

Annual Report 2000



ASIATIC DEVELOPMENT BERHAD

34993-X

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Our Vision



We strive:

To become a leader in the plantation industry.

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

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

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

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

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 25 June 2001 at 11.00 a.m.

BUSINESS

1. To receive and adopt the financial statements for the financial year ended 31 December 2000 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To sanction the declaration of a final dividend. **(Resolution 2)**
3. To approve Directors' fees of RM121,500 for the financial year ended 31 December 2000 (1999 : RM121,500). **(Resolution 3)**
4. To re-elect Dato' Baharuddin bin Musa as a Director of the Company. **(Resolution 4)**
5. To consider and, if thought fit, pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:

"That _____, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."

in respect of:

(i) Tan Sri Mohd Amin bin Osman **(Resolution 5)**
(ii) Tan Sri Lim Goh Tong **(Resolution 6)**
(iii) Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad **(Resolution 7)**
(iv) Dato' Siew Nim Chee **(Resolution 8)**
6. To re-appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**
7. To transact any other business of which due notice shall have been given.

By Order of the Board
TAN WOUI MENG
Secretary

Kuala Lumpur
28 May 2001

NOTES

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

Corporate Diary

2000

29 February

Announcement of the Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 1999.

12 April

Announcement on the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 1999 and the Twenty-Second Annual General Meeting.

Announcement of the following:

- a) Proposal for purchase of own shares ("Proposed Share Buy-Back")
- b) Proposed executive share option scheme for eligible executives and executive directors of Asiatic Development Berhad and its subsidiaries ("Proposed ESOS")

22 May

Announcement of approval from the Securities Commission for the Proposed ESOS.

25 May

Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2000.

5 June

Notice to Shareholders of the Twenty-Second Annual General Meeting and Extraordinary General Meeting in respect of the following:

- a) Proposed ESOS
- b) Proposed Amendments to the Memorandum and Articles of Association to facilitate the Proposed Share Buy-Back ("Proposed Amendments")
- c) Proposed Share Buy-Back

28 June

Twenty-Second Annual General Meeting and Extraordinary General Meeting in respect of the following:

- a) Proposed ESOS
- b) Proposed Amendments
- c) Proposed Share Buy-Back

7 August

Announcement of the proposed disposal of the Company's entire 55% equity interest in Dongguan New Asiatic Oils & Fats Co. Ltd, a company established in the People's Republic of China.

24 August

Announcement of the Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2000 and the Entitlement Date for the Interim Dividend in respect of the financial year ended 31 December 2000.

29 November

Announcement of the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2000.

2001

28 February

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

8 March

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

18 April

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

20 April

Announcement of the following:

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

28 May

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

25 June

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

DIVIDENDS

	Announcement	Entitlement Date	Payment
1999 Final - 3.5 sen less tax	12 April 2000	6 July 2000	24 July 2000
2000 Interim - 1.5 sen less tax	24 August 2000	29 September 2000	20 October 2000
2000 Proposed Final - 1.5 sen less tax	18 April 2001	3 July 2001	20 July 2001*

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

Board of Directors and Corporate Information



Tan Sri Mohd Amin bin Osman
Chairman



Dato' Baharuddin bin Musa
Joint Chief Executive
and Director



Dato' Lim Kok Thay
Joint Chief Executive
and Director



Tan Sri Lim Goh Tong
Director



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



Encik Mohd Din Jusoh
Director



Dato' Siew Nim Chee
Director



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



Mr Quah Chek Tin
(Alternate to Dato' Lim Kok Thay)

PRINCIPAL EXECUTIVE OFFICERS

DIRECTORATE

Dato' Baharuddin bin Musa
Joint Chief Executive

Dato' Lim Kok Thay
Joint Chief Executive

PLANTATION

Mr Chan Chee Leong
Chief Operating Officer

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

Mr Khoo Lian Hong
Regional Operating Manager
- Sabah

Mr Sze Kok Sing
Senior Manager - Processing

Mr Clifford Che Keng Soon
Marketing Manager

PROPERTY

Mr Lai Yeng Chai
Chief Operating Officer

FINANCE/MANUFACTURING

Mr Yong Chee Kong
Chief Financial Officer

AUDIT COMMITTEE

Dato' Siew Nim Chee
Chairman/Independent
Non-Executive Director

**Lt. Gen. (B) Dato' Haji
Abdul Jamil bin Haji Ahmad**
Member/Independent
Non-Executive Director

Dato' Baharuddin bin Musa
Member

SECRETARY

Mr Tan Wooi Meng

AUDITORS

PricewaterhouseCoopers
(Public Accountants)

STOCK EXCHANGE LISTING

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

INTERNET HOMEPAGE

www.asiatic.com.my

ASIATIC DEVELOPMENT BERHAD

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

REGISTERED OFFICE

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

CORPORATE HEAD OFFICE/ PRINCIPAL PLACE OF BUSINESS

10th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: (03) 2161-3733/202-3733

ASIATIC REGIONAL OFFICE, SABAH

Lot 39, Taman Wemin
Mile 5, Labuk Road
P.O. Box 901
90008 Sandakan, Sabah
Tel: (089) 208-204

REGISTRARS

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

Chairman's Statement

Penyata Pengerusi

On behalf of the Board of Directors, it gives me great pleasure to present the Annual Report and Audited Financial Statements of the Company and its subsidiaries ("Group") for the year ended 31 December 2000.

PERFORMANCE REVIEW

The Malaysian economy which rebounded since mid 1999 has performed remarkably well registering a real Gross Domestic Product growth of 8.5% for year 2000, a respectable achievement indeed given the deep recession the country suffered just over a year ago.

Notwithstanding that, your Group found itself in a position of having to deal with two unfavourable developments, firstly the weakening of palm oil prices, and secondly the stock overhang problem in the property market. In spite of these difficult operating conditions, it is heartening to note that the Group remained profitable with a consolidated pre-tax profit of RM69.9 million.

Plantation Division, our biggest business segment, saw its contribution dwindled amidst adverse cyclical market forces that brought down palm oil prices close to a historical low. The negative impact of declining prices was partially mitigated by a 14% increase in fresh fruit bunches production on the back of rising yield and increased harvesting areas.

Saya, bagi pihak Ahli Lembaga Pengarah dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Syarikat dan anak-anak syarikat ("Kumpulan") yang telah diaudit bagi tahun berakhir 31 Disember 2000.

TINJAUAN PRESTASI

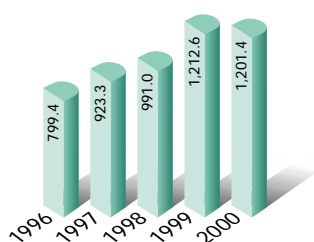
Ekonomi Malaysia yang beransur pulih sejak pertengahan tahun 1999 telah menunjukkan pencapaian yang baik dengan mencatatkan pertumbuhan 8.5% Keluaran Dalam Negara Kasar bagi tahun 2000, satu pencapaian yang harus dikagumi memandangkan kemerosotan ekonomi yang begitu ketara yang ditempuhi pada tahun lalu.

Meskipun keadaan sebegini, Kumpulan anda mendapati ianya berhadapan dengan dua perkembangan yang langsung tidak menggalakkan. Pertama, harga minyak sawit yang kian lemah dan kedua, masalah stok yang berlebihan dalam pasaran hartanah. Kesulitan-kesulitan ini telah menyukarkan suasana operasi, tetapi kita berpuas hati kerana Kumpulan dapat mengekalkan keuntungan dengan untung sebelum cukai disatukan sebanyak RM69.9 juta.

Bahagian Perladangan, bahagian perniagaan terbesar Kumpulan, telah menyaksikan penyusutan sumbangannya akibat tekanan pasaran yang membawa kepada penurunan harga minyak sawit mendekati tahap paling rendah yang pernah dialami. Kesan negatif daripada harga terendah ini telah dapat diringankan sedikit dengan adanya penambahan 14% pengeluaran buah tandan basah, daripada peningkatan hasil dan penambahan kawasan penuaian.

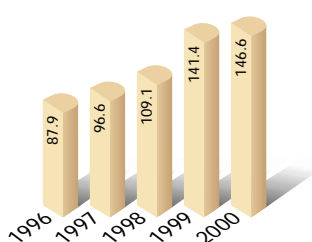
TOTAL ASSETS EMPLOYED

(RM million)



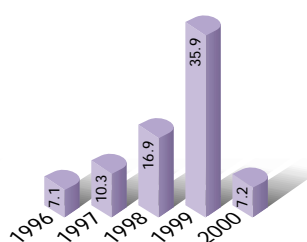
NET TANGIBLE ASSETS PER SHARE

(sen)



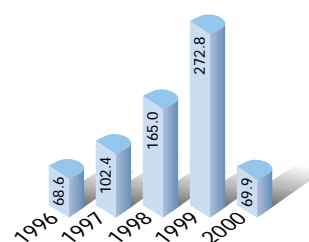
EARNINGS PER SHARE

(sen)



PROFIT BEFORE TAXATION

(RM million)



FINANCIAL HIGHLIGHTS

Year ended 31 December	2000 RM'000	1999 RM'000	Change %
Operating revenue	230,783	446,811	-48
Profit before taxation	69,885	272,841	-74
Profit after taxation	54,507	272,916	-80
Profit attributable to shareholders	53,634	266,285	-80
Shareholders' equity	1,086,439	1,048,759	+4
Total assets employed	1,201,379	1,212,586	-1
Earnings per share (sen)	7.2	35.9	-80
Net dividend per share (sen)	2.2	3.6	-39
Dividend cover (times)	3.3	10.0	-67
Net tangible assets per share (sen)	146.6	141.4	+4
Return (after tax and minority interests) on average shareholders' equity (%)	5.0	28.7	-83

On the Property front, as mentioned in my last report, the Division has adopted a conservative stance during the last two years by concentrating on projects in hand whilst new launches were kept to a minimum. Accordingly, it experienced significant reduction in progressive profits for the year under review. This cautious approach has spared the Group from excessive unsold inventories.

