Corporate Governance (“the Code”) introduced in March 2000 was incorporated into the Listing Requirements of the Kuala Lumpur Stock Exchange in June 2001.

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. Set out below is a statement on how the Company has applied the principles and complied with the best practices set out in Parts 1 and 2 of the Code.

A. DIRECTORS

(i) The Board

The Board has overall responsibility for the proper conduct of the Company’s business. The Board meets on a quarterly basis and additionally as required. The Board has a formal schedule of matters specifically reserved for its decision, including overall strategic direction, annual operating plan, capital expenditure plan, acquisitions and disposals, major capital projects and the monitoring of the Group’s operating and financial performance.

Subsequent to the introduction of the Code, the Board established the Nomination Committee and Remuneration Committee to assist the Board in the discharge of its duties.

During the year under review, six meetings of the Board were held and all Directors have complied with the requirements in respect of board meeting attendance as provided in the Articles of Association.

The details of Directors’ attendances are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Mohd Amin bin Osman	6
Dato' Baharuddin bin Musa	6
Dato' Lim Kok Thay	3
Tan Sri Lim Goh Tong	4
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	6
Encik Mohd Din Jusoh	6
Dato' Siew Nim Chee	6
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	6
Mr Quah Chek Tin (ceased to be the alternate to Dato' Lim Kok Thay and appointed as a Director on 19.10.01)	5

(ii) Board Balance

- The Board has nine members, three executive Directors and six non-executive Directors. Four of the six non-executive Directors are independent non-executive Directors. The Directors have wide ranging experience and all have occupied or currently occupy senior positions both in the

public and private sectors. The independent non-executive Directors provide a strong independent element on the Board with Dato' Siew Nim Chee as the senior independent non-executive Director to whom concerns may be conveyed. The independent non-executive Directors also participate in the Audit, Remuneration and Nomination Committees as members of these Committees.

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A brief profile of each of the Directors is presented on pages 8 and 9 of this Annual Report.

(iii) Supply of Information

Notice of meetings, setting out the agenda and accompanied by the relevant Board papers are given to the Directors in sufficient time to enable the Directors to peruse, obtain additional information and/or seek further clarification on the matters to be deliberated.

As a Group practice, any Director who wishes to seek independent professional advice in the furtherance of his duties may do so at the Group’s expense. Directors have access to all information and records of the Company and also the advice and services of the Group Company Secretary.

(iv) Appointments to The Board

The Nomination Committee comprising entirely of independent non-executive Directors is responsible for identifying and recommending to the Board suitable nominees for appointment to the Board and Board Committees.

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On appointment, Directors are provided with information about the Group and are encouraged to visit the sites of the Group’s operating units and meet with key senior executives.

All the Directors have attended the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysis. In addition, in-house courses covering subjects such as directors’ duties in the light of corporate governance, internal control and risk management were held for them.

The members of the Nomination Committee are as follows:

Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad
Dato' Siew Nim Chee
Encik Mohd Din Jusoh

(v) Re-election

The Articles of Association of the Company provide that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire once in every three years. A retiring Director is eligible for re-election. The Articles of Association also provide that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next Annual General Meeting to be held following his appointment.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act 1965.

B. DIRECTORS' REMUNERATION

The Remuneration Committee comprising three independent non-executive Directors and one of the Joint Chief Executives is responsible for making recommendations to the Board on the remuneration packages of executive Directors and members of Board Committees. In making recommendations to the Board, information provided by independent consultants and appropriate survey data are taken into consideration. The Board as a whole, determines the level of fees of non-executive Directors and executive Directors. Directors' fees are approved at the Annual General Meeting by the shareholders. Directors do not participate in decisions regarding their own remuneration packages.

The members of the Remuneration Committee are as follows:

Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad
Dato' Siew Nim Chee
Encik Mohd Din Jusoh
Dato' Baharuddin bin Musa

Details of the Directors' remuneration are set out on page 44 of the Audited Financial Statements in this Annual Report. In the interest of security, additional information have not been provided other than the details stipulated in the Listing Requirements of the Kuala Lumpur Stock Exchange.

C. SHAREHOLDERS

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Company's Annual General Meeting remains the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and to ask questions about the resolutions being proposed and the operations of the Group.

The Group maintains a website at www.asiatic.com.my which provides information relating to annual reports, press releases, quarterly results, announcements and corporate developments.

The Group also participates in investor forums held locally and abroad and also organises briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

- The Board aims to ensure that the quarterly reports,

annual financial statements as well as the annual review of operations in the annual report are presented in a manner which provides a balanced and understandable assessment of the Company's performance and prospect.

The Directors are also required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

A statement by the Board on its responsibilities for preparing the financial statements is set out on page 57 of this Annual Report.

(ii) Internal Control

The Board is responsible for the Group's system of internal control and risk management and for reviewing its adequacy and integrity. While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system is designed to manage rather than eliminate risks and therefore cannot provide an absolute assurance against material misstatement or loss.

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the Group has in place, an adequately resourced internal audit department. The activities of this department which reports regularly to the Audit Committee provide the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. The Board will be reporting on its review of the system of internal control in next year's annual report.

(iii) Relationship With Auditors

The Company through the Audit Committee, has an appropriate and transparent relationship with the external auditors. In the course of audit of the Group's operations, the external auditors have highlighted to the Audit Committee and the Board, matters that require the Board's attention. All Audit Committee meetings are attended by the external auditors for purposes of presenting their audit plan and report and for presenting their comments on the audited financial statements.

E. OTHER INFORMATION

Material Contracts

Material Contracts of the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in Note 31 to the financial statements under "Significant Related Party Disclosures" on page 55 of the Annual Report.

Audit Committee Report

MEMBERSHIP

The present members of the Audit Committee ("Committee") comprise:

Dato' Siew Nim Chee □	Chairman/Independent Non-Executive Director
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad □	Member/Independent Non-Executive Director
Encik Mohd Din Jusoh* □	Member/Independent Non-Executive Director
Dato' Baharuddin bin Musa □	Member/Non-Independent Executive Director
Mr Quah Chek Tin* □	Member/Non-Independent Non-Executive Director

* Appointed on 19 October 2001

The Committee was established on 26 July 1994 to serve as a Committee of the Board. The Terms of Reference of the Committee are set out below.

On 19 October 2001, the Board approved the revised Terms of Reference to conform to the revamped Listing Requirements of the Kuala Lumpur Stock Exchange.

ATTENDANCE AT MEETINGS

During the year the Committee held a total of five (5) meetings. Details of attendance of the Committee members are as follows:

Name of Member	Number of Meetings Attended
Dato' Siew Nim Chee □	2
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad □	5
Encik Mohd Din Jusoh* □	1
Dato' Baharuddin bin Musa □	5
Mr Quah Chek Tin* □	1

* Appointed on 19 October 2001

SUMMARY OF ACTIVITIES

The Committee carried out its duties in accordance with its Terms of Reference.

The main activities carried out by the Committee were as follows:

- (i) considered and approved the internal audit plan for the Company and the Group and authorised resources to address risk areas that have been identified;
- (ii) reviewed the internal audit reports for the Company and the Group;
- (iii) reviewed the external audit plan for the Company and the Group with the external auditors;
- (iv) reviewed the external audit reports for the Company and the Group with the external auditors;
- (v) reviewed the quarterly and annual reports of the Company and the Group, focusing particularly on:
 - (a) changes in or implementation of major accounting policy changes;
 - (b) significant and unusual events; and
 - (c) compliance with accounting standards and other legal requirements;
- (vi) considered and approved the proposed criteria and procedures for the disclosure of related party transactions in accordance with the Malaysian Accounting Standards Board No. 8 and the Companies Act;
- (vii) reviewed related party transactions of the Company and the Group;
- (viii) reviewed additional disclosure requirements in accordance with the revamped Listing Requirements of the Kuala Lumpur Stock Exchange;
- (ix) reviewed the proposed audit fees for the external auditors in respect of their audit of the Company and the Group for the financial year ended 31 December 2000;
- (x) considered the reappointment of the external auditors for recommendation to the shareholders for their approval; and
- (xi) reviewed the Financial Statements of the Company and of the Group for the financial year ended 31 December 2000.

INTERNAL AUDIT FUNCTION

The Group has an adequately resourced internal audit department to assist the Board in maintaining a sound system of internal control. The internal audit department reports to the Committee and is independent of the activities they audit. The primary role of the department is to undertake regular and systematic review of the systems of internal control so as to provide sufficient assurance that the Group has sound systems of internal control and that established policies and procedures are adhered to and continue to be effective and satisfactory.

The Group has also implemented a risk-based approach to establishing a sound system of internal control.

TERMS OF REFERENCE

The Committee is governed by the following terms of reference:

1. Composition

- (i) The Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors; shall consist of not less than three members, a majority of whom are independent non-executive Directors; and at least one member of the audit committee:
 - (a) must be a member of the Malaysian Institute of Accountants; or
 - (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
- The Chairman shall be an independent non-executive Director elected by the members of the Committee.
- (ii) In the event of any vacancy in the Committee resulting in the non-compliance of paragraph (i)

above, the Board must fill the vacancy within 3 months.

- (iii) The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries within its terms of reference, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to obtain independent professional or other advice and retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

3. Responsibility

The Committee is to serve as a focal point for communication between non-Committee Directors, the external auditors, internal auditors and the Management on matters in connection with financial accounting, reporting and controls. The Committee is to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

If the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Kuala Lumpur Stock Exchange's ("the Exchange") Listing Requirements, the Committee shall promptly report such matter to the Exchange.

4. Functions

The functions of the Committee are as follows:

- (i) review with the external auditors, their audit plan;
- (ii) review with the external auditors, their evaluation of the system of internal accounting controls;

- (iii) review with the external auditors, their audit report;
- (iv) review the assistance given by the Company's officers to the external auditors;
- (v) review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (vi) review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (vii) review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
 - (a) changes in or implementation of major accounting policy changes;
 - (b) significant and unusual events; and
 - (c) compliance with accounting standards and other legal requirements;
- (viii) review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- (ix) consider the nomination, appointment and re-appointment of external auditors; their audit fees; and any questions on resignation and dismissal.

5. Meetings

- (i) The Committee is to meet at least four times a year and as many times as the Committee deems necessary.
- (ii) In order to form a quorum for any meeting of the Committee, the majority of members present must be independent.
- (iii) The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company regulating the meetings and proceedings of the Board so far as the same are applicable.

- (iv) The Chief Financial Officer and the head of internal audit shall normally attend meetings of the Committee. The presence of a representative of the external auditors will be requested if required.
- (v) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the Directors or Shareholders of the Company.
- (vi) At least once a year, the Committee shall meet with the external auditors without the presence of any executive Director.

