

ASIATIC DEVELOPMENT BERHAD
(Company No. 34993-X)
(Incorporated and domiciled in Malaysia)
(A public limited liability company listed on the
Main Board of The Kuala Lumpur Stock Exchange)

REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000
(In Ringgit Malaysia)

REGISTERED OFFICE
24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur

PRINCIPAL PLACE OF BUSINESS
10th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur

**REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000**

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REPORT OF THE DIRECTORS

The Directors of **ASIATIC DEVELOPMENT BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The Company is principally involved in plantation and investment holding.

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

Details of the principal activities of the Group are set out in Note 35 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	69,885	46,454
Taxation	(15,378)	(11,967)
Profit from ordinary activities after taxation	54,507	34,487
Minority interests	(873)	-
Net profit for the year	<u>53,634</u>	<u>34,487</u>

DIVIDENDS

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

- (i) a final dividend of 3.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM18,681,642 in respect of the financial year ended 31 December 1999 and which has been dealt with in the previous Directors' report was paid on 24 July 2000; 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 2000 was paid on 20 October 2000.

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The Directors recommend payment of a final dividend of 1.5 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 20 July 2001 to shareholders registered in the Register of Members at the close of business on 3 July 2001. 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 RM8,006,418.

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 AND DEBENTURES

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

SHARE OPTION PURSUANT TO THE ASIATIC EXECUTIVE SHARE OPTION SCHEME FOR EXECUTIVES

The Asiatic Executive Share Option Scheme for Executives (“the Scheme”) was approved by members of the Company at an Extraordinary General Meeting held on 28 June 2000.

During the financial year, Option was granted pursuant to the Scheme in respect of 3,304,000 unissued ordinary shares of 50 sen each in the Company at an offer price of RM0.92 per share to 125 executive employees including the following Director of the Company being an executive employee of the Group as specified in the Scheme:

	Option Expiry Date 31/8/2010 (No. of unissued shares)
Dato' Baharuddin bin Musa	200,000

- (a) The aforesaid expiry date of the Option shall apply unless any such Option has ceased by reason of non compliance by the grantee of the terms and conditions under which the Option was granted pursuant to the Scheme.
- (b) 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.
- (c) 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.

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- (d) No shares were issued during the period to which the report relates by virtue of the exercise of Option to take up unissued shares of the Company granted during the year.

Under the Scheme, the following Option to take up unissued ordinary shares in the Company, which has been granted to executive employees of the Group as specified in the Scheme, was outstanding as at 31 December 2000:

Option Expiry date	Subscription Price per Share RM	No. of Unissued Shares
31.08.2010	0.92	3,304,000

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 (*Alternate to Dato' Lim Kok Thay*)

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 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	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		
Tan Sri Mohd Amin bin Osman	164,000	-	164,000
Dato' Baharuddin bin Musa	613,000	600,000/(600,000)	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

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)**INTEREST IN THE COMPANY (Continued)**

Shareholdings in which the Director is deemed to have an interest	1.1.2000	Acquired/(Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		
Dato' Baharuddin bin Musa	-	600,000/(600,000)	-
Share Option in the name of a Director	1.1.2000	Offered/(Exercised)	31.12.2000
	(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	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(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	2,553,000	784,200	3,337,200
Tan Sri Lim Goh Tong	6,681,000	-	6,681,000
Mr Quah Chek Tin <i>(Alternate to Dato' Lim Kok Thay)</i>	1,000	-	1,000

Shareholdings in which the Directors are deemed to have an interest	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(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	1.1.2000	Offered/(Exercised)	31.12.2000
	(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	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		
Tan Sri Mohd Amin bin Osman	122,000	-	122,000
Dato' Baharuddin bin Musa	25,000	(21,000)	4,000
Dato' Lim Kok Thay	-	1,629,000/(711,000)	918,000
Mr Quah Chek Tin <i>(Alternate to Dato' Lim Kok Thay)</i>	1,000	-	1,000

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)

INTEREST IN RESORTS WORLD BHD, A RELATED COMPANY (Continued)

Share Option in the names of Directors	1.1.2000	Offered/(Exercised)	31.12.2000
	(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	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(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	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(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:

- (a) 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
- (b) 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 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.

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- (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) Resorts World Limited ("RWL"), a related corporation, has subscribed for a total of 609,781,993 Ordinary Shares of US\$0.10 each in a corporation in which Tan Sri Lim Goh Tong and Dato' Lim Kok Thay have interests as set out below via the conversion of US\$442,499,850 out of the US\$480 million Floating Rate Convertible Unsecured Loan Notes ("Notes") issued to RWL under the Note Purchase Agreements between the corporation and RWL; and repaid RWL the remaining Notes of US\$37,500,150 not converted into ordinary shares of the corporation:
 - (a) Tan Sri Lim Goh Tong is a shareholder of the corporation, a preference unit holder of a Trust which is a substantial shareholder of the corporation ("the Trust"), and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
 - (b) Dato' Lim Kok Thay is a director, shareholder and call option holder of the corporation, a director of another corporation which is the trustee of the Trust, a preference unit holder of the Trust, and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
- (vi) RWL, Genting Overseas Holdings Limited and Palomino Limited, all which are related corporations, have disposed of a total of 29,100,200 Ordinary Shares of Norwegian Kroner 2.30 each representing approximately 10.88% in NCL Holding ASA to a corporation in which Tan Sri Lim Goh Tong and Dato' Lim Kok Thay have interests as set out below:
 - (a) Tan Sri Lim Goh Tong is a shareholder of the holding company of the corporation, a preference unit holder of a Trust which is a substantial shareholder of the holding company of the corporation ("the Trust"), and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
 - (b) Dato' Lim Kok Thay is a director, shareholder and call option holder of the holding company of the corporation, a director of another corporation which is the trustee of the Trust, a preference unit holder of the Trust, and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.

