



# C O N T E N T S

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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

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## Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 28 June 2000 at 11.00 a.m.

### BUSINESS

1. To receive and adopt the Accounts for the financial year ended 31 December 1999 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 1999 (1998 - RM108,000). **(Resolution 3)**
4. To re-elect Encik Mohd Din Jusoh 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  
5 June 2000

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### 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

1999		2000	
24 February	Announcement of Preliminary Results for the financial year ended 31 December 1998.	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.
13 April	Announcement on the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 1998 and the Twenty-First Annual General Meeting.	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.
14 April	Announcement on the resignation of Tan Sri Lim Goh Tong as Joint Chief Executive and appointment of Dato' Lim Kok Thay as the new Joint Chief Executive.		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")
27 April	Notice to Shareholders of the Twenty-First Annual General Meeting.		
12 May	Twenty-First Annual General Meeting and announcement on the appointment of PricewaterhouseCoopers as auditors of the Company in place of the retiring auditors, Kassim Chan & Co.	22 May	Announcement of approval from the Securities Commission for the Proposed ESOS.
30 July	Announcement of Interim Results for the half-year ended 30 June 1999 and announcement on the Entitlement Date for the Interim Dividend in respect of the half-year ended 30 June 1999.	25 May	Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2000.
29 October	Announcement of the Company's Y2K readiness.	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
16 November	Announcement on the compulsory acquisition of 176.54 hectares of the Company's estate land at Mukim Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan by the Government.	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
30 November	Announcement of the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 1999.		

### DIVIDENDS

	Announcement	Entitlement Date	Payment
1998 Final - 3.0 sen less tax	24 February 1999	20 May 1999	9 June 1999
1999 Interim - 1.5 sen less tax	30 July 1999	27 September 1999	19 October 1999
1999 Proposed Final - 3.5 sen less tax	12 April 2000	6 July 2000	24 July 2000*

\*Upon approval of Shareholders at the Twenty-Second Annual General Meeting

# BOARD OF DIRECTORS & Corporate Information



**Tan Sri Mohd Amin bin Osman**  
*Chairman*

First row from left:

- **Dato' Baharuddin bin Musa**  
*Joint Chief Executive*
- **Dato' Lim Kok Thay**  
*Joint Chief Executive*
- **Tan Sri Lim Goh Tong**
- **Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad**

Second row from left:

- **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)*



## PRINCIPAL EXECUTIVE OFFICERS

**Dato' Baharuddin bin Musa**  
*Joint Chief Executive*

**Dato' Lim Kok Thay**  
*Joint Chief Executive*

## PLANTATION

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

**Mr Khoo Lian Hong**  
*Regional Operating Manager - West Malaysia*

**Encik Abdul Halim bin Abdul Majid**  
*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**

## REGISTERED OFFICE

24th Floor, Wisma Genting, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: (03) 2161- 2288  
<http://www.asiatic.com.my>

## REGISTRARS

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

## CORPORATE HEAD OFFICE

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

## AUDITORS

PricewaterhouseCoopers  
*(Public Accountants)*

# CHAIRMAN'S STATEMENT

## Penyata Pengerusi

On behalf of the Board of Directors, it gives me great pleasure to present the Annual Report and Audited Accounts of the Company and its subsidiaries ("Group") for the year ended 31 December 1999.

### PERFORMANCE REVIEW

The year under review saw the Malaysian economy staging a turnaround from the severe contraction experienced a year ago. The notable upturn was largely the result of the adoption of an expansionary fiscal policy, easing of monetary policy as well as the imposition of selective exchange controls by the authorities since late 1998. The government should be lauded for the extent and speed of implementing such measures which firmly set the economy on the recovery path.

Against this backdrop, I am proud to report that the Group has again scaled greater height by registering a consolidated pre-tax profit of RM272.8 million, a spectacular improvement of 65% over that of RM165.0 million recorded in previous year. This was attained with a Group turnover of RM446.8 million representing an increase of 27% over the preceding year's RM351.3 million.

Whilst the superb results were anchored by strong performance from both the Group's core businesses, the record profits of RM124.2 million achieved by the Property Division was very admirable indeed amidst a soft property market. On the Plantation front, as mentioned in my last report, the lower contribution was generally expected as palm oil prices retreated to a much lower level from the euphoric high of 1998 despite a 21% increase in fresh fruit bunches ("FFB") production.

Saya, bagi pihak Ahli Lembaga Pengarah dengan sukacitanya membentangkan Laporan Tahunan dan Akaun-akaun Syarikat dan anak-anak syarikat ("Kumpulan") yang telah diaudit bagi tahun berakhir 31 Disember 1999.

### TINJAUAN PRESTASI

Tahun dalam kajian menyaksikan ekonomi Malaysia kembali ke arah pemulihan dari keadaan merudum pada tahun yang lalu. Peningkatan yang agak ketara ini adalah hasil daripada amalan peluasan polisi fiskal, kelonggaran dalam polisi kewangan dan penguasaan pertukaran kawalan terpilih oleh pihak berkuasa sejak akhir tahun 1998. Kerajaan harus dipuji kerana kadar dan kelajuan pelaksanaan langkah-langkah sedemikian telah menempatkan ekonomi di landasan pemulihan yang kukuh.

Namun di sebalik keadaan yang sukar ini, saya dengan bangganya melaporkan bahawa Kumpulan sekali lagi telah mencatatkan rekod keuntungan sebelum cukai disatukan sebanyak RM272.8 juta, satu kemajuan yang sungguh hebat iaitu 65% jika dibanding dengan RM165.0 juta yang dicapai pada tahun lalu. Pencapaian ini berasas kepada perolehan Kumpulan sebanyak RM446.8 juta iaitu kenaikan 27% berbanding dengan pencapaian pada tahun sebelum ini iaitu sebanyak RM351.3 juta.

Sungguhpun keputusan yang luar biasa ini datangya dari hasil pencapaian yang begitu memberangsangkan dari kedua-dua bidang perniagaan utama Kumpulan, tetapi rekod keuntungan sebanyak RM124.2 juta yang dicapai oleh bahagian hartanah sangatlah mengagumkan dalam keadaan pasaran hartanah yang lembab seperti dewasa ini. Seperti yang dilaporkan

FINANCIAL HIGHLIGHTS			
Year Ended 31 December	1999 RM'000	1998 RM'000	Change %
Operating revenue	446,811	351,304	+27
Profit before taxation	272,841	165,004	+65
Profit after taxation	272,916	124,047	+120
Profit attributable to shareholders	266,285	125,002	+113
Shareholders' funds	1,048,759	809,147	+30
Total assets employed	1,212,586	990,985	+22
Earnings per share (sen)	35.9	16.9	+112
Net dividend per share (sen)	3.6	3.2	+13
Dividend cover (times)	10.0	5.2	+92
Net tangible assets per share (sen)	141.4	109.1	+30
Return (after tax and minority interests) on average shareholders' funds (%)	28.7	16.4	+75



The structural brick factory continued to register losses for the year under review as demand was adversely affected by the slow down in property and construction sectors.

## DIVIDENDS

The Board of Directors has recommended a final dividend of 3.5 sen less 28% income tax per ordinary share each for the year ended 31 December 1999. If approved by shareholders at the forthcoming Twenty-Second Annual General Meeting, the total dividend for the year inclusive of the interim dividend of 1.5 sen less 28% income tax per ordinary share of 50 sen each paid on 19 October 1999 will amount to a total distribution of RM26.7 million (1998: RM24.0 million).

## FUTURE PROSPECT

As our economy looks set to enjoy higher Gross Domestic Product growth, it is ironic that world edible oils market appears to be at the lower end of its cycle. Vegetable oil prices are expected to remain depressed at least for the immediate future as demand growth continues to lag behind the supply expansion leading to higher stock levels. With this bearish outlook, it is likely for Plantation's earning to dip further in the current year notwithstanding the projected increase in the Group's FFB production. Nevertheless, with its superior nutritional strength and production cost efficiency, the long term potential for palm oil remains bright as demand should pick up in step with rising affordability of the emerging countries where per capita consumption is still low.

dalam Penyata Pengerusi tahun lepas, sumbangan yang agak rendah dari bahagian perladangan adalah kerana harga minyak sawit menurun ke paras terendah dari tahap yang begitu tinggi dalam tahun 1998 walaupun pengeluaran buah tandan basah ("BTB") meningkat sebanyak 21%. Kilang membuat batu-bata mencatatkan kerugian bagi tahun dalam kajian akibat permintaan yang kurang baik berikutan dengan keadaan sektor pembinaan dan pasaran hartanah yang lembap.

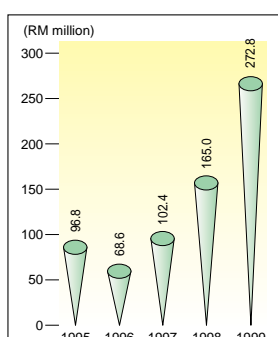
## DIVIDEN

Ahli Lembaga Pengarah telah mengesyorkan dividen muktamad sebanyak 3.5 sen ditolak cukai pendapatan 28% sesaham biasa bagi tahun berakhir 31 Disember 1999. Jika diluluskan oleh pemegang saham pada Mesyuarat Agung Tahunan Kedua Puluh Dua 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 19 Oktober 1999, maka jumlah dividen yang akan dibayar adalah RM26.7 juta (1998: RM24.0 juta).

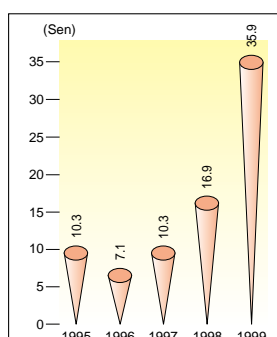
## PROSPEK MASA DEPAN

Dengan adanya tanda-tanda yang menunjukkan bahawa negara akan menikmati pertumbuhan Keluaran Dalam Negara Kasar yang lebih tinggi, adalah ironik pasaran minyak masak dunia nampaknya berada di tahap kitarannya yang rendah. Harga minyak sayuran dijangka akan tinggal tertekan sekurang-kurangnya bagi jangkamasa terdekat memandangkan pertumbuhan permintaan jauh ketinggalan dari pengembangan pengeluaran, menyebabkan stok terus meningkat. Dalam situasi begini, adalah besar kemungkinan pendapatan dari bahagian perladangan akan terus jatuh sedangkan pengeluaran BTB dijangka terus meningkat.