6. Secretary and Minutes

- The Secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company's Directors who are not members of the Committee.
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Directors' Report and Statement by Directors Pursuant To Section 169 (15) Of The Companies Act, 1965

The Directors of **ASIATIC DEVELOPMENT BERHAD** have pleasure in submitting their report together with their statement pursuant to Section 169(15) of the Companies Act, 1965 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The Company is principally involved in plantation and investment holding.

The principal activities of the Group include plantation and property development.

Details of the principal activities of the subsidiary and associated companies are set out in Note 32 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit from ordinary activities before taxation	87,149	57,838
Taxation	(14,463)	(15,916)
Profit from ordinary activities after taxation	72,686	41,922
Minority interests	(868)	-
Net profit for the year	<u>71,818</u>	<u>41,922</u>

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

- (i) a final dividend of 1.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM8,006,418 in respect of the financial year ended 31 December 2000 and which has been dealt with in the previous Directors' report was paid on 20 July 2001; and
- (ii) an interim dividend of 1.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM8,006,418 in respect of the financial year ended 31 December 2001 was paid on 19 October 2001.

The Directors recommend payment of a final dividend of 2.0 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 22 July 2002 to shareholders registered in the Register of Members at the close of business on 2 July 2002. Based on the issued and paid-up ordinary shares of the Company as at the date of this report, the final dividend would amount to RM10,675,224.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES, DEBENTURES AND SHARE OPTION

There were no issue of shares and debentures during the financial year.

The following Option to take up unissued ordinary shares in the Company previously granted to executive employees of the Group under the Asiatic Executive Share Option Scheme, was outstanding as at 31 December 2001:

Option Expiry Date	Subscription Price per Share	No. of Unissued Shares
31 August 2010	RM0.92	3,136,000

The shares under the Option may be exercised in full or in respect of 1,000 shares or a multiple thereof in the fourth year from the Date of Offer until expiry of the Scheme on 31 August 2010 on the payment of the requisite subscription price of RM0.92 per share in respect of the Option granted on 11 November 2000. The persons to whom the Option has been issued have no right to participate by virtue of the Option in any share issue of any other company.

DIRECTORATE

The Directors who served since the date of the last report are:

Tan Sri Mohd Amin bin Osman
 Dato' Baharuddin bin Musa *
 Dato' Lim Kok Thay
 Tan Sri Lim Goh Tong
 Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad *
 Encik Mohd Din Jusoh *
 Dato' Siew Nim Chee *
 Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah
 Mr Quah Chek Tin (Ceased to be the alternate to Dato' Lim Kok Thay and appointed as a Director on 19 October 2001)

* Also members of the Remuneration Committee

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares of the Company; Genting Berhad, the ultimate holding company; Resorts World Bhd, GB Credit & Leasing Sdn Bhd and Genting International PLC, all of which are related companies or corporation as set out below:

INTEREST IN THE COMPANY

Shareholdings in the names of Directors □ □	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of 50 sen each)		
Tan Sri Mohd Amin bin Osman	164,000	-	164,000
Dato' Baharuddin bin Musa	613,000	-	613,000
Dato' Lim Kok Thay	144,000	-	144,000
Tan Sri Lim Goh Tong	437,500	-	437,500
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	140,000	-	140,000
Dato' Siew Nim Chee	10,000	-	10,000
Share Option in the name of a Director	1.1.2001	Offered/(Exercised)	31.12.2001
	(Number of unissued ordinary shares of 50 sen each)		
Dato' Baharuddin bin Musa	200,000	-	200,000

INTEREST IN GENTING BERHAD, THE ULTIMATE HOLDING COMPANY

Shareholdings in the names of Directors □ □	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of 50 sen each)		
Tan Sri Mohd Amin bin Osman	8,000	-	8,000
Dato' Baharuddin bin Musa	115,500	-	115,500
Dato' Lim Kok Thay	3,337,200	(701,200)	2,636,000
Tan Sri Lim Goh Tong	6,681,000	-	6,681,000
Mr Quah Chek Tin	1,000	-	1,000

INTEREST IN GENTING BERHAD, THE ULTIMATE HOLDING COMPANY (Cont'd)

Shareholdings in which the Directors are deemed to have an interest	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of 50 sen each)		
Dato' Baharuddin bin Musa	3,000	-	3,000
Dato' Lim Kok Thay	11,523,996	-	11,523,996

Share Option in the names of Directors	1.1.2001	Offered/(Exercised)	31.12.2001
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Mohd Amin bin Osman	400,000	-	400,000
Dato' Lim Kok Thay	400,000	-	400,000
Tan Sri Lim Goh Tong	600,000	-	600,000

INTEREST IN RESORTS WORLD BHD, A RELATED COMPANY

Shareholdings in the names of Directors	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of 50 sen each)		
Tan Sri Mohd Amin bin Osman	122,000	-	122,000
Dato' Baharuddin bin Musa	4,000	-	4,000
Dato' Lim Kok Thay	918,000	500,000/(1,368,000)	50,000
Mr Quah Chek Tin	1,000	-	1,000

Share Option in the names of Directors	1.1.2001	Offered/(Exercised)	31.12.2001
	(Number of unissued ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	175,000	-	175,000
Tan Sri Lim Goh Tong	300,000	-	300,000

INTEREST IN GB CREDIT & LEASING SDN BHD, A RELATED COMPANY

Shareholdings in the name of a Director	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of RM1.00 each)		
Dato' Baharuddin bin Musa	220,000	(220,000)	-

Shareholdings in which the Director is deemed to have an interest	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of RM1.00 each)		
Dato' Baharuddin bin Musa	-	220,000	220,000

INTEREST IN GENTING INTERNATIONAL PLC, A RELATED CORPORATION

Shareholdings in the name of a Director	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of US\$0.10 each)		
Tan Sri Lim Goh Tong	1,832,468	-	1,832,468

Apart from the above disclosures:

- the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and
- neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors and the provision for Directors' retirement gratuities shown in the financial statements or the fixed salary of a full-time employee of the Company) 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 except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) Tan Sri Mohd Amin bin Osman has been retained by Genting Berhad, the ultimate holding company, as a consultant to provide management and ancillary services.
- (ii) Tan Sri Mohd Amin bin Osman has been retained by Resorts World Bhd, a related company, to provide advisory services.
- (iii) Plantation Latex (Malaya) Sdn Bhd, a wholly-owned subsidiary of the Company, has extended a housing loan to Dato' Baharuddin bin Musa to enable him to acquire a home.
- (iv) A company in which Dato' Lim Kok Thay is a director and a substantial shareholder has retained the Company to provide plantation advisory services.
- (v) A company in which Tan Sri Lim Goh Tong is a director and a substantial shareholder has rented:
 - (a) approximately 5.87 hectares of land in the Mukim of Batang Kali, District of Ulu Selangor, Selangor to Genting Utilities & Services Sdn Bhd, a related company; and
 - (b) a premise measuring approximately 5,191 sq. m. located at Gohtong Jaya, Bentung, Pahang to Genting Centre of Excellence Sdn Bhd, a related company.
- (vi) A wholly-owned subsidiary of a company in which Dato' Siew Nim Chee is a director and a substantial shareholder has supplied agrochemicals to the Company.

Dato' Lim Kok Thay and Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah are due to retire by rotation in accordance with Article 99 of the Articles of Association of the Company and they, being eligible, have offered themselves for re-election.

Mr Quah Chek Tin is due to retire in accordance with Article 104 of the Articles of Association of the Company and he, being eligible, offers himself for election.

Tan Sri Mohd Amin bin Osman, Tan Sri Lim Goh Tong, Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad and Dato' Siew Nim Chee retire pursuant to Section 129 of the Companies Act, 1965, and separate resolutions will be proposed for their re-appointment as Directors under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records, were written down to an amount which they might be expected so to realise.

At the date of this report, the Directors of the Company are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to the current assets in the financial statements of the Group or of the Company misleading;
- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group or of the Company 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.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except as highlighted in the financial statements, in particular, Notes 6 and 31 to the financial statements; and
- (ii) 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 and of the Company for the financial year in which this report is made.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 32 to 56, 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 December 2001 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

AUDITORS

The auditors, PricewaterhouseCoopers have expressed their willingness to continue in office.

On behalf of the Board,

DATO' BAHARUDDIN BIN MUSA
Joint Chief Executive and Director

MOHD DIN JUSOH
Director

Kuala Lumpur
1 April 2002

Income Statements

For The Financial Year Ended 31 December 2001

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2001	2000	2001	2000
Revenue	5	199,863	230,783	71,833	87,486
Cost of sales		(120,431)	(142,108)	(43,758)	(49,081)
Gross profit		79,432	88,675	28,075	38,405
Other operating income		48,482	16,533	64,219	33,889
Other income					
- Gain on disposal of a foreign subsidiary company (See Note (b) to Cash Flow Statements)		-	5,965	-	-
Selling and distribution costs		(16,680)	(17,583)	(6,109)	(6,143)
Administration expenses		(14,803)	(14,986)	(11,202)	(11,813)
Other operating expenses		(10,459)	(8,893)	(7,937)	(7,884)
Other expense					
- Amounts written off in an associated company	14	-	-	(9,208)	-
Profit from operations		85,972	69,711	57,838	46,454
Share of results of associated companies		1,177	174	-	-
Profit from ordinary activities before taxation	6 & 7	87,149	69,885	57,838	46,454
Taxation of :					
- The Company and its subsidiary companies		(13,839)	(14,660)	(15,916)	(11,967)
- Share of tax in associated companies	□	(624)	(718)	-	-
	8	(14,463)	(15,378)	(15,916)	(11,967)
Profit from ordinary activities after taxation		72,686	54,507	41,922	34,487
Minority interests		(868)	(873)	-	-
Net profit for the year		71,818	53,634	41,922	34,487
Basic earnings per share - sen	9	9.69	7.23		
Diluted earnings per share - sen	9	9.68	N/A		
Gross dividends per share - sen	10	3.5	3		

The notes set out on pages 39 to 56 form part of these financial statements.