The stalemate of the China Refinery Project was finally resolved with the divestment of the Group's entire 55% equity stake in Dongguan New Asiatic Oils & Fats Co. Ltd to the Chinese partners in November 2000.

EXECUTIVE SHARE OPTION SCHEME ("ESOS")

In recognition of the commitment and dedication of its management and executives, the Company implemented the ESOS in September 2000 with the approval of its shareholders and relevant authorities. The ESOS also serves to reward and retain our employees whose services are vital to the continued growth of the Group. As at 31 December 2000, a total number of 3,304,000 share options were allocated by the Company and accepted by the employees.

Bagi bahagian Hartanah pula, seperti yang dilaporkan dalam Penyata Pengerusi tahun lepas, Kumpulan telah mengambil langkah konservatif sejak dua tahun lalu dengan menumpukan kepada projek-projek yang sedia ada, sementara pelancaran projek-projek baru dihadkan kepada minimum. Kumpulan mengalami pengurangan besar dalam keuntungan progresif bagi tahun dalam kajian. Pendekatan berhati-hati ini sekurang-kurangnya telah melindungi Kumpulan dari beban lebih inventori (barang niaga) yang tidak terjual.

Kebuntuan mencapai sesuatu terhadap Projek Penapisan China akhirnya dapat diselesaikan dengan pelepasan keseluruhan 55% pegangan ekuiti Kumpulan dalam Dongguan New Asiatic Oils & Fats Co. Ltd kepada rakan kongsi Cina pada bulan November 2000.

SKIM OPSYEN SAHAM EKSEKUTIF ("ESOS")

Sebagai tanda penghargaan ke atas penglibatan dan dedikasi pihak pengurusan serta eksekutif dan dengan adanya kelulusan dari para pemegang saham serta pihak berkuasa yang berkenaan, maka Syarikat telah mengendalikan ESOS pada bulan September 2000. Skim ESOS ini juga bertujuan untuk memberikan ganjaran dan mengekalkan kakitangan yang mana perkhidmatan mereka merupakan nadi kepada pertumbuhan yang berterusan bagi Kumpulan. Sehingga 31 Disember 2000, sejumlah 3,304,000 saham opsyen yang diperuntukkan oleh Syarikat telah diterima oleh pekerja.

DIVIDENDS

The Board of Directors has recommended a final dividend of 1.5 sen less 28% income tax per ordinary share for the year ended 31 December 2000. If approved by shareholders at the forthcoming Twenty-Third Annual General Meeting, the total dividend for the year inclusive of the interim dividend of 1.5 sen less 28% income tax per ordinary share of 50 sen each paid on 20 October 2000 will amount to a total distribution of RM16.0 million (1999 : RM26.7 million).

FUTURE PROSPECT

With depressed palm oil prices and languishing property market, the Group foresees the present year as tight as the year under review.

The downward trend of palm oil prices appears to have tapered off but the prospect of a price recovery is quite uncertain with global oils and fats market still plagued with bearish sentiment. Firstly, the high inventory build-up as a result of bumper harvest outstripping export demand is still burdensome and will take a while to dissipate. In addition, the import duty hikes in India, a major buyer of palm oils, have dampened its offtake requirement. Moreover, the steeper increase in tariff for refined oil than crude palm oil ("CPO") would prompt Indian traders to buy more CPO - a development that would further delay the depletion of the excess processed palm oil stockpile. In this respect, the timely move taken by our Government to allow up to 1.0 million tonnes of duty free CPO export in 2001 should be lauded. Apart from the stock concern, strong competition from Indonesia which hold advantage in terms of cheaper labour costs, lower export taxes and weaker currency will also keep any price gain in check. As such, Plantation earning in the coming year is not anticipated to be higher than the year just ended. However, viewed in a longer horizon, once the oversupply of edible oils reach an equilibrium level with growing demand, it shall set the stage for the next upturn.

DIVIDEN

Ahli Lembaga Pengarah telah mengesyorkan dividen muktamad sebanyak 1.5 sen ditolak cukai pendapatan 28% sesaham biasa bagi tahun berakhir 31 Disember 2000. Jika diluluskan oleh pemegang saham pada Mesyuarat Agung Kedua Puluh Tiga yang akan datang, dividen bagi tahun dalam kajian termasuk dividen interim 1.5 sen ditolak cukai pendapatan 28% sesaham biasa 50 sen setiap satu yang telah dibayar pada 20 Oktober 2000 akan berjumlah RM16.0 juta (1999 : RM26.7 juta).

PROSPEK MASA DEPAN

Ekoran dari penurunan harga minyak sawit dan kemerosotan pasaran hartanah, Kumpulan menjangkakan tahun akan datang adalah sesukar seperti tahun dalam kajian.

Penurunan harga minyak sawit secara menjunam nampaknya telah lega sedikit tetapi pemulihan harga dalam masa terdekat tidak pasti memandangkan pasaran minyak dan lemak dunia masih dipengaruhi oleh sentimen pasaran yang lembab. Pertamanya, inventori yang berlebihan kesan dari hasil penuaian yang luar biasa jauh melebihi permintaan eksport ini membebaskan dan akan mengambil masa untuk dikurangkan. Di samping itu, kenaikan duti import di India, salah satu pembeli minyak sawit terbesar, telah melemahkan pembelian memenuhi keperluan. Lebih-lebih lagi, kenaikan kadar tarif yang lebih tinggi bagi minyak yang ditapis berbanding dengan minyak sawit mentah ("MSM") telah mendorong peniaga-peniaga India untuk membeli lebih banyak minyak sawit mentah - satu perkembangan yang akan melambatkan pelupusan lebih stok minyak yang ditapis. Berhubung perkara ini, langkah kerajaan untuk membenarkan sebanyak 1.0 juta tan MSM dikecualikan cukai eksport dalam tahun 2001 memang tepat pada masanya dan dialu-alukan. Selain daripada masalah stok, saingan hebat dari Indonesia yang ada kelebihan dari segi kos buruh yang lebih murah, cukai eksport yang rendah dan matawang yang lemah juga akan terus dirasai dan mungkin menghalang pemulihan harga. Dengan demikian, pendapatan dari Perladangan bagi tahun akan datang tidak dijangka akan lebih tinggi dari tahun lepas. Walau bagaimanapun, jika ditinjau untuk jangkamasa panjang, apabila bekalan minyak masak mencapai ke tahap yang seimbang dengan pertumbuhan permintaan, maka suasana sedemikian boleh menolong kenaikan semula harga minyak.

The overall outlook of the property sector remains mixed. Although affordable housing in good locations is still in demand, other sub-sectors like retail, industry and office are still soft and traded under trying condition. The take-up rate for residential units outside Klang Valley has been lethargic. This has affected the Group's projects in Johor, Melaka and Kedah. Furthermore, the listless stock market coupled with the expectation of a decelerating world economy and its implication to our country lead most buyers to adopt a "wait and see" attitude. Against such lacklustre backdrop, the property market is unlikely to take off in the near future and hence the contribution from Property Division is expected to be lower for the current year.

Should the palm oil prices stay at present level and the property sales remain sluggish, your Directors expect that 2001 will be another unexciting year.

APPRECIATION

On behalf of the Board, I would like to express my appreciation to the management and staff who have worked diligently in the best interest of the Group. We wish to also extend our gratitude to our valued customers and business partners for their continued faith and support in our business activities, and to you, our shareholders, for your confidence in our management of the Company. Last but not least, my personal thanks to fellow members of the Board for their distinguished contributions in guiding the Company through the year under review.

TAN SRI MOHD AMIN BIN OSMAN
Chairman
18 April 2001

Secara keseluruhan, keadaan sektor hartanah masih tidak ketentuan. Meskipun rumah-rumah harga berpatutan di lokasi yang baik masih mendapat sambutan dari pelanggan-pelanggan, tetapi di sektor lain seperti retail, pejabat dan industri berada di dalam keadaan lemah dan sukar hendak diurusniagakan. Kadar pembelian bagi unit kediaman di luar Lembah Klang adalah lembab. Ini telah memberi kesan kepada projek-projek Kumpulan di Johor, Melaka dan Kedah. Lebih-lebih lagi, keadaan pasaran saham yang lemah serta jangkaan kemerosotan ekonomi dunia dan kesannya terhadap negara kita telah mengakibatkan kebanyakan pembeli mengambil sikap 'tunggu dan lihat'. Berasaskan keadaan yang suram ini, pasaran hartanah kelihatan tidak berkemungkinan meningkat dalam masa terdekat dan dengan ini sumbangan dari Bahagian Hartanah bagi tahun semasa dijangka lebih rendah.

Seandainya harga minyak sawit kekal di tahap sekarang ini dan jualan hartanah juga kekal lembab, pihak Pengarah anda menjangkakan tahun 2001 akan merupakan satu lagi tahun yang kurang memberansangkan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan kepada pihak pengurusan dan kakitangan di atas ketekunan yang ditunjukkan terhadap Kumpulan. Kami juga ingin melahirkan ucapan terima kasih kepada pelanggan-pelanggan yang dihargai dan rakan perniagaan di atas keyakinan dan sokongan yang berterusan terhadap aktiviti-aktiviti perniagaan kami dan kepada anda, pemegang-pemegang saham Kumpulan, mengucapkan berbilang terima kasih di atas kepercayaan terhadap pihak pengurusan Syarikat. Akhir kata, ucapan terima kasih juga saya tujukan kepada rakan sejawat di Lembaga Pengarah yang banyak memberi sumbangan yang amat berguna di dalam membimbing syarikat sepanjang tahun dalam kajian.