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- (vii) A company in which Tan Sri Lim Goh Tong is a director and a substantial shareholder has:
 - (a) rented 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.
 - (b) acquired approximately 3.04 hectares of freehold vacant land in the Mukim and District of Bentong, Pahang Darul Makmur from Genting Highlands Berhad, a related company.
- (viii) Genting Centre of Excellence Sdn Bhd, a related company, has acquired approximately 3.04 hectares of leasehold vacant land in the Mukim and District of Bentong, Pahang Darul Makmur from Tan Sri Lim Goh Tong.
- (ix) 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' Baharuddin bin Musa is due to retire by rotation in accordance with Article 99 of the Articles of Association of the Company and he, being eligible, offers himself for re-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.

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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; 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.

ASIATIC DEVELOPMENT BERHAD (*Company No. 34993-X*)

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
18 April 2001

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)
(Incorporated in Malaysia)
AND SUBSIDIARY COMPANIES

**INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000**

Amounts in RM'000 unless
otherwise stated

	Note	Group		Company	
		2000	1999	2000	1999
Revenue	5	230,783	446,811	87,486	124,051
Cost of sales	7	(142,108)	(202,454)	(49,081)	(57,744)
Gross profit		88,675	244,357	38,405	66,307
Other operating income		16,533	66,782	33,889	95,981
Selling and distribution costs		(17,583)	(15,551)	(6,143)	(6,093)
Administration expenses		(14,986)	(15,621)	(11,813)	(11,228)
Other operating expenses		(8,893)	(6,692)	(7,884)	(4,700)
Gain on disposal of a foreign subsidiary company	6	5,965	-	-	-
Profit from operations		69,711	273,275	46,454	140,267
Interest expense		-	(19)	-	-
Share of results of associated companies		174	(415)	-	-
Profit from ordinary activities before taxation	7	69,885	272,841	46,454	140,267
Taxation of :					
- The Company and its subsidiary companies		(14,660)	66	(11,967)	(5,669)
- Share of tax in associated companies		(718)	9	-	-
	8	(15,378)	75	(11,967)	(5,669)
Profit from ordinary activities after taxation		54,507	272,916	34,487	134,598
Minority shareholders' interests		(873)	(6,631)	-	-
Net profit for the year		53,634	266,285	34,487	134,598
Basic earnings per share - sen	9	7.23	35.92		
Diluted earnings per share - sen	9	N/A	N/A		
Gross dividends per share - sen	10	3	5		

The notes set out on pages 17 to 43 form part of these financial statements.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)
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BALANCE SHEETS
AS AT 31 DECEMBER 2000

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2000	1999	2000	1999
ASSETS:					
PROPERTY, PLANT AND EQUIPMENT	11	492,008	502,789	282,325	278,215
REAL PROPERTY ASSETS	12	250,064	231,246	-	-
SUBSIDIARY COMPANIES	13	-	-	158,766	135,666
ASSOCIATED COMPANIES	14	19,980	21,038	20,953	21,026
OTHER LONG TERM INVESTMENTS	15	289	638	169	373
CURRENT ASSETS					
Property development	16	90,934	69,088	-	-
Inventories	17	117,332	132,230	1,603	1,569
Trade receivables	18	15,881	48,215	2,062	3,443
Other receivables, deposits and prepayments	19	22,206	16,009	13,280	8,394
Amounts due from associated companies	14	904	933	904	933
Amount due from subsidiary companies	13	-	-	511,292	570,286
Short term investments	20	106,708	22,814	105,676	22,731
Bank balances and deposits	21	85,073	167,586	65,326	116,552
		439,038	456,875	700,143	723,908
LESS CURRENT LIABILITIES					
Trade payables		67,362	78,200	5,164	5,186
Other payables and accrued expenses	22	12,911	18,354	6,048	7,707
Short term borrowing	23	-	186	-	-
Amount due to ultimate holding company and other related companies	24	850	22	850	22
Amount due to subsidiary companies	13	-	-	132,487	131,458
Provision for taxation		-	9,947	-	4,679
Dividends		8,006	18,682	8,006	18,682
		89,129	125,391	152,555	167,734
NET CURRENT ASSETS		349,909	331,484	547,588	556,174
		1,112,250	1,087,195	1,009,801	991,454
FINANCED BY:					
SHARE CAPITAL	25	370,668	370,668	370,668	370,668
RESERVES	26	715,771	678,091	633,315	614,840
SHAREHOLDERS' EQUITY		1,086,439	1,048,759	1,003,983	985,508
MINORITY INTERESTS		10,683	21,316	-	-
LONG TERM LIABILITIES					
Long term borrowings	27	5,388	5,388	-	-
Deferred taxation	28	4,255	6,641	1,100	1,585
Provision for Directors' retirement gratuities	29	5,485	5,091	4,718	4,361
		15,128	17,120	5,818	5,946
		1,112,250	1,087,195	1,009,801	991,454
NET TANGIBLE ASSETS PER SHARE - sen		146.6	141.4		

The notes set out on pages 17 to 43 form part of these financial statements.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)
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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000**

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 1999		370,668	25,663	23,393	(710)	390,133	809,147
Revaluation reserve realised upon sale of land		-	-	(365)	-	365	-
Currency translation differences		-	-	-	15	-	15
Net gains not recognised in the income statement		-	-	(365)	15	365	15
Net profit for the year		-	-	-	-	266,285	266,285
Dividends :							
- Interim (1.5 sen less 28% tax)		-	-	-	-	(8,006)	(8,006)
- Proposed final (3.5 sen less 28% tax)		-	-	-	-	(18,682)	(18,682)
	10	-	-	-	-	(26,688)	(26,688)
Balance at 31 December 1999		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		<u>370,668</u>	<u>25,663</u>	<u>19,829</u>	<u>(637)</u>	<u>670,916</u>	<u>1,086,439</u>