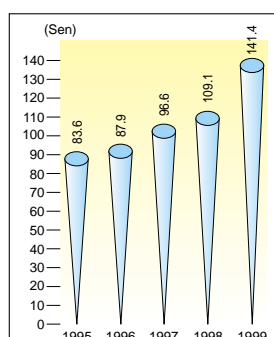
PROFIT BEFORE TAXATION



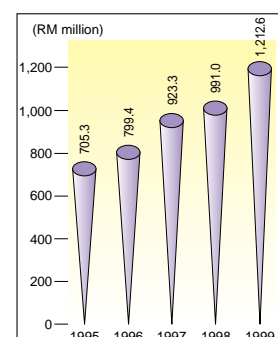
EARNINGS PER SHARE



NET TANGIBLE ASSETS PER SHARE



TOTAL ASSETS EMPLOYED



On the other hand, the improved economy should pave the way for a gradual revival of the property market. Although the Property Division is expected to experience a significant reduction in progressive profits in the current fiscal year as most of the houses sold were completed and handed over in 1999, it would progressively benefit from the overall recovery of the economy. Its potential share of contribution towards the Group shall become increasingly substantial as the market moves into the next up-cycle.

1999 has been an exceptionally good year for the Group and it would be difficult to repeat the feat this current year given the circumstances explained above. As such, your Directors do not expect the same level of profits to be maintained in Year 2000 but shall remain satisfactory.

## APPRECIATION

We have not only coped well with the difficult times over the past two years but have also emerged on a stronger footing, ready to capitalise on opportunities presented by an economy on the mend. The Group could not have progressed thus far without the invaluable contribution from the various parties mentioned below.

For that reason, I would like to record our warmest gratitude to our shareholders, business associates, and Government authorities for their forbearance, confidence and unstinting support. I also wish to express our appreciation to the management and staff for their unwavering dedication and loyalty. Last but not least, I am most thankful to my fellow colleagues on the Board for their astute guidance and wise counsel.

**TAN SRI MOHD AMIN BIN OSMAN**  
Chairman  
12 April 2000

*Walau bagaimanapun, dengan ketulenan zat pemakanan yang terdapat dalam minyak kelapa sawit dan kos pengeluarannya yang lebih efisien, maka potensi jangkamasa panjang untuk minyak kelapa sawit kekal cerah dan pertumbuhan permintaannya akan terus berkembang sejajar dengan peningkatan kemampuan negara-negara membangun di mana penggunaan pekapita masih lagi berada di tahap yang rendah.*

*Di sebaliknya, keadaan ekonomi yang bertambah baik akan membuka jalan ke arah pemulihan secara beransur-ansur bagi pasaran hartanah. Walaupun bahagian hartanah dijangka mengalami kekurangan kerana keuntungan progresif dalam tahun fiskal semasa kerana hampir kesemua rumah yang dijual telah siap dibina dan diserahkan pada tahun 1999, ia akan secara progresif mendapat manfaat dari pemulihan ekonomi secara keseluruhannya. Potensi sumbangannya kepada Kumpulan akan semakin bermakna apabila pasaran hartanah memasuki kitaran meningkat yang akan datang.*

*Tahun 1999 adalah tahun yang mencatatkan kejayaan istimewa bagi Kumpulan dan adalah sukar untuk mengulangi kejayaan cemerlang ini dalam keadaan persekitaran yang dinyatakan di atas. Oleh yang demikian, Pengarah-pengarah anda tidak menjangka paras keuntungan yang sama dapat dikekalkan pada tahun 2000 tetapi akan tetap memuaskan.*

## PENGHARGAAN

*Kami bukan sahaja telah dapat menghadapi dengan baik situasi yang amat sukar sejak dua tahun yang lalu, tetapi telah muncul dengan kedudukan yang lebih kukuh, bersedia untuk memodalkan peluang-peluang yang ditawarkan oleh ekonomi yang semakin pulih. Kumpulan tidak mungkin mencapai kejayaan sejauh ini tanpa sumbangan yang bermakna dari pihak-pihak yang tersebut di bawah ini.*

*Justeru itu, saya ingin merakamkan setinggi-tinggi penghargaan kepada pemegang-pemegang saham, rakan-rakan perniagaan dan pihak Kerajaan di atas kesabaran, keyakinan dan sokongan yang tidak berbelah bagi. Saya juga ingin melahirkan penghargaan kepada pihak pengurusan dan kakitangan di atas dedikasi serta kesetiaan mereka. Akhir kata, saya mengucapkan terima kasih kepada rakan sejawat saya serta ahli-ahli Lembaga Pengarah yang banyak memberikan tunjuk ajar dan nasihat yang bijaksana dan berguna.*

**TAN SRI MOHD AMIN BIN OSMAN**  
Pengerusi  
12 April 2000



# REVIEW OF Operations

## PLANTATION

The Plantation Division continued to perform commendably albeit at a reduced operating profit of RM106.1 million against 1998's RM155.3 million following the sharp decline in crude palm oil ("CPO") prices during the year. Nevertheless, it remains as one of the key contributors accounting for 46% of the Group's operating profit. The Group has estates located in both Peninsular Malaysia and Sabah with planted area of about 37,548 hectares, of which 35,956 hectares or 96% have been planted with oil palms. The age profile of the palms is summarised as follows:

Age of Palms	Planted Area (hectares)			
	P. M'sia	Sabah	Total	%
Up to 3 years	2,091	2,240	4,331	12
4 to 5 years	3,585	4,325	7,910	22
6 to 10 years	1,488	11,325	12,813	36
11 to 15 years	3,361	709	4,070	11
16 to 20 years	3,024	320	3,344	9
Above 20 years	2,319	1,169	3,488	10
<b>Total</b>	<b>15,868</b>	<b>20,088</b>	<b>35,956</b>	<b>100</b>



The nursery.



Palms planted on raised platforms - part of the rehabilitation works on the flood-damaged areas in Tenegang, Sabah.

The CPO prices in 1999 was a far cry from that of 1998. In fact, the exceptional bullishness of edible oils market seen in the previous year was completely reversed. Whilst the cyclical nature of commodity prices is not unusual, the extent to which CPO prices plunged was quite unexpected: from a high of about RM2,240 per tonne to a low of barely RM1,000 per tonne before stabilising at about RM1,200 per tonne towards year end.

The global edible oils production for the year expanded greatly stemming from the strong recovery of oil palm yields as the El-Nino effect subsided coupled with

the record harvest from soybean as a result of favourable weather and increased growing areas. The supply side was further boosted by the increased CPO exports from Indonesia following reduction in its export duties. This upsurge in supply was, however, met with slower offtake from the traditional markets as consumption eased due to the financial upheaval. Amidst such bearish sentiment, the prices of major edible oils inevitably took a tumble with palm oil prices hitting its 15-year low at USD285 per tonne in July 1999. In view of the downward price adjustment, the Group's achieved average selling price for CPO declined by 38% from RM2,321 per tonne in 1998 to RM1,445 per tonne.

In contrast, palm kernel prices remained firm throughout the year despite increased production as it benefited from the shortage of its direct substitute namely coconut oil and the higher consumption from the local oleochemical industry. This has enabled the Group to maintain an average selling price of RM1,071 per tonne, which was slightly lower than the 1998's level of RM1,103 per tonne.

On a positive note, the adverse impact from depressed prices was somewhat cushioned, though not entirely, by the good showing in fresh fruit bunches ("FFB") harvest. Production of FFB improved significantly by 21% to 574,359 tonnes from 472,962 tonnes in 1998.



Weighing of FFB before being transported to the mill for processing.

The average yield per hectare of 18.5 tonnes, though was higher from a year ago, was still on the low side because of the dilution effect of a sizeable portion of low yielding young palms brought into maturity. With the expected rising yield trend from these young palms in Tenegang, FFB production is set to record respectable growth over the next few years.

The average oil extraction rate at 18.8% was below expectation. The mild setback could be traced to the abnormally high rainfall affecting fruit set as well as crop harvesting and evacuation in Sabah during the first half of the year.

Given the sizeable improvement in FFB harvest together with measures undertaken to control costs, the unit production cost has shown encouraging reduction. Despite notable progress, the Group will not rest on its laurels but will instead continue to find ways to further contain costs and increase production.

During the year under review, the Group paid the following cess contribution and special taxes to the relevant authorities:

PORIM and PORLA Cess	RM1.2 million
PORLA's Cooking Oil Price Stabilisation Cess	RM0.5 million
Windfall Profit Levy	RM0.3 million
Sabah Sales Tax	RM2.4 million



Whilst some field operations can be mechanised, human labour is still required for others eg pesticides application and collection of loose fruits.

The labour shortage experienced by the Group was partially alleviated when approval from the authorities was received to recruit additional workers. Nonetheless, it is still an area of concern as the problem is likely to escalate as the country's economy recovers and the plantation industry continues to expand. Although the Group had over the years implemented various mechanisation programmes to reduce labour dependency, many of the field operations still require human labour. It is crucial therefore that future applications to employ foreign workers will continue to be considered sympathetically and expeditiously by the relevant authorities.

On processing side, the nationwide crop recovery had also helped to push the FFB intake by the Group's oil mills to a record high of 596,742 tonnes, an increase of 22% as compared to 488,906 tonnes in 1998. Arising therefrom, the Group's milling capacity utilisation improved to 92% as against 77% in 1998. Meanwhile, in anticipation of increasing FFB production from the newly matured areas in Tenegang, the Group embarked on extension of processing capacity in one of its Sabah mills. Upon completion of the second processing line in early 2000, the Group's combined processing capacity would increase from 120 tonnes per hour to 155 tonnes per hour.

Serian Palm Oil Mill, the Group's 40% owned joint venture with Sarawak Land Consolidation and Rehabilitation Authority ("SALCRA"), continued to post creditable results and higher than average oil extraction rates. It was gratifying to note that the mill was once again awarded the "Anugerah Industri Sawit Malaysia" for the second consecutive year by PORLA in recognition of the high oil extraction rates attained.

As for rubber which contributes marginally to plantation earnings, its production was reduced further to 1,729 tonnes against 1,826 tonnes last year in view of dwindling tapping areas by 14% during the year.





Asiatic Green Tech Sdn Bhd ("AGT"), a 19%-owned joint venture company with Green Tech Tokyo Co Ltd, specialises in orchid farming. Since inception in 1991, AGT has grown from strength to strength and it is now one of the largest Malaysian exporters of orchid, especially for the market in Japan.