TAN SRI MOHD AMIN BIN OSMAN
Pengerusi
18 April 2001

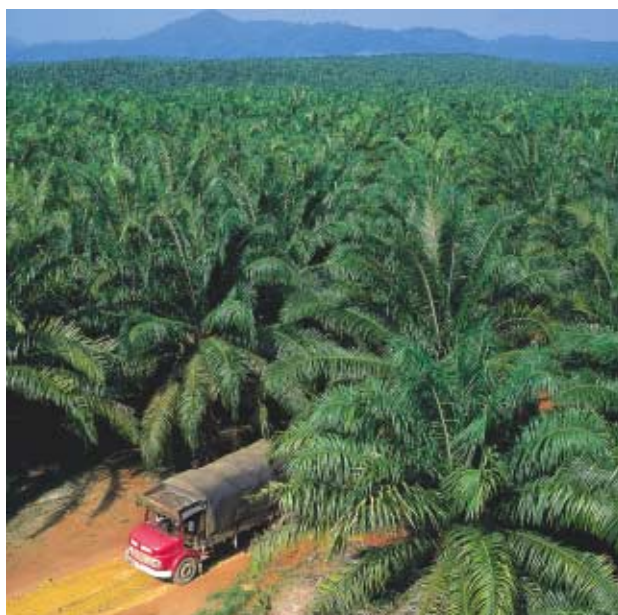
Review of Operations

PLANTATION

Palm oil prices continued to slide during the year to as low as around RM700 per tonne, a level that could challenge the wellbeing of the oil palm industry in this country if that persists. Despite such adversity, it is commendable to note that the Plantation Division was able to report yet another year of profitable performance. It recorded a much lower profit before tax of RM39.0 million against RM96.7 million attained last year in line with the sharp fall in palm oil prices. The Division contributed 56% of the consolidated profit before tax of the Group.

On a positive note, the Group's own fresh fruit bunches ("FFB") production rose by 14% for the period under review to reach a new high of 655,366 tonnes. As expected, the improvement derived principally from our Sabah Tenengang Group of estates as more and more newly maturing areas attained higher yield brackets. Accordingly, the average yield per mature hectare for the Group increased from 18.5 tonnes in 1999 to 20.2 tonnes reflecting a growth of 9%. This favourable incremental trend in yield will continue to accelerate for the years to come in tandem with the ripening profile of the trees as about 30% of the developed hectareage is still immature or just attaining optimum maturity. Accordingly, the unit production cost has also been lowered by 3% despite higher fertiliser application in newly matured areas and major upgrade of roads to improve crop evacuation.

Big hole planting - the newly adopted planting technique by the Group.



Timely evacuation is essential to maintain the quality of FFB.

Unfortunately, the good showing in FFB harvest was more than offset by the dismal price performance of crude palm oil ("CPO"). Whilst the severe drop in prices was due to a convergence of several negative factors, it was worst hit by the record huge palm oil stock overhang stemming from considerably prolific production and export availability of edible oils worldwide. Equally arduous was the imposition of prohibitive import duties by India especially the tariff preference for imported CPO that led to a slower offtake of Malaysian refined oils. In this regard, it is indeed gratifying to note that our Government reacted swiftly to permit the export of CPO duty free in order to reduce the onerous stock level. On top of the surplus production, the aggressive pricing of Indonesian export effectively curbed any potential upswing in price movement. The Group's achieved average selling price for CPO was therefore markedly slashed down from RM1,445 per tonne in 1999 to RM1,000 per tonne, a substantial difference of RM445 per tonne.

Likewise, palm kernel ("PK") prices which stayed firm in the previous two years could not be sustained following the ample supply of lauric oil resulting from the strong recovery of copra production in the Philippines. Retreating by some 34%, the Group's achieved PK selling price averaged at RM703 per tonne as compared to RM1,071 in 1999.

Consequent to the significant progress in FFB production, the Group processed 674,585 tonnes of FFB inclusive of third party crops representing an increase

of 13% over 1999. Arising therefrom, CPO production improved by 14% to 127,587 tonnes with a corresponding improvement in PK yield to 34,612 tonnes. Meanwhile, with the commissioning of the second processing line at Sri Tanjung Oil Mill in early 2000, the Group's combined processing capacity now stands at 155 tonnes per hour, up from 120 tonnes per hour previously. Notwithstanding the enlarged FFB intake, the increased milling throughput diluted the capacity utilisation somewhat to 81% as against 92% in 1999. With crops in Tenegang Group of estates expected to post strong growth over the coming years, the capacity utilisation should increase correspondingly.



One of the many field operations that require manpower.

In an endeavour to attain quality certification on our work process, the Group embarked on the implementation of ISO9002 Quality Management System for its oil mills. Ayer Item Oil Mill is identified to kick off the exercise. Using mainly internal resources, the pilot project initiated in August 1999 has reached the final stage. Barring any unforeseen circumstances, the mill is expected to receive SIRIM's certification by May 2001.

The Group's labour shortage problem took a breather when some 426 foreign workers were recruited to fill openings at estate level. We are thankful for the prompt response from the government agencies which have always been sympathetic towards our plight and supportive in our application for foreign workers. At the same time the Group is heeding the government's urge to intensify mechanisation in order to reduce reliance on manpower. Over the years, the Group has stepped up mechanisation in areas where the topography is suitable and where the palm age profile allows for use of machines. The Huka Lift System for FFB evacuation, first introduced at Sri Gading Estate in 1998, was further extended to 2 additional estates during the year. To date, our estates have various agricultural machinery and equipment for which an amount of RM7.8 million has been expended over the last five years.



Mechanised fertiliser application.

In line with the Group's policy of continuous upgrading, the Division replanted some 948 hectares to oil palms to ensure long term yield sustainability. As part of our continual efforts to boost yield, the Division has employed the "Big Hole" planting technique which facilitates water retention, reduces nutrient losses and promotes better root establishment. Combined with boosted fertiliser dosage, the planting technique has been proven to produce superior vegetative growth and improved yield. The planting technique was carried out in several estates and the results are promising with palms achieving vigorous growth at a rate faster than conventional practices. Although the newly adopted planting method costs more on land preparatory work and manuring, yield enhancement is expected to more than compensate the higher initial outlay. As a consequence, the Division's replanting expenditure of RM5.0 million in 2000 was some 10% higher than the year before.

Rehabilitation works on the flood-damaged areas in the Sabah Tenegang Group of estates was fully completed during the year. Some 1,670 hectares of the total affected area of 1,770 hectares had been planted with oil palms on raised platforms. The remaining area is being conserved as a wildlife sanctuary, a programme the Group jointly undertakes with World Wide Fund for Nature Malaysia.

Serian Palm Oil Mill, the Group's joint venture with Sarawak Land Consolidation and Rehabilitation Authority, processed 153,188 tonnes of FFB recording a growth of 6% in comparison to last year. The 30 tonnes per hour mill continued to perform admirably with oil extraction rate of 22% and capacity utilisation of 95% surpassing that of 1999. The mill scored a hat-trick when it was awarded the "Anugerah Industri Sawit Malaysia" in recognition of its high oil extraction rate by PORLA for the third consecutive time since 1997.



"Rumah Rakyat" - the handing over of keys ceremony was graced by YAB Dato' Haji Abdul Ghani bin Othman.

PROPERTY DEVELOPMENT

The year started out promising for the property sector as it looked set for a resurgence judging from the well received Home Ownership Campaign. There were also indications of the return of market confidence with strong rebounds in the domestic economy and the stock market. The initial optimism, however, did not hold out as concerns over a global economic slowdown particularly in the United States have begun to take their toll on market sentiment. Signs of consumer moderation were becoming apparent when the take-up rate for new housing starts and at the subsequent Home Ownership Campaigns in the second half of the year deteriorated noticeably. The waning interest was even more discernible outside Klang Valley. The Group's property projects at Johor, Kedah and Melaka with no exception faced slower sales and thinner margin translating into a drastically lower profit contribution of RM14.5 million against RM116.1 million in 1999.

With limited inventories on residential property, the Division launched some medium-cost single- and double-storey houses in Indahpura - its main contributor - at Kulai, Johor. The medium range housing will be the core product of the Division in the near term as it falls within the broad affordability band and still enjoys consistent support. In addition, some double-storey shop offices were also opened for sale during the year to capture the medium-end segment. These new

launches generated RM12.5 million in sales. Besides that, various marketing plans such as flexible payment scheme, value-added services, property carnivals and exhibitions were also implemented to facilitate the disposal of stocks especially those of the four-storey shop offices and industrial lots. Despite the concerted efforts, the take-up rate for the four-storey shop offices were poor whilst no sale on industrial lots were transacted.

On the social front, the Group completed the construction of 1,040 units of low-cost apartments on schedule as part of the "Rumah Rakyat" scheme. To mark the occasion, a formal handing over of keys ceremony graced by the Menteri Besar of Johor was held on 22 October 2000. During the year, a total of 397 purchasers have taken vacant possession of their respective units.

Property activities at Permaipura, Kedah remained relatively quiet as the depressed market conditions there curtailed the viability of new launches. Thus, sales activities were focused mainly on the disposal of the remaining inventories of bungalow lots, double- and single-storey houses. As Permaipura becomes more populated and developed given the many bungalow lot owners have commenced construction, this should help encourage more potential buyers.