The notes set out on pages 17 to 43 form part of these financial statements.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000 (Continued)

Amounts in RM'000 unless otherwise stated

Company	Note	Share Capital	Non-Distributable		Distributable	Total
			Share Premium	Revaluation Reserve	Unappropriated Profit	
Balance at						
1 January 1999		370,668	25,663	28,841	452,426	877,598
Revaluation reserve realised upon sale of land		-	-	(365)	365	-
Net gains not recognised in the income statement		-	-	(365)	365	-
Net profit for the year		-	-	-	134,598	134,598
Dividends :						
- Interim (1.5 sen less 28% tax)		-	-	-	(8,006)	(8,006)
- Proposed final (3.5 sen less 28% tax)		-	-	-	(18,682)	(18,682)
	10	-	-	-	(26,688)	(26,688)
Balance at		370,668	25,663	28,476	560,701	985,508
31 December 1999						
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)
	10	-	-	-	(16,012)	(16,012)
Balance at		370,668	25,663	28,471	579,181	1,003,983
31 December 2000						

The notes set out on pages 17 to 43 form part of these financial statements.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)
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**CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000**

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2000	1999	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from ordinary activities before taxation		69,885	272,841	46,454	140,267
Adjustments for:					
Depreciation of property, plant and equipment		9,952	10,033	3,052	3,879
Allowance for bad and doubtful debts		3,794	-	180	-
Property, plant and equipment written off		1,441	85	19	56
Allowance for foreseeable losses on property development		444	-	-	-
Provision for retirement gratuities		394	646	357	558
Write down of other long term investments in a quoted foreign corporation		349	800	204	466
Share of (profits)/losses of associated companies		(174)	415	-	-
Gain on disposal of property, plant and equipment		(240)	(71)	(190)	(27)
Net surplus arising from freehold land and plantation acquired by the government		(3,776)	(54,921)	(2,142)	(54,921)
Gain on disposal of a foreign subsidiary company	6	(5,965)	-	-	-
Interest income		(7,634)	(4,779)	(6,057)	(3,335)
Dividend income		-	-	(22,105)	(33,951)
Interest expense		-	19	-	-
Waiver of advances to wholly-owned subsidiary companies		-	-	2,432	-
		(1,415)	(47,773)	(24,250)	(87,275)
Operating profit before changes in working capital		68,470	225,068	22,204	52,992
Increase in property development expenditure		32,142	90,186	-	-
Decrease/(Increase) in inventories		14,898	(123,917)	(34)	2,010
Decrease/(Increase) in trade and other receivables, deposits and prepayments		30,422	(10,596)	388	1,538
Decrease in amount due from associated companies		102	903	102	903
(Decrease)/Increase in trade and other payables and accrued expenses		(74,625)	9,450	(1,847)	2,366
Decrease in amount due to ultimate holding companies		545	25	545	25
(Decrease)/Increase in amount due to related companies		283	(257)	283	(257)
Increase in amount due from subsidiary companies		-	-	(34,691)	(44,957)
		3,767	(34,206)	(35,254)	(38,372)
Cash generated from/(used in) operations		72,237	190,862	(13,050)	14,620
Tax paid		(36,850)	(36,561)	(21,204)	(24,442)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		35,387	154,301	(34,254)	(9,822)

The notes set out on pages 17 to 43 form part of these financial statements.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)
(Incorporated in Malaysia)
AND SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000 (Continued)

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2000	1999	2000	1999
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		7,634	4,779	6,057	3,335
Proceeds from disposal of a foreign subsidiary company	6	5,964	-	-	-
Proceeds arising from freehold land and plantation acquired by the government		4,348	57,230	2,395	57,230
Dividends received		441	338	22,105	33,951
Proceeds from disposal of property, plant and equipment		308	81	258	27
Purchase of property, plant and equipment		(12,337)	(14,826)	(7,336)	(5,212)
Investment in real property assets		(13,699)	(10,076)	-	-
Proceeds from redemption of preference shares in an associated company		-	4,331	-	4,331
Repayments from subsidiary companies		-	-	86,650	115,264
Advances to subsidiary companies		-	-	(17,468)	(47,573)
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES		(7,341)	41,857	92,661	161,353
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(26,688)	(24,019)	(26,688)	(24,019)
Dividends paid to minority shareholders		(35)	(35)	-	-
Repayments of short term borrowing		-	(516)	-	-
Interest paid		-	(19)	-	-
NET CASH USED IN FINANCING ACTIVITIES		(26,723)	(24,589)	(26,688)	(24,019)
Effect of currency translation		58	17	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,381	171,586	31,719	127,512
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		190,400	18,814	139,283	11,771
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		191,781	190,400	171,002	139,283

The notes set out on pages 17 to 43 form part of these financial statements.

ASIATIC DEVELOPMENT BERHAD (*Company No. 34993-X*)
(Incorporated in Malaysia)
AND SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000 (*Continued*)

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2000	1999	2000	1999
<i>Analysis of cash and cash equivalents</i>					
Short term investments		106,708	22,814	105,676	22,731
Bank balances and deposits	21	85,073	167,586	65,326	116,552
		-----	-----	-----	-----
Cash and cash equivalents at end of the year		191,781	190,400	171,002	139,283
		=====	=====	=====	=====

The notes set out on pages 17 to 43 form part of these financial statements.

ASIATIC DEVELOPMENT BERHAD (*Company No. 34993-X*)
(*Incorporated in Malaysia*)
AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2000

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, property development and manufacturing.

Details of the principal activities of the Group are set out in Note 35 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 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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Consolidation (*Continued*)

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 Accounting Standards Board on adoption of International Accounting Standard No. 16 (Revised), 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.

3. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Property, Plant and Equipment (Continued)

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, equipment and vehicles	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 under freehold land are not amortised while those capitalised under leasehold land are amortised in accordance with the depreciation policy of the Group.