Balance Sheets

As At 31 December 2001

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2001	2000	2001	2000
ASSETS:					
PROPERTY, PLANT AND EQUIPMENT □	11	560,638	492,008	282,367	282,325
REAL PROPERTY ASSETS □	12	247,794	250,064	-	-
SUBSIDIARY COMPANIES □	13	-	-	160,119	158,766
ASSOCIATED COMPANIES □	14	9,671	1,199	2,123	2,172
LONG TERM RECEIVABLES FROM ASSOCIATED COMPANIES □	14	6,877	18,781	6,877	18,781
INVESTMENTS □	15	289	289	169	169
CURRENT ASSETS					
Property development □	16	93,608	90,934	-	-
Inventories □	17	109,151	117,332	1,327	1,603
Trade and other receivables □	18	41,512	38,087	15,233	15,342
Amounts due from associated companies □	14	781	904	781	904
Amounts due from subsidiary companies □	13	-	-	495,975	511,292
Short term investments □	19	139,417	106,708	137,837	105,676
Bank balances and deposits □	20	93,117	85,073	70,285	65,326
		477,586	439,038	721,438	700,143
LESS CURRENT LIABILITIES					
Trade and other payables □	21	122,491	80,273	10,946	11,212
Amounts due to ultimate holding company and other related companies □	22	1,009	850	1,009	850
Amounts due to subsidiary companies □	13	-	-	117,395	132,487
Provision for taxation		1,269	-	-	-
Dividends		10,675	8,006	10,675	8,006
		135,444	89,129	140,025	152,555
NET CURRENT ASSETS		342,142	349,909	581,413	547,588
		1,167,411	1,112,250	1,033,068	1,009,801
FINANCED BY:					
SHARE CAPITAL □	23	370,668	370,668	370,668	370,668
RESERVES □	24	768,846	715,771	656,556	633,315
SHAREHOLDERS' EQUITY		1,139,514	1,086,439	1,027,224	1,003,983
MINORITY INTERESTS		11,516	10,683	-	-
LONG TERM AND DEFERRED LIABILITIES					
Long term borrowings □	25	5,388	5,388	-	-
Deferred taxation □	26	5,416	4,255	1,031	1,100
Provision for Directors' retirement gratuities □	27	5,577	5,485	4,813	4,718
		16,381	15,128	5,844	5,818
		1,167,411	1,112,250	1,033,068	1,009,801
NET TANGIBLE ASSETS PER SHARE - sen		153.7	146.6		

The notes set out on pages 39 to 56 form part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 December 2001

Amounts in RM'000 unless otherwise stated

Group	Note	Non-Distributable			Distributable	Total
		Share Capital	Share Premium	Revaluation Reserve	Reserve on Exchange Differences Unappropriated Profit	
Balance at 1 January 2000		370,668	25,663	23,028	(695) 630,095	1,048,759
Revaluation reserve realised upon sale of land		-	-	(3,199)	- 3,199	-
Currency translation differences		-	-	-	58 -	58
Net gains not recognised in the income statement		-	-	(3,199)	58 3,199	58
Net profit for the year		-	-	-	- 53,634	53,634
Dividends :						
- Interim (1.5 sen less 28% tax)		-	-	-	- (8,006)	(8,006)
- Proposed final (1.5 sen less 28% tax)		-	-	-	- (8,006)	(8,006)
□	10	-	-	-	- (16,012)	(16,012)
Balance at 31 December 2000		370,668	25,663	19,829	(637) 670,916	1,086,439
Revaluation reserve realised upon sale of land		-	-	(161)	- 161	-
Currency translation differences		-	-	-	(62) -	(62)
Net gains not recognised in the income statement		-	-	(161)	(62) 161	(62)
Net profit for the year		-	-	-	- 71,818	71,818
Dividends:						
- Interim (1.5 sen less 28% tax)		-	-	-	- (8,006)	(8,006)
- Proposed final (2.0 sen less 28% tax)		-	-	-	- (10,675)	(10,675)
□						
□	10	-	-	-	- (18,681)	(18,681)
Balance at 31 December 2001		370,668	25,663	19,668	(699) 724,214	1,139,514

The notes set out on pages 39 to 56 form part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 December 2001 (Cont'd)

Amounts in RM'000 unless otherwise stated

Company	Note	Non-Distributable			Distributable	Total
		Share Capital	Share Premium	Revaluation Reserve	Unappropriated Profit	
Balance at 1 January 2000		370,668	25,663	28,476	560,701	985,508
Revaluation reserve realised upon sale of land		-	-	(5)	5	-
Net gains not recognised in the income statement		-	-	(5)	5	-
Net profit for the year		-	-	-	34,487	34,487
Dividends:						
- Interim (1.5 sen less 28% tax)		-	-	-	(8,006)	(8,006)
- Proposed final (1.5 sen less 28% tax)		-	-	-	(8,006)	(8,006)
<input type="checkbox"/>						
<input type="checkbox"/>	10	-	-	-	(16,012)	(16,012)
Balance at 31 December 2000		370,668	25,663	28,471	579,181	1,003,983
Revaluation reserve realised upon sale of land		-	-	(161)	161	-
Net gains not recognised in the income statement		-	-	(161)	161	-
Net profit for the year		-	-	-	41,922	41,922
Dividends:						
- Interim (1.5 sen less 28% tax)		-	-	-	(8,006)	(8,006)
- Proposed final (2.0 sen less 28% tax)		-	-	-	(10,675)	(10,675)
<input type="checkbox"/>						
<input type="checkbox"/>	10	-	-	-	(18,681)	(18,681)
Balance at 31 December 2001		370,668	25,663	28,310	602,583	1,027,224

The notes set out on pages 39 to 56 form part of these financial statements.

Cash Flow Statements

For The Financial Year Ended 31 December 2001

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2001	2000	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from ordinary activities before taxation		87,149	69,885	57,838	46,454
Adjustments for:					
Depreciation of property, plant and equipment		9,069	9,952	2,355	3,052
Allowance for termination benefit		1,338	-	1,338	-
Allowance for bad and doubtful debts		572	3,794	151	180
Waiver of advances to a related company		402	-	402	-
Property, plant and equipment written off		335	1,441	-	19
Allowance for foreseeable losses on property development	□ □	-	444	-	-
Provision for retirement gratuities		92	394	95	357
Write down of other long term investments in a quoted foreign corporation		-	349	-	204
Gain on disposal of property, plant and equipment		(197)	(240)	(168)	(190)
Share of profits of associated companies		(1,177)	(174)	-	-
Interest income		(6,448)	(7,634)	(5,103)	(6,057)
Net surplus and additional compensation arising from disposals of freehold land and plantation		(34,868)	(3,776)	(9,155)	(2,142)
Dividend income		-	-	(32,790)	(22,105)
Waiver of advances to wholly-owned subsidiary companies		-	-	127	2,432
Amounts written off in an associated company	14	-	-	9,208	-
Gain on disposal of a foreign subsidiary company	(b)	-	(5,965)	-	-
		(30,882)	(1,415)	(33,540)	(24,250)
Operating profit before changes in working capital		56,267	68,470	24,298	22,204
(Increase)/Decrease in property development expenditure		(14,001)	32,142	-	-
Decrease/(Increase) in inventories		8,181	14,898	276	(34)
(Increase)/Decrease in trade and other receivables		(4,428)	30,422	(428)	388
Decrease in amounts due from associated companies		14	102	14	102
Increase/(Decrease) in trade and other payables		3,145	(74,625)	(1,507)	(1,847)
Increase in amounts due to ultimate holding company		113	545	113	545
Increase in amounts due to related companies		46	283	46	283
Increase in amounts due from subsidiary companies		-	-	(27,758)	(34,691)
		(6,930)	3,767	(29,244)	(35,254)
Cash generated from/(used in) operations		49,337	72,237	(4,946)	(13,050)
Tax paid		(11,651)	(36,850)	(16,115)	(21,204)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		37,686	35,387	(21,061)	(34,254)

The notes set out on pages 39 to 56 form part of these financial statements.

Cash Flow Statements

For The Financial Year Ended 31 December 2001 (Cont'd)

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2001	2000	2001	2000
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds and additional compensation received □ from disposals of freehold land and plantation		30,456	4,348	10,267	2,395
Interest received		12,793	7,634	5,924	6,057
Repayments from associated companies		3,119	-	3,119	-
Dividends received		1,240	441	32,790	22,105
Proceeds from disposal of property, plant and equipment		224	308	171	258
Purchase of a subsidiary company □	(a)	(1,353)	-	(1,353)	-
Investment in real property assets		(2,404)	(13,699)	-	-
Purchase of property, plant and equipment		(24,899)	(12,337)	(4,581)	(7,336)
Repayments from subsidiary companies □		-	-	41,577	86,650
Advances to subsidiary companies		-	-	(13,721)	(17,468)
Proceeds from disposal of a foreign subsidiary □ company □	(b)	-	5,964	-	-
NET CASH GENERATED FROM/(USED IN) □ INVESTING ACTIVITIES		19,176	(7,341)	74,193	92,661
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(16,012)	(26,688)	(16,012)	(26,688)
Dividends paid to minority shareholders		(35)	(35)	-	-
NET CASH USED IN FINANCING ACTIVITIES		(16,047)	(26,723)	(16,012)	(26,688)
Effect of currency translation		(62)	58	-	-
NET INCREASE IN CASH AND CASH □ EQUIVALENTS		40,753	1,381	37,120	31,719
CASH AND CASH EQUIVALENTS AT □ BEGINNING OF THE YEAR		191,781	190,400	171,002	139,283
CASH AND CASH EQUIVALENTS AT END OF THE YEAR □	(c)	232,534	191,781	208,122	171,002

NOTES TO CASH FLOW STATEMENTS

(a) Acquisition of a subsidiary company

On 17 July 2001, the Company acquired a 100%-equity interest in Kinavest Sdn Bhd. The cash flow effects of the acquisition of this subsidiary company are as follows:

Net assets acquired:	At date of acquisition
Property, plant & equipment	1,552
Other payables	(199)
Total purchase consideration	1,353
Cash and bank balances acquired	-
Net cash outflow on acquisition of a subsidiary company	1,353

The notes set out on pages 39 to 56 form part of these financial statements.

Cash Flow Statements

For The Financial Year Ended 31 December 2001 (Cont'd)

NOTES TO CASH FLOW STATEMENTS (Cont'd)

(b) Disposal of a foreign subsidiary company

In the previous financial year ended 31 December 2000, the Group disposed of its entire 55% equity interest in a foreign subsidiary company, Dongguan New Asiatic Oils and Fats Co Ltd ("DNA"). The investment in DNA was written off previously.

The financial effects of the above disposal were as follows:

	At date of disposal
Property, plant and equipment	14,686
Working capital disposed of:	
- Other receivables, deposits and pre-payments	1,778
- Other payables and accrued expenses	(408)
- Short term borrowings	(186)
Minority interests	1,184 (15,871)
Net liabilities disposed of	(1)
Proceeds from disposal	(5,965)
Less: Cash and cash equivalents disposed of	1
	(5,964)
Gain on disposal	(5,965)

(c) Analysis of cash and cash equivalents

	<i>Note</i>	2001	Group 2000	2001	Company 2000
Short term investments		139,417	106,708	137,837	105,676
Bank balances and deposits <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	20	93,117	85,073	70,285	65,326
Cash and cash equivalents at end of the year		232,534	191,781	208,122	171,002

Included in the above bank balances and deposits for the Group is an amount of RM9.8 million (2000: RM8.9 million) deposited by a subsidiary company involving in property development activities, into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. This amount is available for use by the said subsidiary company for the payment of property development expenditure. □□

The notes set out on pages 39 to 56 form part of these financial statements.