Artist's impression of double-storey shop offices (top), and single- and double-storey residential properties (middle and bottom respectively) that were launched during the year in Indahpura.

Similarly, no new launches were carried out at the Desa Cheng Perdana 1 project in Melaka. Instead, efforts were channelled to dispose stocks of the double-storey houses consisting of bumiputera and bumiputera released units. Meanwhile, the original layout plan of multi-storey apartments was revised to landed double-storey residential houses to suit market demands.

In order to garner a higher volume of business, the Permaipura Golf & Country Club ("PGCC") had

introduced various golf promotions and tournament packages with satisfactory response received. PGCC also expanded its network of reciprocal arrangements and affiliations with other golf courses. For the period under review, a total of 13 reciprocal arrangements and 5 affiliations were established.

Some 30 hectares of estate land in various locations were acquired by the government for infrastructure and other public purposes during the year.

MANUFACTURING

Faced with excess capacity and shrinking demand, the structural brick factory remained in red for the year under review. In view of the prolonged slowdown in property and construction sectors, the Group is actively discussing with its joint venture partner on the fate of the factory.

As reported previously, the China Refinery Project was stalled due to unfavourable development in the edible oils business in China. Since then the Group has been actively pursuing a mutually acceptable settlement with the Chinese partners. The intention was finally realised when both parties reached an agreement for the Group to divest its entire 55% equity stake in Dongguan New Asiatic Oils & Fats Co Ltd to the Chinese partner. The divestment was completed towards end of the year and it was viewed as the best possible solution given the China edible oils market still flawed with restrictive trading conditions.



YB Dato' Seri Ong Ka Ting officiating the opening of the sewerage treatment plant in Indahpura.



Recipients of the Long Service Awards (left) and the Meritorious Awards (right).



HUMAN RESOURCE

Central to the success of a corporation is the capacity and capability of its staff. Taking cognisance of this, the Group adopted an active approach in human resource development through in-house and external training whilst nurturing a culture of continuous quest for knowledge in daily work.

Reflective of the Group's sizeable plantation investment in the State of Sabah, the 20th Management Conference was held in Kota Kinabalu for the first time since the Group's entry into the state in 1990. The conference, entitled "Receptiveness to Advances in the Plantation Industry", was attended by 56 senior executives of the Group with guest speakers sharing their knowledge and experiences in peat soil cultivation and "Big Hole" planting techniques. Delegates were also called upon to rekindle their entrepreneur spirit and to be open to the adoption of new advances and new techniques in plantation practices and technology. Two other in-house training programmes were held in Melaka and Lahad Datu during the year covering IT skills, management system documentation, weed management and field supervision.

Another noteworthy development in year 2000 was the re-introduction of the Executive Share Option Scheme. The scheme aims at instilling a greater sense of belonging among the executives through participation in the future growth of the Company so that they would be motivated to contribute positively towards the achievement of our corporate vision and objectives. It also serves to reward and retain loyal executives whom through the years have diligently served the Group.

In addition to the above, a total of 88 deserving employees received their long service awards in recognition of their loyalty and years of dedicated services ranging from 5 to 25 years.














Housing and basic medical care are amongst the amenities provided by the Group at the estates.






























Dato' Baharuddin bin Musa presenting a cheque of RM400,000 to the President of the Malaysian Liver Foundation in aid of setting up the Molecular Research Laboratory, a project spearheaded by the Malaysian Liver Foundation.















List of Group Properties

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



Properties & Location	Tenure		Unexpired Lease Period (years)	Hectares		Description	Age Of Buildings (years)	Net Book Value As At 31 Dec 2000 (RM million)
	Freehold	Leasehold (years)		Plantation	Property Development			
PENINSULAR MALAYSIA								
A. NORTH								
1. Paya Kamunting Estate, Jitra, Kedah	✓			537		 		7.9
2. Bukit Sembilan/Riverside Estate, Baling/Sg. Petani, Kedah	✓			817	132	   	5	59.7
3. Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	✓			1,856		 		24.2
B. CENTRAL								
4. Bute/Dominion Estate, Sepang & Ulu Langat, Selangor	✓			666		  		13.8
5. Tebong/Repah Estate, Jasin & Alor Gajah, Melaka / Tampin & Kuala Pilah, Negeri Sembilan	✓			2,417		 		31.1
6. Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	✓			811	13	  		29.0
7. Tanah Merah Estate, Tangkak, Johor	✓			1,842		 		25.8
C. SOUTH								
8. Sg. Rayat Estate, Batu Pahat, Johor	✓			1,707				29.6
9. Sri Gading Estate, Batu Pahat, Johor	✓			3,662				65.6
10. Sing Mah Estate, Air Hitam, Johor	✓			669		 	20	12.9
11. Kulai Besar (North) Estate, Simpang Renggam, Johor	✓			655				12.3
12. Kulai Besar Estate, Kulai, Johor	✓			2,539	121	  	11	339.3
13. Setiamas Estate, Kulai & Batu Pahat, Johor	✓			193	141	 		97.5



Properties & Location	Tenure		Unexpired Lease Period (years)	Hectares		Description	Age Of Buildings (years)	Net Book Value As At 31 Dec 2000 (RM million)
	Freehold	Leasehold (years)		Plantation	Property Development			
SABAH								
14. Sabapalm Estate, Labuk Valley, Sandakan (Expiring on 9/7/2887) (Expiring on 31/12/2085)		999 99	887 85	4,077 283		  	30	39.2
15. Sri Tanjung Estate, Kinabatangan (Expiring on 31/12/2086)		99	86	4,153		 	6	40.5
16. Sri Bahagia Estate, Kinabatangan (Expiring on 31/12/2086)		99	86	3,941				27.4
17. Sri Tenegang Estate, Kinabatangan (Expiring on 31/12/2088)		99	88	4,047				29.4
18. Sri Landworthy Estate, Kinabatangan (Expiring on 31/12/2083)		99	83	4,039				29.0
19. Sri Layang Estate, Kinabatangan (Expiring on 31/12/2090)		99	90	1,683				12.9
OTHER PROPERTIES OWNED								
20. Bangi Factory, Selangor (Expiring on 29/9/2086)		99	86	12,140 (sq.m)			19	2.5
21. Asiatic Regional Office, Sandakan, Sabah (Expiring on 9/7/2887)		999	887	1,206 (sq.m)			16	0.1
22. Asiatic Vegetable Oils Refinery, Sandakan, Sabah (Expiring on 31/12/2080)		99	80	8				2.4
PROPERTIES MANAGED								
23. Bundoora Estate, Ulu Yam, Selangor	✓			105				
24. Serian Palm Oil Mill, Serian, Sarawak		60	54	31			4	

Audit Committee

TERMS OF REFERENCE

The Audit Committee ("the Committee") was established by the Board of Directors of Asiatic Development Berhad ("Company") on 26 July 1994. The Committee is governed by the following terms of reference:

1. Composition

- (i) The Committee shall comprise three directors, a majority of whom are independent of management and operating responsibilities. One of the Committee members who is a non-executive director shall be appointed as the Committee's Chairman by the members of the Committee.
- (ii) If the number of members of the Committee is reduced to below three for reasons of resignation, death or otherwise, the Board of Directors of the Company shall appoint such number of new members as may be required to make up the minimum number of three members.

2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries, and all employees are directed to cooperate as requested by members of the Committee. The Committee is empowered to 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 of Directors 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.

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 control;
- 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 scope and results of the internal audit procedures;
- vi) review the financial statements of the Company and the consolidated financial statements of the Group prior to the directors' approval;
- vii) review related party transactions that may arise within the Company or the Group; and
- viii) consider the appointment of external auditors, their audit fees and any question of resignation and dismissal.

5. Meetings

- i) The Committee is to meet at least twice a year and as many times as the Committee deems necessary.
- ii) The quorum for any meeting of the Committee shall be two.
- iii) The Chief Financial Officer, the head of internal audit and a representative of the external auditors shall normally attend meetings of the Committee.
- iv) 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.

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.

Report of the Directors

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

PRINCIPAL ACTIVITIES

The Company is principally involved in plantation and investment holding.

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

Details of the principal activities of the Group are set out in Note 35 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit from ordinary activities before taxation	69,885	46,454
Taxation	(15,378)	(11,967)
Profit from ordinary activities after taxation	<u>54,507</u>	<u>34,487</u>
Minority interests	(873)	-
Net profit for the year	<u>53,634</u>	<u>34,487</u>

DIVIDENDS

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

- (i) a final dividend of 3.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM18,681,642 in respect of the financial year ended 31 December 1999 and which has been dealt with in the previous Directors' report was paid on 24 July 2000; and
- (ii) an interim dividend of 1.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM8,006,418 in respect of the financial year ended 31 December 2000 was paid on 20 October 2000.

The Directors recommend payment of a final dividend of 1.5 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 20 July 2001 to shareholders registered in the Register of Members at the close of business on 3 July 2001. Based on the issued and paid-up ordinary shares of the Company as at the date of this report, the final dividend would amount to RM8,006,418.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

SHARE OPTION PURSUANT TO THE ASIATIC EXECUTIVE SHARE OPTION SCHEME

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

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

- (a) The aforesaid expiry date of the Option shall apply unless any such Option has ceased by reason of non compliance by the grantee of the terms and conditions under which the Option was granted pursuant to the Scheme.
- (b) The shares under the Option may be exercised in full or in respect of 1,000 shares or a multiple thereof in the fourth year from the Date of Offer until expiry of the Scheme on 31 August 2010 on the payment of the requisite subscription price of RM0.92 per share in respect of the Option granted on 11 November 2000.
- (c) The persons to whom the Option has been issued have no right to participate by virtue of the Option in any share issue of any other company.
- (d) No shares were issued during the period to which the report relates by virtue of the exercise of Option to take up unissued shares of the Company granted during the year.