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 and 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, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Real Property Assets, Property Development and Profit Recognition (*Continued*)

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. Under this method, profits are recognised as the property 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. Profits are, however, recognised only in respect of sales where agreements have been finalised. Foreseeable losses, if any, are recognised in the income statement.

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.

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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

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 estimate 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 amount of the provision for the retirement gratuities is determined by the Board and is discretionary.

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.

3. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Foreign Currencies (Continued)

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.

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

Currency	Average rate		Year end rate	
	2000	1999	2000	1999
US Dollar	3.8000	3.8000	3.8000	3.8000
Hong Kong Dollar	0.4877	0.4897	0.4872	0.4888

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.

3. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Other income

Other income covering interest income, rental income and management 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**

	Revenue		Profit Before Taxation		Assets Employed	
	2000	1999	2000	1999	2000	1999
By activity						
Plantations	163,272	229,059	39,018	96,651	488,148	479,336
Properties	67,511	217,752	14,526	116,054	499,959	498,958
	230,783	446,811	53,544	212,705	988,107	978,294
Non-Segment Items						
- interest bearing investments	-	-	7,634	4,778	184,157	185,225
- gain on disposal of a foreign subsidiary company (see Note 6)	-	-	5,965	-	-	-
- others	-	-	2,742	55,358	29,115	49,067
	-	-	16,341	60,136	213,272	234,292
	230,783	446,811	69,885	272,841	1,201,379	1,212,586

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.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)

5. REVENUE

Revenue of the Group and Company comprises the following:

	Group		Company	
	2000	1999	2000	1999
Sale of plantation produce and development properties	230,076	446,074	87,486	124,051
Revenue from golf course operations	707	737	-	-
	230,783	446,811	87,486	124,051

6. DISPOSAL OF A FOREIGN SUBSIDIARY COMPANY

During the financial year, 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 effect of the above disposal is as follows:

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)
	1,184
Minority interests	(15,871)
Net-liabilities disposed of	(1)
Proceeds from disposal	(5,965)
Less : Cash & Cash equivalents disposed of	1
	(5,964)
Gain on disposal	(5,965)

There was no disposal in financial year ended 31 December 1999.

7. **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	
	2000	1999	2000	1999
Charges:				
Depreciation of property, plant and equipment	9,952	10,033	3,052	3,879
Replanting expenditure	5,026	4,557	3,805	3,190
Allowance for bad and doubtful debts	3,794	-	180	-
Directors' remuneration:				
- Fees	122	122	122	122
- Other emoluments	1,942	2,083	1,714	1,835
- Provision for retirement gratuities	394	646	357	558
Property, plant and equipment written off	1,441	85	19	56
Charges payable to holding and other related companies:				
- Rental of premises	900	851	824	723
- Shared services fee	630	13	630	13
- Hire of equipment	10	17	10	17
- Interest	-	19	-	-
Write-down of other long term investments in a quoted foreign corporation	349	800	204	466
Allowance for foreseeable losses on properties	444	-	-	-
Auditors' remuneration	90	74	45	38
Waiver of advances granted to wholly-owned subsidiary companies	-	-	2,432	-
Rental of land paid to a subsidiary company	-	-	596	578
	=====	=====	=====	=====
Credits:				
Interest income	7,634	4,233	3,842	2,625
Gain from disposal of a foreign subsidiary company (See Note 6)	5,965	-	-	-
Net surplus arising from freehold land and plantation acquired by the government	3,776	54,921	2,142	54,921
Rental income	1,288	1,335	478	341
Income from subsidiary and associated companies:				
- Gross dividends	-	-	22,105	33,951
- Management fee	960	1,086	237	214
- Shared services fee	-	-	833	212
- Interest on advances	-	545	2,215	710
Gain on disposal of property, plant and equipment	240	71	190	27
Rental income from a related company	18	18	-	-
	=====	=====	=====	=====
(b) Other Information:				
Operating costs relating to inventories recognised as an expense	140,579	200,728	49,081	57,744
Operating costs relating to services recognised as an expense	1,529	1,726	-	-
	142,108	202,454	49,081	57,744
	=====	=====	=====	=====
The estimated monetary value of benefits provided to Directors by way of usage of assets	42	26	21	21
	=====	=====	=====	=====
Staff costs (including Executive Directors' remuneration)	29,180	30,682	17,723	19,031
	=====	=====	=====	=====
Number of employees as at 31 December	2,179	2,161	1,080	1,181
	=====	=====	=====	=====

8. TAXATION

	Group		Company	
	2000	1999	2000	1999
Current taxation - Malaysian	17,088	-	12,452	7,209
Over provision in prior years	(42)	(866)	-	(864)
	17,046	(866)	12,452	6,345
Deferred tax (credit)/charge for the year	(2,386)	800	(485)	(676)
Share in taxation of associated companies	718	(9)	-	-
	15,378	(75)	11,967	5,669

The effective tax rate of the Company and the Group for the current financial year is lower than the statutory tax rate due mainly to utilisation of agriculture allowance claimed in respect of new planting expenditure and certain non-taxable income.

No provision for Malaysian taxation was made in 1999 as it was an income tax waiver year pursuant to Section 8, Part III of the Income Tax (Amendment) Act, 1999. The tax charged of the Company for 1999 was in respect of tax at source on dividend income received during that year.

Subject to agreement by the Inland Revenue Board, the available unutilised tax losses of subsidiary companies for which the related tax effects have not been recognised in the net income amounted to RM2.7 million (1999 : RM2.7 million) as at the end of the financial year.

9. EARNINGS PER SHARE

Earnings per ordinary share is calculated based on the Group net profit for the financial year of RM53.6 million (1999: RM266.3 million) and the weighted average number of ordinary shares in issue of 741,335,000 (1999: 741,335,000).

