

• 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.

Formal Board Committees established by the Board in accordance with the Code namely the Audit Committee, Nomination Committee and Remuneration Committee assist the Board in the discharge of its duties.

During the year under review, four 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	4
Dato' Baharuddin bin Musa	4
Tan Sri Lim Kok Thay	4
Tan Sri Lim Goh Tong	4
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	4
Encik Mohd Din Jusoh	4
Dato' Siew Nim Chee	3
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	4
Mr Quah Chek Tin	4

(ii) Board Balance

The Board has nine members, three executive Directors and six non-executive Directors. Three 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 in the public and/or 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.

A brief profile of each of the Directors is presented on pages 6 and 7 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.

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. The Directors are also encouraged to attend courses whether in-house or external to help them in the discharge of their duties.

(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.

Two meetings of the Remuneration Committee were held during the financial year ended 31 December 2002.

Details of the Directors' remuneration are set out on page 45 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 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 of its responsibilities for preparing the financial statements is set out on page 61 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.

As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

(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 32 to the financial statements under "Significant Related Party Disclosures" on page 57 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

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.

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	5
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	5
Encik Mohd Din Jusoh	5
Dato' Baharuddin bin Musa	5
Mr Quah Chek Tin	5

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) reviewed related party transactions of the Company and the Group;
- vii) reviewed the proposed audit fees for the external auditors in respect of their audit of the Company and the Group for the financial years ended 31 December 2001 and 2002;
- viii) considered the reappointment of the external auditors for recommendation to the shareholders for their approval;
- ix) reviewed the Financial Statements of the Company and the Group for the financial year ended 31 December 2001; and
- x) reviewed the reports submitted by the Risk Assessment Committee.

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT PROCESS

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.

As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

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 cooperate 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.

• STATEMENT ON INTERNAL CONTROL •

Introduction

The Malaysian Code on Corporate Governance (“Code”) requires companies listed on the Kuala Lumpur Stock Exchange (“KLSE”) to maintain a sound system of internal control to safeguard shareholders’ investments and the Group’s assets. As outlined under paragraph 15.27(b) of the KLSE Listing Requirements, the Board of Directors of listed companies are required to include a statement about the state of internal control. The Board’s Statement on Internal Control has been prepared in accordance with the provisions mentioned in the Code.

The Board’s Responsibilities

In relation to internal control, the Board acknowledges their responsibility under the KLSE Listing Requirements to:

- Identify principal risks and ensure implementation of appropriate control measures to manage the risks.
- Review the adequacy and integrity of the internal control system and management information systems and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

It should be noted that an internal control system is designed to manage risks rather than eliminate them. Thus, any system can provide only reasonable but not absolute assurance against any material misstatement or loss.

The Board confirms that there is an ongoing risk management process to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of the Group’s business and corporate objectives. The Board reviews the process on a regular basis to ensure proper management of risks and measures are taken to mitigate any weaknesses in the control environment.

The Risk Management Framework

To facilitate the implementation of the risk management process, a Risk Assessment Committee (“the Committee”) was established for the Asiatic Group of companies (“the Group”) and the Board have delegated the detailed review of the risk assessment process to this Committee. The members of the Committee are the Chief Financial Officer (“CFO”), Heads of Divisions and Departments (“HODs”) of the Company and the Group Risk Manager (“GRM”) of its holding company, Genting Berhad.

The Committee meets on a regular basis to review the risk assessment documents of the Group and where applicable propose changes to the risk management and control procedures/policies. The review also covers the status of action plans or measures taken or to be taken to address any areas of concern identified during the risk assessment process. The Committee presents to the Executive Committee on a quarterly basis, a summary of the risk assessments on the Group’s significant risks and the status of control measures being implemented or to be implemented to deal with the risks. The report will be reviewed by Audit Committee and presented to the Board. The Board on its part meets to review and deliberate on the risks and control issues being reported before approving the report.

The Control Self-Assessment (“CSA”) is the approach endorsed by the Board for the purpose of implementing the risk management process for the Group. The CSAs are a process whereby departments/business areas of the Group identify and evaluate controls within key functions/activities of their business processes.

The GRM in conjunction with the Committee facilitates the groupwide implementation of the CSA.

To assist the business/operating units in implementing the risk management process in a systematic manner, workshops were conducted for the HODs and representatives of the business/operating units on the concepts/frameworks of the CSA. The risks to the Group’s strategic objectives are assessed at the holding company level.

The Internal Control Processes

The other key aspects of the internal control process are:

- The Board and the Audit Committee meet at every quarter to discuss matters raised by Management on business and operational matters including potential risks and control issues.
- The Board has delegated the responsibilities to relevant committees established by the Board to implement and monitor the Board’s policies on controls.
- Delegation of authority including authorisation limits at various levels of Management and those requiring the Board’s approval are documented and designed to ensure accountability and responsibility.
- Internal procedures and policies are clearly documented in manuals and reviewed and revised periodically to meet changing business, operational and statutory reporting needs.
- Performance and cash flow reports are provided to Management to review and monitor the financial performance and cash flow position.
- Business/operating units present their annual budget which includes the financial and operating targets, capital expenditure proposals and performance indicators for approval by the Board.
- A half yearly review of the annual budget is undertaken to identify and where appropriate, to address significant variances from the said budget.

For the year under review, some weaknesses in internal controls were identified but were deemed not significant to be mentioned in this statement as none had materially impacted the business or operations of the Group. Nevertheless, measures have been or are being taken to address these weaknesses.

The Group in issuing this statement had taken into consideration the state of internal control of Serian Oil Palm Mill Sdn Bhd, an associate company it manages, while that of Sri Gading Land Sdn Bhd and Asiatic Ceramics Sdn Bhd, two other associate companies deemed to be insignificant to the Group have been excluded.

The Internal Audit Function

The Internal Audit Department (“Internal Audit”) is responsible for undertaking regular and systematic review of the internal controls to provide the Audit Committee and the Board with sufficient assurance that the systems of internal control are effective in addressing the risks identified.

On a quarterly basis, Internal Audit submits audit reports for review and approval by the Audit Committee. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by Management.

• DIRECTORS' REPORT AND STATEMENT 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 2002.

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 33 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	130,455	114,491
Taxation	(29,186)	(20,680)
	<hr/>	<hr/>
Profit from ordinary activities after taxation	101,269	93,811
Minority interests	(996)	-
	<hr/>	<hr/>
Net profit for the financial year	<u>100,273</u>	<u>93,811</u>

DIVIDENDS

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

- (i) a final dividend of 2.0 sen less 28% tax per ordinary share of 50 sen each amounting to RM10,675,224 in respect of the financial year ended 31 December 2001 was paid on 22 July 2002; and
- (ii) an interim dividend of 1.625 sen less 28% tax per ordinary share of 50 sen each amounting to RM8,673,620 in respect of the financial year ended 31 December 2002 was paid on 21 October 2002.

The Directors recommend payment of a final dividend of 2.5 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid to shareholders registered in the Register of Members on a date to be determined by the Directors. 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 RM13,344,030.

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 or debentures during the financial year.

SHARE OPTIONS PURSUANT TO THE ASIATIC EXECUTIVE SHARE OPTION SCHEME

The Asiatic Executive Share Option Scheme ("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 on 2 September 2002 pursuant to the Scheme in respect of 8,021,000 unissued ordinary shares of 50 sen each in the Company at an offer price of RM1.45 per share to 141 executive employees including the following Executive Directors and Executive Employees of the Group who were granted option to subscribe for 100,000 ordinary shares and above as specified in the Scheme:

	Option Expiry date 31/8/2010 No. of Unissued Shares
Executive Directors of the Group	
Tan Sri Mohd Amin bin Osman	577,000
Dato' Baharuddin bin Musa	377,000
Tan Sri Lim Kok Thay	577,000
Tan Sri Lim Goh Tong	577,000
Executive Employees of the Group	
Mr Phang Kong Wong	403,000
Mr Chan Chee Leong	131,000
Mr Sze Kok Sing	152,000
Mr Yong Chee Kong	263,000
En Bahadur Bin Abdullah	184,000
Ms Cheah Ching Mooi	214,000
Mr Robert Lee Poi Keong	184,000
En Abd Halim bin Abd Majid	128,000
Mr Choo Huan Boon	148,000
En Khaidzir bin Zainuddin	128,000
Mr Khoo Lian Hong	128,000
Mr Tan Wee Kok	128,000
Mr Chong Num Yin	104,000
Mr Lee Ser Wor	104,000

- (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) (i) 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 in the following manner:

Number of new Shares comprised in the Option granted	Percentage of new Shares comprised in the Option exercisable each year from the Date of Offer				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 10,000	-	-	-	100%	-
10,000 and above	-	-	-	50% *	50%

* 50% or 10,000, whichever is the higher

- (ii) The shares comprised in an Option which is exercisable in a particular year but has not been exercised in that year, can be exercised in subsequent years within the Option Period, subject to the Scheme remaining in force.
- (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.
- (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.