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

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

DIRECTORATE

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

Tan Sri Mohd Amin bin Osman
Dato' Baharuddin bin Musa
Dato' Lim Kok Thay
Tan Sri Lim Goh Tong
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad
Encik Mohd Din Jusoh
Dato' Siew Nim Chee
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah
Mr Quah Chek Tin (*Alternate to Dato' Lim Kok Thay*)

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

INTEREST IN THE COMPANY

Shareholdings in the names of Directors	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		
Tan Sri Mohd Amin bin Osman	164,000	-	164,000
Dato' Baharuddin bin Musa	613,000	600,000/(600,000)	613,000
Dato' Lim Kok Thay	144,000	-	144,000
Tan Sri Lim Goh Tong	437,500	-	437,500
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	140,000	-	140,000
Dato' Siew Nim Chee	10,000	-	10,000

Shareholdings in which the Director is deemed to have an interest	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		

Dato' Baharuddin bin Musa	-	600,000/(600,000)	-
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Share Option in the name of a Director	1.1.2000	Offered/(Exercised)	31.12.2000
	(Number of unissued ordinary shares of 50 sen each)		

Dato' Baharuddin bin Musa	-	200,000	200,000
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INTEREST IN GENTING BERHAD, THE ULTIMATE HOLDING COMPANY

Shareholdings in the names of Directors	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		

Tan Sri Mohd Amin bin Osman	8,000	-	8,000
Dato' Baharuddin bin Musa	115,500	-	115,500
Dato' Lim Kok Thay	2,553,000	784,200	3,337,200
Tan Sri Lim Goh Tong	6,681,000	-	6,681,000
Mr Quah Chek Tin (Alternate to Dato' Lim Kok Thay)	1,000	-	1,000

Shareholdings in which the Directors are deemed to have an interest	1.1.2000	Acquired/ (Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		

Dato' Baharuddin bin Musa	3,000	-	3,000
Dato' Lim Kok Thay	11,523,996	-	11,523,996

Share Option in the names of Directors	1.1.2000	Offered/(Exercised)	31.12.2000
	(Number of unissued ordinary shares of 50 sen each)		

Tan Sri Mohd Amin bin Osman	400,000	-	400,000
Dato' Lim Kok Thay	400,000	-	400,000
Tan Sri Lim Goh Tong	600,000	-	600,000

INTEREST IN RESORTS WORLD BHD, A RELATED COMPANY

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

Share Option in the names of Directors	1.1.2000	Offered/(Exercised)	31.12.2000
		(Number of unissued ordinary shares of 50 sen each)	
Dato' Lim Kok Thay	175,000	-	175,000
Tan Sri Lim Goh Tong	300,000	-	300,000

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

Shareholdings in the name of a Director	1.1.2000	Acquired/ (Disposed)	31.12.2000
		(Number of ordinary shares of RM1.00 each)	
Dato' Baharuddin bin Musa	220,000	-	220,000

INTEREST IN GENTING INTERNATIONAL PLC, A RELATED CORPORATION

Shareholdings in the name of a Director	1.1.2000	Acquired/ (Disposed)	31.12.2000
		(Number of ordinary shares of US\$0.10 each)	
Tan Sri Lim Goh Tong	1,832,468	-	1,832,468

Apart from the above disclosures:

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

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

- (i) Tan Sri Mohd Amin bin Osman has been retained by Genting Berhad, the holding company, as a consultant to provide management and ancillary services.

- (ii) Tan Sri Mohd Amin bin Osman has been retained by Resorts World Bhd, a related company, to provide advisory services.
- (iii) Plantation Latex (Malaya) Sdn Bhd, a wholly-owned subsidiary of the Company, has extended a housing loan to Dato' Baharuddin bin Musa to enable him to acquire a home.
- (iv) A company in which Dato' Lim Kok Thay is a director and a substantial shareholder has retained the Company to provide plantation advisory services.
- (v) Resorts World Limited ("RWL"), a related corporation, has subscribed for a total of 609,781,993 Ordinary Shares of US\$0.10 each in a corporation in which Tan Sri Lim Goh Tong and Dato' Lim Kok Thay have interests as set out below via the conversion of US\$442,499,850 out of the US\$480 million Floating Rate Convertible Unsecured Loan Notes ("Notes") issued to RWL under the Note Purchase Agreements between the corporation and RWL; and repaid RWL the remaining Notes of US\$37,500,150 not converted into ordinary shares of the corporation:
 - (a) Tan Sri Lim Goh Tong is a shareholder of the corporation, a preference unit holder of a Trust which is a substantial shareholder of the corporation ("the Trust"), and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
 - (b) Dato' Lim Kok Thay is a director, shareholder and call option holder of the corporation, a director of another corporation which is the trustee of the Trust, a preference unit holder of the Trust, and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
- (vi) RWL, Genting Overseas Holdings Limited and Palomino Limited, all of which are related corporations, have disposed of a total of 29,110,200 Ordinary Shares of Norwegian Kroner 2.30 each representing approximately 10.88% in NCL Holding ASA to a corporation in which Tan Sri Lim Goh Tong and Dato' Lim Kok Thay have interests as set out below:
 - (a) Tan Sri Lim Goh Tong is a shareholder of the holding company of the corporation, a preference unit holder of a Trust which is a substantial shareholder of the holding company of the corporation ("the Trust"), and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
 - (b) Dato' Lim Kok Thay is a director, shareholder and call option holder of the holding company of the corporation, a director of another corporation which is the trustee of the Trust, a preference unit holder of the Trust, and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
- (vii) A company in which Tan Sri Lim Goh Tong is a director and a substantial shareholder has:
 - (a) rented approximately 5.87 hectares of land in the Mukim of Batang Kali, District of Ulu Selangor, Selangor to Genting Utilities & Services Sdn Bhd, a related company; and
 - (b) acquired approximately 3.04 hectares of freehold vacant land in the Mukim and District of Bentong, Pahang Darul Makmur from Genting Highlands Berhad, a related company.
- (viii) Genting Centre of Excellence Sdn Bhd, a related company, has acquired approximately 3.04 hectares of leasehold vacant land in the Mukim and District of Bentong, Pahang Darul Makmur from Tan Sri Lim Goh Tong.

- (ix) A wholly-owned subsidiary of a company in which Dato' Siew Nim Chee is a director and a substantial shareholder has supplied agrochemicals to the Company.

Dato' Baharuddin bin Musa is due to retire by rotation in accordance with Article 99 of the Articles of Association of the Company and he, being eligible, offers himself for re-election.

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

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except as highlighted in the financial statements; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

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

AUDITORS

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

On behalf of the Board,

DATO' BAHARUDDIN BIN MUSA
Joint Chief Executive and Director

MOHD DIN JUSOH
Director

Kuala Lumpur
18 April 2001

Income Statements

For The Financial Year Ended 31 December 2000

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2000	1999	2000	1999
Revenue	5	230,783	446,811	87,486	124,051
Cost of sales	7	(142,108)	(202,454)	(49,081)	(57,744)
Gross profit		88,675	244,357	38,405	66,307
Other operating income		16,533	66,782	33,889	95,981
Selling and distribution costs		(17,583)	(15,551)	(6,143)	(6,093)
Administration expenses		(14,986)	(15,621)	(11,813)	(11,228)
Other operating expenses		(8,893)	(6,692)	(7,884)	(4,700)
Gain on disposal of a foreign subsidiary company	6	5,965	-	-	-
Profit from operations		69,711	273,275	46,454	140,267
Interest expense		-	(19)	-	-
Share of results of associated companies		174	(415)	-	-
Profit from ordinary activities before taxation	7	69,885	272,841	46,454	140,267
Taxation of :					
- The Company and its subsidiary companies		(14,660)	66	(11,967)	(5,669)
- Share of tax in associated companies		(718)	9	-	-
	8	(15,378)	75	(11,967)	(5,669)
Profit from ordinary activities after taxation		54,507	272,916	34,487	134,598
Minority shareholders' interests		(873)	(6,631)	-	-
Net profit for the year		53,634	266,285	34,487	134,598
Basic earnings per share - sen	9	7.23	35.92		
Diluted earnings per share - sen	9	N/A	N/A		
Gross dividends per share - sen	10	3	5		

The notes set out on pages 30 to 53 form part of these financial statements.

Balance Sheets

As At 31 December 2000

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

The notes set out on pages 30 to 53 form part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 December 2000

Amounts in RM'000 unless otherwise stated

Group	Note	Non-Distributable				Distributable		Total
		Share Capital	Share Premium	Revaluation Reserve	Reserve on Exchange Differences	Unappropriated Profit		
Balance at 1 January 1999		370,668	25,663	23,393	(710)	390,133	809,147	
Revaluation reserve realised upon sale of land		-	-	(365)	-	365	-	
Currency translation differences		-	-	-	15	-	15	
Net gains not recognised in the income statement		-	-	(365)	15	365	15	
Net profit for the year		-	-	-	-	266,285	266,285	
Dividends :								
- Interim (1.5 sen less 28% tax)		-	-	-	-	(8,006)	(8,006)	
- Proposed final (3.5 sen less 28% tax)		-	-	-	-	(18,682)	(18,682)	
	10	-	-	-	-	(26,688)	(26,688)	
Balance at 31 December 1999		370,668	25,663	23,028	(695)	630,095	1,048,759	
Revaluation reserve realised upon sale of land		-	-	(3,199)	-	3,199	-	
Currency translation differences		-	-	-	58	-	58	
Net gains not recognised in the income statement		-	-	(3,199)	58	3,199	58	
Net profit for the year		-	-	-	-	53,634	53,634	
Dividends :								
- Interim (1.5 sen less 28% tax)		-	-	-	-	(8,006)	(8,006)	
- Proposed final (1.5 sen less 28% tax)		-	-	-	-	(8,006)	(8,006)	
	10	-	-	-	-	(16,012)	(16,012)	
Balance at 31 December 2000		370,668	25,663	19,829	(637)	670,916	1,086,439	

The notes set out on pages 30 to 53 form part of these financial statements.