As mentioned in Note 25, the Company has outstanding options granted during the financial year pursuant to the Asiatic Executive Share Option Scheme to subscribe for 3,304,000 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 above the fair value of the Company's shares for the current financial year, the option is deemed non-dilutive. As such, the options have no dilution effect on the earnings per share of the Group for the current financial year.

10. DIVIDENDS

	Group and 2000	Company 1999
Interim paid - 1.5 sen less 28% tax (1999 : 1.5 sen less 28% tax) per ordinary share of 50 sen each	8,006	8,006
Proposed final - 1.5 sen less 28% tax (1999 : 3.5 sen less 28% tax) per ordinary share of 50 sen each	8,006	18,682
	16,012	26,688

11. PROPERTY, PLANT AND EQUIPMENT

2000 Group	Freehold land and plantation	Long leasehold land and plantation	Short leasehold land	Buildings and improve- ments	Plant, equipment and vehicles	Construc- tion in progress	Total
Cost except as otherwise stated:							
Beginning of the year	256,033	175,461	1,171	53,045	79,011	25,436	590,157
Additions	48	10,162	-	472	4,077	3,235	17,994
Disposals	(571)	-	-	-	(697)	-	(1,268)
Disposal of a foreign subsidiary company	-	-	(1,171)	-	(37)	(13,883)	(15,091)
Write off	-	-	-	(121)	(736)	(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	<u>253,779</u>	<u>186,716</u>	<u>-</u>	<u>54,415</u>	<u>92,144</u>	<u>801</u>	<u>587,855</u>
Accumulated depreciation:							
Beginning of the year	-	(8,037)	(382)	(21,592)	(57,357)	-	(87,368)
Depreciation for the year:							
- Charged to statement	-	(1,535)	-	(2,414)	(6,003)	-	(9,952)
- Capitalised under long leasehold land and plantations	-	(181)	-	(41)	(103)	-	(325)
Disposals	-	-	-	-	628	-	628
Disposal of foreign subsidiary company	-	-	382	-	23	-	405
Write off	-	-	-	115	650	-	765
End of the year	<u>-</u>	<u>(9,753)</u>	<u>-</u>	<u>(23,932)</u>	<u>(62,162)</u>	<u>-</u>	<u>(95,847)</u>
Net book value at end of the year	<u>253,779</u>	<u>176,963</u>	<u>-</u>	<u>30,483</u>	<u>29,982</u>	<u>801</u>	<u>492,008</u>
Comprising :							
Cost	134,831	186,716	-	54,415	92,144	801	468,907
At 1981 valuation	118,948	-	-	-	-	-	118,948
	<u>253,779</u>	<u>186,716</u>	<u>-</u>	<u>54,415</u>	<u>92,144</u>	<u>801</u>	<u>587,855</u>

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

1999 Group	Freehold land and plantation	Long leasehold land and plantation	Short leasehold land	Buildings and improve- ments	Plant, equipment and vehicles	Construc- tion in progress	Total
Cost except as otherwise stated:							
Beginning of the year	258,222	170,480	1,171	52,641	76,554	19,530	578,598
Additions	112	4,981	-	37	2,638	7,482	15,250
Disposals	(2,309)	-	-	-	(149)	-	(2,458)
Write off	-	-	-	(64)	(1,169)	-	(1,233)
Reclassifications	8	-	-	431	1,137	(1,576)	-
End of the year	<u>256,033</u>	<u>175,461</u>	<u>1,171</u>	<u>53,045</u>	<u>79,011</u>	<u>25,436</u>	<u>590,157</u>
Accumulated depreciation:							
Beginning of the year	-	(6,408)	(323)	(19,205)	(52,165)	-	(78,101)
Depreciation for the year:							
- Charged to income statement	-	(1,360)	-	(2,391)	(6,282)	-	(10,033)
- Capitalised under long leasehold land and plantations	-	(239)	-	(58)	(127)	-	(424)
- Charged to pre-operating expenses	-	(30)	(59)	-	(8)	-	(97)
Disposals	-	-	-	-	139	-	139
Write off	-	-	-	62	1,086	-	1,148
End of the year	<u>-</u>	<u>(8,037)</u>	<u>(382)</u>	<u>(21,592)</u>	<u>(57,357)</u>	<u>-</u>	<u>(87,368)</u>
Net book value at end of the year	<u>256,033</u>	<u>167,424</u>	<u>789</u>	<u>31,453</u>	<u>21,654</u>	<u>25,436</u>	<u>502,789</u>
Comprising :							
Cost	136,704	175,461	1,171	53,045	79,011	25,436	470,828
At 1981 valuation	119,329	-	-	-	-	-	119,329
	<u>256,033</u>	<u>175,461</u>	<u>1,171</u>	<u>53,045</u>	<u>79,011</u>	<u>25,436</u>	<u>590,157</u>

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

2000 Company	Freehold land and plantation	Long leasehold land and plantation	Buildings and improve- ments	Plant, equipment and vehicles	Construc- tion in progress	Total
Cost except as otherwise stated:						
Beginning of the year	219,305	45,791	21,603	29,439	581	316,719
Additions	47	4,389	57	2,099	1,195	7,787
Disposals	(252)	-	-	(637)	-	(889)
Write off	-	-	(121)	(283)	-	(404)
Reclassifications	-	1,093	248	86	(1,427)	0
End of the year	<u>219,100</u>	<u>51,273</u>	<u>21,787</u>	<u>30,704</u>	<u>349</u>	<u>323,213</u>
Accumulated depreciation:						
Beginning of the year	-	(2,061)	(12,565)	(23,878)	-	(38,504)
Depreciation for the year:						
- Charged to profit and loss account	-	(288)	(842)	(1,922)	-	(3,052)
- Capitalised under long leasehold land and plantation	-	(157)	(38)	(90)	-	(285)
Disposals	-	-	-	568	-	568
Write off	-	-	115	270	-	385
End of the year	<u>-</u>	<u>(2,506)</u>	<u>(13,330)</u>	<u>(25,052)</u>	<u>-</u>	<u>(40,888)</u>
Net book value at end of the year	<u>219,100</u>	<u>48,767</u>	<u>8,457</u>	<u>5,652</u>	<u>349</u>	<u>282,325</u>
Comprising :						
Cost	106,717	51,273	21,787	30,704	349	210,830
At 1981 valuation	112,383	-	-	-	-	112,383
	<u>219,100</u>	<u>51,273</u>	<u>21,787</u>	<u>30,704</u>	<u>349</u>	<u>323,213</u>