SHARE OPTIONS PURSUANT TO THE ASIATIC EXECUTIVE SHARE OPTION SCHEME (Cont'd)

Under the Scheme, the following Options to take up unissued ordinary shares in the Company, which has been granted to executive employees of the Group as specified in the Scheme, were outstanding as at 31 December 2002:

Option Expiry date	Subscription Price per Share RM	No. of Unissued Shares
31 August 2010	0.92	3,002,000
31 August 2010	1.45	8,021,000
		11,023,000

DIRECTORATE

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

Tan Sri Mohd Amin bin Osman
 Dato' Baharuddin bin Musa *
 Tan Sri 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

* *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	1.1.2002	Acquired/(Disposed)	31.12.2002
	(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
Tan Sri 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 Options in the names of Directors	1.1.2002	Offered/(Relinquished)	31.12.2002
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Mohd Amin bin Osman	-	577,000	577,000
Dato' Baharuddin bin Musa	200,000	377,000	577,000
Tan Sri Lim Kok Thay	-	577,000	577,000
Tan Sri Lim Goh Tong	-	577,000	577,000

INTEREST IN GENTING BERHAD, THE ULTIMATE HOLDING COMPANY

Shareholdings in the names of Directors	1.1.2002	Acquired/(Disposed)	31.12.2002
		(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)	-
Tan Sri Lim Kok Thay	2,636,000	897,800/(100,000)	3,433,800
Tan Sri Lim Goh Tong	6,681,000	-	6,681,000
Mr Quah Chek Tin	1,000	-	1,000

Shareholdings in which the Directors are deemed to have an interest	1.1.2002	Acquired/(Disposed)	31.12.2002
		(Number of ordinary shares of 50 sen each)	
Dato' Baharuddin bin Musa	3,000	-	3,000
Tan Sri Lim Kok Thay	11,523,996	-	11,523,996

Share Options in the names of Directors	1.1.2002	Offered/(Relinquished)	31.12.2002
		(Number of unissued ordinary shares of 50 sen each)	
Tan Sri Mohd Amin bin Osman	400,000	500,000/(400,000)	500,000
Tan Sri Lim Kok Thay	400,000	1,000,000/(400,000)	1,000,000
Tan Sri Lim Goh Tong	600,000	1,500,000/(600,000)	1,500,000
Mr Quah Chek Tin	-	500,000	500,000

INTEREST IN RESORTS WORLD BHD, A RELATED COMPANY

Shareholdings in the names of Directors	1.1.2002	Acquired/(Disposed)	31.12.2002
		(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)	-
Tan Sri Lim Kok Thay	50,000	-	50,000
Mr Quah Chek Tin	1,000	-	1,000

Share Options in the names of Directors	1.1.2002	Offered/(Relinquished)	31.12.2002
		(Number of unissued ordinary shares of 50 sen each)	
Tan Sri Lim Kok Thay	175,000	750,000/(175,000)	750,000
Tan Sri Lim Goh Tong	300,000	1,000,000/(300,000)	1,000,000

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

Shareholdings in which the Director is deemed to have an interest	1.1.2002	Acquired/(Disposed)	31.12.2002
		(Number of ordinary shares of 50 sen each)	
Dato' Baharuddin bin Musa	220,000	-	220,000

INTEREST IN GENTING INTERNATIONAL PLC, A RELATED CORPORATION

Shareholdings in the name of a Director	1.1.2002	Acquired/(Disposed)	31.12.2002
		(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 or the fixed salary of a full-time employee of the Company and/or its related corporations shown in the respective financial statements of the Company and/or its related corporations) 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 ("GB"), 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 Tan Sri 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.
- (vii) A company in which Dato' Baharuddin bin Musa has deemed substantial financial interest sells travel packages to the Company.
- (viii) A corporation in which Tan Sri Lim Kok Thay and his spouse are directors and which is wholly-owned indirectly by them has rented its property to Genting International PLC, a related company.

Dato' Baharuddin bin Musa and En Mohd Din Jusoh are due to retire by rotation at the forthcoming Annual General Meeting ("AGM") in accordance with Article 99 of the Articles of Association of the Company and they, being eligible, have offered themselves 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 will retire pursuant to Section 129 of the Companies Act, 1965 at the forthcoming AGM and that separate resolutions will be proposed for their re-appointment as Directors at the AGM under the provision of Section 129(6) of the said Act to hold office until the next AGM 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 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 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 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 those highlighted in the financial statements; and
- (ii) apart from the subsequent events as stated in Note 36, 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 30 to 60 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 2002 and of the results and 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 comply with 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 indicated 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 March 2003

• INCOME STATEMENTS •
For The Financial Year Ended 31 December 2002

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2002	2001	2002	2001
Revenue	6	296,099	199,863	115,353	71,833
Cost of sales		(144,243)	(120,431)	(54,600)	(43,758)
Gross profit		151,856	79,432	60,753	28,075
Other operating income		22,414	48,482	85,604	64,219
Selling and distribution costs		(15,560)	(16,680)	(5,704)	(6,109)
Administration expenses		(18,150)	(14,803)	(14,420)	(11,202)
Other operating expenses		(14,527)	(10,459)	(11,742)	(7,937)
Other expense					
- Amounts written off in an associated company		-	-	-	(9,208)
Profit from operations		126,033	85,972	114,491	57,838
Share of results of associated companies		4,422	1,177	-	-
Profit from ordinary activities before taxation	7 & 8	130,455	87,149	114,491	57,838
Taxation of :					
- The Company and its subsidiary companies		(28,431)	(13,839)	(20,680)	(15,916)
- Share of tax in associated companies		(755)	(624)	-	-
	9	(29,186)	(14,463)	(20,680)	(15,916)
Profit from ordinary activities after taxation		101,269	72,686	93,811	41,922
Minority interests		(996)	(868)	-	-
Net profit for the financial year		100,273	71,818	93,811	41,922
Basic earnings per share (sen)	10	13.53	9.69		
Diluted earnings per share (sen)	10	13.51	9.68		
Gross dividends per share (sen)	11	4.125	3.5		

The notes set out on pages 37 to 60 form part of these financial statements.

• BALANCE SHEETS •

As At 31 December 2002

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2002	2001	2002	2001
NON-CURRENT ASSETS					
Property, plant and equipment	12	719,921	560,638	285,370	282,367
Real property assets	13	247,474	247,794	-	-
Subsidiary companies	14	-	-	159,952	160,119
Associated companies	15	9,810	9,671	2,123	2,123
Long term receivables from associated companies	15	5,897	6,877	5,897	6,877
Investments	16	289	289	169	169
CURRENT ASSETS					
Property development	17	86,957	93,608	-	-
Inventories	18	111,513	109,151	1,450	1,327
Trade and other receivables	19	37,795	41,512	9,730	15,233
Amounts due from associated companies	15	763	781	763	781
Amounts due from subsidiary companies	14	-	-	697,529	495,975
Short term investments	20	63,535	139,417	53,868	137,837
Bank balances and deposits	21	49,543	93,117	23,837	70,285
		350,106	477,586	787,177	721,438
LESS CURRENT LIABILITIES					
Trade and other payables	22	62,542	122,491	12,006	10,946
Amounts due to ultimate holding company and other related companies	23	1,025	1,009	1,025	1,009
Amounts due to subsidiary companies	14	-	-	107,755	117,395
Taxation		4,174	1,269	1,382	-
		67,741	124,769	122,168	129,350
NET CURRENT ASSETS		282,365	352,817	665,009	592,088
		1,265,756	1,178,086	1,118,520	1,043,743
FINANCED BY					
SHARE CAPITAL	24	370,668	370,668	370,668	370,668
RESERVES	25	860,429	779,521	741,693	667,231
SHAREHOLDERS' EQUITY		1,231,097	1,150,189	1,112,361	1,037,899
MINORITY INTERESTS		12,504	11,516	-	-
NON-CURRENT LIABILITIES					
Long term borrowings	26	5,388	5,388	-	-
Deferred taxation	27	10,238	5,416	520	1,031
Provision for Directors' retirement gratuities	28	6,529	5,577	5,639	4,813
		22,155	16,381	6,159	5,844
		1,265,756	1,178,086	1,118,520	1,043,743
NET TANGIBLE ASSETS PER SHARE (sen)		166.1	155.2		

The notes set out on pages 37 to 60 form part of these financial statements.