The orchid farm of AGT.



*Lonopsis Paniculata 'Sepang', the orchid variety bred by AGT which won the Trophy Prize at the Japan Grand Prix International Orchid Festival 2000 held in Tokyo recently.*



Completed 4-storey shop offices in Indahpura.

## PROPERTY DEVELOPMENT

The various stimulus measures introduced by the authorities at end of 1998 have provided some cheers to property developers. Falling interest rates, easing of credit restriction together with the Home Ownership Campaign have brought about gradual improvement in market outlook and return of confidence. The Group's Property Division, through timely execution of well thought-out marketing strategies, registered a three-fold jump in sales revenue. More impressively, it chalked up an operating profit of RM124.2 million, surpassing Plantations' earning for the first time. This stellar performance during this trying time was indeed an outstanding accomplishment.

Indahpura - the Group's flagship project in Kulai, Johor raked in a notable progressive profits of RM105.3 million representing a significant increase to that of previous year. The considerably better results relate primarily to the completion and handing over of several phases of terrace houses and shop offices. In addition, the Group's concerted efforts to clear existing stocks by various product repackaging had borne fruits with 268 additional units of double-storey houses sold in 1999 bringing the sales to date to about 96% of the total units launched.



*Double-storey houses in Indahpura that were handed over to purchasers during the year - Tracia B (top left), Rossia A (above) and Cassia B (left).*

Meanwhile, since the re-launch of shop offices by strata basis, sales of another 171 floors were secured with sales value of RM32.3 million. Apart from the above, the sale of a piece of land measuring approximately 96 acres in Zone 38 of Indahpura for a total consideration of RM25.1 million has also played a part. During the year, the Group launched its single-storey houses costing below RM110,000 per unit in order to capture the "medium cost" housing segment. As a whole, the Group managed to respond swiftly and sensitively in consonance with the changing customers' need and affordability.

On the social front, the construction of 1,040 units of low-cost apartments as part of the "Rumah Rakyat" scheme under Indahpura is proceeding well and scheduled to be completed by December 2000. To date, over 95% of the total units have been sold, up from 62% achieved a year ago.

Riding on the improved sentiment, the Group took the opportunity to re-launch the bungalow lots at Bedong, Kedah and received encouraging response whereby a total of 51 units with sales value of RM3.6 million were successfully transacted. With additional sale of bungalows as well as the completion and handing over of some double- and single-storey houses, Permaipura did fairly well with an operating profit of RM3.2 million.

On the contrary, Desa Cheng Perdana 1 in Melaka was relatively quiet as no major sales activity was planned except the handing over of vacant possession for 22 units of double-storey house in March 1999.

The Permaipura Golf & Country Club ("PGCC") continued to face fierce competition from the nearby golf courses. In order to secure higher volume of business, PGCC plans to introduce yearly membership whilst stepping up the reciprocal arrangements with other golf courses, hotels and tour companies. In August 1999, PGCC was given the honour to host the prestigious Genting Pro-Amateur Tournament 1999.

The overhang in the supply of industrial land took a heavy toll on the Sri Gading project, a joint venture with Johor Corporation Berhad. With no significant sales in 1999, it performed poorly with marginal profits.

A total of 187 hectares of the Group's estate land in various locations were acquired by the government during the year, a significant increase of 148% in comparison to that of 1998. The single largest one being the 177 hectares situated at Dominion Estate, Semenyih procured for the purpose of relocation of a cemetery.

## MANUFACTURING

As new housing starts becoming scanty in a weak property market like this, the demand for bricks will naturally be severely affected. Prices of bricks dropped sharply since last year as manufacturers resorted to price cutting measures to stay afloat. The Group's structural brick plant, with its focus on high quality bricks, was unable to compete as demand shifted to the more affordable common bricks. As a result, it operated at a loss for the year under review. In light of the intense competition, the Group is currently exploring options available with its joint venture partner with a view to re-establishing the viability of the project.

The China Refinery Project remains inactive during the year. The management and its Chinese partners are actively in discussion to reach a mutually acceptable solution in the near future.

The theme of the 19th Management Conference - "Achievements and Challenges - A Constructive Review" could not be more aptly chosen at the eve of the new millennium. The conference saw the gathering of directors and managers reflecting on past achievements as well as critically reviewing the Group's strengths and weaknesses to brave the challenges ahead. Later in the year, the Assistant Managers Conference was held to examine their roles and responsibilities in order to provide better support towards improving productivity and management excellence.

## ENVIRONMENT

The Group always strive for sustainable development and environmental conservation in all aspects of its operations. As in past years, it continued to apply environmental friendly replanting techniques such as "underplanting" and "zero burning" in lieu of "clear, fell and burn" method.



*The Kinabatangan Floodplain, Sabah - the region is home to rare and endangered animals such as the proboscis monkey and pied hornbill. Photos: Courtesy of Mr. J. Cede Prudente*

## HUMAN RESOURCE

The Group employs about 4,200 employees, of which 92% is attached to the plantation operation. For an industry that is labour intensive with numerous remote sites, the main challenge for the Group is to ensure an adequate supply of committed and skilled workers at estate level. Towards this end, the Group will continue to upgrade the competence of staff through in-house or external training, and more importantly their welfare will be given priority.

More recently, the Group participated in the "Partners for Wetlands" programme initiated by World Wide Fund for Nature Malaysia (WWFM) in the lower Kinabatangan, Sabah, to help to conserve rare and endangered animals such as the proboscis monkey, pied hornbill and orang utan.

In support of this wetland conservation efforts, the Group is jointly involved with WWFM in a tree planting project aimed at, amongst others, rehabilitating and restoring degraded riverine and wetland habitats as wildlife sanctuary.



# Audit Committee

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## 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 co-operate 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

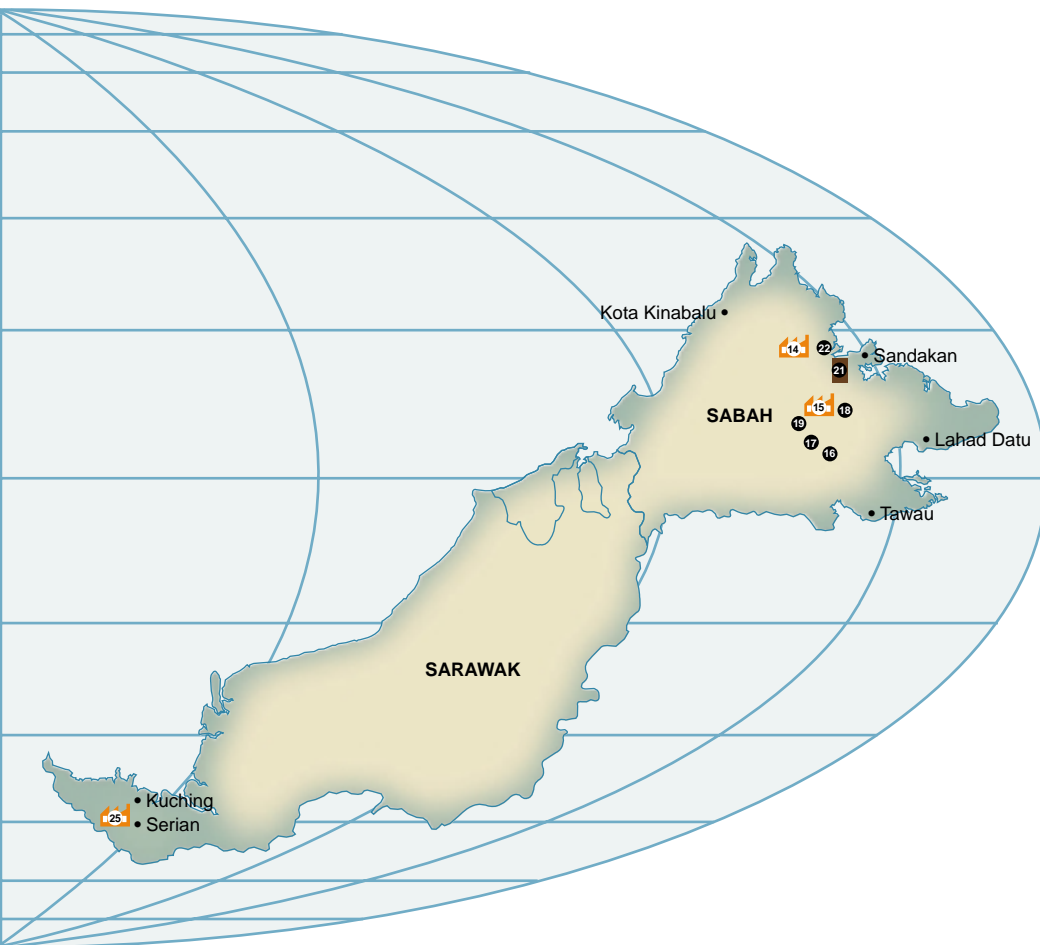
The Secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company’s directors who are not members of the Committee.