Notes to the Financial Statements

31 December 2001

Amounts in RM'000 unless otherwise stated

1. PRINCIPAL ACTIVITIES

The Company is principally involved in plantation and investment holding.

The principal activities of the Group include plantation and property development.

Details of the principal activities of the subsidiary and associated companies are set out in Note 32 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

2. BASIS OF PREPARATION

The financial statements are prepared in accordance with and comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The historical cost convention modified by the revaluation of certain property, plant and equipment and land held for development, unless otherwise indicated in the individual policy statements set out in Note 3 to the financial statements, were adopted in the preparation of the financial statements.

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act, 1965 require the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

Consolidation

The consolidated financial statements include the audited financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date when control ceases. Subsidiary companies are consolidated using the acquisition method of accounting whereby the results of subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition up to the date when control ceases. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements.

All material intercompany transactions, balances and unrealised gains on transactions between group companies have been eliminated; unrealised losses have also been eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets and exchange differences which were not previously recognised in the consolidated income statement.

Borrowing Costs

Costs incurred on external borrowings to finance expenditure and other long term qualifying assets are capitalised until the assets are ready for their intended use after which such expenses are charged to the income statements.

Property, Plant and Equipment

Property, plant and equipment are stated at cost modified by the revaluation of certain property, plant and equipment less accumulated depreciation and amortisation. In accordance with the transitional provisions issued by the Malaysian

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant and Equipment (Cont'd)

Accounting Standards Board ('MASB') on adoption of MASB Standard No.15 on Property, Plant and Equipment, the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation and amortisation.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserves to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Property, plant and equipment are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major groups of property, plant and equipment are as follows:

	%
Buildings and improvements	5
Plant and machinery	10 - 20
Motor vehicles	20
Furniture, fittings and equipment	10 - 50

Leasehold properties are amortised equally over their lease period of 99 years. However, leasehold properties with original lease period of 999 years are not amortised, where the cumulative effect of which is not material to the financial statements.

Freehold land and plantation and property, plant and equipment which are under construction are not depreciated.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

New Planting and Replanting Expenditure

New planting expenditure incurred on land clearing and upkeep of trees to maturity is capitalised under freehold and leasehold land respectively. New planting expenditure capitalised are not amortised. However, where the new planting expenditure capitalised on leasehold land which has unexpired period shorter than the plantation's economic useful life, the planting expenditure is amortised over the remaining period of the lease on a straight line basis.

Replanting expenditure is charged to the income statements in the year in which the expenditure is incurred.

Real Property Assets, Property Development and Profit Recognition

Real property assets and property development comprise of land held for development are stated at cost of acquisition modified by the revaluation of certain pieces of land. In accordance with the transitional provisions issued by the Malaysian Accounting Standard No.7 on Accounting for Property Development, the valuation of these pieces of land have not been updated, and they continue to be stated at their carrying amounts. Cost of acquisition includes all related costs incurred on activities necessary to prepare the land for its intended use. These assets remain as real property assets until the sales launch of these properties, after which they are transferred to property development.

Assets under property development comprise land at carrying values and all related development costs incurred and are carried forward together with profit accrued to the appropriate stage of completion less progress billings and allowance for foreseeable losses, if any. These developments are expected to be completed within the normal operating cycle of one to three years and are considered as current assets.

Upon completion of development, the unsold completed development properties are transferred to inventories.

Profits on property development projects are recognised based on the percentage of completion method in respect of sales where agreements have been finalised. Under this method, profits are recognised as the property development progresses. The stage of completion is determined based on the proportion of development costs incurred for work performed up to the balance sheet date over the estimated total development cost to completion. Foreseeable losses, if any, are recognised in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments

Long term investments, both quoted and unquoted, include investments in subsidiary companies, associated companies and other non current investments. These investments are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of an investment, in which case the investment is written down. Permanent diminution in the value of an investment is recognised as an expense in the financial year in which it arises.

Investments in subsidiary companies are eliminated on consolidation while investments in associated companies are accounted for by the equity method of accounting.

Associated companies are companies in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies but not control over those policies.

Equity accounting involves recognising in the income statement the Group's share of the associated companies' profits less losses for the year. The Group's interest in associated companies is stated at cost net of goodwill written off plus adjustments to reflect changes in the Group's share of the net assets of the associated companies.

Unrealised gains on material transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; material unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred.

Short term investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value.

Goodwill

Goodwill arising on consolidation which represents the excess of the purchase price over the fair value of the net assets of the subsidiary/associated companies at the date of acquisition, is written off in the income statement in the year of acquisition.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less costs of completion and selling expenses. Allowance is made for obsolete and slow moving inventories in determining net realisable value.

Receivables

Receivables are carried at estimated realisable value. An allowance is made for doubtful receivables based on a review of all outstanding amounts at the financial year end. Bad debts are written off during the financial year in which they are identified.

Provision for Retirement Gratuities

In 1994, the Board introduced a retirement gratuity scheme for executive directors of the Company and certain subsidiary companies. The provision for retirement gratuities is determined by the Board and is based on the immediate past three years' emoluments.

Deferred Taxation

Deferred tax accounting using the 'liability' method is adopted by the Group. Deferred taxation provides for the effects of all material timing differences between accounting income and taxable income arising from the inclusion of items in different periods. No future income tax benefit is recognised in respect of unutilised tax losses and timing differences that result in a net deferred taxation asset unless it can be demonstrated that these benefits can be realised in the foreseeable future.

Foreign Currencies

The financial statements are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies have been translated into RM at the rates ruling on the dates of the transactions. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at approximately the rates ruling on that date. Gains and losses arising from translation are included in the income statement. However, translation gains and losses arising from transactions which provide an effective hedge against investments in foreign currencies are taken to reserve. The corresponding translation gains and losses arising from such investments are also taken to reserve on exchange differences.

Income statements of subsidiary and associated companies in other reporting currencies are translated into RM at average rates for the financial year and the balance sheets are translated at rates approximate to those ruling at the year end. Exchange differences arising from the translation of income statements at average rates and balance sheets at financial year end rates, and the restatement at financial year end rates of the opening net investments in such subsidiary and associated companies are taken to reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign Currencies (Cont'd)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Group and are translated accordingly at the exchange rate ruling at the date of the transaction.

The principal rates of exchange used in translation are as follows:
(Malaysian ringgit to one unit of foreign currency)

Currency	Year end rate	
	2001	2000
US Dollar	3.8000	3.8000
Hong Kong Dollar	0.4873	0.4872

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Income Recognition

Revenue

Sales are recognised upon delivery of products or performance of services, net of sales tax and discounts, and after eliminating sales within the Group.

Sales relating to property development projects are recognised progressively as the project activity progresses and are in respect of sales where agreements have been finalised. The recognition of sales is based on the percentage of completion method and is consistent with the method adopted for profit recognition.

Other income

Other income comprising interest income, rental income, management and shared services fee are recognised on accrual basis while dividend income is recognised when the right to receive payment is established.

Proposed Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings in the financial year in which they are declared or proposed.

4. SEGMENT ANALYSIS

By activity	Revenue		Profit before taxation		Assets employed	
	2001	2000	2001	2000	2001	2000
Plantations	155,999	163,272	31,676	39,018	559,542	488,148
Properties	43,864	67,511	12,500	14,526	491,409	499,959
	199,863	230,783	44,176	53,544	1,050,951	988,107
Non-Segment Items						
- interest bearing investments	-	-	6,448	7,634	225,789	184,157
- gain on disposal of a foreign subsidiary company (see Note (b) to Cash Flow Statements)	-	-	-	5,965	-	-
- others	-	-	36,525	2,742	26,115	29,115
	-	-	42,973	16,341	251,904	213,272
	199,863	230,783	87,149	69,885	1,302,855	1,201,379

Interest income, interest expenses, short term deposits and investments are not attributable to an activity and are therefore included under Non-Segment Items. Immaterial segments are not separately identified and, for presentation purposes, are also included under Non-Segment Items.

In respect of the acquisition of the subsidiary company during the financial year as disclosed in Note (a) to the cash flow statements, there is no impact on the Group's revenue and results as the said subsidiary company has not commenced business operations.

5. REVENUE

Revenue of the Group and of the Company comprises the following:

	Group		Company	
	2001	2000	2001	2000
Sale of goods:				
Sale of plantation produce	155,999	163,272	71,833	87,486
Sale of development properties	42,957	66,804	-	-
Rendering of services:				
Revenue from golf course operations	907	707	-	-
	199,863	230,783	71,833	87,486

6. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

(a) Profit from ordinary activities before taxation has been determined after inclusion of the following charges and credits

	Group		Company	
	2001	2000	2001	2000
Charges:				
Depreciation of property, plant and equipment	9,069	9,952	2,355	3,052
Replanting expenditure	8,601	5,026	6,142	3,805
Shared services fee payable to ultimate holding company	695	630	695	630
Charges payable to other related companies:				
- Rental of premises	881	900	806	824
- Shared services fee	496	-	496	-
- Hire of equipment	41	10	41	10
Allowance for bad and doubtful debts	572	3,794	-	180
Waiver of amount owing by a related company	402	-	402	-
Property, plant and equipment written off	335	1,441	151	19
Auditors' remuneration	91	90	47	45
Rental of land paid to a subsidiary company	-	-	508	596
Waiver of advances granted to wholly-owned subsidiary companies	-	-	127	2,432
Allowance for foreseeable losses on properties	-	444	-	-
Write-down of other long term investments in a quoted foreign corporation	-	349	-	204
Credits:				
Net surplus arising from disposals of freehold land and plantation:				
- Gain on disposals and additional compensation	28,523	3,776	8,334	2,142
- Interest from late payment of compensation sum	6,345	-	821	-
	34,868	3,776	9,155	2,142
Interest income	6,448	7,634	5,102	3,842
Rental income	1,166	1,288	480	478
Income from subsidiary companies:				
- Gross dividends	-	-	43,124	21,492
- Management fee	-	-	248	225
- Shared services fee	-	-	806	833
- Interest on advances	-	-	1	2,215
Income from associated companies:				
- Gross dividends	-	-	1,723	613
- Management fee	961	960	-	12
Gain on disposal of property, plant and equipment	197	240	168	190
Rental income from a related company	18	18	-	-

6. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION (Cont'd)

(b) Other Information:

	Group		Company	
	2001	2000	2001	2000
Operating costs relating to inventories recognised as an expense	118,803	140,579	43,758	49,081
Operating costs relating to services recognised as an expense	1,628	1,529	-	-
	120,431	142,108	43,758	49,081
Staff costs (including Executive Directors' remuneration)	27,932	29,180	17,493	17,723
Number of employees as at 31 December	1,926	2,179	969	1,080
Non-audit fees to Auditors	44	5	-	-

7. DIRECTORS' REMUNERATION
Non-Executive Directors *

- Fee	93	81	93	81
- Salary	157	150	-	-
- Bonus	26	54	-	-
- Contribution	22	24	-	-
- (Write back)/Provision for retirement gratuities	(3)	37	-	-
- Estimated monetary value of benefits-in-kind (not charged to income statements)	22	21	-	-
	317	367	93	81

Executive Directors

- Fee	45	41	45	41
- Salaries	1,186	1,109	1,186	1,109
- Bonuses	198	401	198	401
- Other allowances/contributions	168	204	168	204
- Provision for retirement gratuities	95	357	95	357
- Estimated monetary value of benefits-in-kind (not charged to income statements)	22	21	22	21
	1,714	2,133	1,714	2,133

* A Non-Executive Director of the Company receives salary and related benefits from a subsidiary company by virtue of he being an Executive Director of the said subsidiary company.