• STATEMENTS OF CHANGES IN EQUITY •
For The Financial Year Ended 31 December 2002

Amounts in RM'000 unless otherwise stated

	Non-Distributable				Distributable	Total
	Share Capital	Share Premium	Revaluation Reserve	Reserve on Exchange Differences	Unappropriated Profit	
Group						
Balance at 1 January 2001 as previously reported	370,668	25,663	19,829	(637)	670,916	1,086,439
Add : Prior year adjustment: Proposed final dividend for year ended 31 December 2000 (see Note 35)	-	-	-	-	8,006	8,006
As restated	370,668	25,663	19,829	(637)	678,922	1,094,445
Revaluation surplus realised upon sale of land	-	-	(161)	-	161	-
Currency translation differences	-	-	-	(62)	-	(62)
Net profit for the financial year	-	-	-	-	71,818	71,818
Appropriation:						
- Final dividend paid for financial year ended 31 December 2000 (1.5 sen less 28% tax)	-	-	-	-	(8,006)	(8,006)
- Interim dividend paid for financial year ended 31 December 2001 (1.5 sen less 28% tax)	-	-	-	-	(8,006)	(8,006)
Balance at 31 December 2001	370,668	25,663	19,668	(699)	734,889	1,150,189
Balance at 1 January 2002 as previously reported	370,668	25,663	19,668	(699)	724,214	1,139,514
Add : Prior year adjustment: Proposed final dividend for year ended 31 December 2001 (see Note 35)	-	-	-	-	10,675	10,675
As restated	370,668	25,663	19,668	(699)	734,889	1,150,189
Revaluation surplus realised upon sale of land	-	-	(37)	-	37	-
Exchange differences arising from deconsolidation of a foreign subsidiary company	-	-	-	(16)	-	(16)
Net profit for the financial year	-	-	-	-	100,273	100,273
Appropriation:						
- Final dividend paid for financial year ended 31 December 2001 (2.0 sen less 28% tax)	-	-	-	-	(10,675)	(10,675)
- Interim dividend paid for financial year ended 31 December 2002 (1.625 sen less 28% tax)	-	-	-	-	(8,674)	(8,674)
Balance at 31 December 2002	370,668	25,663	19,631	(715)	815,850	1,231,097

The notes set out on pages 37 to 60 form part of these financial statements.

• STATEMENTS OF CHANGES IN EQUITY •
For The Financial Year Ended 31 December 2002 (Cont'd)

Amounts in RM'000 unless otherwise stated

	Non-Distributable			Distributable	
	Share Capital	Share Premium	Revaluation Reserve	Unappropriated Profit	Total
Company					
Balance at 1 January 2001 as previously reported	370,668	25,663	28,471	579,181	1,003,983
Add : Prior period adjustment: Proposed final dividend for year ended 31 December 2000 (see Note 35)	-	-	-	8,006	8,006
As restated	370,668	25,663	28,471	587,187	1,011,989
Revaluation surplus realised upon sale of land	-	-	(161)	161	-
Net profit for the financial year	-	-	-	41,922	41,922
Appropriation:					
- Final dividend paid for financial year ended 31 December 2000 (1.5 sen less 28% tax)	-	-	-	(8,006)	(8,006)
- Interim dividend paid for financial year ended 31 December 2001 (1.5 sen less 28% tax)	-	-	-	(8,006)	(8,006)
Balance at 31 December 2001	370,668	25,663	28,310	613,258	1,037,899
Balance at 1 January 2002 as previously reported	370,668	25,663	28,310	602,583	1,027,224
Add : Prior period adjustment: Proposed final dividend for financial year ended 31 December 2001 (see Note 35)	-	-	-	10,675	10,675
As restated	370,668	25,663	28,310	613,258	1,037,899
Revaluation surplus realised upon sale of land	-	-	(37)	37	-
Net profit for the financial year	-	-	-	93,811	93,811
Appropriation:					
- Final dividend paid for financial year ended 31 December 2001 (2.0 sen less 28% tax)	-	-	-	(10,675)	(10,675)
- Interim dividend paid for financial year ended 31 December 2002 (1.625 sen less 28% tax)	-	-	-	(8,674)	(8,674)
Balance at 31 December 2002	370,668	25,663	28,273	687,757	1,112,361

The notes set out on pages 37 to 60 form part of these financial statements.

• CASH FLOW STATEMENTS •
For The Financial Year Ended 31 December 2002

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2002	2001	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from ordinary activities before taxation		130,455	87,149	114,491	57,838
Adjustments for:					
Depreciation of property, plant and equipment		9,874	9,069	2,383	2,355
Allowance for bad and doubtful debts		5,322	572	4,936	-
Provision for retirement gratuities		952	92	826	95
Property, plant and equipment written off		625	335	362	151
Waiver of advances to a related company		-	402	-	402
Exchange differences arising from deconsolidation of a foreign subsidiary company		(16)	-	-	-
Gain on disposal of property, plant and equipment		(355)	(197)	(285)	(168)
Write back of allowance for bad and doubtful debts		(768)	-	(101)	-
Write back of accruals for property development expenditure		(4,387)	-	-	-
Share of results of associated companies		(4,422)	(1,177)	-	-
Interest income		(4,695)	(6,448)	(3,959)	(5,103)
Net surplus and additional compensation arising from disposals of freehold land and plantation		(10,495)	(34,868)	(6,437)	(9,155)
Allowance for termination benefit		-	1,338	-	1,338
Dividend income		-	-	(70,472)	(44,847)
Waiver of advances to wholly-owned subsidiary companies		-	-	-	127
Amounts written off in an associated company		-	-	-	9,208
		(8,365)	(30,882)	(72,747)	(45,597)
Operating profit before changes in working capital		122,090	56,267	41,744	12,241
Increase in property development		(771)	(14,001)	-	-
(Increase)/Decrease in inventories		(2,362)	8,181	(123)	276
(Increase)/Decrease in receivables		(3,918)	(4,428)	275	(428)
Decrease in amounts due from associated companies		18	14	18	14
Increase/(Decrease) in payables		2,596	3,145	419	(1,507)
Increase in amounts due to ultimate holding company		8	113	8	113
Increase in amounts due to related companies		8	46	8	46
Increase in amounts due from subsidiary companies		-	-	(48,417)	(27,758)
		(4,421)	(6,930)	(47,812)	(29,244)
Cash generated from/(used in) operations		117,669	49,337	(6,068)	(17,003)
Tax paid		(13,598)	(11,651)	(5,237)	(3,576)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		104,071	37,686	(11,305)	(20,579)

The notes set out on pages 37 to 60 form part of these financial statements.

• CASH FLOW STATEMENTS •
For The Financial Year Ended 31 December 2002 (Cont'd)

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2002	2001	2002	2001
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds and additional compensation received from disposals of freehold land and plantation		6,724	30,456	2,651	10,267
Interest received		4,695	12,793	3,959	5,924
Dividends received from:					
- subsidiary companies		-	-	56,575	31,068
- associated companies		3,528	1,240	3,528	1,240
Repayments from associated companies		980	3,119	980	3,119
Proceeds from disposal of property, plant and equipment		357	224	285	171
Purchase of a subsidiary company	(a)	216	(1,353)	(24)	(1,353)
Investment in real property assets		(1,295)	(2,404)	-	-
Purchase of property, plant and equipment		(219,375)	(24,899)	(5,321)	(4,581)
Advances to subsidiary companies		-	-	(192,542)	(13,721)
Repayments from subsidiary companies		-	-	30,146	41,577
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(204,170)	19,176	(99,763)	73,711
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(19,349)	(16,012)	(19,349)	(16,012)
Dividends paid to minority shareholders		(8)	(35)	-	-
NET CASH USED IN FINANCING ACTIVITIES		(19,357)	(16,047)	(19,349)	(16,012)
Effect of currency translation		-	(62)	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(119,456)	40,753	(130,417)	37,120
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		232,534	191,781	208,122	171,002
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(b)	113,078	232,534	77,705	208,122

The notes set out on pages 37 to 60 form part of these financial statements.

• CASH FLOW STATEMENTS •
For The Financial Year Ended 31 December 2002 (Cont'd)

Amounts in RM'000 unless otherwise stated

NOTES TO CASH FLOW STATEMENTS

(a) Analysis of the acquisition of a subsidiary company

Net assets acquired:

	Group	
	2002	2001
Property, plant and equipment	-	1,552
Trade and other receivables	25	-
Trade and other payables	(241)	(199)
Cash and bank balances acquired	240	-
Total purchase consideration	24	1,353
Less : Cash & Cash equivalents acquired	(240)	-
Net cash (inflow)/outflow on acquisition of a subsidiary company	(216)	1,353

	Group		Company	
	2002	2001	2002	2001
(b) Analysis of cash and cash equivalents				
Short term investments	63,535	139,417	53,868	137,837
Bank balances and deposits (see Note 21)	49,543	93,117	23,837	70,285
	113,078	232,534	77,705	208,122

Included in the above bank balances and deposits for the Group is an amount of RM15.0 million (2001 : RM9.8 million) deposited by a subsidiary company involved 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 37 to 60 form part of these financial statements.

• NOTES TO THE FINANCIAL STATEMENTS •

31 December 2002

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 33 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 financial year. Actual results could differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies adopted by the Group have been applied consistently in dealing with all material items in relation to the financial statements.

In addition, the Group complies with new accounting standards that are effective for the reporting year. New accounting standards are retrospectively applied unless in cases where the standard specifically does not require comparative on first adoption due to non availability of such information or when it is not practicable to do so.

The following are the significant accounting policies adopted by the Group:

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Impairment of Assets

The carrying values of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets, are reviewed to determine whether there is any indication of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statement, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. The reversal is recognised in the income statement, unless the asset is carried at revalued amount, in which case it is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

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 allowed by the Malaysian Accounting Standards Board ("MASB") on adoption of MASB No.15 on *Property, Plant and Equipment*, the valuation of the previously revalued assets have not been updated, and these assets shall continue to be stated at their existing carrying amounts less accumulated depreciation and amortisation and impairment losses.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve 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 the 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 classes 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 with lease periods of 99 years or less are amortised equally over their respective lease periods. However, leasehold properties with original lease period of 999 years are not amortised, where the cumulative effect 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 is 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 financial year in which the expenditure is incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Real Property Assets, Property Development and Profit Recognition

Real property assets and property development comprise 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 Board on adoption of Malaysian Accounting Standard No.7 on *Accounting for Property Development*, the valuation of these pieces of land has not been updated, and they continue to be stated at their existing 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 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 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 activity 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.