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

1999 Company	Freehold land and plantation	Long leasehold land and plantation	Buildings and improve- ments	Plant, equipment and vehicles	Construc- tion in progress	Total
Cost except as otherwise stated:						
Beginning of the year	221,495	42,635	21,639	28,784	53	314,606
Additions	111	3,156	19	1,391	786	5,463
Disposals	(2,309)	-	-	(45)	-	(2,354)
Write off	-	-	(61)	(935)	-	(996)
Reclassifications	8	-	6	244	(258)	-
End of the year	<u>219,305</u>	<u>45,791</u>	<u>21,603</u>	<u>29,439</u>	<u>581</u>	<u>316,719</u>
Accumulated depreciation:						
Beginning of the year	-	(1,687)	(11,723)	(21,949)	-	(35,359)
Depreciation for the year:						
- Charged to profit and loss account	-	(252)	(860)	(2,767)	-	(3,879)
- Capitalised under long leasehold land and plantation	-	(122)	(43)	(86)	-	(251)
Disposals	-	-	-	45	-	45
Write off	-	-	61	879	-	940
End of the year	<u>-</u>	<u>(2,061)</u>	<u>(12,565)</u>	<u>(23,878)</u>	<u>-</u>	<u>(38,504)</u>
Net book value at end of the year	<u>219,305</u>	<u>43,730</u>	<u>9,038</u>	<u>5,561</u>	<u>581</u>	<u>278,215</u>
Comprising:						
Cost	106,860	45,791	21,603	29,439	581	204,274
At 1981 valuation	112,445	-	-	-	-	112,445
	<u>219,305</u>	<u>45,791</u>	<u>21,603</u>	<u>29,439</u>	<u>581</u>	<u>316,719</u>

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.

The net book value of the revalued freehold land and plantation for the Group and the Company would have amounted to RM96,283,000 (1999 : RM96,301,000) and RM83,912,000 (1999 : RM83,969,000) respectively had they been stated in the financial statements at cost.

12. REAL PROPERTY ASSETS

	Group	
	2000	1999
Freehold land - at 1981 valuation	7,857	7,857
- at cost	98,358	99,587
	106,215	107,444
Development expenditure	143,849	123,802
	250,064	231,246

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 2000, the potential tax liability amounting to RM9.1 million (1999 : RM9.4 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	
	2000	1999
<i>Non current:</i>		
Unquoted shares - at cost	158,766	135,666
<i>Current:</i>		
Amount due from subsidiary companies		
- portion where interest is chargeable at 5.40% to 6.22% (1999 : 6:22%) per annum	-	45,600
- interest free portion	511,292	524,686
	511,292	570,286
	670,058	705,952
Amount due to subsidiary companies	(132,487)	(131,458)
	537,571	574,494

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 unsecured and are repayable on demand.

13. **SUBSIDIARY COMPANIES** (Continued)

The comparative figures in respect of amounts due from subsidiary companies have been reclassified from non current to current to conform with the current year's presentation. These balances are deemed current as there are no fixed repayment terms and the Company can, at its discretion, call for the repayment of these balances.

The subsidiary companies are listed in Note 35.

14. **ASSOCIATED COMPANIES**

	Group		Company	
	2000	1999	2000	1999
Unquoted shares - at cost	2,172	2,172	2,172	2,172
Group's share of post-acquisition reserves	(973)	12	-	-
	1,199	2,184	2,172	2,172
Amount due from associated companies	19,685	19,787	19,685	19,787
Less : Portion included in current assets	(904)	(933)	(904)	(933)
	18,781	18,854	18,781	18,854
	19,980	21,038	20,953	21,026

Investment in associated companies in 2000 and 1999 represents the share of net assets of the respective associated companies.

The amount due from associated companies represents outstanding amount arising from advances and payments made on behalf of associated companies. A portion of the amount due (including the entire amount classified as current assets) is interest free while the remaining amounts are interest bearing and the details are as follows:

	Group and Company	
	2000	1999
Interest free portion	4,416	4,876
Less : Amount classified as current assets	(904)	(933)
	3,512	3,943
Outstanding amount bearing interest at rates ranging from 8.00% to 8.80% (1999 : 8.00% to 10.05%) per annum	15,269	14,911
	18,781	18,854

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 35.

15. OTHER LONG TERM INVESTMENTS

	Group		Company	
	2000	1999	2000	1999
Quoted shares in a foreign corporation – at cost	8,282	8,282	1,207	1,207
Less : Amounts written down to date	(7,993)	(7,644)	(1,038)	(834)
	289	638	169	373
Market value of quoted shares	289	638	169	373

16. PROPERTY DEVELOPMENT

	Group	
	2000	1999
Freehold land - at 1981 valuation	28	1,217
- at cost	24,091	32,161
Development expenditure	88,541	294,161
Add : Attributable profits less allowance for to date foreseeable losses	11,353	186,861
Less : Progress billings	(33,079)	(445,312)
	90,934	69,088

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.

During the year, the Group has classified the unsold but completed development properties from property development to inventories so as to present a better understanding of the status of the Group's property development projects. Accordingly, the comparative figures have been reclassified to conform with current year's presentation. The effect of the reclassification in respect of the preceding financial year is to reclassify RM2.5 million of freehold land and RM123.5 million of development expenditure from property development to inventories.