In addition, Mr Quah Chek Tin ceased to be the alternate to Dato' Lim Kok Thay and appointed as a Non-Executive Director on 19 October 2001.

Remuneration of the Directors of the Company, in respect of services rendered to the Company and various other companies of the Group, is represented by the following bands:

Amounts in RM'000	2001	2000
	Number	
Non-Executive Directors		
50 and below	5	4
250 - 300	1	-
300 - 350	-	1
Executive Directors		
300 - 350	1	1
650 - 700	1	-
700 - 750	1	-
850 - 900	-	1
900 - 950	-	1

8. TAXATION

	Group		Company	
	2001	2000	2001	2000
Current taxation - Malaysian	12,599	17,088	15,964	12,452
Under/(over) provision in prior years	79	(42)	21	-
	12,678	17,046	15,985	12,452
Deferred tax (credit)/charge				
- Current year	(745)	(2,386)	(69)	(485)
- Over provision in prior years	1,906	-	-	-
	1,161	(2,386)	(69)	(485)
Share in taxation of associated companies	624	718	-	-
	14,463	15,378	15,916	11,967

The effective tax rate of the Group for the current financial year is lower than the statutory tax rate due mainly to utilisation of agriculture allowance, tax losses and reinvestment allowance brought forward and certain non-taxable income.

The current financial year's tax charge of the Group has been reduced by approximately RM2.6 million (2000: Nil) as a result of the utilisation of tax losses brought forward from previous years.

9. EARNINGS PER SHARE

Earnings per ordinary share is calculated based on the Group net profit for the financial year of RM71.8 million (2000: RM53.6 million) and the weighted average number of ordinary shares in issue of 741,335,000 (2000: 741,335,000).

As mentioned in Note 23, the Company has outstanding options granted during the financial year pursuant to the Asiatic Executive Share Option Scheme to subscribe for 3,136,000 ordinary share at 92 sen each. In accordance with the provisions laid down by Malaysian Accounting Standards Board No. 13, Earnings Per Share, share options are dilutive when they are issued for no consideration or where a portion of the outstanding share options are deemed dilutive in situations where the exercisable price of the options is below its fair value.

Since the exercisable price of the options is below the fair value of the Company's shares for the current financial year, the option is deemed dilutive. As such, the options have dilution effect on the earnings per share of the Group for the current financial year.

The diluted earnings per ordinary share is calculated based on the Group's net profit for the financial year of RM71.8 million (2000: not applicable) and the weighted average number of ordinary shares of 742,177,960 (2000: not applicable).

10. DIVIDENDS

	Group and Company	
	2001	2000
Interim paid - 1.5 sen less 28% tax (2000: 1.5 sen less 28% tax) per ordinary share of 50 sen each	8,006	8,006
Proposed final - 2.0 sen less 28% tax (2000: 1.5 sen less 28% tax) per ordinary share of 50 sen each	10,675	8,006
	18,681	16,012

11. PROPERTY, PLANT AND EQUIPMENT

2001 Group	Freehold land and plantation	Long leasehold land and plantation	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
At cost/valuation:								
Beginning of the year	253,779	186,716	54,415	79,332	5,453	7,359	801	587,855
Additions	48	69,669	726	836	946	215	6,175	78,615
Disposals	(1,933)	-	-	(267)	(586)	(4)	-	(2,790)
Acquisition of a subsidiary company	-	1,552	-	-	-	-	-	1,552
Write off	-	-	(1,919)	(2,534)	(93)	(311)	-	(4,857)
Transfer to property development	(26)	-	-	-	-	-	-	(26)
Reclassifications	-	485	3,679	2,541	-	(19)	(6,686)	-
End of the year	251,868	258,422	56,901	79,908	5,720	7,240	290	660,349
Accumulated depreciation:								
Beginning of the year	-	(9,753)	(23,932)	(52,530)	(4,158)	(5,474)	-	(95,847)
Depreciation for the year:								
- Charged to income statement	-	(395)	(2,450)	(5,122)	(579)	(523)	-	(9,069)
- Capitalised under long leasehold land and plantation	-	(22)	(42)	(78)	-	(5)	-	(147)
Disposals	-	-	-	280	549	1	-	830
Reclassification	-	-	9	(9)	-	-	-	-
Write off	-	-	1,738	2,416	107	261	-	4,522
End of the year	-	(10,170)	(24,677)	(55,043)	(4,081)	(5,740)	-	(99,711)
Net book value at end of the year	251,868	248,252	32,224	24,865	1,639	1,500	290	560,638
Comprising:								
Cost	134,491	258,422	56,901	79,908	5,720	7,240	290	542,972
At 1981 valuation	117,377	-	-	-	-	-	-	117,377
	251,868	258,422	56,901	79,908	5,720	7,240	290	660,349

11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

2000 Group	Freehold land and plantation	Long leasehold land and plantation	Short leasehold land	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
At cost/valuation:									
Beginning of the year	256,033	175,461	1,171	53,045	66,478	5,233	7,300	25,436	590,157
Additions	48	10,162	-	472	3,174	665	238	3,235	17,994
Disposals	(571)	-	-	-	(226)	(412)	(59)	-	(1,268)
Disposal of a foreign subsidiary company	-	-	(1,171)	-	(10)	-	(27)	(13,883)	(15,091)
Write off	-	-	-	(121)	(610)	(33)	(93)	(1,349)	(2,206)
Transfer to property development	(1,731)	-	-	-	-	-	-	-	(1,731)
Reclassifications	-	1,093	-	1,019	10,526	-	-	(12,638)	-
End of the year	253,779	186,716	-	54,415	79,332	5,453	7,359	801	587,855
Accumulated depreciation:									
Beginning of the year	-	(8,037)	(382)	(21,592)	(48,801)	(3,849)	(4,707)	-	(87,368)
Depreciation for the year:									
- Charged to income statement	-	(1,535)	-	(2,414)	(4,464)	(723)	(816)	-	(9,952)
- Capitalised under long leasehold land and plantation	-	(181)	-	(41)	(98)	-	(5)	-	(325)
Disposals	-	-	-	-	210	381	37	-	628
Disposal of foreign subsidiary company	-	-	382	-	6	-	17	-	405
Write off	-	-	-	115	617	33	-	-	765
End of the year	-	(9,753)	-	(23,932)	(52,530)	(4,158)	(5,474)	-	(95,847)
Net book value at end of the year	253,779	176,963	-	30,483	26,802	1,295	1,885	801	492,008
Comprising:									
Cost	134,831	186,716	-	54,415	79,332	5,453	7,359	801	468,907
At 1981 valuation	118,948	-	-	-	-	-	-	-	118,948
	253,779	186,716	-	54,415	79,332	5,453	7,359	801	587,855

11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

2001 Company	Freehold land and plantation	Long leasehold land and plantation	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
At cost/valuation:								
Beginning of the year	219,100	51,273	21,787	23,246	3,115	4,343	349	323,213
Additions	47	2,175	296	284	838	85	890	4,615
Disposals	(1,933)	-	-	(175)	(502)	(4)	-	(2,614)
Write off	-	-	(1,793)	(1,565)	(31)	(186)	-	(3,575)
Reclassifications	-	444	552	208	-	-	(1,204)	-
End of the year	217,214	53,892	20,842	21,998	3,420	4,238	35	321,639
Accumulated depreciation:								
Beginning of the year	-	(2,506)	(13,330)	(19,423)	(2,301)	(3,328)	-	(40,888)
Depreciation for the year:								
- Charged to income statement	-	(10)	(797)	(900)	(367)	(281)	-	(2,355)
- Capitalised under long leasehold land and plantation	-	(5)	(42)	(79)	-	(5)	-	(131)
Disposals	-	-	-	173	502	3	-	678
Write off	-	-	1,673	1,548	31	172	-	3,424
Reclassifications	-	-	10	(10)	-	-	-	-
End of the year	-	(2,521)	(12,486)	(18,691)	(2,135)	(3,439)	-	(39,272)
Net book value at end of the year	217,214	51,371	8,356	3,307	1,285	799	35	282,367
Comprising:								
Cost	106,403	53,892	20,842	21,998	3,420	4,238	35	210,828
At 1981 valuation	110,811	-	-	-	-	-	-	110,811
	217,214	53,892	20,842	21,998	3,420	4,238	35	321,639

11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

2000 Company	Freehold land and plantation	Long leasehold land and plantation	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
At cost/valuation:								
Beginning of the year	219,305	45,791	21,603	22,275	2,827	4,337	581	316,719
Additions	47	4,389	57	1,333	657	109	1,195	7,787
Disposals	(252)	-	-	(219)	(359)	(59)	-	(889)
Write off	-	-	(121)	(229)	(10)	(44)	-	(404)
Reclassifications	-	1,093	248	86	-	-	(1,427)	-
End of the year	219,100	51,273	21,787	23,246	3,115	4,343	349	323,213
Accumulated depreciation:								
Beginning of the year	-	(2,061)	(12,565)	(18,856)	(2,207)	(2,815)	-	(38,504)
Depreciation for the year:								
- Charged to income statement	-	(288)	(842)	(906)	(432)	(584)	-	(3,052)
- Capitalised under long leasehold land and plantation	-	(157)	(38)	(85)	-	(5)	-	(285)
Disposals	-	-	-	203	328	37	-	568
Write off	-	-	115	221	10	39	-	385
End of the year	-	(2,506)	(13,330)	(19,423)	(2,301)	(3,328)	-	(40,888)
Net book value at end of the year	219,100	48,767	8,457	3,823	814	1,015	349	282,325
Comprising:								
Cost	106,717	51,273	21,787	23,246	3,115	4,343	349	210,830
At 1981 valuation	112,383	-	-	-	-	-	-	112,383
	219,100	51,273	21,787	23,246	3,115	4,343	349	323,213

The net book value of the revalued freehold land and plantation for the Group and the Company would have amounted to RM94,872,000 (2000: RM96,283,000) and RM82,501,000 (2000: RM83,912,000) respectively had they been stated in the financial statements at cost.