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 Director 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 period 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 transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; 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' results for the financial 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 quoted investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value. Money market instruments are stated at the lower of cost and net realisable 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 to the income statement in the financial year when the acquisition occurs.

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 estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

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 the rates ruling on that date. Gains and losses arising from translation are included in the income statement.

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 the financial year end rates. 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 reserves.

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

The principal rate of exchange used in translation is as follows:

(Ringgit Malaysia to one unit of foreign currency)

Currency	Year end rate	
	2002	2001
US Dollar	3.8000	3.8000

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income Recognition

i) 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.

ii) 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.

Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial period in which the obligation to pay is established.

Financial Instruments

i) Financial instruments recognised on the balance sheets

The recognition method adopted for financial instruments that are recognised on the balance sheets are disclosed separately in the individual policy statements associated with the relevant financial instrument.

ii) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the balance sheet date. For non-traded financial instruments, the Group uses various methods and makes assumptions that are based on market conditions existing at each balance sheet date. Comparisons are made to similar instruments that are publicly traded and estimates based on discounted cash flow techniques are also used. For long term financial liabilities, fair value is estimated by discounting future contractual cash flows at appropriate interest rates.

The book values of financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

Segmental Reporting

The Group adopts business segment analysis as its primary reporting format. No geographical segment analysis is reported as the Group operates in Malaysia.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by segment and consist principally of property, plant and equipment net of accumulated depreciation and amortisation, real property assets, property development, inventories and receivables. Segment liabilities comprise operating liabilities. Both segment assets and liabilities do not include income tax assets and liabilities and interest bearing investments.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to optimise the value creation for shareholders. In addition, the Group seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks.

The Group operates within clearly defined guidelines that are approved by the Board and do not engage in speculative transactions. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group wide insurance programme and adherence to the financial risk management policies.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

The main areas of financial risks faced by the Group and the policies for the controlling and management of these risks are set out below:

Market Risk

The Group, in the normal course of business, is exposed to market risks in respect of volatility in market prices of palm products. The Group manages its risk through established guidelines and policies.

Credit Risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customer where expedient.

The Group also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential losses.

Liquidity and Cash Flow Risks

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

5. SEGMENT ANALYSIS

	Plantation		Property		Others		Total	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001	31.12.2002	31.12.2002	31.12.2002	31.12.2001
Revenue - external	257,124	155,999	38,975	43,864	-	-	296,099	199,863
Segment profit/(loss)	104,146	30,875	10,155	12,500	(3,458)	1,281	110,843	44,656
Interest income							4,695	6,448
Net surplus arising from disposals of freehold land and plantation	6,610	9,349	3,885	25,519	-	-	10,495	34,868
Share of results of associated companies	2,850	1,844	1,548	374	24	(1,041)	4,422	1,177
Profit from ordinary activities before taxation							130,455	87,149
Taxation							(29,186)	(14,463)
Profit from ordinary activities after taxation							101,269	72,686
Minority interests							(996)	(868)
Net profit for the financial year							100,273	71,818
Other information:								
i) Assets								
a) Segment assets	717,544	552,598	487,163	498,774	4,870	5,143	1,209,577	1,056,515
b) Associated companies	7,761	8,762	2,090	957	(41)	(48)	9,810	9,671
c) Interest bearing instruments							110,354	225,789
d) Unallocated corporate assets							3,756	10,880
Total assets							1,333,497	1,302,855

5. SEGMENT ANALYSIS (Cont'd)

	Plantation		Property		Others		Total	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001	31.12.2002	31.12.2002	31.12.2002	31.12.2001
ii) Liabilities								
a) Segment liabilities	33,816	77,599	35,053	50,310	202	159	69,071	128,068
b) Unallocated corporate liabilities							20,825	13,082
Total liabilities							89,896	141,150
iii) Other disclosures								
a) Capital expenditure	170,006	78,163	604	452	337	-	170,947	78,615
b) Depreciation and amortisation	8,869	7,761	817	1,121	188	187	9,874	9,069
c) Allowance for bad and doubtful debts	-	-	386	572	4,936	-	5,322	572

The segment analysis is organised as follows:

- i) *Plantation* - comprises mainly activities relating to oil palm plantation.
- ii) *Property* - comprises mainly activities relating to property development and the operation of a golf course.
- iii) *Others* - comprises other insignificant businesses and are not reported separately.

6. REVENUE

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

	Group		Company	
	2002	2001	2002	2001
Sale of goods:				
Sale of plantation produce	257,124	155,999	115,353	71,833
Sale of development properties	38,007	42,957	-	-
Rendering of services:				
Revenue from golf course operations	968	907	-	-
	296,099	199,863	115,353	71,833

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	
	2002	2001	2002	2001
Charges:				
Depreciation of property, plant and equipment	9,874	9,069	2,383	2,355
Replanting expenditure	7,499	8,601	5,222	6,142
Allowance for bad and doubtful debts	5,322	572	4,936	-
Shared services fee payable to ultimate holding company	734	695	734	695

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

	Group		Company	
	2002	2001	2002	2001
Charges:				
Charges payable to other related companies:				
- Rental of premises	887	881	808	806
- Shared services fee	482	496	482	496
- Hire of equipment	47	41	47	41
Waiver of amount owing by a related company	-	402	-	402
Property, plant and equipment written off	625	335	362	151
Auditors' remuneration	104	91	52	47
Rental of land paid to a subsidiary company	-	-	466	508
Waiver of advances granted to wholly-owned subsidiary companies	-	-	40	127
	10,495	28,523	6,437	8,334
	-	6,345	-	821
	10,495	34,868	6,437	9,155
Interest income	4,695	6,448	3,959	5,102
Write back of accruals for property development expenditure	4,387	-	-	-
Rental income	1,121	1,166	468	480
Income from subsidiary companies:				
- Gross dividend	-	-	66,909	43,124
- Management fee	-	-	364	248
- Shared services fee	-	-	806	806
- Interest on advances	-	-	-	1
Income from associated companies:				
- Gross dividend	-	-	3,563	1,723
- Management fee	1,152	961	-	-
Write back of allowance for bad and doubtful debts	768	-	101	-
Gain on disposal of property, plant and equipment	355	197	285	168
Rental income from a related company	18	18	-	-
	142,657	118,803	54,600	43,758
b) Other information:				
Operating costs relating to inventories recognised as an expense	142,657	118,803	54,600	43,758
Operating costs relating to services recognised as an expense	1,586	1,628	-	-
	144,243	120,431	54,600	43,758
Staff costs (including Executive Directors' remuneration)	32,199	27,932	19,187	17,493
Number of employees as at 31 December	2,655	1,926	981	969
Non-audit fee to Auditors	13	44	-	-

8. DIRECTORS' REMUNERATION

	Group		Company	
	2002	2001	2002	2001
Non-Executive Directors *				
- Fee	126	93	126	93
- Salary	165	157	-	-
- Bonus	103	26	-	-
- Allowances/contributions	80	22	-	-
- Provision/(Write back)for retirement gratuities	127	(3)	-	-
- Estimated monetary value of benefits-in-kind (not charged to the income statements)	22	22	-	-
	623	317	126	93
Executive Directors				
- Fee	54	45	54	45
- Salaries	1,245	1,186	1,245	1,186
- Bonuses	778	198	778	198
- Allowances/contributions	621	168	621	168
- Provision for retirement gratuities	826	95	826	95
- Estimated monetary value of benefits-in-kind (not charged to the income statements)	28	22	28	22
	3,552	1,714	3,552	1,714

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

Remuneration of Directors of the Company, in respect of services rendered to the Company and its subsidiary companies, is in the following bands:

	2002	2001
	Number	
Amounts in RM'000		
Non-Executive Directors		
50 and below	5	5
250 - 300	-	1
500 - 550	1	-
Executive Directors		
300 - 350	-	1
400 - 450	1	-
650 - 700	-	1
700 - 750	-	1
1,550 - 1,600	2	-

9. TAXATION

	Group		Company	
	2002	2001	2002	2001
Current taxation - Malaysian	24,333	12,599	21,989	15,964
(Over)/under provision in prior years	(724)	79	(798)	21
	23,609	12,678	21,191	15,985
Deferred tax (credit)/charge				
- Current year	2,833	(745)	(511)	(69)
- Under provision in prior years	1,989	1,906	-	-
	4,822	1,161	(511)	(69)
Share of taxation of associated companies	755	624	-	-
	29,186	14,463	20,680	15,916

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

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

The current financial year's tax charge of the Group has been reduced by approximately RM0.5 million (2001 : RM2.6 million) as a result of the utilisation of tax losses brought forward from previous years.

10. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the financial year by the weighted or adjusted weighted average number of ordinary shares in issue.