# LIST OF Group Properties

-  Rubber
-  Oil Palm Estate
-  Orchard
-  Permaipura Golf & Country Club
-  Property Development
-  Office
-  Vacant land
-  Vegetable Oil Bulking Installation
-  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 1999 (RM MILLION)
	FREEHOLD	LEASEHOLD (YEARS)		PLANTATION	PROPERTY DEVELOPMENT			
<b>PENINSULAR MALAYSIA</b>								
<b>A.NORTH</b>								
1. Paya Kamunting Estate, Jitra, Kedah	√			537				7.3
2. Bukit Sembilan/Riverside Estate, Baling/ Sg. Petani, Kedah	√			817	135	   	4	91.6
3. Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	√			1,856				24.2
<b>B.CENTRAL</b>								
4. Bute/Dominion Estate, Sepang & Ulu Langat, Selangor	√			666		  		13.4
5. Tebong/Repah Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	√			2,417				31.0
6. Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	√			825	13	  		36.8
7. Tanah Merah Estate, Tangkak, Johor	√			1,846				25.9
<b>C.SOUTH</b>								
8. Sg. Rayat Estate, Batu Pahat, Johor	√			1,707				29.6
9. Sri Gading Estate, Batu Pahat, Johor	√			3,673				64.0
10. Sing Mah Estate, Air Hitam, Johor	√			669		 	19	13.1
11. Kulai Besar (North) Estate, Simpang Renggam, Johor	√			655				12.3
12. Kulai Besar Estate, Kulai, Johor	√			2,539	123	  	10	517.6
13. Setiomas Estate, Kulai & Batu Pahat, Johor	√			210	141	 		99.2



PROPERTIES & LOCATION	TENURE		UNEXPIRED LEASE PERIOD (YEARS)	HECTARES		DESCRIPTION	AGE OF BUILDINGS (YEARS)	NET BOOK VALUE AS AT 31 DEC 1999 (RM MILLION)
	FREEHOLD	LEASEHOLD (YEARS)		PLANTATION	PROPERTY DEVELOPMENT			
<b>SABAH</b>								
14. Sabapalm Estate, Labuk Valley, Sandakan		999	888	4,077			29	39.3
		99	86	283				
15. Sri Tanjung Estate, Kinabatangan		99	87	4,153			5	41.3
16. Sri Bahagia Estate, Kinabatangan		99	87	3,941				27.2
17. Sri Tenegang Estate, Kinabatangan		99	89	4,047				27.8
18. Sri Landworthy Estate, Kinabatangan		99	84	4,039				24.0
19. Sri Layang Estate, Kinabatangan		99	91	1,683				9.6
<b>OTHER PROPERTIES OWNED</b>								
20. Bangi Factory, Selangor		99	87	12,140 (sq.m)			18	2.6
21. Asiatic Regional Office, Sandakan, Sabah		999	888	1,206 (sq.m)			15	0.1
22. Asiatic Vegetable Oils Refinery, Sandakan, Sabah		99	81	8				3.8
23. Dongguan New Asiatic, Guangdong Province, China		50	44	41,316 (sq.m)			5	5.3
<b>PROPERTIES MANAGED</b>								
24. Bundoora Estate, Ulu Yam, Selangor	√			105				
25. Serian Palm Oil Mill, Serian, Sarawak		60	55	31			3	

# Report Of The Directors

The Directors of **ASIATIC DEVELOPMENT BERHAD** have pleasure in submitting their report and the audited accounts of the Group and of the Company for the financial year ended 31 December 1999.

## 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 29 to the accounts.

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 before taxation	272,841	140,267
Taxation	75	(5,669)
Profit after taxation	272,916	134,598
Minority interests	(6,631)	–
Profit attributable to shareholders	266,285	134,598
Unappropriated profit at beginning of the year	390,133	452,426
Transfer from revaluation reserve	365	365
Profit available for appropriation	656,783	587,389
Dividends:		
Interim - 1.5 sen less 28% tax per share	(8,006)	(8,006)
Proposed final - 3.5 sen less 28% tax per share	(18,682)	(18,682)
	(26,688)	(26,688)
Unappropriated profit at end of the year	630,095	560,701

## DIVIDENDS

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

- (i) a final dividend of 3.0 sen less 28% tax per ordinary share of 50 sen each amounting to RM16,012,836 in respect of the financial year ended 31 December 1998 and which has been dealt with in the previous Directors' report was paid on 9 June 1999; 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 1999 was paid on 19 October 1999.

The Directors recommend payment of a final dividend of 3.5 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 24 July 2000 to shareholders registered in the Register of Members at the close of business on 6 July 2000. 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 RM18,681,642.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 21 to the accounts.

## ISSUE OF SHARES AND DEBENTURES

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

## 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	1.1.1999	Acquired/(Disposed)	31.12.1999
	(Number of ordinary shares of 50 sen each)		
Tan Sri Mohd Amin bin Osman	164,000	–	164,000
Dato' Baharuddin bin Musa	613,000	–	613,000
Dato' Lim Kok Thay	144,000	–	144,000
Tan Sri Lim Goh Tong	437,500	–	437,500
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	140,000	–	140,000
Dato' Siew Nim Chee	–	10,000	10,000

## INTEREST IN GENTING BERHAD, THE ULTIMATE HOLDING COMPANY

Shareholdings in the names of Directors	1.1.1999	Acquired/(Disposed)	31.12.1999
	(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	–	2,553,000
Tan Sri Lim Goh Tong	6,681,000	–	6,681,000
Mr Quah Chek Tin ( <i>Alternate to Dato' Lim Kok Thay</i> )	1,000	–	1,000

## Shareholdings in which the Directors are deemed to have an interest

Shareholdings in which the Directors are deemed to have an interest	1.1.1999	Acquired/(Disposed)	31.12.1999
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

Share Option in the names of Directors	1.1.1999	Offered/(Exercised)	31.12.1999
	(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	1.1.1999	Acquired/(Disposed)	31.12.1999
		(Number of ordinary shares of 50 sen each)	
Tan Sri Mohd Amin bin Osman	122,000	–	122,000
Dato' Baharuddin bin Musa	25,000	–	25,000
Dato' Lim Kok Thay	2,610,000	(2,610,000)	–
Mr Quah Chek Tin ( <i>Alternate to Dato' Lim Kok Thay</i> )	1,000	–	1,000

Share Option in the names of Directors	1.1.1999	Offered/(Exercised)	31.12.1999
		(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	1.1.1999	Acquired/(Disposed)	31.12.1999
		(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 names of Directors	1.1.1999	Acquired/(Disposed)	31.12.1999
		(Number of ordinary shares of US\$0.10 each)	
Dato' Lim Kok Thay	623,000	(623,000)	–
Tan Sri Lim Goh Tong	1,832,468	–	1,832,468

Shareholdings in which the Director is deemed to have an interest	1.1.1999	Acquired/(Disposed)	31.12.1999
		(Number of ordinary shares of US\$0.10 each)	
Dato' Lim Kok Thay	4,649,598	(4,649,598)	–

Apart from the above disclosures:

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

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors and the provision for Directors' retirement gratuities shown in the accounts 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:

- Tan Sri Mohd Amin bin Osman has been retained by Genting Berhad, the holding company, as a consultant to provide management and ancillary services.
- Tan Sri Mohd Amin bin Osman has been retained by Resorts World Bhd ("RWB"), a related company, to provide advisory services.
- A company in which Dato' Lim Kok Thay is a director and a substantial shareholder has retained the Company to provide plantation advisory services.

- (iv) RWB has extended a housing loan to Mr Quah Chek Tin to enable him to acquire a home. The housing loan was fully redeemed on 28 March 2000.
- (v) 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.
- (vi) GB Credit & Leasing Sdn Bhd, a related company, in which Dato' Baharuddin bin Musa has substantial financial interest and in which he and Mr Quah Chek Tin are directors, has extended a loan to a subsidiary company. The loan was fully repaid on 30 November 1999.
- (vii) A company in which Tan Sri Lim Goh Tong is a director and a substantial shareholder has 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.

Encik Mohd Din Jusoh 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 profit and loss accounts 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 provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provision 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 provision for doubtful debts in the accounts 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 accounts 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 accounts of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the accounts of the Group and of the Company, that would render any amount stated in the respective accounts 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 other than those reported in Note 5 to the accounts; 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.

#### **YEAR 2000**

After having taken remedial action on all hardware, software and communication systems to provide for Year 2000 readiness, the Group and the Company had a smooth roll over to the Year 2000 and have not encountered any material adverse effect on their operations to-date.

#### **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  
12 April 2000

# Financial Statements

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# Profit and Loss Accounts

FOR THE YEAR ENDED 31 DECEMBER 1999

Amounts in RM'000 unless otherwise stated	Note(s)	Group		Company	
		1999	1998	1999	1998
<b>OPERATING REVENUE</b>	3 & 4	<b>446,811</b>	351,304	<b>124,051</b>	136,557
Profit before share in results of associated companies		<b>273,256</b>	164,856	<b>140,267</b>	140,228
Share in results of associated companies		<b>(415)</b>	148	–	–
<b>PROFIT BEFORE TAXATION</b>	4 & 5	<b>272,841</b>	165,004	<b>140,267</b>	140,228
Taxation	6	<b>75</b>	(40,957)	<b>(5,669)</b>	(37,533)
<b>PROFIT AFTER TAXATION</b>		<b>272,916</b>	124,047	<b>134,598</b>	102,695
Minority interests		<b>(6,631)</b>	955	–	–
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>		<b>266,285</b>	125,002	<b>134,598</b>	102,695
Unappropriated profit at beginning of the year		<b>390,133</b>	288,753	<b>452,426</b>	373,546
Transfer from revaluation reserve	21	<b>365</b>	397	<b>365</b>	204
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>656,783</b>	414,152	<b>587,389</b>	476,445
Appropriation:					
Dividends	7	<b>(26,688)</b>	(24,019)	<b>(26,688)</b>	(24,019)
<b>UNAPPROPRIATED PROFIT AT END OF THE YEAR</b>	21	<b>630,095</b>	390,133	<b>560,701</b>	452,426
<b>EARNINGS PER SHARE</b>	24	<b>35.9 sen</b>	16.9 sen		

The notes set out on pages 26 to 42 form part of these accounts.



# Balance Sheets

AS AT 31 DECEMBER 1999

Amounts in RM'000 unless otherwise stated	Note	Group		Company	
		1999	1998	1999	1998
<b>EMPLOYMENT OF CAPITAL:</b>					
FIXED ASSETS	8	502,789	500,497	278,215	279,247
REAL PROPERTY ASSETS	9	231,246	221,170	–	–
SUBSIDIARY COMPANIES	10	–	–	705,952	693,132
ASSOCIATED COMPANIES	11	21,971	27,948	21,959	27,193
INVESTMENTS	12	638	1,438	373	839
<b>CURRENT ASSETS</b>					
Property development	13	195,076	159,274	–	–
Stocks	14	6,242	8,313	1,569	3,579
Trade debtors		48,215	36,408	3,443	2,406
Other debtors, deposits and prepayments	15	16,009	17,123	8,394	10,969
Short-term investments	16	22,814	3,551	22,731	3,391
Bank balances and deposits	17	167,586	15,263	116,552	8,380
		455,942	239,932	152,689	28,725
<b>LESS CURRENT LIABILITIES</b>					
Trade creditors		70,057	61,747	679	301
Other creditors and accrued expenses		31,588	29,802	16,575	14,029
Short term borrowings	18	186	702	–	–
Amount due to ultimate holding company and other related companies	19	22	254	22	254
Amount due to subsidiary companies	10	–	–	131,458	95,904
Provision for taxation		9,947	47,373	4,679	22,776
Proposed dividend		18,682	16,013	18,682	16,013
		130,482	155,891	172,095	149,277
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>325,460</b>	<b>84,041</b>	<b>(19,406)</b>	<b>(120,552)</b>
		<b>1,082,104</b>	<b>835,094</b>	<b>987,093</b>	<b>879,859</b>
<b>CAPITAL EMPLOYED:</b>					
SHARE CAPITAL	20	370,668	370,668	370,668	370,668
RESERVES	21	678,091	438,479	614,840	506,930
SHAREHOLDERS' FUNDS		1,048,759	809,147	985,508	877,598
LONG TERM BORROWINGS	22	5,388	5,388	–	–
MINORITY INTERESTS		21,316	14,718	–	–
DEFERRED TAXATION	23	6,641	5,841	1,585	2,261
		1,082,104	835,094	987,093	879,859
<b>NET TANGIBLE ASSETS PER SHARE</b>		<b>141.4 sen</b>	<b>109.1 sen</b>		

The notes set out on pages 26 to 42 form part of these accounts.

# Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 1999

Amounts in RM'000 unless otherwise stated	Note	1999	1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		272,841	165,004
Adjustments for:			
Depreciation of fixed assets		10,033	9,594
Write down of long-term investment in a quoted foreign corporation		800	691
Share of profits of associated companies		415	(148)
Fixed assets written off		85	74
Interest expense		19	3,689
Exceptional gain arising from freehold land and plantation acquired by the government		(54,921)	(7,776)
Interest income		(4,779)	(3,938)
Gain on disposal of fixed assets		(71)	(39)
		<b>(48,419)</b>	<b>2,147</b>
<b>Operating profit before changes in working capital</b>		<b>224,422</b>	<b>167,151</b>
Increase in property development expenditure		(35,802)	(41,690)
Decrease/(Increase) in stocks		2,071	(3,194)
(Increase)/Decrease in debtors, deposits and prepayments		(10,596)	2,989
Increase in creditors and accrued expenses		10,096	1,455
Increase/(Decrease) in effect of currency translation		17	(1,260)
		<b>(34,214)</b>	<b>(41,700)</b>
<b>Cash generated from operations</b>		<b>190,208</b>	<b>125,451</b>
Tax paid		(36,561)	(22,679)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>153,647</b>	<b>102,772</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds arising from freehold land and plantation acquired by the government		57,230	8,814
Interest received		4,779	3,938
Proceeds from redemption of preference shares in an associated company		4,331	-
Repayment from an associated company		2,031	-
Dividend received from an associated company		338	587
Proceeds from disposal of fixed assets		81	76
Advances from ultimate holding company		25	385
Purchase of fixed assets		(14,826)	(13,381)
Investment in real property assets		(10,076)	(31,051)
Advances to associated companies		(1,128)	(2,256)
Advances to a related company		(250)	-
Repayments to other related companies		(7)	(511)
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>42,528</b>	<b>(33,399)</b>

Amounts in RM'000 unless otherwise stated

	Note	1999	1998
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(24,019)	(21,350)
Repayments of short term borrowings		(516)	–
Dividends paid to minority shareholders		(35)	(35)
Interest paid		(19)	(3,827)
Repayment of loan borrowed from ultimate holding company		–	(42,500)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(24,589)</b>	<b>(67,712)</b>
<hr/>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>171,586</b>	<b>1,661</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>18,814</b>	<b>17,153</b>
<hr/>			
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>190,400</b>	<b>18,814</b>
<hr/>			
<i>Analysis of cash and cash equivalents</i>			
Bank balances and deposits	17	<b>167,586</b>	15,263
Short-term investments		<b>22,814</b>	3,551
<hr/>			
Cash and cash equivalents at end of the year		<b>190,400</b>	<b>18,814</b>
<hr/>			

The notes set out on pages 26 to 42 form part of these accounts.

# Notes to the Accounts

31 DECEMBER 1999

## 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 29.

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The accounts are prepared under the historical cost convention modified by the revaluation of certain fixed assets and land held for property development, in accordance with the applicable approved accounting standards in Malaysia and comply with the Companies Act, 1965.

#### Basis of Consolidation

The consolidated accounts include the audited accounts of the Company and all its subsidiary companies made up to the end of the financial year.

Subsidiary companies are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. 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.

#### Goodwill

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

#### Fixed Assets and Depreciation

Fixed assets are stated at cost modified by the revaluation of certain fixed assets less accumulated depreciation and amortisation.

Fixed assets are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major groups of fixed assets are as follows:

	%
Leasehold land and plantation	1 - 3
Buildings and improvements	5
Plant, equipment and vehicles	5 - 50

Freehold land and plantation and fixed assets which are under construction are not depreciated. Leasehold land and plantation with unexpired lease of more than ninety-nine years are not amortised where the effect is not material to the accounts.

#### 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 profit and loss account in the year in which the expenditure is incurred.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### **Real Property Assets, Property Development And Recognition of Profit**

Real property assets comprise of land held for development and are stated at cost of acquisition modified by the revaluation of certain pieces of land. Cost of acquisition includes all related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use. These assets remain as real property assets until the launching of sales of these properties, upon which they are transferred to property development.

Property development comprise land at carrying values, development expenditure and attributable profit less progress billings where the projects are expected to complete within the normal operating cycle of one to three years.

Profits on property development projects are recognised based on the percentage of completion method. Under this method, profits are recognised as the property project progresses. Profits are, however, recognised only in respect of sales where agreements have been finalised by the end of the year. Anticipated losses are immediately recognised in the profit and loss accounts.

### **Subsidiary Companies**

A subsidiary company is a company in which the Group owns, directly or indirectly, more than 50% of the equity share capital and has control over its financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiary companies are stated at cost. These investments are only written down when the Directors consider that there is a permanent diminution in the value of the investments.

### **Associated Companies**

An associated company is a company, other than a subsidiary company, in which the Group has a long-term equity interest of between 20% to 50% and where the Group has representation on the board and is in a position to exercise significant influence.

Investments in associated companies are stated at cost. These investments are only written down when the Directors consider that there is a permanent diminution in the value of the investments.

The Group's share of the profits less losses of associated companies is included in the consolidated profit and loss account and the Group's interest in associated companies is stated at cost plus adjustments to reflect changes in the Group's share of the net assets of the associated companies.

### **Investments**

Long-term investments are stated at cost. These investments are only written down when the Directors consider that there is a permanent diminution in the value of the investments.

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.

### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on the weighted average basis, after considering for all items obsolete or slow moving.

### **Receivables**

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

### **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 debit balance unless it can be demonstrated that these benefits can be realised in the foreseeable future.



## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Foreign Currencies

The accounts 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 profit and loss account. However, translation gains and losses arising from transactions which provide an effective hedge against investments in foreign currencies are taken to reserves. The corresponding translation gains and losses arising from such investments are also taken to reserves.

Profit and loss accounts 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 profit and loss accounts at average rates and balance sheets at year end rates, and the restatement at year end rates of the opening net investments in such subsidiary and associated companies are taken to reserves.

### Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdraft), 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. OPERATING REVENUE

Operating revenue, other than those arising from property development projects, represents the invoiced value receivable for goods and services supplied, income from short-term investments and proceeds from sale of short-term investments. For property development projects, the revenue is recognised on the percentage of completion method.

## 4. SEGMENT ANALYSIS

	Operating Revenue		Profit Before Taxation		Assets Employed	
	1999	1998	1999	1998	1999	1998
<b>By activity</b>						
Plantations	<b>229,059</b>	263,703	<b>96,651</b>	142,406	<b>479,336</b>	474,879
Properties	<b>217,752</b>	87,601	<b>116,054</b>	13,695	<b>498,958</b>	443,077
	<b>446,811</b>	351,304	<b>212,705</b>	156,101	<b>978,294</b>	917,956
<b>Non-Segment Items</b>						
- interest bearing investments			<b>4,778</b>	3,938	<b>185,225</b>	17,249
- others			<b>55,358</b>	4,965	<b>49,067</b>	55,780
			<b>60,136</b>	8,903	<b>234,292</b>	73,029
	<b>446,811</b>	351,304	<b>272,841</b>	165,004	<b>1,212,586</b>	990,985

Proceeds from sale of short-term investments, investment income, gains and losses arising from translation, interest income, interest expense, gains arising from disposal of freehold land and plantation and unusual items are not attributable to any activity segment and are therefore included under Non-Segment Items.

No geographical segment information is presented as the Group operates principally in Malaysia.

## 5. PROFIT BEFORE TAXATION

	Group		Company	
	1999	1998	1999	1998
Operating revenue	<b>446,811</b>	351,304	<b>124,051</b>	136,557
Add/(Less):				
Operating costs relating to stocks	<b>(212,365)</b>	(173,186)	<b>(66,733)</b>	(58,492)
Marketing, selling and administrative expenses	<b>(25,131)</b>	(27,863)	<b>(10,953)</b>	(10,625)
Other income/(expenses)	<b>63,526</b>	14,749	<b>93,902</b>	72,788
Profit before taxation	<b>272,841</b>	165,004	<b>140,267</b>	140,228

Profit before taxation has been determined after inclusion of the following charges and credits:

### Charges:

Depreciation of fixed assets	<b>10,033</b>	9,594	<b>3,879</b>	3,648
Replanting expenditure	<b>4,557</b>	6,620	<b>3,190</b>	4,982
Charges paid to holding and other related companies:				
- Rental of premises	<b>845</b>	837	<b>720</b>	713
- Secretarial fees	<b>63</b>	63	<b>63</b>	63
- Hire of equipment	<b>17</b>	41	<b>17</b>	41
- Interest	<b>19</b>	3,689	–	–
Directors' remuneration:				
- Fees	<b>122</b>	108	<b>122</b>	108
- Other emoluments	<b>2,083</b>	1,694	<b>1,835</b>	1,482
- Provision for retirement gratuities	<b>646</b>	218	<b>558</b>	73
Write-down of long-term investments in a quoted foreign corporation	<b>800</b>	691	<b>466</b>	368
Auditors' remuneration	<b>74</b>	144	<b>38</b>	58
Fixed assets written off	<b>85</b>	74	<b>56</b>	14
Rental of land paid to a subsidiary company	–	–	<b>578</b>	577

### Credits:

Exceptional gain arising from freehold land and plantation acquired by the government	<b>54,921</b>	7,776	<b>54,921</b>	7,624
Interest income	<b>4,233</b>	3,639	<b>2,625</b>	2,511
Rental income	<b>1,335</b>	1,435	<b>341</b>	406
Income from subsidiary and associated companies:				
- Gross dividends	–	–	<b>33,951</b>	60,293
- Management fees	<b>1,086</b>	964	<b>426</b>	420
- Interest on advances	<b>545</b>	299	<b>710</b>	305
Gain on disposal of fixed assets	<b>71</b>	39	<b>27</b>	33
Rental income from other related company	<b>18</b>	9	–	–
The estimated monetary value of benefits provided to Directors by way of usage of assets	<b>26</b>	30	<b>21</b>	21

## 6. TAXATION

	Group		Company	
	1999	1998	1999	1998
Current taxation - Malaysian	-	39,887	5,857	37,712
Over provision in prior years	(866)	(28)	(864)	-
	<b>(866)</b>	39,859	<b>4,993</b>	37,712
Deferred taxation				
- Current year's charge/(credit)	800	(163)	676	(179)
Share in taxation of associated companies	(9)	1,261	-	-
	<b>(75)</b>	40,957	<b>5,669</b>	37,533

No provision for Malaysian taxation has been made as 1999 is an income tax waiver year pursuant to Section 8, Part III of the Income Tax (Amendment) Act, 1999. The current year taxation charge of the Company relates to tax at source on dividend income received during the year.