As at 31 December 2000, the potential tax liability amounting to RM3.8 million (1999: RM3.9 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	
	2000	1999	2000	1999
Produce stocks – at cost	6,475	1,746	367	193
Stores and spares – at cost	3,188	4,496	1,236	1,376
	9,663	6,242	1,603	1,569
Completed development properties				
- at cost	105,891	125,988	-	-
- at net realisable value	1,778	-	-	-
	107,669	125,988	-	-
	117,332	132,230	1,603	1,569

As mentioned in Note 16, the Group has classified the unsold but completed development properties from property development to inventories. The comparative figures have been reclassified accordingly.

18. **TRADE RECEIVABLES**

	Group		Company	
	2000	1999	2000	1999
Trade receivables	19,675	48,215	2,242	3,443
Less : Allowance for bad and doubtful debts	(3,794)	-	(180)	-
	15,881	48,215	2,062	3,443

19. **OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	Group		Company	
	2000	1999	2000	1999
Income tax recoverable	9,857	-	4,073	-
Deposits	2,845	2,796	1,395	1,394
Prepayments	1,369	3,023	1,026	1,086
Other debtors	8,135	10,190	6,786	5,914
	22,206	16,009	13,280	8,394

Included in other debtors of the Group is an unsecured housing loan of RM500,000 (1999 : RM500,000) granted to an executive director of the Company which carries interest at 4% (1999 : 4%) per annum with no fixed repayment terms.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)

20. **SHORT TERM INVESTMENTS**

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

21. **BANK BALANCES AND DEPOSITS**

	Group		Company	
	2000	1999	2000	1999
Deposits with licensed banks	72,339	152,529	56,757	104,451
Deposits with finance companies	5,111	9,881	5,062	9,845
Cash and bank balances	7,623	5,176	3,507	2,256
	85,073	167,586	65,326	116,552

Included in deposits with licensed banks for the Group is an amount of RM8.9 million (1999 : RM2.1 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.

22. **OTHER PAYABLES AND ACCRUED EXPENSES**

	Group		Company	
	2000	1999	2000	1999
Accrued expenses	11,159	15,057	5,276	7,248
Deposits	1,611	3,034	687	321
Other creditors	141	263	85	138
	12,911	18,354	6,048	7,707

The following comparative figures have been reclassified to conform with the current year's presentation:

	Group	Company
	1999	1999
As reported previously	31,588	16,575
Reclassification of provision for Directors' retirement gratuities to long-term and deferred liabilities (See Note 29)	(5,091)	(4,361)
Reclassification of other payables to trade payables so as to better reflect the nature of the liabilities	<u>(8,143)</u>	<u>(4,507)</u>
As restated	18,354	7,707

23. SHORT TERM BORROWING

The short term borrowing in 1999 was in respect of a secured loan obtained by a foreign subsidiary company which carried interest at rates ranging from 0.66% to 1% per month. The said foreign subsidiary has been disposed of during the financial year and therefore, the short term borrowing is no longer consolidated.

24. AMOUNT DUE TO ULTIMATE HOLDING COMPANY AND OTHER RELATED COMPANIES

	Group and Company	
	2000	1999
Amount due to ultimate holding company	627	82
Amount due to other related companies	223	190
	850	272
Amount due from a related company	-	(250)
	850	22
	=====	=====

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

25. SHARE CAPITAL

	Company	
	2000	1999
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 3,304,000 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 during the year are exercisable between 11 November 2003 and 31 August 2010.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)

26. **RESERVES**

	Group		Company	
	2000	1999	2000	1999
Non-distributable Reserves				
Share Premium	25,663	25,663	25,663	25,663
Revaluation Reserve	19,829	23,028	28,471	28,476
Exchange Differences	(637)	(695)	-	-
	44,855	47,996	54,134	54,139
Distributable Reserve				
Unappropriated Profit	670,916	630,095	579,181	560,701
	715,771	678,091	633,315	614,840

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

Based on the prevailing tax rate applicable to dividends and subject to agreement by the Inland Revenue Board, the estimated tax credit and tax exempt income accounts of the Company are sufficient to frank approximately RM272.1 million (1999: RM255.9 million) of the Company's unappropriated profit if distributed by way of dividend without additional tax liabilities being incurred.

27. **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 7.5% to 7.8% (1999 : 7.80% to 9.05%) 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 (1999 : 0.5 million) has been waived.

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28. DEFERRED TAXATION

	Group		Company	
	2000	1999	2000	1999
At beginning of the year	6,641	5,841	1,585	2,261
Transfer (to)/from income statements (See Note 8)	(2,386)	800	(485)	(676)
At end of the year	4,255	6,641	1,100	1,585
Deferred tax comprises the tax effects of:				
- Excess of capital allowances over depreciation	8,864	8,165	2,568	2,896
- Timing differences arising from provisions	(4,609)	(1,524)	(1,468)	(1,311)
	4,255	6,641	1,100	1,585

Subject to agreement by the Inland Revenue Board, the Group has potential deferred tax benefits of which the following tax effects have not been taken up in the financial statements:

	Group		Company	
	2000	1999	2000	1999
- Unutilised tax losses	2,693	2,736	-	-
- Unutilised capital allowances	2,623	2,756	-	-
	5,316	5,492	-	-

The tax effects relating to the increase in the carrying values of revalued fixed assets are not disclosed as there is no intention to dispose of these assets in the foreseeable future.

29. PROVISION FOR DIRECTORS' RETIREMENT GRATUITIES

	Group		Company	
	2000	1999	2000	1999
Balance at 1 January	5,091	4,445	4,361	3,803
Charge for the year	394	646	357	558
Balance at 31 December	5,485	5,091	4,718	4,361

As none of the Executive Directors retired during the financial year and that none is expecting to retire in the next twelve months, the provision for Directors' retirement gratuities has accordingly, been classified as long term and deferred liabilities. As mentioned in Note 22, the comparative figures have been reclassified accordingly to conform with current year's presentation.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)

30. CONTINGENT LIABILITY

Contingent liability as at end of the financial year comprises an unsecured counter indemnity of RM5 million (1999 : RM5 million) given by the Company to a local licensed bank for a bank guarantee issued on behalf of a wholly-owned subsidiary company.