Included in the long leasehold land and plantation of the Group and of the Company is leasehold land with a net book value amounting to RM82,125,000 (2000: RM26,671,000) and RM1,300,000 (2000: RM1,315,000) respectively.

The valuation of the freehold land and plantation made by the Directors in 1981 were based upon valuations carried out by an independent firm of professional valuers using fair market value basis.

In accordance with the accounting policy as mentioned in Note 3, the valuation of the freehold land and plantation has not been updated, and they continue to be stated at their existing carrying amounts.

12. REAL PROPERTY ASSETS

	Group	
	2001	2000
Freehold land - at 1981 valuation	7,508	7,857
- at cost	98,137	98,358
	105,645	106,215
Development expenditure	142,149	143,849
	247,794	250,064

The basis of valuation of freehold land is consistent with that indicated in Note 11.

In accordance with the accounting policy as mentioned in Note 3, the valuation of freehold land has not been updated, and they continue to be stated at their existing carrying amounts.

As at 31 December 2001, the potential tax liability amounting to RM9.0 million (2000: RM9.1 million) arising from higher acquisition cost of certain parcels of the Group's freehold land over the tax base cost has not been recognised in the financial statements. The said tax effect would be recognised as and when the applicable portions of the said land are taken up in the income statements.

13. SUBSIDIARY COMPANIES

	Company	
	2001	2000
Unquoted shares - at cost	160,119	158,766
<i>Current:</i>		
Amounts due from subsidiary companies	495,975	511,292
Amounts due to subsidiary companies	(117,395)	(132,487)

The amounts due from and to subsidiary companies represent outstanding amounts arising from inter-company sales and purchases, advances, payments and receipts on behalf of or by subsidiary companies. These amounts are interest free, unsecured and are repayable on demand.

The subsidiary companies are listed in Note 32.

14. ASSOCIATED COMPANIES AND LONG TERM RECEIVABLES FROM ASSOCIATED COMPANIES

	Group		Company	
	2001	2000	2001	2000
Unquoted shares - at cost	2,123	2,172	2,123	2,172
Group's share of post-acquisition reserves	7,548	(973)	-	-
	9,671	1,199	2,123	2,172
Long term receivables from associated companies:				
Amounts due from associated companies	7,658	19,685	7,658	19,685
Less: Amounts included in current assets	(781)	(904)	(781)	(904)
	6,877	18,781	6,877	18,781

During the current financial year, the Group and the Company wrote off the following amounts in an associated company:

	Group	Company
Equity investment	49	49
Amounts due from associated company	9,159	9,159
Reversal of share of accumulated losses	(9,208)	-
	-	9,208

14. ASSOCIATED COMPANIES AND LONG TERM RECEIVABLES FROM ASSOCIATED COMPANIES (Cont'd)

The amounts due from associated companies represent outstanding amount arising from advances and payments made on behalf of associated companies and are interest free. In previous financial year, a portion of the amount due (including the entire amount classified as current assets) was interest free while the remaining amounts are interest bearing. Breakdown of interest free and interest bearing loan are as follows:

	Group and Company	
	2001	2000
Interest free	7,658	4,416
Less: Amounts classified as current assets	(781)	(904)
	6,877	3,512
Outstanding amounts in 2000 bearing interest at rates ranging from 8.0% to 8.8% per annum	-	15,269
	6,877	18,781

The above amounts due from associated companies are unsecured and the repayments of which are not expected within the next twelve months.

The associated companies are listed in Note 32.

15. INVESTMENTS

	Group		Company	
	2001	2000	2001	2000
Quoted shares in a foreign corporation – at cost	8,282	8,282	1,207	1,207
Less: Amounts written down to date	(7,993)	(7,993)	(1,038)	(1,038)
	289	289	169	169
Market value of quoted shares	499	289	291	169

16. PROPERTY DEVELOPMENT

	Group	
	2001	2000
Freehold land - at 1981 valuation	28	28
- at cost	22,996	24,091
	23,024	24,119
Development expenditure	98,096	88,541
	121,120	112,660
Add: Attributable profits less allowance for foreseeable losses	7,438	11,353
	128,558	124,013
Less: Progress billings	(34,950)	(33,079)
	93,608	90,934

The basis of valuation of freehold land is consistent with that indicated in Note 11.

In accordance with the accounting policy as mentioned in Note 3, the valuation of freehold land has not been updated, and they continue to be stated at their existing carrying amounts.

As at 31 December 2001, the potential tax liability amounting to RM3.9 million (2000: RM3.8 million) arising from higher acquisition cost of certain parcels of the Group's freehold land over the tax base cost has not been recognised in the financial statements. The said tax effect would be recognised as and when the applicable portions of the said land are taken up in the income statements.

17. INVENTORIES

	Group		Company	
	2001	2000	2001	2000
Produce stocks – at cost	4,532	6,475	697	367
Stores and spares – at cost	2,294	3,188	630	1,236
	6,826	9,663	1,327	1,603
Completed development properties				
- at cost	102,225	105,891	-	-
- at net realisable value	100	1,778	-	-
	102,325	107,669	-	-
	109,151	117,332	1,327	1,603

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2001	2000	2001	2000
Trade receivables	23,685	19,675	3,393	2,242
Less: Allowance for bad and doubtful debts	(3,427)	(3,794)	(180)	(180)
	20,258	15,881	3,213	2,062
Income tax recoverable	10,099	9,857	4,203	4,073
Deposits	2,875	2,845	1,409	1,395
Prepayments	365	1,369	287	1,026
Other receivables	7,915	8,135	6,121	6,786
	41,512	38,087	15,233	15,342

Bad debts written off during the financial year against allowance created in previous financial year amounted to RM939,000 (2000: Nil).

Included in other receivables of the Group is an unsecured housing loan of RM500,000 (2000: RM500,000) granted to an executive director of the Company which carries interest at 4% (2000: 4%) per annum with no fixed repayment terms.

19. SHORT TERM INVESTMENTS

Short term investments represent investments in unquoted money market instruments and are stated at cost. Money market instruments comprise negotiable certificate of deposit.

20. BANK BALANCES AND DEPOSITS

	Group		Company	
	2001	2000	2001	2000
Deposits with licensed banks	67,458	72,339	50,729	56,757
Deposits with finance companies	18,914	5,111	18,699	5,062
Cash and bank balances	6,745	7,623	857	3,507
	93,117	85,073	70,285	65,326

Included in deposits with licensed banks for the Group is an amount of RM9.8 million (2000: RM8.9 million) deposited by a subsidiary company into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2001	2000	2001	2000
Trade payables	15,553	16,254	5,116	4,877
Accruals of property development expenditure to completion	28,130	39,187	-	-
Retention monies	6,895	11,921	206	287
Balance of purchase consideration for acquisition of a piece of plantation land in Sabah	53,718	-	-	-
Accrued expenses	14,132	11,159	5,269	5,276
Deposits	3,934	1,611	314	687
Other payables	129	141	41	85
	122,491	80,273	10,946	11,212

22. AMOUNTS DUE TO ULTIMATE HOLDING COMPANY AND OTHER RELATED COMPANIES

	Group and Company	
	2001	2000
Amount due to ultimate holding company	740	627
Amounts due to other related companies	269	223
	1,009	850

The amounts due to holding company and other related companies are unsecured, interest free and are repayable on demand.

23. SHARE CAPITAL

	Company	
	2001	2000
Authorised: 1,000,000,000 ordinary shares of 50 sen each	500,000	500,000
Issued and fully paid: 741,335,000 ordinary shares of 50 sen each	370,668	370,668

As at end of the financial year, options to subscribe for 3,136,000 ordinary shares under the Asiatic Executive Share Option Scheme at an exercisable price of 92 sen per share were outstanding. These options which were granted on 11 November 2000, are exercisable between 11 November 2003 and 31 August 2010.

24. RESERVES

	Group		Company	
	2001	2000	2001	2000
Non-distributable Reserves				
Share Premium	25,663	25,663	25,663	25,663
Revaluation Reserve	19,668	19,829	28,310	28,471
Exchange Differences	(699)	(637)	-	-
	44,632	44,855	53,973	54,134
Distributable Reserve				
Unappropriated Profit	724,214	670,916	602,583	579,181
	768,846	715,771	656,556	633,315

The movements in reserves have been disclosed in the Statements of Changes in Equity.

Based on the prevailing tax rate applicable to dividends, the estimated tax credit account of the Company as at 31 December 2000 is sufficient to frank approximately RM231.6 million (2000: RM203.9 million) of the Company's unappropriated profit if distributed by way of dividends without additional tax liabilities being incurred.

24. RESERVES (Cont'd)

In addition, the estimated tax exempt income account of the Company as at 31 December 2001, under the Income Tax Act, 1967 and Income Tax (Amendment) Act, 1999, is sufficient to frank tax exempt dividend of approximately RM68.2 million (2000: RM68.2 million).

The estimated tax credit and tax exempt income accounts are subject to agreement by the Inland Revenue Board.

Taking into consideration the tax credit and tax exempt income accounts as at 31 December 2001, a tax liability of approximately RM117.8 million (2000: RM119.4 million) would be incurred should all the unappropriated profit of the Company be distributed as dividends.

25. LONG TERM BORROWINGS

The amount represents an unsecured loan obtained by an indirect local subsidiary company from its minority shareholder which bears interest at rates ranging from 7.4% to 7.7% (2000: 7.50% to 7.80%) per annum. The loan is not expected to be repaid within the next twelve months.

Interest payable on the above loan for the financial year of RM0.4 million (2000: RM0.4 million) has been waived.

26. DEFERRED TAXATION

	Group		Company	
	2001	2000	2001	2000
At beginning of the year	4,255	6,641	1,100	1,585
Transfer from/(to) income statements (See Note 8)	1,161	(2,386)	(69)	(485)
	5,416	4,255	1,031	1,100
Deferred tax comprises the tax effects of:				
- Excess of capital allowances over depreciation	7,785	8,864	2,458	2,568
- Timing differences arising from provisions	(2,369)	(4,609)	(1,427)	(1,468)
	5,416	4,255	1,031	1,100

In addition, the Group has potential deferred tax benefits of which the following tax effects have not been taken up in the financial statements:

	Group		Company	
	2001	2000	2001	2000
Tax effects of:				
- Unutilised tax losses	109	2,693	-	-
- Unutilised capital allowances	206	2,623	-	-
	315	5,316	-	-

The unutilised tax losses and capital allowances are subject to agreement by the Inland Revenue Board.