## 7. DIVIDENDS

	Company	
	1999	1998
Interim - 1.5 sen less 28% tax (1998: 1.5 sen less 28% tax) per share	8,006	8,006
Proposed final - 3.5 sen less 28% tax (1998: 3.0 sen less 28% tax) per share	18,682	16,013
	<b>26,688</b>	24,019

## 8. FIXED ASSETS

	Freehold land and plantation	Long leasehold land and plantation	Short leasehold land	Buildings and improve- ments	Plant, equipment and vehicles	Construction in progress	Total
<b>1999</b>							
<b>Group</b>							
<b>Cost except as otherwise stated:</b>							
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)
Assets written off	–	–	–	(64)	(1,169)	–	(1,233)
Reclassifications/others	8	–	–	431	1,137	(1,576)	–
End of the year	256,033	175,461	1,171	53,045	79,011	25,436	590,157
<b>Accumulated depreciation:</b>							
Beginning of the year	–	(6,408)	(323)	(19,205)	(52,165)	–	(78,101)
Depreciation for the year:							
- Charged to profit and loss account	–	(1,360)	–	(2,391)	(6,282)	–	(10,033)
- Capitalised under long leasehold land and plantation	–	(239)	–	(58)	(127)	–	(424)
- Charged to pre-operating expenses	–	(30)	(59)	–	(8)	–	(97)
Disposals	–	–	–	–	139	–	139
Assets written 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
<b>Comprising:</b>							
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

## 8. FIXED ASSETS (cont'd)

	Freehold land and plantation	Long leasehold land and plantation	Short leasehold land	Buildings and improve- ments	Plant, equipment and vehicles	Construction in progress	Total
<b>1998</b>							
<b>Group</b>							
<b>Cost except as otherwise stated:</b>							
Beginning of the year	272,222	151,993	3,749	51,925	73,789	23,252	576,930
Additions	69	5,456	–	253	2,681	5,461	13,920
Disposals	(1,038)	–	–	–	(171)	–	(1,209)
Assets written off	–	–	–	(61)	(633)	–	(694)
Currency fluctuations	–	–	(2,578)	–	(78)	(7,693)	(10,349)
Reclassifications/others	(13,031)	13,031	–	524	966	(1,490)	–
End of the year	258,222	170,480	1,171	52,641	76,554	19,530	578,598
<b>Accumulated depreciation:</b>							
Beginning of the year	–	(4,779)	(860)	(16,812)	(46,790)	–	(69,241)
Depreciation for the year:							
- Charged to profit and loss account	–	(1,302)	–	(2,366)	(5,926)	–	(9,594)
- Capitalised under long leasehold land and plantation	–	(301)	–	(87)	(151)	–	(539)
- Charged to pre-operating expenses	–	(26)	(190)	–	(27)	–	(243)
Disposals	–	–	–	–	134	–	134
Assets written off	–	–	–	60	560	–	620
Currency fluctuations	–	–	727	–	35	–	762
End of the year	–	(6,408)	(323)	(19,205)	(52,165)	–	(78,101)
Net book value at end of the year	258,222	164,072	848	33,436	24,389	19,530	500,497
<b>Comprising :</b>							
Cost	136,600	170,480	1,171	52,641	76,554	19,530	456,976
At 1981 valuation	121,622	–	–	–	–	–	121,622
	258,222	170,480	1,171	52,641	76,554	19,530	578,598

## 8. FIXED ASSETS (cont'd)

	Freehold land and plantation	Long leasehold land and plantation	Buildings and improve- ments	Plant, equipment and vehicles	Construction in progress	Total
<b>1999</b>						
<b>Company</b>						
<b>Cost except as otherwise stated:</b>						
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)
Assets written off	–	–	(61)	(935)	–	(996)
Reclassifications	8	–	6	244	(258)	–
End of the year	<b>219,305</b>	<b>45,791</b>	<b>21,603</b>	<b>29,439</b>	<b>581</b>	<b>316,719</b>
<b>Accumulated depreciation:</b>						
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
Assets written off	–	–	61	879	–	940
End of the year	–	<b>(2,061)</b>	<b>(12,565)</b>	<b>(23,878)</b>	–	<b>(38,504)</b>
Net book value at end of the year	<b>219,305</b>	<b>43,730</b>	<b>9,038</b>	<b>5,561</b>	<b>581</b>	<b>278,215</b>
<b>Comprising:</b>						
Cost	106,860	45,791	21,603	29,439	581	204,274
At 1981 valuation	112,445	–	–	–	–	112,445
	<b>219,305</b>	<b>45,791</b>	<b>21,603</b>	<b>29,439</b>	<b>581</b>	<b>316,719</b>

## 8. FIXED ASSETS (cont'd)

	Freehold land and plantation	Long leasehold land and plantation	Buildings and improve- ments	Plant, equipment and vehicles	Construction in progress	Total
<b>1998</b>						
<b>Company</b>						
<b>Cost except as otherwise stated:</b>						
Beginning of the year	222,466	40,681	26,870	30,439	473	320,929
Additions	67	1,954	238	1,019	197	3,475
Disposals	(1,038)	–	(5,439)	(3,067)	(98)	(9,642)
Assets written off	–	–	(59)	(97)	–	(156)
Reclassifications	–	–	29	490	(519)	–
End of the year	221,495	42,635	21,639	28,784	53	314,606
<b>Accumulated depreciation:</b>						
Beginning of the year	–	(1,324)	(11,524)	(21,392)	–	(34,240)
Depreciation for the year:						
- Charged to profit and loss account	–	(274)	(852)	(2,522)	–	(3,648)
- Capitalised under long leasehold land and plantation	–	(89)	(67)	(90)	–	(246)
Disposals	–	–	661	1,972	–	2,633
Assets written off	–	–	59	83	–	142
End of the year	–	(1,687)	(11,723)	(21,949)	–	(35,359)
Net book value at end of the year	221,495	40,948	9,916	6,835	53	279,247
<b>Comprising:</b>						
Cost	106,757	42,635	21,639	28,784	53	199,868
At 1981 valuation	114,738	–	–	–	–	114,738
	221,495	42,635	21,639	28,784	53	314,606

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 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 the freehold land and plantation has not been updated.

Had the revalued fixed assets been included in the accounts at cost less depreciation, the net book value of the revalued fixed assets would have been as follows:

	Group		Company	
	1999	1998	1999	1998
Freehold land and plantation	96,301	98,229	83,969	85,897

## 9. REAL PROPERTY ASSETS

	Group	
	1999	1998
Freehold land - at 1981 valuation	<b>7,857</b>	7,911
- at cost	<b>99,587</b>	109,235
Development expenditure	<b>107,444</b>	117,146
	<b>123,802</b>	104,024
	<b>231,246</b>	221,170

The basis of valuation of freehold land is consistent with that indicated in Note 8.

In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of Malaysian Accounting Standard No.7, Accounting for Property Development, the valuation of freehold land has not been updated.

As at 31 December 1999, the potential tax liability amounting to RM9.4 million (1998: RM11.0 million) arising from higher acquisition cost of certain parcels of the Group's freehold land over the tax base cost has not been recognised in the accounts. The said tax effect would be recognised as and when the applicable portions of the acquisition cost of the said land are taken up in the profit and loss account.

## 10. SUBSIDIARY COMPANIES

	Company	
	1999	1998
Unquoted shares - at cost	<b>135,666</b>	135,666
Amount due from subsidiary companies	<b>570,286</b>	557,466
	<b>705,952</b>	693,132
Amount due to subsidiary companies	<b>(131,458)</b>	(95,904)
	<b>574,494</b>	597,228

The amount due from subsidiary companies are unsecured, interest free and the repayment of which is not expected within the next twelve months.

The amount due to subsidiary companies are unsecured, interest free and have no fixed term of repayment.

The subsidiary companies are listed in Note 29.



## 11. ASSOCIATED COMPANIES

	Group		Company	
	1999	1998	1999	1998
Unquoted shares - at cost	2,172	6,503	2,172	6,503
Group's share of post-acquisition reserves	12	755	-	-
	<b>2,184</b>	7,258	<b>2,172</b>	6,503
Amount due from associated companies	<b>19,787</b>	20,690	<b>19,787</b>	20,690
	<b>21,971</b>	27,948	<b>21,959</b>	27,193

### Group and Company

Amount due from associated companies represents unsecured advances granted by the Company as follows:

- Interest free advances	<b>4,876</b>	13,356
- Advances bearing interest at rates ranging from 8.00% to 10.05% (1998: 10.05% to 14.10%) per annum	<b>14,911</b>	7,334
	<b>19,787</b>	20,690

The above advances have no fixed repayment and are not expected to be repaid within the next twelve months.

Investment in associated companies for the Group approximate the Group's share of the net tangible assets of the respective associated companies.

The associated companies are listed in Note 29.