31. CAPITAL COMMITMENTS

	Group		Company	
	2000	1999	2000	1999
Authorised capital expenditure not provided for in the accounts:				
- contracted	6,993	13,644	1,591	1,111
- not contracted	12,565	20,869	5,893	8,108
	19,558	34,513	7,484	9,219
	=====	=====	=====	=====
Analysed as follows:				
- Property, plant and equipment	18,227	34,513	6,153	9,219
- Others	1,331	-	1,331	-
	19,558	34,513	7,484	9,219
	=====	=====	=====	=====

32. NON CASH TRANSACTION

Pursuant to a joint venture agreement dated 24 October 1989, the Company undertook to fund an aggregate sum not exceeding RM23.1 million for the development of a piece a jungle land situated in the District of Kinabatangan of the State of Sabah ('the Land') belonging to the joint-venture company ('JVC') in consideration for a 84% equity in the said JVC. Under the terms of the joint venture agreement, the amount so funded shall be converted to equity upon completion of the development of the Land.

During the financial year, the development of the Land was completed and the amount of RM23.1 million due by the JVC was converted to equity accordingly.

33. ULTIMATE HOLDING COMPANY

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

34. SIGNIFICANT RELATED PARTY DISCLOSURES

The following are significant transactions entered between the Group and its related parties in the normal course of business:

	Group
Progress payments made by a wholly-owned subsidiary company, Asiatic Land Development Sdn Bhd to the constructor, Kien Huat Development Sdn Bhd, 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 RM1,506,000.	30,178
Fee payable by the Company to Genting Bhd, the immediate and ultimate holding company, for shared services relating to secretarial, treasury, tax and other services.	630
Amount payable by the Company to Oakwood Sdn Bhd, a wholly-owned subsidiary company of Genting Bhd, for renting of premises and other related services.	887
Management fee receivable from Serian Palm Oil Mill Sdn Bhd, an associated company of the Company, for the provision of palm oil mill management services by ADB (Sarawak) Palm Oil Mill Management Sdn Bhd.	947

35. SUBSIDIARY AND ASSOCIATED COMPANIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2000	1999		
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
Landworthy Sdn Bhd	84	84	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	Trading in rubberwood
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

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)

35. **SUBSIDIARY AND ASSOCIATED COMPANIES** (Continued)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2000	1999		
Direct Subsidiary Companies				
ALD Construction Sdn Bhd	100	100	Malaysia	Pre-operating
Asiatic Vegetable Oils Refinery Sdn Bhd	100	100	Malaysia	Pre-operating
Goodheart Development 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
Indirect Subsidiary Companies				
Setiamas 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
* + Dongguan New Asiatic Oils and Fats Co. Ltd	-	55	The People's Republic of China	Pre-operating
Asiatic Awanpura Sdn Bhd	100	100	Malaysia	Pre-operating

35. **SUBSIDIARY AND ASSOCIATED COMPANIES** (Continued)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2000	1999		
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	Bricks manufacturing

+ *The financial statements of these companies are audited by the overseas firms associated with PricewaterhouseCoopers, Malaysia.*

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

* *Foreign subsidiary company disposed of during the financial year.*

36. **COMPARATIVE FIGURES**

The presentation of the financial statements for the current financial year has been extended to comply with the Malaysian Accounting Standards Board ("MASB") Standards. As mentioned in the respective Notes to the financial statements, certain comparative figures have been reclassified and/or expanded to ensure comparability with the current year's presentation.

Comparative information on significant related party disclosures are not presented as the Group applies the exemption provided by MASB 8, Related Party Disclosures.

37. **SUBSEQUENT EVENT**

On 8 March 2001, the Company announced the proposed acquisition ("The Proposed Acquisition") of the entire issued and paid-up capital of Kinavest Sdn Bhd ("Kinavest") for a cash consideration of RM1.33 million less all outstanding liabilities of Kinavest as at the date of completion of the acquisition. Kinavest has been alienated a piece of agricultural land measuring approximately 192.4 hectares situated in Tenegang, District of Kinabatangan, Sabah.

The Proposed Acquisition does not have any material impact on the net tangible assets of the Group for the financial year ended 31 December 2000 and is not expected to have any material effect on the earnings of the Company and the Group for the financial year ending 31 December 2001.

ASIATIC DEVELOPMENT BERHAD (Company No. 34993-X)
(Incorporated in Malaysia)

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

We, **DATO' BAHARUDDIN BIN MUSA** and **MOHD DIN JUSOH**, two of the Directors of **ASIATIC DEVELOPMENT BERHAD**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 10 to 43, 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 2000 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

On behalf of the Board,

DATO' BAHARUDDIN BIN MUSA
Joint Chief Executive and Director

MOHD DIN JUSOH
Director

Kuala Lumpur
18 April 2001

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 10 to 43, 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)
18 April 2001.)

Before me,

DATO' NG MANN CHEONG
Commissioner for Oaths
Kuala Lumpur

**REPORT OF THE AUDITORS TO THE MEMBERS OF
ASIATIC DEVELOPMENT BERHAD**

(Company No. 34993-X)

(Incorporated in Malaysia)

We have audited the financial statements set out on pages 10 to 43. 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 statements 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 2000 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 35 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.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
ASIATIC DEVELOPMENT BERHAD** *(Continued)*

(Company No. 34993-X)

(Incorporated in Malaysia)

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)

Public Accountants

MOHAMMAD ZAINAL BIN SHAARI

(No. 1924/10/02 (J))

Partner of the firm

18 April 2001