The tax effects relating to the increase in the carrying values of revalued property, plant and equipment are not accounted for as there is no intention to dispose of these assets in the foreseeable future.

27. PROVISION FOR DIRECTORS' RETIREMENT GRATUITIES

	Group		Company	
	2001	2000	2001	2000
Balance at 1 January	5,485	5,091	4,718	4,361
Charge for the year	92	394	95	357
Balance at 31 December	5,577	5,485	4,813	4,718

28. CONTINGENT LIABILITY

Contingent liability as at end of the financial year comprises an unsecured counter indemnity of RM5 million (2000: RM5 million) given by the Company to a local licensed bank for a bank guarantee issued on behalf of a wholly-owned subsidiary company.

29. CAPITAL COMMITMENTS

	Group		Company	
	2001	2000	2001	2000
Authorised capital expenditure not provided for in the financial statements:				
- contracted	18,251	6,993	3,851	1,591
- not contracted	31,504	12,565	7,513	5,893
	49,755	19,558	11,364	7,484
Analysed as follows:				
- Property, plant and equipment	44,733	18,227	6,342	6,153
- Others	5,022	1,331	5,022	1,331
	49,755	19,558	11,364	7,484

30. ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

31. SIGNIFICANT RELATED PARTY DISCLOSURES

In the normal course of business, the Company and the Group undertakes on agreed terms and prices, transactions with its related companies and other related parties.

In addition to related party transactions mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions listed below were carried out on terms and conditions available in transactions with unrelated parties unless otherwise stated:

	Group	
	2001	2000
i) Progress payments made by a wholly-owned subsidiary company, Asiatic Land Development Sdn Bhd ('ALDSB') to the constructor, Kien Huat Development Sdn Bhd ('KHD'), a company in which Datuk Lim Chee Wah, a member of the family of Tan Sri Lim Goh Tong, is a director and has deemed substantial financial interest, for the development of properties in Kulai, Johor. The progress payments include fees and reimbursables totalling RM1,064,000 (2000: RM1,506,000).	22,758	30,178
ii) Sale of two industrial lots by ALDSB to Genting Sanyen Industrial Paper Sdn Bhd, an indirect subsidiary company of Genting Berhad.	6,878	-

32. SUBSIDIARY AND ASSOCIATED COMPANIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2001	2000		
Direct Subsidiary Companies				
Sabah Development Company Sdn Bhd	100	100	Malaysia	Plantation
AR Property Development Sdn Bhd	100	100	Malaysia	Plantation
Sing Mah Plantation Sdn Bhd	100	100	Malaysia	Plantation
Tanjung Bahagia Sdn Bhd	100	100	Malaysia	Plantation

32. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2001	2000		
Direct Subsidiary Companies (Cont'd)				
Landworthy Sdn Bhd	84	84	Malaysia	Plantation
* Kinavest Sdn Bhd	100	-	Malaysia	Plantation
Ayer Item Oil Mill Sdn Bhd	100	100	Malaysia	FFB processing
ADB (Sarawak) Palm Oil Mill Management Sdn Bhd	100	100	Malaysia	Provision of palm oil mill management services
Mediglove Sdn Bhd	100	100	Malaysia	Dormant
Asiatic Land Development Sdn Bhd	100	100	Malaysia	Property development
Technimode Enterprises Sdn Bhd	100	100	Malaysia	Property investment
Glugor Development Sdn Bhd	100	100	Malaysia	Investments
Amalgamated Rubber (Penang) Sdn Bhd	100	100	Malaysia	Investments
Asiatic Commodities Trading Sdn Bhd	100	100	Malaysia	Pre-operating
ALD Construction Sdn Bhd	100	100	Malaysia	Pre-operating
Asiatic Vegetable Oils Refinery Sdn Bhd	100	100	Malaysia	Pre-operating
+ ADB International Limited	100	100	Hong Kong	Pre-operating
Plantation Latex (Malaya) Sdn Bhd	100	100	Malaysia	Dormant
Asiatic Properties Sdn Bhd	100	100	Malaysia	Dormant
Asiaticom Sdn Bhd	100	100	Malaysia	Dormant
Goodheart Development Sdn Bhd	100	100	Malaysia	Pending de-registration
Indirect Subsidiary Companies				
Setiomas Sdn Bhd	100	100	Malaysia	Plantation and property development
Asiatic Indahpura Development Sdn Bhd	70	70	Malaysia	Property development
Asiatic Golf Course (Sg. Petani) Berhad	100	100	Malaysia	Golf course operation
+ Asiatic Overseas Limited	100	100	Isle of Man	Investments
+ Azzon Limited	100	100	Isle of Man	Investments
Asiatic Awanpura Sdn Bhd	100	100	Malaysia	Pre-operating
Associated Companies				
Setiacahaya Sdn Bhd	50	50	Malaysia	Property investment
@ Sri Gading Land Sdn Bhd	49	49	Malaysia	Property development
Serian Palm Oil Mill Sdn Bhd	40	40	Malaysia	FFB processing
@ Asiatic Ceramics Sdn Bhd	49	49	Malaysia	Under receivership

* Subsidiary company acquired during the financial year.

+ The financial statements of these companies are audited by the overseas firm/Chartered Accountant associated with PricewaterhouseCoopers, Malaysia.

@ The financial statements of these companies are audited by auditors other than the auditors of the Company.

Statement on Directors' Responsibility

Pursuant To Paragraph 15.27(a) Of The Listing Requirements Of The Kuala Lumpur Stock Exchange

As required under the Companies Act, 1965 ("Act"), the Directors of **ASIATIC DEVELOPMENT BERHAD** have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Company and of the Group for the financial year ended 31 December 2001.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the year. In case where judgement and estimates were made, they were consistently applied throughout the year.

Additionally, the Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board dated 1 April 2002.

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, **YONG CHEE KONG**, the Officer primarily responsible for the financial management of **ASIATIC DEVELOPMENT BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 32 to 56, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
YONG CHEE KONG, at KUALA LUMPUR on) **YONG CHEE KONG**
 1 April 2002.)

Before me,

DATO' NG MANN CHEONG
 Commissioner for Oaths
 Kuala Lumpur

Report of the Auditors

To The Members Of Asiatic Development Berhad

We have audited the financial statements set out on pages 32 to 56. 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 approved auditing standards in Malaysia. 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 have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - ii) the state of affairs of the Group and Company as at 31 December 2001 and of the results and cash flows of the Group and Company for the year ended on that date;

and

- b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 32 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements 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 required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection 3 of Section 174 of the Act.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)
Chartered Accountants

MOHAMMAD ZAINAL BIN SHAARI

(No. 1924/10/02 (J))
Partner of the firm

1 April 2002

Ten-Year Summary

FINANCIAL

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
RM'000										
Revenue	199,863	230,783	446,811	351,304	313,316	195,805	223,570	152,133	153,089	124,931
Profit before taxation	87,149	69,885	272,841	165,004	102,382	68,564	96,815	46,168	34,864	49,022
Taxation	(14,463)	(15,378)	75	(40,957)	(26,191)	(15,875)	(21,184)	(10,312)	(7,255)	(9,715)
Profit after taxation	72,686	54,507	272,916	124,047	76,191	52,689	75,631	35,856	27,609	39,307
Profit attributable to shareholders	71,818	53,634	266,285	125,002	76,454	52,681	76,058	36,266	27,775	39,514
Issued capital	370,668	370,668	370,668	370,668	370,668	370,668	370,668	370,668	365,315	364,502
Unappropriated profit	724,214	670,916	630,095	390,133	288,753	233,409	201,253	143,965	125,471	113,795
Other reserves	44,632	44,855	47,996	48,346	57,069	47,858	48,174	48,296	44,939	33,081
Shareholders' equity	1,139,514	1,086,439	1,048,759	809,147	716,490	651,935	620,095	562,929	535,725	511,378
Minority interests	11,516	10,683	21,316	14,718	18,114	10,855	9,101	5,773	6,349	746
Long term borrowings	5,388	5,388	5,388	5,388	5,388	5,388	-	-	-	-
Deferred taxation	5,416	4,255	6,641	5,841	6,004	7,148	6,607	4,566	5,605	5,841
Provision for Directors' retirement gratuities	5,577	5,485	5,091	4,446	4,227	3,795	2,942	1,769	-	-
Financed by	1,167,411	1,112,250	1,087,195	839,540	750,223	679,121	638,745	575,037	547,679	517,965
Property, plant and equipment	560,638	492,008	502,789	500,497	507,689	507,860	461,141	490,505	448,952	436,438
Real property assets	247,794	250,064	231,246	221,170	190,119	170,293	80,351	26,283	16,847	7,061
Associated companies	16,548	19,980	21,038	27,948	27,392	24,592	20,290	2,443	2,557	1,071
Other long term investments	289	289	638	1,438	2,014	2,014	807	6,183	-	-
	825,269	762,341	755,711	751,053	727,214	704,759	562,589	525,414	468,356	444,570
Net current assets/(liabilities)	342,142	349,909	331,484	88,487	23,009	(25,638)	76,156	49,623	79,323	73,395
Employment of capital	1,167,411	1,112,250	1,087,195	839,540	750,223	679,121	638,745	575,037	547,679	517,965
Earnings per share (sen)*	9.7	7.2	35.9	16.9	10.3	7.1	10.3	4.9	3.7	5.3
Net dividend per share (sen)*	2.5	2.2	3.6	3.2	2.8	2.8	2.7	2.5	2.2	2.2
Dividend cover (times)	3.8	3.3	10.0	5.2	3.6	2.5	3.8	2.0	1.7	2.5
Current ratio	3.5	4.9	3.6	1.6	1.1	0.8	2.1	1.7	2.5	2.9
Net tangible assets per share (sen)*	153.7	146.6	141.4	109.1	96.6	87.9	83.6	75.9	72.3	69.0
Return (after tax and minority interests) on average shareholders' equity (%)	6.5	5.0	28.7	16.4	11.2	8.3	12.9	6.6	5.3	7.9
Market share price										
- highest (RM)	1.28	1.52	1.60	1.55	3.18	3.16	3.12	5.15	5.90	1.66
- lowest (RM)	0.80	0.80	1.01	0.76	0.88	2.16	2.32	2.52	1.28	0.69