## 12. INVESTMENTS

	Group		Company	
	1999	1998	1999	1998
Quoted shares in a foreign corporation - at cost	8,282	8,282	1,207	1,207
Amounts written down to date	(7,644)	(6,844)	(834)	(368)
	<b>638</b>	1,438	<b>373</b>	839
Market value of quoted shares	<b>638</b>	1,438	<b>373</b>	839

### 13. PROPERTY DEVELOPMENT

	Group	
	1999	1998
Freehold land - at 1981 valuation	1,524	1,471
- at cost	<b>34,302</b>	33,446
	<b>35,826</b>	34,917
Development expenditure	<b>417,701</b>	316,703
	<b>453,527</b>	351,620
Add : Attributable profits	<b>186,861</b>	76,147
	<b>640,388</b>	427,767
Less : Progress billings	<b>(445,312)</b>	(268,493)
Current portion	<b>195,076</b>	159,274

The basis of valuation of land is consistent with that indicated in Note 8.

In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of Malaysia Accounting Standard No.7, Accounting for Property Development, the valuation of freehold land has not been updated.

As at 31 December 1999, the potential tax liability amounting to RM3.9 million (1998: RM4.8 million) arising from higher acquisition cost of certain parcels of the Group's freehold land over the tax base cost has not been recognised in the accounts. The said tax effect would be recognised as and when the applicable portions of the acquisition cost of the said land are taken up in the profit and loss account.

### 14. STOCKS

	Group		Company	
	1999	1998	1999	1998
Produce stocks	1,746	5,248	193	3,042
Stores and spares	4,496	3,065	1,376	537
	<b>6,242</b>	8,313	<b>1,569</b>	3,579

### 15. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Included in other debtors, deposits and prepayments is a housing loan of RM0.5 million (1998: RM0.5 million) granted by a subsidiary company to an executive director of the Company. The loan has no fixed repayment term.

### 16. SHORT-TERM INVESTMENTS

Short-term investments represent investments in unquoted money market instruments and are stated at cost.

## 17. BANK BALANCES AND DEPOSITS

	Group		Company	
	1999	1998	1999	1998
Deposits with licensed banks	152,529	12,853	104,451	6,374
Deposits with finance companies	9,881	845	9,845	807
Cash and bank balances	5,176	1,565	2,256	1,199
	<b>167,586</b>	<b>15,263</b>	<b>116,552</b>	<b>8,380</b>

Included in deposits with licensed banks for the Group is an amount of RM2.1 million (1998: RM6.2 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.

## 18. SHORT TERM BORROWINGS

The amount comprises the following:

	Group	
	1999	1998
Secured loan obtained by a foreign subsidiary company	186	202
Unsecured loan obtained by a wholly-own subsidiary company from a related company	–	500

The secured loan is secured against a fixed asset of the said foreign subsidiary company and bears interest at rate ranging from 0.66% to 1% (1998: 0.66% to 1%) per month. The loan is repayable on demand.

The unsecured loan in 1998 bears interest at 4% per annum. The loan has been repaid during the year.

## 19. AMOUNT DUE TO ULTIMATE HOLDING COMPANY AND OTHER RELATED COMPANIES

Analysis of amount due to holding company and other related companies are as follows:

	Group and Company	
	1999	1998
Amount due to ultimate holding company	82	57
Amount due to other related companies	190	197
	<b>272</b>	<b>254</b>
Amount due from a related company	(250)	–
	<b>22</b>	<b>254</b>

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

## 20. SHARE CAPITAL

	Company	
	1999	1998
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

## 21. RESERVES

	Group		Company	
	1999	1998	1999	1998
<b>Non-distributable Reserves</b>				
Share Premium	25,663	25,663	25,663	25,663
Revaluation Reserve				
At beginning of the year	23,393	23,790	28,841	29,045
Transfer to profit and loss accounts	(365)	(397)	(365)	(204)
At end of the year	23,028	23,393	28,476	28,841
Exchange Differences				
At beginning of the year	(710)	7,616	–	–
Movements during the year	15	(8,326)	–	–
At end of the year	(695)	(710)	–	–
<b>Distributable Reserve</b>				
Unappropriated Profit	630,095	390,133	560,701	452,426
	<b>678,091</b>	<b>438,479</b>	<b>614,840</b>	<b>506,930</b>

Based on the prevailing tax rate applicable to dividends, the estimated tax credit and tax exempt income accounts of the Company are sufficient to frank approximately RM255.9 million (1998: RM243.9 million) of the Company's unappropriated profit if distributed by way of dividend without additional tax liabilities being incurred.

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

## 22. 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 7.80% to 9.05% (1998: 9.05% to 12.90%) per annum.

The loan is not expected to be repaid within the next twelve months.

## 23. DEFERRED TAXATION

	Group		Company	
	1999	1998	1999	1998
Deferred tax provided for in the accounts comprise the tax effects of:				
- Excess of capital allowances over depreciation	8,165	6,892	2,896	3,120
- Other short-term timing differences	(1,524)	(1,051)	(1,311)	(859)
	<b>6,641</b>	<b>5,841</b>	<b>1,585</b>	<b>2,261</b>
Estimated potential tax benefit of losses which no credit has been taken in the current or prior years	<b>2,736</b>	<b>4,220</b>	–	–

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.

#### 24. EARNINGS PER SHARE

Earnings per ordinary share is calculated based on the Group's profit attributable to shareholders of RM266.3 million (1998: RM125.0 million) and the number of ordinary shares in issue of 741,335,000 (1998: 741,335,000).

#### 25. CONTINGENT LIABILITIES

Details of contingent liabilities (unsecured) as at end of the year are as follows:

	Company	
	1999	1998
(i) Performance guarantee granted by the Company to the trustee of a golf and country club owned and operated by an indirect wholly-owned subsidiary company.	18,400	18,400
(ii) Corporate guarantee extended by the Company to a local licensed bank for the granting of revolving credit facilities to a wholly-owned subsidiary company. However, no amount has been drawdown by the said subsidiary company as at end of the year.	20,000	—
(iii) Counter indemnity given by the Company to a local licensed bank for a bank guarantee issued on behalf of a wholly-owned subsidiary company.	5,000	—
	<b>43,400</b>	18,400

#### 26. CAPITAL COMMITMENTS

	Group		Company	
	1999	1998	1999	1998
Authorised capital expenditure in respect of property, plant and equipment not provided for in the accounts:				
- contracted	13,644	13,355	1,111	333
- not contracted	20,869	14,935	8,108	7,384
	<b>34,513</b>	28,290	<b>9,219</b>	7,717

#### 27. ULTIMATE HOLDING COMPANY

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

#### 28. RELATED PARTY TRANSACTIONS AND BALANCES

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

The related party transactions other than those disclosed in Note 5 are as follows:

	Group		Company	
	1999	1998	1999	1998
Sales to subsidiary companies	—	—	45,780	64,030
Purchases from a subsidiary company	—	—	659	1,167
Sales to a related company	18,675	—	—	—

Other than the above, there are no material related party transactions.

#### Related Party Balances

The related party balances which arose from related party transactions and which remain outstanding at the end of the year are disclosed in Notes 10 and 19 to the accounts.

## 29. SUBSIDIARY AND ASSOCIATED COMPANIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	1999	1998		
<b><u>Direct Subsidiary Companies</u></b>				
Sabah Development Company Sdn Bhd	100	100	Malaysia	Plantation
AR Property Development Sdn Bhd	100	100	Malaysia	Plantation
Sing Mah Plantation Sdn Bhd	100	100	Malaysia	Plantation
Tanjung Bahagia Sdn Bhd	100	100	Malaysia	Plantation
Landworthy Sdn Bhd	84	84	Malaysia	Plantation
Ayer Item Oil Mill Sdn Bhd	100	100	Malaysia	FFB processing
ADB (Sarawak) Palm Oil Mill Management Sdn Bhd	100	100	Malaysia	Provision of palm oil mill management services
Mediglove Sdn Bhd	100	100	Malaysia	Trading in rubberwood
Asiatic Land Development Sdn Bhd	100	100	Malaysia	Property development
Technimode Enterprises Sdn Bhd	100	100	Malaysia	Property investment
Glugor Development Sdn Bhd	100	100	Malaysia	Investments
Amalgamated Rubber (Penang) Sdn Bhd	100	100	Malaysia	Investments
Asiatic Commodities Trading Sdn Bhd	100	100	Malaysia	Pre-operating
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

## 29. SUBSIDIARY AND ASSOCIATED COMPANIES (con'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	1999	1998		
<b><u>Indirect Subsidiary Companies</u></b>				
Setiamas Sdn Bhd	100	100	Malaysia	Plantation and property development
Asiatic Indahpura Development Sdn Bhd	70	70	Malaysia	Property development
+ 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	55	The People's Republic of China	Pre-operating
Asiatic Golf Course (Sg. Petani) Bhd	100	100	Malaysia	Golf course
Asiatic Awanpura Sdn Bhd	100	100	Malaysia	Pre-operating
<b><u>Associated Companies</u></b>				
Setiakahaya Sdn Bhd	50	50	Malaysia	Property investment
@ Sri Gading Land Sdn Bhd	49	49	Malaysia	Property development
Serian Palm Oil Mill Sdn Bhd	40	40	Malaysia	FFB processing
@ Asiatic Ceramics Sdn Bhd	49	49	Malaysia	Bricks manufacturing

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

@ The accounts of these companies are examined by auditors other than the auditors of the Company.

# Statement By Directors

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

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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 accounts set out on pages 22 to 42, 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 1999 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date in accordance with the applicable approved accounting standards in Malaysia, and comply with the Companies Act, 1965.

On behalf of the Board,

**DATO' BAHARUDDIN BIN MUSA**  
Joint Chief Executive and Director

**MOHD DIN JUSOH**  
Director

Kuala Lumpur  
12 April 2000

# Statutory Declaration

PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT, 1965

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I, **YONG CHEE KONG**, the Officer primarily responsible for the financial management of **ASIATIC DEVELOPMENT BERHAD**, do solemnly and sincerely declare that the accounts set out on pages 22 to 42, are, in my opinion, 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**  
12 April 2000. )

Before me,

**DATO' NG MANN CHEONG**  
Commissioner for Oaths  
Kuala Lumpur



# Report of the Auditors to the Members of Asiatic Development Berhad

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We have audited the accounts set out on pages 22 to 42. These accounts are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these accounts 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 accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also, includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the accounts give a true and fair view of the state of affairs of the Group and the Company as at 31 December 1999 and of the results of the Group and the Company and the cash flows of the Group for the year ended on that date in accordance with the applicable approved accounting standards in Malaysia, and comply with the Companies Act, 1965; and
- b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 29 to the accounts. We have considered the accounts of these subsidiaries and auditors' reports thereon.