	Group	
	2002	2001
a) Basic earnings per share		
Net profit for the financial year (RM'000)	100,273	71,818
Weighted number of ordinary shares in issue	741,335,000	741,335,000
Basic earnings per share (sen)	13.53	9.69
b) Diluted earnings per share		
Net profit for the financial year (RM'000)	100,273	71,818
Adjusted weighted average number of ordinary shares in issue:		
Weighted number of ordinary shares in issue	741,335,000	741,335,000
Adjustment for share options granted under the Asiatic Executive Share Option Scheme	1,024,194	842,960
	742,359,194	742,177,960
Diluted earnings per share (sen)	13.51	9.68

11. DIVIDENDS

	Group and Company	
	2002	2001
Interim paid - 1.625 sen less 28% tax (2001 : 1.5 sen less 28% tax) per ordinary share of 50 sen each.	8,674	8,006
Proposed final - 2.5 sen less 28% tax (2001 : 2.0 sen less 28% tax) per ordinary share of 50 sen each.	13,344	10,675
	22,018	18,681

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2002 of 2.5 sen less 28% tax (2001 : 2.0 sen less 28% tax) per ordinary share of 50 sen each amounting to RM13.3 million (2001 : RM10.7 million) will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accrued as a liability upon approval by shareholders. This represents a change in accounting treatment from that of prior years as explained in Note 35.

12. PROPERTY, PLANT AND EQUIPMENT

	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
2002 Group								
At cost/valuation:								
Beginning of the year	251,868	258,422	56,901	79,908	5,720	7,240	290	660,349
Additions	44	128,981	12,239	22,817	1,956	817	4,093	170,947
Disposals	(229)	-	(24)	(33)	(787)	(4)	-	(1,077)
Write-offs	-	(333)	(255)	(633)	(5)	(128)	-	(1,354)
Transfer to property development	(10)	-	-	-	-	-	-	(10)
Reclassifications	-	735	628	2,009	54	-	(3,426)	-
End of the year	251,673	387,805	69,489	104,068	6,938	7,925	957	828,855
Accumulated depreciation:								
Beginning of the year	-	(10,170)	(24,677)	(55,043)	(4,081)	(5,740)	-	(99,711)
Depreciation for the year:								
- Charged to income statement	-	(490)	(2,755)	(5,449)	(779)	(401)	-	(9,874)
- Capitalised under long leasehold land and plantations	-	(758)	(60)	(78)	(21)	(7)	-	(924)
Disposals	-	-	24	33	786	3	-	846
Write-offs	-	-	149	463	5	112	-	729
End of the year	-	(11,418)	(27,319)	(60,074)	(4,090)	(6,033)	-	(108,934)
Net book value at end of the year	251,673	376,387	42,170	43,994	2,848	1,892	957	719,921
Comprising :								
Cost	134,479	387,805	69,489	104,068	6,938	7,925	957	711,661
At 1981 valuation	117,194	-	-	-	-	-	-	117,194
	251,673	387,805	69,489	104,068	6,938	7,925	957	828,855

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

2001 Group	Freehold	Long	Buildings	Plant	Motor	Furniture,	Construction	Total
	land and plantation	leasehold land and plantation	and improvements	and machinery	vehicles	fittings and equipment	in progress	
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-offs	-	-	(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 plantations	-	(22)	(42)	(78)	-	(5)	-	(147)
Disposals	-	-	-	280	549	1	-	830
Reclassification	-	-	9	(9)	-	-	-	-
Write-offs	-	-	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

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

	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
2002								
Company								
At cost/valuation:								
Beginning of the year	217,214	53,892	20,842	21,998	3,420	4,238	35	321,639
Additions	15	3,429	12	724	831	222	871	6,104
Disposals	(214)	-	(25)	(33)	(552)	-	-	(824)
Write-offs	-	(333)	(67)	(151)	-	(57)	-	(608)
Reclassifications	-	704	2	-	-	-	(706)	-
End of the year	217,015	57,692	20,764	22,538	3,699	4,403	200	326,311
Accumulated depreciation:								
Beginning of the year	-	(2,521)	(12,486)	(18,691)	(2,135)	(3,439)	-	(39,272)
Depreciation for the year:								
- Charged to income statement	-	(10)	(800)	(870)	(494)	(209)	-	(2,383)
- Capitalised under long leasehold land and plantation	-	(5)	(58)	(74)	-	(5)	-	(142)
Disposals	-	-	25	33	552	-	-	610
Write-offs	-	-	51	141	-	54	-	246
End of the year	-	(2,536)	(13,268)	(19,461)	(2,077)	(3,599)	-	(40,941)
Net book value at end of the year	217,015	55,156	7,496	3,077	1,622	804	200	285,370
Comprising :								
Cost	106,387	57,692	20,764	22,538	3,699	4,403	200	215,683
At 1981 valuation	110,628	-	-	-	-	-	-	110,628
	217,015	57,692	20,764	22,538	3,699	4,403	200	326,311

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

	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
2001								
Company								
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-offs	-	-	(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-offs	-	-	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

The net book value of the revalued freehold land and plantation for the Group and the Company would have amounted to RM94,726,000 (2001 : RM94,872,000) and RM82,355,000 (2001 : RM82,501,000) 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 RM128,255,000 (2001 : RM82,125,000) and RM1,285,000 (2001 : RM1,300,000) 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.

13. REAL PROPERTY ASSETS

	Group	
	2002	2001
Freehold land - at 1981 valuation	7,508	7,508
- at cost	97,154	98,137
	104,662	105,645
Development expenditure	142,812	142,149
	247,474	247,794

Real property assets with a book value of approximately RM13.6 million was disposed of subsequent to the financial year ended 31 December 2002 (see Note 36).

The basis of valuation of freehold land is consistent with Note 12.

As at 31 December 2002, the potential tax liability amounting to RM8.8 million (2001 : RM9.0 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.

14. SUBSIDIARY COMPANIES

	Company	
	2002	2001
Unquoted shares - at cost	159,952	160,119
<i>Current:</i>		
Amounts due from subsidiary companies	697,529	495,975
Amounts due to subsidiary companies	(107,755)	(117,395)

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 33.

15. ASSOCIATED COMPANIES AND RECEIVABLES FROM ASSOCIATED COMPANIES

	Group		Company	
	2002	2001	2002	2001
Unquoted shares - at cost	2,123	2,123	2,123	2,123
Group's share of post-acquisition reserves	7,687	7,548	-	-
Share of net assets, other than goodwill	9,810	9,671	2,123	2,123
Long term receivables from associated companies	5,897	6,877	5,897	6,877
<i>Current :</i>				
Amounts due from associated companies	763	781	763	781

The fair values of long term receivables from associated companies closely approximate their book values.

15. ASSOCIATED COMPANIES AND RECEIVABLES FROM ASSOCIATED COMPANIES (Cont'd)

The amounts due from associated companies represent outstanding amounts arising from trade transactions and advances and payments made on behalf of associated companies, are unsecured and interest free.

The repayments of the long term receivables are not expected within the next twelve months.

The associated companies are listed in Note 33.

16. INVESTMENTS

	Group		Company	
	2002	2001	2002	2001
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	405	499	237	291

17. PROPERTY DEVELOPMENT

	Group	
	2002	2001
Freehold land - at 1981 valuation	28	28
- at cost	22,831	22,996
	22,859	23,024
Development expenditure	86,392	98,096
	109,251	121,120
Add : Attributable profits less allowance for foreseeable losses	4,133	7,438
	113,384	128,558
Less : Progress billings	(26,427)	(34,950)
	86,957	93,608

The basis of valuation of freehold land is consistent with Note 12.

As at 31 December 2002, the potential tax liability amounting to RM3.8 million (2001 : 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.

18. INVENTORIES

	Group		Company	
	2002	2001	2002	2001
Produce stocks – at cost	5,345	4,532	633	697
Stores and spares – at cost	2,941	2,294	817	630
	8,286	6,826	1,450	1,327
Completed development properties				
- at cost	102,502	102,225	-	-
- at net realisable value	725	100	-	-
	103,227	102,325	-	-
	111,513	109,151	1,450	1,327

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2002	2001	2002	2001
Trade receivables	27,078	23,685	3,827	3,393
Less : Allowance for bad and doubtful debts	(2,521)	(3,427)	-	(180)
	24,557	20,258	3,827	3,213
Income tax recoverable	2,993	10,099	-	4,203
Deposits	2,195	2,875	529	1,409
Prepayments	491	365	174	287
Other receivables	12,495	7,915	10,136	6,121
Less : Allowance for bad and doubtful debts	(4,936)	-	(4,936)	-
	7,559	7,915	5,200	6,121
	37,795	41,512	9,730	15,233

The Group's trade transactions are denominated in Ringgit Malaysia and the general credit terms range from 7 to 14 days from date of invoices.

Bad debts written off during the financial year against allowance created in previous financial years amounted to RM524,000 (2001 : RM939,000).

Included in other receivables of the Group is a secured housing loan of RM500,000 (2001 : RM500,000) granted to an executive director of the Company which carries interest at 4% (2001 : 4%) per annum with no fixed repayment terms.

20. SHORT TERM INVESTMENTS

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

Short term investments of the Group and of the Company as at 31 December 2002 comprised investments denominated in Ringgit Malaysia and deriving interest at an effective interest rate of 2.75%.