Statements of Changes in Equity (Cont'd)

For The Financial Year Ended 31 December 2000

Amounts in RM'000 unless otherwise stated

Company	Note	Share Capital	Non-Distributable		Distributable	Total
			Share Premium	Revaluation Reserve	Unappropriated Profit	
Balance at 1 January 1999		370,668	25,663	28,841	452,426	877,598
Revaluation reserve realised upon sale of land		-	-	(365)	365	-
Net gains not recognised in the income statement		-	-	(365)	365	-
Net profit for the year		-	-	-	134,598	134,598
Dividends :						
- Interim (1.5 sen less 28% tax)		-	-	-	(8,006)	(8,006)
- Proposed final (3.5 sen less 28% tax)		-	-	-	(18,682)	(18,682)
	10	-	-	-	(26,688)	(26,688)
Balance at 31 December 1999		370,668	25,663	28,476	560,701	985,508
Revaluation reserve realised upon sale of land		-	-	(5)	5	-
Net gains not recognised in the income statement		-	-	(5)	5	-
Net profit for the year		-	-	-	34,487	34,487
Dividends :						
- Interim (1.5 sen less 28% tax)		-	-	-	(8,006)	(8,006)
- Proposed final (1.5 sen less 28% tax)		-	-	-	(8,006)	(8,006)
	10	-	-	-	(16,012)	(16,012)
Balance at 31 December 2000		370,668	25,663	28,471	579,181	1,003,983

The notes set out on pages 30 to 53 form part of these financial statements.

Cash Flow Statements

For The Financial Year Ended 31 December 2000

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

The notes set out on pages 30 to 53 form part of these financial statements.

Cash Flow Statements (Cont'd)

For The Financial Year Ended 31 December 2000

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		2000	1999	2000	1999
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		7,634	4,779	6,057	3,335
Proceeds from disposal of a foreign subsidiary company	6	5,964	-	-	-
Proceeds arising from freehold land and plantation acquired by the government		4,348	57,230	2,395	57,230
Dividends received		441	338	22,105	33,951
Proceeds from disposal of property, plant and equipment		308	81	258	27
Purchase of property, plant and equipment		(12,337)	(14,826)	(7,336)	(5,212)
Investment in real property assets		(13,699)	(10,076)	-	-
Proceeds from redemption of preference shares in an associated company		-	4,331	-	4,331
Repayments from subsidiary companies		-	-	86,650	115,264
Advances to subsidiary companies		-	-	(17,468)	(47,573)
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES		(7,341)	41,857	92,661	161,353
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(26,688)	(24,019)	(26,688)	(24,019)
Dividends paid to minority shareholders		(35)	(35)	-	-
Repayments of short term borrowing		-	(516)	-	-
Interest paid		-	(19)	-	-
NET CASH USED IN FINANCING ACTIVITIES		(26,723)	(24,589)	(26,688)	(24,019)
Effect of currency translation		58	17	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,381	171,586	31,719	127,512
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		190,400	18,814	139,283	11,771
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		191,781	190,400	171,002	139,283
<i>Analysis of cash and cash equivalents</i>					
Short term investments		106,708	22,814	105,676	22,731
Bank balances and deposits	21	85,073	167,586	65,326	116,552
Cash and cash equivalents at end of the year		191,781	190,400	171,002	139,283

The notes set out on pages 30 to 53 form part of these financial statements.

Notes to the Financial Statements

31 December 2000

Amounts in RM'000 unless otherwise stated

1. PRINCIPAL ACTIVITIES

The Company is principally involved in plantation and investment holding.

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

Details of the principal activities of the Group are set out in Note 35 to the financial statements.

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

2. BASIS OF PREPARATION

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

Consolidation

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

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.

Property, Plant and Equipment

Property, plant and equipment are stated at cost modified by the revaluation of certain property, plant and equipment less accumulated depreciation and amortisation. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of International Accounting Standard No. 16 (Revised), Property, Plant and Equipment, the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation and amortisation.

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

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

	%
Buildings and improvements	5
Plant, equipment and vehicles	10 - 50

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

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

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

New Planting and Replanting Expenditure

New planting expenditure incurred on land clearing and upkeep of trees to maturity is capitalised under freehold and leasehold land respectively. New planting expenditure capitalised under freehold land are not amortised while those capitalised under leasehold land are amortised in accordance with the depreciation policy of the Group.

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

Real Property Assets, Property Development and Profit Recognition

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Real Property Assets, Property Development and Profit Recognition (cont'd)

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

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

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

Investments

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

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

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

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

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

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

Goodwill

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

Inventories

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables

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

Provision for Retirement Gratuities

In 1994, the Board introduced a retirement gratuity scheme for executive directors of the Company and certain subsidiary companies. The amount of the provision for the retirement gratuities is determined by the Board and is discretionary.

Deferred Taxation

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

Foreign Currencies

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

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

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

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

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

Cash and Cash Equivalents

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Recognition

Revenue

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

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

Other income

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

Proposed Dividends

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

4. SEGMENT ANALYSIS

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

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

5. REVENUE

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

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

6. DISPOSAL OF A FOREIGN SUBSIDIARY COMPANY

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

The financial effect of the above disposal is as follows:

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

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

7. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

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

	Group		Company	
	2000	1999	2000	1999
Charges:				
Depreciation of property, plant and equipment	9,952	10,033	3,052	3,879
Replanting expenditure	5,026	4,557	3,805	3,190
Allowance for bad and doubtful debts	3,794	-	180	-
Directors' remuneration:				
- Fees	122	122	122	122
- Other emoluments	1,942	2,083	1,714	1,835
- Provision for retirement gratuities	394	646	357	558
Property, plant and equipment written off	1,441	85	19	56
Charges payable to holding and other related companies:				
- Rental of premises	900	851	824	723
- Shared services fee	630	13	630	13
- Hire of equipment	10	17	10	17
- Interest	-	19	-	-
Write-down of other long term investments in a quoted foreign corporation	349	800	204	466
Allowance for foreseeable losses on properties	444	-	-	-
Auditors' remuneration	90	74	45	38
Waiver of advances granted to wholly-owned subsidiary companies	-	-	2,432	-
Rental of land paid to a subsidiary company	-	-	596	578
Credits:				
Interest income	7,634	4,233	3,842	2,625
Gain from disposal of a foreign subsidiary company (See Note 6)	5,965	-	-	-
Net surplus arising from freehold land and plantation acquired by the government	3,776	54,921	2,142	54,921
Rental income	1,288	1,335	478	341
Income from subsidiary and associated companies:				
- Gross dividends	-	-	22,105	33,951
- Management fee	960	1,086	237	214
- Shared services fee	-	-	833	212
- Interest on advances	-	545	2,215	710
Gain on disposal of property, plant and equipment	240	71	190	27
Rental income from a related company	18	18	-	-

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

(b) Other Information:

	Group		Company	
	2000	1999	2000	1999
Operating costs relating to inventories recognised as an expense	140,579	200,728	49,081	57,744
Operating costs relating to services recognised as an expense	1,529	1,726	-	-
	142,108	202,454	49,081	57,744
The estimated monetary value of benefits provided to Directors by way of usage of assets	42	26	21	21
Staff costs (including Executive Directors' remuneration)	29,180	30,682	17,723	19,031
Number of employees as at 31 December	2,179	2,161	1,080	1,181

8. TAXATION

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

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

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

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

9. EARNINGS PER SHARE

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

As mentioned in Note 25, the Company has outstanding options granted during the financial year pursuant to the Asiatic Executive Share Option Scheme to subscribe for 3,304,000 ordinary share at 92 sen each. In accordance with the provisions laid down by Malaysian Accounting Standards Board No. 13, Earnings Per Share, share options are dilutive when they are issued for no consideration or where a portion of the outstanding share options are deemed dilutive in situations where the exercisable price of the options is below its fair value.

Since the exercisable price of the options is above the fair value of the Company's shares for the current financial year, the option is deemed non-dilutive. As such, the options have no dilution effect on the earnings per share of the Group for the current financial year.