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

The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

## **PRICEWATERHOUSECOOPERS**

(No. AF: 1146)  
Public Accountants

## **MOHAMMAD ZAINAL BIN SHAARI**

(No. 1924/10/00 (J))  
Partner of the firm

Kuala Lumpur  
12 April 2000

# Ten-Year Summary

## FINANCIAL

RM '000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Profit before taxation	272,841	165,004	102,382	68,564	96,815	46,168	34,864	49,022	29,181	21,937
Taxation	75	(40,957)	(26,191)	(15,875)	(21,184)	(10,312)	(7,255)	(9,715)	(7,244)	(2,727)
Profit after taxation	272,916	124,047	76,191	52,689	75,631	35,856	27,609	39,307	21,937	19,210
Profit attributable to shareholders	266,285	125,002	76,454	52,681	76,058	36,266	27,775	39,514	22,250	19,383
Issued capital	370,668	370,668	370,668	370,668	370,668	370,668	365,315	364,502	363,754	327,101
Unappropriated profit	630,095	390,133	288,753	233,409	201,253	143,965	125,471	113,795	90,407	82,350
Other reserves	47,996	48,346	57,069	47,858	48,174	48,296	44,939	33,081	32,399	20,894
Shareholders' funds	1,048,759	809,147	716,490	651,935	620,095	562,929	535,725	511,378	486,560	430,345
Minority interests	21,316	14,718	18,114	10,855	9,101	5,773	6,349	746	1,457	790
Deferred taxation	6,641	5,841	6,004	7,148	6,607	4,566	5,605	5,841	5,789	5,902
Retirement benefits	0	0	1,092	1,197	1,233	1,406	1,693	1,687	2,002	2,048
Long Term Loan	5,388	5,388	0	0	0	0	0	0	0	0
Capital employed	1,082,104	835,094	741,700	671,135	637,036	574,674	549,372	519,652	495,808	439,085
Fixed assets	502,789	500,497	507,689	507,860	461,141	490,505	448,952	436,438	417,266	357,742
Property development	231,246	221,170	190,119	170,293	80,351	26,283	16,847	7,061	0	0
Associated companies	21,971	27,948	27,392	24,592	20,290	2,443	2,557	1,071	0	0
Investments	638	1,438	2,014	2,014	807	6,183	0	0	0	0
Net current assets/ (liabilities)	756,644	751,053	727,214	704,759	562,589	525,414	468,356	444,570	417,266	357,742
Employment of capital	1,082,104	835,094	741,700	671,135	637,036	574,674	549,372	519,652	495,808	439,085
Earnings per share (sen)*	35.9	16.9	10.3	7.1	10.3	4.9	3.7	5.3	3.0	2.6
Net dividend per share (sen)*	3.6	3.2	2.8	2.8	2.7	2.5	2.2	2.2	1.9	1.6
Dividend cover (times)	10.0	5.2	3.6	2.5	3.8	2.0	1.7	2.5	1.6	1.7
Current ratio	3.5	1.5	1.1	0.7	2.1	1.7	2.6	3.1	3.1	4.4
Net tangible assets per share (sen)*	141.4	109.1	96.6	87.9	83.6	75.9	72.3	69.0	65.6	58.0
Return (after tax and minority interests) on average shareholders' funds (%)	28.7	16.4	11.2	8.3	12.9	6.6	5.3	7.9	4.9	4.6
Market share price										
- highest (RM)	1.60	1.55	3.18	3.16	3.12	5.15	5.90	1.66	1.29	1.56
- lowest (RM)	1.01	0.76	0.88	2.16	2.32	2.52	1.28	0.69	0.85	0.97

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

## OPERATIONS

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
<b>OIL PALM</b>										
FFB Production (T)	574,359	472,962	481,696	415,813	375,701	344,271	361,874	345,644	303,703	225,121
Yield Per Mature Hectare (T)	18.5	16.8	18.8	17.4	17.3	19.5	22.6	22.8	20.5	21.0
Average Selling Prices										
Crude Palm Oil (RM/T)	1,445	2,321	1,370	1,209	1,453	1,120	876	911	823	691
Palm Kernel (RM/T)	1,071	1,103	770	805	728	705	443	633	480	375
<b>RUBBER</b>										
Production ('000 kg)	1,729	1,826	2,141	2,416	2,540	3,299	3,739	4,830	6,648	7,676
Yield Per Mature Hectare (kg)	1,420	1,201	1,171	1,197	1,070	1,170	1,245	1,348	1,563	1,408
Average Selling Prices of All Grades (Sen/kg)	209	250	246	332	513	354	303	282	283	274

## LAND AREAS

HECTARES	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Oil Palm										
Mature	31,625	29,095	26,166	24,008	23,637	19,653	16,435	15,523	14,763	10,557
Immature	4,331	6,581	9,483	10,793	10,797	11,704	11,474	11,511	5,638	1,797
	35,956	35,676	35,649	34,801	34,434	31,357	27,909	27,034	20,401	12,354
Rubber										
Mature	1,582	1,830	2,304	2,704	2,680	3,235	2,992	3,654	4,122	5,081
Immature	0	0	32	52	264	536	2,002	2,352	2,088	1,359
	1,582	1,830	2,336	2,756	2,944	3,771	4,994	6,006	6,210	6,440
Durians & Others										
Mature	0	0	0	0	104	583	558	766	668	519
Immature	10	34	34	34	34	79	104	32	182	324
	10	34	34	34	138	662	662	798	850	843
<b>TOTAL PLANTED AREA</b>	<b>37,548</b>	<b>37,540</b>	<b>38,019</b>	<b>37,591</b>	<b>37,516</b>	<b>35,790</b>	<b>33,565</b>	<b>33,838</b>	<b>27,461</b>	<b>19,637</b>
Unplanted Jungle Area	1,235	1,558	1,208	1,773	3,222	4,521	6,503	5,167	8,022	7,390
Labour Lines, Buildings, Infrastructure etc.	1,857	1,786	1,735	1,695	1,254	1,170	1,521	1,497	977	1,145
Property Development	412	487	515	665	190	337	337	0	0	0
<b>TOTAL TITLED AREA</b>	<b>41,052</b>	<b>41,371</b>	<b>41,477</b>	<b>41,724</b>	<b>42,182</b>	<b>41,818</b>	<b>41,926</b>	<b>40,502</b>	<b>36,460</b>	<b>28,172</b>

# Analysis Of Shareholdings

AS AT 27 APRIL 2000

**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 - 499	68	0.31	9,556	—
500 - 5,000	17,730	80.64	38,220,572	5.16
5,001 - 10,000	2,387	10.86	20,011,476	2.70
10,001 - 100,000	1,667	7.58	46,024,346	6.20
100,001 - 1,000,000	113	0.51	32,142,250	4.34
1,000,001 & above	21	0.10	604,926,800	81.60
<b>Total</b>	<b>21,986</b>	<b>100.00</b>	<b>741,335,000</b>	<b>100.00</b>

## 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	162,188,500	21.88
3. Employees Provident Fund Board	8,124,000	1.10
4. Genting Equities (Hong Kong) Limited	7,139,000	0.96
5. Mah Hon Choon	3,733,000	0.50
6. Crescendo Overseas Corporation Sdn Bhd	3,300,000	0.45
7. Loo Geok Eng	2,857,000	0.38
8. Government of Singapore Investment Corporation Pte Ltd	2,702,000	0.36
9. Maimoon Omar @ Moonyra Baharuddin	2,418,000	0.33
10. Panoramic Industrial Development Sdn Bhd	1,600,000	0.22
11. Multi-Purpose First Fund	1,323,000	0.18
12. Gan Cheong @ Ngan Chong Hoo	1,190,000	0.16
13. IFC Emerging Markets Fund-Malaysia	1,116,300	0.15
14. Ban Dung Palm Oil Industries Sdn Bhd	1,101,000	0.15
15. Nam Heng Oil Mill Co Sdn Bhd	1,100,000	0.15
16. Kian Hoe Plantations Berhad	1,010,000	0.13
17. IBB Nikko Fund	1,000,000	0.13
18. Kuala Lumpur Savings Fund	985,000	0.13
19. Teo Chuan Keng	951,000	0.13
20. Empat Nombor Ekor (Selangor) Sdn Bhd	824,000	0.11
<b>Total</b>	<b>611,556,800</b>	<b>82.49</b>

## 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	162,188,500	21.88	—	—
Kien Huat Realty Sdn Bhd	—	—	406,895,000	54.89
Parkview Management Sdn Bhd	—	—	406,895,000	54.89



**ASIATIC DEVELOPMENT BERHAD**  
(34993-X)

## FORM OF PROXY

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

**“A”**

I/We \_\_\_\_\_  
*(FULL NAME IN BLOCK CAPITALS)*

of \_\_\_\_\_  
*(ADDRESS)*

being a member/members of ASIATIC DEVELOPMENT BERHAD hereby appoint \*the CHAIRMAN OF THE MEETING

or \_\_\_\_\_  
*(FULL NAME)*

of \_\_\_\_\_  
*(ADDRESS)*

or failing him \_\_\_\_\_  
*(FULL NAME)*

of \_\_\_\_\_  
*(ADDRESS)*

as my/our \*first proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 28 June 2000 at 11.00 a.m. and at any adjournment thereof.

**“B”**

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

I/We \_\_\_\_\_  
*(FULL NAME IN BLOCK CAPITALS)*

of \_\_\_\_\_  
*(ADDRESS)*

being a member/members of ASIATIC DEVELOPMENT BERHAD hereby appoint

\_\_\_\_\_

*(FULL NAME)*

of \_\_\_\_\_  
*(ADDRESS)*

or failing him \_\_\_\_\_  
*(FULL NAME)*

of \_\_\_\_\_  
*(ADDRESS)*

as my/our \*second proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 28 June 2000 at 11.00 a.m. and at any adjournment thereof.

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

First Proxy "A"	%
Second Proxy "B"	%
	<u>100%</u>

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

My/our proxies shall vote as follows:

ORDINARY RESOLUTION		FIRST PROXY "A"		SECOND PROXY "B"	
		For	Against	For	Against
To receive and adopt the Audited Accounts	Resolution 1				
To sanction the declaration of a final dividend	Resolution 2				
To approve Directors' fees	Resolution 3				
To re-elect Encik Mohd Din Jusoh 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 \_\_\_\_\_ 2000

No. of Shares held	
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.....  
Signature of Member(s)

\*Delete if inapplicable

## NOTES

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

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