21. BANK BALANCES AND DEPOSITS

	Group		Company	
	2002	2001	2002	2001
Deposits with licensed banks	40,143	67,458	15,882	50,729
Deposits with finance companies	6,676	18,914	5,660	18,699
Cash and bank balances	2,724	6,745	2,295	857
	49,543	93,117	23,837	70,285

The currency profile and effective interest rate on deposits and bank balances as at 31 December 2002 are as follows:

	Group		Company	
	Currency Profile	Effective Interest Rate (%)	Currency Profile	Effective Interest Rate (%)
Ringgit Malaysia	43,102	2.58	23,837	2.8
US Dollars	6,439	1.25	-	-
Other foreign currencies	2	-	-	-
	49,543		23,837	

The deposits of the Group and of the Company as at 31 December 2002 have maturity periods ranging between overnight and one month. Cash and bank balances of the Group and of the Company are held at call.

Included in deposits with licensed banks for the Group is an amount of RM15.0 million (2001 : RM9.8 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. TRADE AND OTHER PAYABLES

	Group		Company	
	2002	2001	2002	2001
Trade payables	22,231	15,553	7,845	5,116
Accruals of property development expenditure to completion	21,373	28,130	-	-
Retention monies	5,746	6,895	244	206
Accrued expenses	9,024	14,132	3,524	5,269
Deposits	4,133	3,934	393	314
Balance of purchase consideration for acquisition of land	-	53,718	-	-
Other payables	35	129	-	41
	62,542	122,491	12,006	10,946

The Group's trade transactions are denominated in Ringgit Malaysia and the general credit terms range from 30 to 90 days from date of invoices.

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

	Group and Company	
	2002	2001
Amount due to ultimate holding company	748	740
Amounts due to other related companies	277	269
	1,025	1,009

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

24. SHARE CAPITAL

	Company
	2002 2001
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

The movements of the options granted under the Asiatic Executive Share Option Scheme to subscribe for unissued ordinary shares of the Company are as follows:

< ----- Number of Share Options Granted ----- >						
Subscription Price (Sen)	Date Granted	Exercisable Period	As at 1.1.2002	Offered and Accepted	Relinquished	As at 31.12.2002
92	11.11.2000	11.11.2003 - 31.8.2010	3,136,000	-	(134,000)	3,002,000
145	2.9.2002	2.9.2005 - 31.8.2010	-	8,021,000	-	8,021,000

25. RESERVES

	Group		Company	
	2002	2001	2002	2001
Non-distributable Reserves				
Share Premium	25,663	25,663	25,663	25,663
Revaluation Reserve	19,631	19,668	28,273	28,310
Exchange Differences	(715)	(699)	-	-
	44,579	44,632	53,936	53,973
Distributable Reserve				
Unappropriated Profit	815,850	734,889	687,757	613,258
	860,429	779,521	741,693	667,231

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 2001 is sufficient to frank approximately RM274.4 million (2001 : RM231.6 million) of the Company's unappropriated profit if distributed by way of dividends without additional tax liabilities being incurred.

In addition, the estimated tax exempt income account of the Company as at 31 December 2002, under the Income Tax Act, 1967 and Income Tax (Amendment) Act, 1999, is sufficient to frank tax exempt dividend of approximately RM101.7 million (2001 : 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 2002, a tax liability of approximately RM121.3 million (2001 : RM117.8 million) would be incurred should all the unappropriated profit of the Company be distributed as dividends.

26. LONG TERM BORROWINGS

The amount represents a Ringgit Malaysia unsecured loan obtained by an indirect local subsidiary company from its minority shareholder which bears interest at 7.4% (2001 : 7.4% to 7.7%) per annum. The fair value of the long term borrowings closely approximate its book value.

Interest payable on the above loan for the financial year of RM0.4 million (2001 : RM0.4 million) has been waived.

27. DEFERRED TAXATION

	Group		Company	
	2002	2001	2002	2001
At beginning of the year	5,416	4,255	1,031	1,100
Transfer from/(to) income statements (see Note 9)	4,822	1,161	(511)	(69)
	10,238	5,416	520	1,031
Deferred tax comprises the tax effects of:				
- Excess of capital allowances over depreciation	13,395	7,785	2,083	2,458
- Timing differences arising from provisions	(3,157)	(2,369)	(1,563)	(1,427)
	10,238	5,416	520	1,031

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	
	2002	2001	2002	2001
Tax effects of:				
- Unutilised tax losses	2,820	109	-	-
- Unutilised capital allowances	403	206	-	-
	3,223	315	-	-

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.

28. PROVISION FOR DIRECTORS' RETIREMENT GRATUITIES

	Group		Company	
	2002	2001	2002	2001
Balance at 1 January	5,577	5,485	4,813	4,718
Charge for the year	952	92	826	95
Balance at 31 December	6,529	5,577	5,639	4,813

29. CONTINGENT LIABILITY

There is no contingent liability as at end of the current financial year. Contingent liability as at end of the previous financial year comprised an unsecured counter indemnity of RM5 million given by the Company to a local licensed bank for a bank guarantee issued on behalf of a wholly-owned subsidiary company.

30. CAPITAL COMMITMENTS

	Group		Company	
	2002	2001	2002	2001
Authorised capital expenditure not provided for in the financial statements:				
- contracted	94,869	18,251	417	3,851
- not contracted	55,838	31,504	5,171	7,513
	150,707	49,755	5,588	11,364
Analysed as follows:				
- Property, plant and equipment	49,312	44,733	5,588	6,342
- Proposed acquisition by Asiatic Land Development Sdn Bhd of the remaining 30% equity in Asiatic Indahpura Development Sdn Bhd (see Note 36)	77,319	-	-	-
- Others	24,076	5,022	-	5,022
	150,707	49,755	5,588	11,364

31. ULTIMATE HOLDING COMPANY

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

32. 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:

	2002	Group 2001
(i) Progress payments made by a wholly-owned subsidiary company, Asiatic Land Development Sdn Bhd ("ALDSB") 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 RM614,000 (2001 : RM1,064,000).	15,546	22,758
(ii) Sale of two industrial lots by ALDSB to Genting Sanyen Industrial Paper Sdn Bhd, an indirect subsidiary company of Genting Berhad.	-	6,878

33. SUBSIDIARY AND ASSOCIATED COMPANIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2002	2001		
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
Kinavest Sdn Bhd	100	100	Malaysia	Plantation
Asiaticom Sdn Bhd	100	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
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
Plantation Latex (Malaya) Sdn Bhd	100	100	Malaysia	Dormant
Asiatic Properties Sdn Bhd	100	100	Malaysia	Dormant
* Asiatic Green Tech Sdn Bhd	100	19	Malaysia	Dormant
Mediglove Sdn Bhd	100	100	Malaysia	Dormant
Goodheart Development Sdn Bhd	-	100	Malaysia	De-registered
ADB International Limited	-	100	Hong Kong	De-registered
Indirect Subsidiary Companies				
Setiamas Sdn Bhd	100	100	Malaysia	Plantation and property development
Asiatic Indahpura Development Sdn Bhd	70	70	Malaysia	Property development

33. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2002	2001		
Indirect Subsidiary Companies (Cont'd)				
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				
Setiakahaya 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	In receivership

* Subsidiary company acquired during the financial year wherein upon acquisition, the equity ownership increased from 19% to 100%.

+ 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.

34. ON GOING LITIGATION

The Company and Tanjung Bahagia Sdn Bhd ("TBSB"), a wholly-owned subsidiary company of the Company, together with 3 other parties, had been named as defendants in the Writ of Summons dated 11 October 2002 in the High Court of Sabah and Sarawak at Kota Kinabalu ("the Suit"). The Suit was instituted by natives claiming Native Customary Rights over the land acquired by TBSB from Hap Seng Consolidated Berhad in 2001 ("the Tongod Land") or part thereof.

Subsequently, the plaintiffs had also applied for an interlocutory injunction to restrain the Company and TBSB from entering, trespassing, clearing, using or occupying the Tongod Land or part thereof. Our Solicitors are of the opinion that the plaintiffs' action is unsustainable and misconceived and it is unlikely for the plaintiffs to succeed.

As at the date of this report, the Court has yet to fix a date for hearing of the injunction and the Suit.

35. PRIOR PERIOD ADJUSTMENT

During the financial year, the Group changed its accounting policy in respect of the recognition of dividends proposed or declared after the balance sheet date in compliance with MASB Standard No. 19 on *Event After the Balance Sheet Date*. Consequently, dividends proposed by the Directors after the balance sheet are no longer recognised as a liability at the balance sheet. These dividends will be accrued as a liability after approval by share holders at the Annual General Meeting.

35. PRIOR PERIOD ADJUSTMENT (Cont'd)

The change in this accounting policy has been applied retrospectively and prior period comparatives have been adjusted as follows :-

	Group		Company	
	Unappropriated Profit	Dividends -Current Liabilities	Unappropriated Profit	Dividends -Current Liabilities
Balance at 1 January 2001 as previously reported	670,916	8,006	579,181	8,006
Prior period adjustment - Proposal final dividend for the financial year ended 31 December 2000	8,006	(8,006)	8,006	(8,006)
As restated	678,922	-	587,187	-
Balance at 1 January 2002 as previously reported	724,214	10,675	602,583	10,675
- Proposal final dividend for the financial year ended 31 December 2001	10,675	(10,675)	10,675	(10,675)
As restated	734,889	-	613,258	-

The above restatement of the Group's unappropriate profit for the financial year ended 31 December 2001 has the effect of increasing the net tangible assets per share from RM1.54 to RM1.55.

36. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Subsequent to the financial year ended 31 December 2002, the following interdependent proposals were completed on 1 March 2003 resulted in a net reduction in earnings per share of the Group by approximately 1.3 sen:

- i) Asiatic Land Development Sdn Bhd, a wholly-owned subsidiary company, had on 11 October 2002 entered into a Conditional Share Sale Agreement on the proposed acquisition of the remaining 30% equity interest in Asiatic Indahpura Development Sdn Bhd ("AIDSB") for a total purchase consideration of RM77.3 million ("the Proposed Share Acquisition"). The Proposed Share Acquisition resulted in a goodwill of approximately RM49.7 million; and
- ii) AIDSB had on 11 October 2002 entered into a Conditional Land Sale Agreement on the proposed disposal of 953 acres of land located at Mukim Senai-Kulai, Daerah Johor Bahru, Johor Darul Takzim for a total sale consideration of RM82.7 million ("the Proposed Land Disposal"). The Proposed Land Disposal resulted in a net profit after minority interest of approximately RM40.1 million.

• 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 2002.

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 cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the system of internal control systems 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 March 2003.

• 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 30 to 60, 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 KUALALUMPUR on) **YONG CHEE KONG**
1 March 2003.)

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 30 to 60. 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 2002 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 33 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

CHIN KWAI YOONG
No. 890/04/04 (J/PH)
Partner of the firm

1 March 2003

• LIST OF GROUP PROPERTIES •

As At 31 December 2002

Location	Tenure	Unexpired Lease Period (years)	Hectares		Description	Age Of Buildings (years)	Year Of Acquisition/ Revaluation*	Net Book Value As At 31 Dec 2002 (RM'000)
			Plantation	Property Development				
PENINSULAR MALAYSIA								
A. NORTH								
1. ASIATIC Bukit Sembilan Estate, Baling/ Sg. Petani/Jitra, Kedah	Freehold		1,318	131		7	1981*	64,176
2. ASIATIC Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	Freehold		1,853				1981*	23,999
B. CENTRAL								
3. ASIATIC Sepang Estate, Sepang & Ulu Langat, Selangor	Freehold		666				1981*	13,919
4. ASIATIC Tebong Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold		2,321				1981*	29,792
5. ASIATIC Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	Freehold		793	13			1981*	26,004
6. ASIATIC Tanah Merah Estate, Tangkak, Johor	Freehold		1,820				1981*	25,342
C. SOUTH								
7. ASIATIC Sri Gading Estate, Batu Pahat, Johor	Freehold		3,660				1983	65,471
8. ASIATIC Sungei Rayat Estate, Batu Pahat, Johor	Freehold		1,707				1983	29,434
9. ASIATIC Sing Mah Estate, Air Hitam, Johor	Freehold		669			22	1983	12,988
10. ASIATIC Kulai Besar Estate, Kulai / Simpang Renggam, Johor	Freehold		3,160	120		13	1983	334,871
11. ASIATIC Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold		172	100			1996	85,672
SABAH								
12. ASIATIC Sabapalm Estate, Labuk Valley, Sandakan (Expiring on 9/7/2887)	Leasehold (999 yrs)	885	4,077			32	1991	
(Expiring on 31/12/2085)	Leasehold (99 yrs)	83	283				1991	39,845
13. ASIATIC Tanjung Estate, Kinabatangan (Expiring on 31/12/2086)	Leasehold (99 yrs)	84	4,153			8	1988	41,242
(Expiring on 31/12/2096)	Leasehold (99 yrs)	94	192				2001	1,740
14. ASIATIC Bahagia Estate, Kinabatangan (Expiring on 31/12/2086)	Leasehold (99 yrs)	84	3,941				1988	28,379
15. ASIATIC Tenegang Estate, Kinabatangan (Expiring on 31/12/2088)	Leasehold (99 yrs)	86	4,047				1990	32,406
16. ASIATIC Landworthy Estate, Kinabatangan (Expiring on 31/12/2083)	Leasehold (99 yrs)	81	4,039				1992	31,967
17. ASIATIC Layang Estate, Kinabatangan (Expiring on 31/12/2090)	Leasehold (99 yrs)	88	1,683				1993	16,621
18. ASIATIC Jambongan Estate, Beluran (Expiring on 31/12/2070)	Leasehold (99 yrs)	68	61				2002	
(Expiring on 31/12/2072)	Leasehold (99 yrs)	70	676				2001	
(Expiring on 31/12/2073)	Leasehold (99 yrs)	71	202				2002	
(Expiring on 31/12/2074)	Leasehold (99 yrs)	72	102				2001	
(Expiring on 31/12/2077)	Leasehold (99 yrs)	75	168				2001	
(Expiring on 31/12/2077)	Leasehold (99 yrs)	75	101				2002	
(Expiring on 31/12/2100)	Leasehold (99 yrs)	98	748				2002	
(Expiring on 31/12/2100)	Leasehold (100 yrs)	98	60				2002	11,110
19. ASIATIC Indah & Permai Estate, Kinabatangan (Expiring on 31/12/2096)	Leasehold (99 yrs)	94	8,830				2001	72,137
20. ASIATIC Mewah Estate, Kinabatangan (Expiring on 31/12/2083)	Leasehold (99 yrs)	81	121				2002	
(Expiring on 31/12/2084)	Leasehold (99 yrs)	82	105				2002	
(Expiring on 31/12/2085)	Leasehold (99 yrs)	83	1,437				2002	
(Expiring on 31/12/2087)	Leasehold (99 yrs)	85	398				2002	
(Expiring on 31/12/2088)	Leasehold (99 yrs)	86	390				2002	
(Expiring on 31/12/2089)	Leasehold (99 yrs)	87	271				2002	
(Expiring on 31/12/2091)	Leasehold (99 yrs)	89	2,113			6	2002	
(Expiring on 31/12/2094)	Leasehold (99 yrs)	92	373				2002	
(Expiring on 31/12/2890)	Leasehold (999 yrs)	888	403				2002	116,504
OTHER PROPERTIES OWNED								
21. Bangi Factory, Selangor (Expiring on 29/9/2086)	Leasehold (99 yrs)	84	12,140 (sq.m)			21	1990	2,482
22. Asiatic Regional Office, Sandakan, Sabah (Expiring on 9/7/2887)	Leasehold (999 yrs)	885	1,206 (sq.m)			18	1991	113
23. Asiatic Vegetable Oils Refinery, Sandakan, Sabah (Expiring on 31/12/2080)	Leasehold (99 yrs)	78	8				1992	2,319
PROPERTIES MANAGED								
24. Bundoora Estate, Ulu Yam, Selangor	Freehold		105					
25. Serian Palm Oil Mill, Serian, Sarawak	Leasehold (60 yrs)	52	31			6		

Plantation
 Property Development

Orchard
 Permaipura Golf & Country Club

Mill
 Factory

Vacant land
 Unplanted Agricultural Land

• TEN-YEAR SUMMARY •

FINANCIAL

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
RM'000										
Revenue	296,099	199,863	230,783	446,811	351,304	313,316	195,805	223,570	152,133	153,089
Profit before taxation	130,455	87,149	69,885	272,841	165,004	102,382	68,564	96,815	46,168	34,864
Taxation	(29,186)	(14,463)	(15,378)	75	(40,957)	(26,191)	(15,875)	(21,184)	(10,312)	(7,255)
Profit after taxation	101,269	72,686	54,507	272,916	124,047	76,191	52,689	75,631	35,856	27,609
Profit attributable to shareholders	100,273	71,818	53,634	266,285	125,002	76,454	52,681	76,058	36,266	27,775
Issued capital	370,668	370,668	370,668	370,668	370,668	370,668	370,668	370,668	370,668	365,315
Unappropriated profit #	815,850	734,889	678,922	648,777	406,146	302,097	246,382	213,578	155,641	135,408
Other reserves	44,579	44,632	44,855	47,996	48,346	57,069	47,858	48,174	48,296	44,939
Shareholders' equity	1,231,097	1,150,189	1,094,445	1,067,441	825,160	729,834	664,908	632,420	574,605	545,662
Minority interests	12,504	11,516	10,683	21,316	14,718	18,114	10,855	9,101	5,773	6,349
Long term borrowings	5,388	5,388	5,388	5,388	5,388	5,388	5,388	-	-	-
Deferred taxation	10,238	5,416	4,255	6,641	5,841	6,004	7,148	6,607	4,566	5,605
Provision for Directors' retirement gratuities	6,529	5,577	5,485	5,091	4,446	4,227	3,795	2,942	1,769	-
Financed by	1,265,756	1,178,086	1,120,256	1,105,877	855,553	763,567	692,094	651,070	586,713	557,616
Property, plant and equipment	719,921	560,638	492,008	502,789	500,497	507,689	507,860	461,141	490,505	448,952
Real property assets	247,474	247,794	250,064	231,246	221,170	190,119	170,293	80,351	26,283	16,847
Associated companies	15,707	16,548	19,980	21,038	27,948	27,392	24,592	20,290	2,443	2,557
Other long term investments	289	289	289	638	1,438	2,014	2,014	807	6,183	-
	983,391	825,269	762,341	755,711	751,053	727,214	704,759	562,589	525,414	468,356
Net current assets / (liabilities)	282,365	352,817	357,915	350,166	104,500	36,353	(12,665)	88,481	61,299	89,260
Employment of capital	1,265,756	1,178,086	1,120,256	1,105,877	855,553	763,567	692,094	651,070	586,713	557,616
Earnings per share (sen)*	13.5	9.7	7.2	35.9	16.9	10.3	7.1	10.3	4.9	3.7
Net dividend per share (sen)*	3.0	2.5	2.2	3.6	3.2	2.8	2.8	2.7	2.5	2.2
Dividend cover (times)	4.6	3.8	3.3	10.0	5.2	3.6	2.5	3.8	2.0	1.7
Current ratio	5.2	3.8	5.4	4.3	1.8	1.2	0.9	2.6	2.1	3.1
Net tangible assets per share (sen)*	166.1	155.2	147.6	143.9	111.3	98.4	89.7	85.3	77.5	73.6
Return (after tax and minority interests) on average shareholders' equity (%)	8.4	6.4	5.0	28.1	16.1	11.0	8.1	12.6	6.5	5.3
Market share price										
- highest (RM)	1.61	1.28	1.52	1.60	1.55	3.18	3.16	3.12	5.15	5.90
- lowest (RM)	1.12	0.80	0.80	1.01	0.76	0.88	2.16	2.32	2.52	1.28