10. DIVIDENDS

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

11. PROPERTY, PLANT AND EQUIPMENT

2000 Group	Freehold land and plantation	Long leasehold land and plantation	Short leasehold land	Buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Cost except as otherwise stated:							
Beginning of the year	256,033	175,461	1,171	53,045	79,011	25,436	590,157
Additions	48	10,162	-	472	4,077	3,235	17,994
Disposals	(571)	-	-	-	(697)	-	(1,268)
Disposal of a foreign subsidiary company	-	-	(1,171)	-	(37)	(13,883)	(15,091)
Write off	-	-	-	(121)	(736)	(1,349)	(2,206)
Transfer to property development	(1,731)	-	-	-	-	-	(1,731)
Reclassifications	-	1,093	-	1,019	10,526	(12,638)	-
End of the year	253,779	186,716	-	54,415	92,144	801	587,855
Accumulated depreciation:							
Beginning of the year	-	(8,037)	(382)	(21,592)	(57,357)	-	(87,368)
Depreciation for the year:							
- Charged to statement	-	(1,535)	-	(2,414)	(6,003)	-	(9,952)
- Capitalised under long leasehold land and plantations	-	(181)	-	(41)	(103)	-	(325)
Disposals	-	-	-	-	628	-	628
Disposal of foreign subsidiary company	-	-	382	-	23	-	405
Write off	-	-	-	115	650	-	765
End of the year	-	(9,753)	-	(23,932)	(62,162)	-	(95,847)
Net book value at end of the year	253,779	176,963	-	30,483	29,982	801	492,008
Comprising :							
Cost	134,831	186,716	-	54,415	92,144	801	468,907
At 1981 valuation	118,948	-	-	-	-	-	118,948
	253,779	186,716	-	54,415	92,144	801	587,855

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

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

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

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

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

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

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

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

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

12. REAL PROPERTY ASSETS

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

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

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

As at 31 December 2000, the potential tax liability amounting to RM9.1 million (1999 : RM9.4 million) arising from higher acquisition cost of certain parcels of the Group's freehold land over the tax base cost has not been recognised in the financial statements. The said tax effect would be recognised as and when the applicable portions of the said land are taken up in the income statements.

13. SUBSIDIARY COMPANIES

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

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

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

The subsidiary companies are listed in Note 35.

14. ASSOCIATED COMPANIES

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

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

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

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

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

The associated companies are listed in Note 35.

15. OTHER LONG TERM INVESTMENTS

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

16. PROPERTY DEVELOPMENT

	Group	
	2000	1999
Freehold land - at 1981 valuation	28	1,217
- at cost	24,091	32,161
	24,119	33,378
Development expenditure	88,541	294,161
	112,660	327,539
Add : Attributable profits less allowance for todote foreseeable losses	11,353	186,861
	124,013	514,400
Less : Progress billings	(33,079)	(445,312)
	90,934	69,088

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

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

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

As at 31 December 2000, the potential tax liability amounting to RM3.8 million (1999: RM3.9 million) arising from higher acquisition cost of certain parcels of the Group's freehold land over the tax base cost has not been recognised in the financial statements. The said tax effect would be recognised as and when the applicable portions of the said land are taken up in the income statements.

17. INVENTORIES

	Group		Company	
	2000	1999	2000	1999
Produce stocks – at cost	6,475	1,746	367	193
Stores and spares – at cost	3,188	4,496	1,236	1,376
	9,663	6,242	1,603	1,569
Completed development properties				
- at cost	105,891	125,988	-	-
- at net realisable value	1,778	-	-	-
	107,669	125,988	-	-
	117,332	132,230	1,603	1,569

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

18. TRADE RECEIVABLES

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

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

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

20. SHORT TERM INVESTMENTS

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

21. BANK BALANCES AND DEPOSITS

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

Included in deposits with licensed banks for the Group is an amount of RM8.9 million (1999 : RM2.1 million) deposited by a subsidiary company into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act 1966.

22. OTHER PAYABLES AND ACCRUED EXPENSES

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

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

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

23. SHORT TERM BORROWING

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

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

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

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

25. SHARE CAPITAL

	Company	
	2000	1999
Authorised:		
1,000,000,000 ordinary shares of 50 sen each	500,000	500,000
Issued and fully paid:		
741,335,000 ordinary shares of 50 sen each	370,668	370,668

As at end of the financial year, options to subscribe for 3,304,000 ordinary shares under the Asiatic Executive Share Option Scheme at an exercisable price of 92 sen per share were outstanding. These options which were granted during the year are exercisable between 11 November 2003 and 31 August 2010.

26. RESERVES

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

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

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

27. LONG TERM BORROWINGS

The amount represents an unsecured loan obtained by an indirect local subsidiary company from its minority shareholder which bears interest at rates ranging from 7.5% to 7.8% (1999 : 7.80% to 9.05%) per annum. The loan is not expected to be repaid within the next twelve months.

Interest payable on the above loan for the financial year of RM0.4 million (1999 : RM0.5 million) has been waived.

28. DEFERRED TAXATION

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

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

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

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

29. PROVISION FOR DIRECTORS' RETIREMENT GRATUITIES

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

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

30. CONTINGENT LIABILITY

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

31. CAPITAL COMMITMENTS

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

32. NON CASH TRANSACTION

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

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

33. ULTIMATE HOLDING COMPANY

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

34. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	Group
Progress payments made by a wholly-owned subsidiary company, Asiatic Land Development Sdn Bhd to the constructor, Kien Huat Development Sdn Bhd, a company in which Datuk Lim Chee Wah, a member of the family of Tan Sri Lim Goh Tong, is a director and has deemed substantial financial interest, for the development of properties in Kulai, Johor. The progress payments include fees and reimbursables totalling RM1,506,000.	30,178
Fee payable by the Company to Genting Bhd, the immediate and ultimate holding company, for shared services relating to secretarial, treasury, tax and other services.	630
Amount payable by the Company to Oakwood Sdn Bhd, a wholly-owned subsidiary company of Genting Bhd, for renting of premises and other related services.	887
Management fee receivable from Serian Palm Oil Mill Sdn Bhd, an associated company of the Company, for the provision of palm oil mill management services by ADB (Sarawak) Palm Oil Mill Management Sdn Bhd.	947

35. SUBSIDIARY AND ASSOCIATED COMPANIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2000	1999		
Direct Subsidiary Companies				
Sabah Development Company Sdn Bhd	100	100	Malaysia	Plantation
AR Property Development Sdn Bhd	100	100	Malaysia	Plantation
Sing Mah Plantation Sdn Bhd	100	100	Malaysia	Plantation
Tanjung Bahagia Sdn Bhd	100	100	Malaysia	Plantation
Landworthy Sdn Bhd	84	84	Malaysia	Plantation
Ayer Item Oil Mill Sdn Bhd	100	100	Malaysia	FFB processing
ADB (Sarawak) Palm Oil Mill Management Sdn Bhd	100	100	Malaysia	Provision of palm oil mill management services
Mediglove Sdn Bhd	100	100	Malaysia	Trading in rubberwood

35. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2000	1999		
Direct Subsidiary Companies (cont'd)				
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
Goodheart Development Sdn Bhd	100	100	Malaysia	Pre-operating
+ ADB International Limited	100	100	Hong Kong	Pre-operating
Plantation Latex (Malaya) Sdn Bhd	100	100	Malaysia	Dormant
Asiatic Properties Sdn Bhd	100	100	Malaysia	Dormant
Asiaticom Sdn Bhd	100	100	Malaysia	Dormant
Indirect Subsidiary Companies				
Setiamas Sdn Bhd	100	100	Malaysia	Plantation and property development
Asiatic Indahpura Development Sdn Bhd	70	70	Malaysia	Property development
Asiatic Golf Course (Sg. Petani) Berhad	100	100	Malaysia	Golf course operation
+ Asiatic Overseas Limited	100	100	Isle of Man	Investments
+ Azzon Limited	100	100	Isle of Man	Investments
* + Dongguan New Asiatic Oils and Fats Co. Ltd	-	55	The People's Republic of China	Pre-operating
Asiatic Awanpura Sdn Bhd	100	100	Malaysia	Pre-operating

35. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2000	1999		
Associated Companies				
Setiacahaya Sdn Bhd	50	50	Malaysia	Property investment
@ Sri Gading Land Sdn Bhd	49	49	Malaysia	Property development
Serian Palm Oil Mill Sdn Bhd	40	40	Malaysia	FFB processing
@ Asiatic Ceramics Sdn Bhd	49	49	Malaysia	Bricks manufacturing

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

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

* Foreign subsidiary company disposed of during the financial year.

36. COMPARATIVE FIGURES

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

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

37. SUBSEQUENT EVENT

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

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

Statement by Directors

Pursuant To Section 169 (15) Of The Companies Act, 1965

We, **DATO' BAHARUDDIN BIN MUSA** and **MOHD DIN JUSOH**, two of the Directors of **ASIATIC DEVELOPMENT BERHAD**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 24 to 53, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2000 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

On behalf of the Board,

DATO' BAHARUDDIN BIN MUSA
Joint Chief Executive and Director

MOHD DIN JUSOH
Director

Kuala Lumpur
18 April 2001

Statutory Declaration

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

I, **YONG CHEE KONG**, the Officer primarily responsible for the financial management of **ASIATIC DEVELOPMENT BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 24 to 53, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
YONG CHEE KONG, at KUALA LUMPUR on) **YONG CHEE KONG**
18 April 2001.)