* Adjusted to reflect the increased number of ordinary shares of the Company

OPERATIONS

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
OIL PALM										
FFB Production (T)	700,275	655,366	574,359	472,962	481,696	415,813	375,701	344,271	361,874	345,644
Yield Per Mature Hectare (T)	21.4	20.2	18.5	16.8	18.8	17.4	17.3	19.5	22.6	22.8
Average Selling Prices										
Crude Palm Oil (RM/T)	883	1,000	1,445	2,321	1,370	1,209	1,453	1,120	876	911
Palm Kernel (RM/T)	438	703	1,071	1,103	770	805	728	705	443	633
RUBBER										
Production ('000 kg)	830	1,457	1,729	1,826	2,141	2,416	2,540	3,299	3,739	4,830
Yield Per Mature Hectare (kg)	1,526	1,591	1,420	1,201	1,171	1,197	1,070	1,170	1,245	1,348
Average Selling Prices of All Grades (sen/kg)	182	223	209	250	246	332	513	354	303	282

LAND AREAS

HECTARES	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Oil Palm										
Mature	32,683	32,605	31,625	29,095	26,166	24,008	23,637	19,653	16,435	15,523
Immature	6,076	4,765	4,331	6,581	9,483	10,793	10,797	11,704	11,474	11,511
	38,759	37,370	35,956	35,676	35,649	34,801	34,434	31,357	27,909	27,034
Rubber										
Mature	750	1,291	1,582	1,830	2,304	2,704	2,680	3,235	2,992	3,654
Immature	0	0	0	0	32	52	264	536	2,002	2,352
	750	1,291	1,582	1,830	2,336	2,756	2,944	3,771	4,994	6,006
Durians & Others										
Mature	10	10	0	0	0	0	104	583	558	766
Immature	0	0	10	34	34	34	34	79	104	32
	10	10	10	34	34	34	138	662	662	798
TOTAL PLANTED AREA	39,519	38,671	37,548	37,540	38,019	37,591	37,516	35,790	33,565	33,838
Unplanted Agricultural Land	9,019	0	1,235	1,558	1,208	1,773	3,222	4,521	6,503	5,167
Labour Lines, Buildings, Infrastructure etc.	1,863	1,923	1,857	1,786	1,735	1,695	1,254	1,170	1,521	1,497
Property Development	364	407	412	487	515	665	190	337	337	0
TOTAL TITLED AREA	50,765	41,001	41,052	41,371	41,477	41,724	42,182	41,818	41,926	40,502

Analysis of Shareholdings As At 29 April 2002

Class of Shares □ : Ordinary Shares of 50 sen each
Voting Rights □ : One vote per share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 1,000	384	1.81	164,828	0.02
1,000 □ - 10,000	19,064	89.92	55,853,651	7.53
10,001 □ - 100,000	1,602	7.55	44,053,899	5.94
100,001 □ - less than 5% of issued shares	146	0.69	87,133,122	11.76
5% and above of issued shares	6	0.03	554,129,500	74.75
Total	21,202	100.00	741,335,000	100.00

THIRTY (30) LARGEST SHAREHOLDERS

Name	No. of Shares	% of Issued Capital
1. Genting Berhad	406,895,000	54.89
2. Lembaga Tabung Angkatan Tentera	148,958,500	20.09
3. □ Employees Provident Fund Board	11,877,000	1.60
4. □ Genting Equities (Hong Kong) Limited	7,139,000	0.96
5. □ Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	4,571,000	0.62
6. □ TCL Nominees (Tempatan) Sdn Bhd OCBC Securities Private Limited for Mah Hon Choon	3,265,000	0.44
7. □ Crescendo Overseas Corporation Sdn Bhd	3,000,000	0.40
8. □ HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Equity Trust (3175)	2,981,000	0.40
9. □ Maimoon Omar @ Moonyra Baharuddin	2,418,000	0.32
10. □ Straits Nominees (Asing) Sdn Bhd GK Goh SPL for Capital Intelligence Limited (72425)	2,000,000	0.27
11. Kian Hoe Plantations Berhad	1,789,000	0.24
12. Nam Heng Oil Mill Company Sdn Berhad	1,616,000	0.22
13. Panoramic Industrial Development Sdn Bhd	1,600,000	0.22
14. Arab-Malaysian Nominees (Tempatan) Sdn Bhd Arab-Malaysian Trustee Bhd for BHLB Pacific Dana Al-Ihsan	1,329,000	0.18
15. Universal Trustee (Malaysia) Berhad BHLB Pacific Emerging Companies Growth Fund	1,295,000	0.17
16. Gan Cheong Or @ Ngan Chong Hoo	1,190,000	0.16
17. Ban Dung Palm Oil Industries Sdn Bhd	1,101,000	0.15
18. Universal Trustee (Malaysia) Berhad Alliance First Fund	1,084,000	0.15
19. Arab-Malaysian Nominees (Tempatan) Sdn Bhd MIDF Aberdeen Asset Management Sdn Bhd for Employees Provident Fund (7/836-2)	1,010,000	0.14
20. Teo Chuan Keng Sdn Bhd	1,009,000	0.14
21. Citicorp Nominees (Asing) Sdn Bhd TNTC for Government of Singapore Investment Corporation Pte Ltd	1,000,000	0.14
22. Amanah Raya Nominees (Tempatan) Sdn Bhd Kuala Lumpur Savings Fund	985,000	0.13
23. Teo Chuan Keng	951,000	0.13
24. Multi-Purpose Insurans Bhd	735,000	0.10
25. Chinchoo Investment Sdn Berhad	682,000	0.09
26. Citicorp Nominees (Asing) Sdn Bhd CBHK PBGSGP for Sunnyvale Holdings Ltd	654,000	0.09
27. Baharuddin Bin Musa	613,000	0.08
28. Arab-Malaysian Nominees (Tempatan) Sdn Bhd MIDF Aberdeen Asset Management Sdn Bhd for Employees Provident Fund (No. 2 7/863-0)	604,000	0.08
29. Kim Loong Palm Oil Sdn Bhd	600,000	0.08
30. UOBM Nominees (Asing) Sdn Bhd Bankers Trust Company for Unifund	600,000	0.08
Total	613,551,500	82.76

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 29 APRIL 2002

Name	No. of Shares			% of Issued Capital
	Direct Interest	% of Issued Capital	Deemed Interest	
Genting Berhad	406,895,000	54.89	7,249,000*	0.98
Lembaga Tabung Angkatan Tentera	148,958,500	20.09	-	-
Kien Huat Realty Sdn. Bhd.	-	-	406,895,000^	54.89
Parkview Management Sdn. Bhd.	-	-	406,895,000^	54.89

* Deemed interested through direct and indirect subsidiaries of Genting Berhad

^ Deemed interested through Genting Berhad

Directors' Shareholdings as per Register of Directors' Shareholdings As At 29 April 2002

INTEREST IN THE COMPANY

	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman	164,000	0.0221	-	-
Dato' Baharuddin bin Musa	613,000	0.0827	-	-
Dato' Lim Kok Thay	144,000	0.0194	-	-
Tan Sri Lim Goh Tong	437,500	0.0590	-	-
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	140,000	0.0189	-	-
Dato' Siew Nim Chee	10,000	0.0013	-	-

INTEREST IN RELATED CORPORATIONS

Genting Berhad, the ultimate holding company

	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman	8,000	0.0011	-	-□
Dato' Baharuddin bin Musa	115,500	0.1640	3,000#	0.0004□
Dato' Lim Kok Thay	3,433,800	0.4875	11,523,996*	1.6361□
Tan Sri Lim Goh Tong	6,681,000	0.9485	-	-□
Mr Quah Chek Tin	1,000	0.0001	-	-

Note: # Deemed interested through Bemy Sdn Bhd

* Deemed interested through Time Life Equity Sdn Bhd

Resorts World Bhd, a related company

	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman	122,000	0.0112	-	-□
Dato' Baharuddin bin Musa	4,000	0.0004	-	-
Dato' Lim Kok Thay	50,000	0.0046	-	-
Mr Quah Chek Tin	1,000	0.0001	-	-

GB Credit & Leasing Sdn Bhd, a related company

	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Dato' Baharuddin bin Musa	-	-	220,000^	30.5556

Note: ^ Deemed interested through Fleetstar Corporation Sdn Bhd

Genting International PLC, a related corporation

	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Lim Goh Tong	1,832,468	0.1291	-	-



ASIATIC DEVELOPMENT BERHAD

(34993-X)

FORM OF PROXY

(Before completing the form please refer to the notes overleaf)

"A" I/We _____
(FULL NAME IN BLOCK CAPITALS)

of _____
(ADDRESS)

being a member of ASIATIC DEVELOPMENT BERHAD hereby appoint

_____ (FULL NAME)

of _____
(ADDRESS)

or failing him _____
(FULL NAME)

of _____
(ADDRESS)

or failing him, *the CHAIRMAN OF THE MEETING as *my/our first proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 24 June 2002 at 3.00 p.m. and at any adjournment thereof.

"B" Where it is desired to appoint a second proxy this section must also be completed, otherwise it should be deleted.

I/We _____
(FULL NAME IN BLOCK CAPITALS)

of _____
(ADDRESS)

being a member of ASIATIC DEVELOPMENT BERHAD hereby appoint

_____ (FULL NAME)

of _____
(ADDRESS)

or failing him _____
(FULL NAME)

of _____
(ADDRESS)

or failing him, *the CHAIRMAN OF THE MEETING as *my/our second proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 24 June 2002 at 3.00 p.m. and at any adjournment thereof.

The proportions of my/our holdings to be represented by my/our proxies are as follows:

First Proxy "A"	%
Second Proxy "B"	%
	100%

In case of a vote taken by a show of hands *First Proxy "A" / Second Proxy "B" shall vote on my/our behalf.

My/our proxies shall vote as follows:

ORDINARY RESOLUTION		First Proxy "A"		Second Proxy "B"	
		For	Against	For	Against
To receive and adopt the Audited Financial Statements	Resolution 1				
To sanction the declaration of a final dividend	Resolution 2				
To approve Directors' fees	Resolution 3				
To re-elect Directors pursuant to Article 99 of the Articles of Association of the Company: i. Dato' Lim Kok Thay ii. Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	<input type="checkbox"/> Resolution 4 Resolution 5				
To re-elect Mr Quah Chek Tin as a Director pursuant to Article 104 of the Articles of Association of the Company.	<input type="checkbox"/> Resolution 6				
To re-appoint _____ as a Director in accordance with Section 129 of the Companies Act, 1965: i. Tan Sri Mohd Amin bin Osman ii. Tan Sri Lim Goh Tong iii. Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad iv. Dato' Siew Nim Chee	Resolution 7 Resolution 8 Resolution 9 Resolution 10				
To re-appoint Auditors	Resolution 11				

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/their discretion.)

Signed this _____ day of _____ 2002

No. of Shares held	
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* Delete if inapplicable

Signature of Member

NOTES

A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965 of Malaysia, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

In the case of a corporation, this form must be either under seal or signed by a duly authorised officer or attorney.