Certain figures relating to previous years have been reclassified/adjusted to conform with current year's presentation.

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

OPERATIONS

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
OIL PALM										
FFB Production (T)	707,863	700,275	655,366	574,359	472,962	481,696	415,813	375,701	344,271	361,874
Yield Per Mature Hectare (T)	20.9	21.4	20.2	18.5	16.8	18.8	17.4	17.3	19.5	22.6
Average Selling Prices										
Crude Palm Oil (RM/T)	1,352	883	1,000	1,445	2,321	1,370	1,209	1,453	1,120	876
Palm Kernel (RM/T)	665	438	703	1,071	1,103	770	805	728	705	443
RUBBER										
Production ('000 kg)	-	830	1,457	1,729	1,826	2,141	2,416	2,540	3,299	3,739
Yield Per Mature Hectare (kg)	-	1,526	1,591	1,420	1,201	1,171	1,197	1,070	1,170	1,245
Average Selling Prices of All Grades (Sen/kg)	-	182	223	209	250	246	332	513	354	303

LAND AREAS

HECTARES	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Oil Palm										
Mature	37,145	32,683	32,605	31,625	29,095	26,166	24,008	23,637	19,653	16,435
Immature	9,139	6,076	4,765	4,331	6,581	9,483	10,793	10,797	11,704	11,474
	46,284	38,759	37,370	35,956	35,676	35,649	34,801	34,434	31,357	27,909
Rubber										
Mature	-	750	1,291	1,582	1,830	2,304	2,704	2,680	3,235	2,992
Immature	-	-	-	-	-	32	52	264	536	2,002
	-	750	1,291	1,582	1,830	2,336	2,756	2,944	3,771	4,994
Durians & Others										
Mature	10	10	10	-	-	-	-	104	583	558
Immature	-	-	-	10	34	34	34	34	79	104
	10	10	10	10	34	34	34	138	662	662
TOTALPLANTED AREA	46,294	39,519	38,671	37,548	37,540	38,019	37,591	37,516	35,790	33,565
Unplanted Agricultural Land	8,394	9,019	-	1,235	1,558	1,208	1,773	3,222	4,521	6,503
Labour Lines, Buildings, Infrastructure etc.	2,425	1,863	1,923	1,857	1,786	1,735	1,695	1,254	1,170	1,521
Property Development	364	364	407	412	487	515	665	190	337	337
TOTALTITLED AREA	57,477	50,765	41,001	41,052	41,371	41,477	41,724	42,182	41,818	41,926

• ANALYSIS OF SHAREHOLDINGS •

As At 28 April 2003

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	1.86	163,964	0.02
1,000 - 10,000	18,573	89.73	54,590,265	7.37
10,001 - 100,000	1,579	7.63	42,048,149	5.67
100,001 to less than 5% of issued shares	156	0.75	92,915,122	12.53
5% and above of issued shares	6	0.03	551,617,500	74.41
Total	20,698	100.00	741,335,000	100.00

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Issued Capital
1. Lembaga Tabung Angkatan Tentera	146,446,500	19.75
2. Genting Berhad	85,171,000	11.49
3. Genting Berhad	80,000,000	10.79
4. Genting Berhad	80,000,000	10.79
5. Genting Berhad	80,000,000	10.79
6. Genting Berhad	80,000,000	10.79
7. Employees Provident Fund Board	11,624,000	1.57
8. Genting Equities (Hong Kong) Limited	7,139,000	0.96
9. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pheim Asset Management Sdn Bhd For Employees Provident Fund</i>	4,571,000	0.62
10. TCL Nominees (Tempatan) Sdn Bhd <i>OCBC Securities Private Limited For Mah Hon Choon</i>	3,265,000	0.44
11. HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd For OSK-UOB Equity Trust (3175)</i>	3,200,000	0.43
12. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad For Public Ittikal Fund (N14011970240)</i>	3,144,000	0.42
13. Crescendo Overseas Corporation Sdn Bhd	3,000,000	0.41
14. Cimsec Nominees (Asing) Sdn Bhd <i>CIMB For Maimoon Omar @ Moonyra Baharuddin (PB)</i>	2,418,000	0.33
15. Kian Hoe Plantations Berhad	1,883,000	0.25
16. Nam Heng Oil Mill Company Sdn Bhd	1,725,000	0.23
17. Genting Berhad	1,724,000	0.23
18. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Public Smallcap Fund</i>	1,716,000	0.23
19. Panoramic Industrial Development Sdn Bhd	1,600,000	0.22
20. AMMB Nominees (Tempatan) Sdn Bhd <i>AmTrustee Berhad For BHLB Pacific Dana Al-Ihsan (5/2-7)</i>	1,550,000	0.21
21. Universal Trustee (Malaysia) Berhad <i>BHLB Pacific Emerging Companies Growth Fund</i>	1,483,000	0.20
22. Gan Cheong Or @ Ngan Chong Hoo	1,190,000	0.16
23. Teo Chuan Keng Sdn Bhd	1,122,000	0.15
24. Ban Dung Palm Oil Industries Sdn Bhd	1,101,000	0.15
25. Universal Trustee (Malaysia) Berhad <i>Alliance First Fund</i>	1,084,000	0.15

• ANALYSIS OF SHAREHOLDINGS •

As At 28 April 2003 (Cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS (CONT'D) (without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Issued Capital
26. AMMB Nominees (Tempatan) Sdn Bhd <i>MIDFAberdeen Asset Management Sdn Bhd For Employees Provident Fund (7/836-2)</i>	1,010,000	0.14
27. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Public Savings Fund</i>	985,000	0.13
28. HSBC Nominees (Asing) Sdn Bhd <i>TNTC For Government Of Singapore Investment Corporation Pte Ltd</i>	959,000	0.13
29. Teo Chuan Keng	951,000	0.13
30. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Public Growth Fund</i>	779,000	0.11
Total	610,840,500	82.40

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 28 APRIL 2003

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Indirect/ Deemed Interest	% of Issued Capital
Genting Berhad	406,895,000	54.89	7,249,000*	0.98
Lembaga Tabung Angkatan Tentera	146,533,500	19.77	-	-
Kien Huat Realty Sdn. Bhd.	-	-	406,895,000^	54.89
Parkview Management Sdn. Bhd.	-	-	406,895,000^	54.89

Note : * Deemed interested through direct and indirect subsidiaries of Genting Berhad

^ Deemed interested through Genting Berhad

• ANALYSIS OF SHAREHOLDINGS •

As At 28 April 2003 (Cont'd)

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

As At 28 April 2003

INTEREST IN THE COMPANY

Name	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	-	-
Tan Sri 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

Name	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	-	-	3,000#	0.0004
Tan Sri 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

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

GB Credit & Leasing Sdn Bhd, a related company

Name	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

Name	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 _____
(FULLNAME IN BLOCK CAPITALS)

of _____
(ADDRESS)

being a member of ASIATIC DEVELOPMENT BERHAD hereby appoint

(FULLNAME)

of _____
(ADDRESS)

or failing him _____
(FULLNAME)

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 Wednesday, 25 June 2003 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 _____
(FULLNAME IN BLOCK CAPITALS)

of _____
(ADDRESS)

being a member of ASIATIC DEVELOPMENT BERHAD hereby appoint

(FULLNAME)

of _____
(ADDRESS)

or failing him _____
(FULLNAME)

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 Wednesday, 25 June 2003 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' Baharuddin bin Musa ii. Encik Mohd Din Jusoh	Resolution 4 Resolution 5				
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 6 Resolution 7 Resolution 8 Resolution 9				
To re-appoint Auditors	Resolution 10				

(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 _____ 2003

No. of Shares held	
--------------------	--

Signature of Member

* Delete if inapplicable

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.