Before me,

DATO' NG MANN CHEONG
Commissioner for Oaths
Kuala Lumpur

Report of the Auditors

To The Members Of Asiatic Development Berhad

We have audited the financial statements set out on pages 24 to 53. 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 2000 and of the results and cash flows of the Group and Company for the year ended on that date; and
- b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 35 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

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

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

PRICEWATERHOUSECOOPERS

(No. AF: 1146)
Public Accountants

MOHAMMAD ZAINAL BIN SHAARI

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

18 April 2001

Ten-Year Summary

FINANCIAL

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
RM'000										
Profit before taxation	69,885	272,841	165,004	102,382	68,564	96,815	46,168	34,864	49,022	29,181
Taxation	(15,378)	75	(40,957)	(26,191)	(15,875)	(21,184)	(10,312)	(7,255)	(9,715)	(7,244)
Profit after taxation	54,507	272,916	124,047	76,191	52,689	75,631	35,856	27,609	39,307	21,937
Profit attributable to shareholders	53,634	266,285	125,002	76,454	52,681	76,058	36,266	27,775	39,514	22,250
Issued capital	370,668	370,668	370,668	370,668	370,668	370,668	370,668	365,315	364,502	363,754
Unappropriated profit	670,916	630,095	390,133	288,753	233,409	201,253	143,965	125,471	113,795	90,407
Other reserves	44,855	47,996	48,346	57,069	47,858	48,174	48,296	44,939	33,081	32,399
Shareholders' equity	1,086,439	1,048,759	809,147	716,490	651,935	620,095	562,929	535,725	511,378	486,560
Minority interests	10,683	21,316	14,718	18,114	10,855	9,101	5,773	6,349	746	1,457
Long term borrowings	5,388	5,388	5,388	5,388	5,388	0	0	0	0	0
Deferred taxation	4,255	6,641	5,841	6,004	7,148	6,607	4,566	5,605	5,841	5,789
Provision for Directors' retirement gratuities	5,485	5,091	4,446	4,227	3,795	2,942	1,769	0	0	0
Financed by	1,112,250	1,087,195	839,540	750,223	679,121	638,745	575,037	547,679	517,965	493,806
Property, plant and equipment	492,008	502,789	500,497	507,689	507,860	461,141	490,505	448,952	436,438	417,266
Real property assets	250,064	231,246	221,170	190,119	170,293	80,351	26,283	16,847	7,061	0
Associated companies	19,980	21,038	27,948	27,392	24,592	20,290	2,443	2,557	1,071	0
Other long term investments	289	638	1,438	2,014	2,014	807	6,183	0	0	0
	762,341	755,711	751,053	727,214	704,759	562,589	525,414	468,356	444,570	417,266
Net current assets / (liabilities)	349,909	331,484	88,487	23,009	(25,638)	76,156	49,623	79,323	73,395	76,540
Assets	1,112,250	1,087,195	839,540	750,223	679,121	638,745	575,037	547,679	517,965	493,806
Earnings per share (sen)*	7.2	35.9	16.9	10.3	7.1	10.3	4.9	3.7	5.3	3.0
Net dividend per share (sen)*	2.2	3.6	3.2	2.8	2.8	2.7	2.5	2.2	2.2	1.9
Dividend cover (times)	3.3	10.0	5.2	3.6	2.5	3.8	2.0	1.7	2.5	1.6
Current ratio	4.9	3.6	1.6	1.1	0.8	2.1	1.7	2.5	2.9	2.9
Net tangible assets per share (sen)*	146.6	141.4	109.1	96.6	87.9	83.6	75.9	72.3	69.0	65.6
Return (after tax and minority interests) on average shareholders' equity (%)	5.0	28.7	16.4	11.2	8.3	12.9	6.6	5.3	7.9	4.9
Market share price										
- highest (RM)	1.52	1.60	1.55	3.18	3.16	3.12	5.15	5.90	1.66	1.29
- lowest (RM)	0.80	1.01	0.76	0.88	2.16	2.32	2.52	1.28	0.69	0.85

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

OPERATIONS

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
OIL PALM										
FFB Production (Mt)	655,366	574,359	472,962	481,696	415,813	375,701	344,271	361,874	345,644	303,703
Yield Per Mature Hectare (Mt)	20.2	18.5	16.8	18.8	17.4	17.3	19.5	22.6	22.8	20.5
Average Selling Prices										
Crude Palm Oil (RM/Mt)	1,000	1,445	2,321	1,370	1,209	1,453	1,120	876	911	823
Palm Kernel (RM/Mt)	703	1,071	1,103	770	805	728	705	443	633	480
RUBBER										
Production ('000 kg)	1,457	1,729	1,826	2,141	2,416	2,540	3,299	3,739	4,830	6,648
Yield Per Mature Hectare (kg)	1,591	1,420	1,201	1,171	1,197	1,070	1,170	1,245	1,348	1,563
Average Selling Prices of All Grades (Sen/kg)	223	209	250	246	332	513	354	303	282	283

LAND AREAS

HECTARES	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Oil Palm										
Mature	32,605	31,625	29,095	26,166	24,008	23,637	19,653	16,435	15,523	14,763
Immature	4,765	4,331	6,581	9,483	10,793	10,797	11,704	11,474	11,511	5,638
	37,370	35,956	35,676	35,649	34,801	34,434	31,357	27,909	27,034	20,401
Rubber										
Mature	1,291	1,582	1,830	2,304	2,704	2,680	3,235	2,992	3,654	4,122
Immature	0	0	0	32	52	264	536	2,002	2,352	2,088
	1,291	1,582	1,830	2,336	2,756	2,944	3,771	4,994	6,006	6,210
Durians & Others										
Mature	10	0	0	0	0	104	583	558	766	668
Immature	0	10	34	34	34	34	79	104	32	182
	10	10	34	34	34	138	662	662	798	850
TOTAL PLANTED AREA	38,671	37,548	37,540	38,019	37,591	37,516	35,790	33,565	33,838	27,461
Unplanted Jungle Area	0	1,235	1,558	1,208	1,773	3,222	4,521	6,503	5,167	8,022
Labour Lines, Buildings, Infrastructure etc.	1,923	1,857	1,786	1,735	1,695	1,254	1,170	1,521	1,497	977
Property Development	407	412	487	515	665	190	337	337	0	0
TOTAL TITLED AREA	41,001	41,052	41,371	41,477	41,724	42,182	41,818	41,926	40,502	36,460

Analysis of Shareholdings

As At 20 April 2001

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 Held	% of Issued Capital
1 - 1,000	7,121	33.03	6,924,496	0.93
1,001 - 5,000	10,186	47.25	30,677,675	4.14
5,001 - 10,000	2,375	11.02	19,845,976	2.68
10,001 - 100,000	1,717	7.97	48,078,481	6.49
100,001 - 1,000,000	139	0.64	38,916,872	5.25
1,000,001 & above	20	0.09	596,891,500	80.51
Total	21,558	100.00	741,335,000	100.00

TWENTY (20) LARGEST SHAREHOLDERS

Name	No. of Shares Held	% of Issued Capital
1. Genting Berhad	406,895,000	54.89
2. Lembaga Tabung Angkatan Tentera	148,958,500	20.09
3. Employees Provident Fund Board	9,467,000	1.28
4. Genting Equities (Hong Kong) Limited	7,139,000	0.96
5. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>A/c of Pheim Asset Management Sdn Bhd for Employees Provident Fund</i>	4,521,000	0.61
6. TCL Nominees (Tempatan) Sdn Bhd <i>A/c of OCBC Securities Private Limited for Mah Hon Choon</i>	3,265,000	0.44
7. Citicorp Nominees (Asing) Sdn Bhd <i>A/c of TNTC for Government of Singapore Investment Corporation Pte Ltd</i>	3,122,000	0.42
8. Crescendo Overseas Corporation Sdn Bhd	3,000,000	0.40
9. Maimoon Omar @ Moonyra Baharuddin	2,418,000	0.33
10. Kian Hoe Plantations Berhad	1,856,000	0.25
11. Panoramic Industrial Development Sdn Bhd	1,600,000	0.21
12. Nam Heng Oil Mill Co Sdn Bhd	1,485,000	0.20
13. Chinchoo Investment Sdn Berhad	1,251,000	0.17
14. Gan Cheong Or @ Ngan Chong Hoo	1,190,000	0.16
15. Ban Dung Palm Oil Industries Sdn Bhd	1,101,000	0.15
16. Universal Trustee (Malaysia) Berhad <i>A/c of Multi-Purpose First Fund</i>	1,084,000	0.15
17. Loo Geok Eng	1,057,000	0.14
18. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>A/c of Kuala Lumpur Savings Fund</i>	985,000	0.13
19. Teo Chuan Keng	951,000	0.13
20. Teo Chuan Keng Sdn Bhd	794,000	0.11
Total	602,139,500	81.22

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	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	148,958,500	20.09	-	-
Kien Huat Realty Sdn Bhd	-	-	406,895,000^	54.89
Parkview Management Sdn Bhd	-	-	406,895,000^	54.89

* Deemed interested through direct and indirect subsidiaries of Genting Berhad

^ Deemed interested through Genting Berhad



ASIATIC DEVELOPMENT BERHAD
(34993-X)

Form of Proxy

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

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

of _____
(ADDRESS)

being a member/members of ASIATIC DEVELOPMENT BERHAD hereby appoint

(FULL NAME)

of _____
(ADDRESS)

or failing him _____
(FULL NAME)

of _____
(ADDRESS)

or failing him, *the CHAIRMAN OF THE MEETING as my/our *first proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 25 June 2001 at 11.00 a.m. and at any adjournment thereof.

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

I/We _____
(FULL NAME IN BLOCK CAPITALS)

of _____
(ADDRESS)

being a member/members of ASIATIC DEVELOPMENT BERHAD hereby appoint

(FULL NAME)

of _____
(ADDRESS)

or failing him _____
(FULL NAME)

of _____
(ADDRESS)

or failing him, *the CHAIRMAN OF THE MEETING as my/our *second proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 25 June 2001 at 11.00 a.m. and at any adjournment thereof.

The proportions of my/our holding 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 Financial Statements	Resolution 1				
To sanction the declaration of a final dividend	Resolution 2				
To approve Directors' fees	Resolution 3				
To re-elect Dato' Baharuddin bin Musa as a Director	Resolution 4				
To re-appoint _____ as a Director in accordance with Section 129 of the Companies Act, 1965:					
(i) Tan Sri Mohd Amin bin Osman	Resolution 5				
(ii) Tan Sri Lim Goh Tong	Resolution 6				
(iii) Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	Resolution 7				
(iv) Dato' Siew Nim Chee	Resolution 8				
To re-appoint Auditors	Resolution 9				

(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 _____ 2001

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

* Delete if inapplicable

.....
Signature of Member(s)

NOTES

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

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



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