

ANNUAL REPORT

2001

CHIN TECK PLANTATIONS BERHAD

(Company No. 3250-V)

Incorporated In Malaysia

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

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CHIN TECK PLANTATIONS BERHAD (3250V)
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FINANCIAL HIGHLIGHT AND FINANCIAL CALENDAR

FINANCIAL HIGHLIGHT - GROUP

	2001	2000
	RM'000	RM'000
Revenue	58,098	78,808
Operating profit	34,030	35,453
Share of results of associated companies	3,848	2,499
Profit before taxation	37,878	37,952
Taxation	(6,372)	(10,163)
Profit for the year attributable to shareholders	31,506	27,789
Dividends	16,417	16,038
Issued and paid-up share capital	83,559	55,688
Shareholders' funds	364,175	349,209
Earnings per stock unit		
- Basic	37.7 sen	33.3 sen*
- Diluted	37.0 sen	-
Dividends		
- First interim dividend	12% less 28% taxation	18% less 28% taxation
- Second interim dividend	11% tax exempt	22% less 28% taxation
Dividend cover (times)	1.9	1.7
Net tangible assets per stock unit	RM4.36	RM4.18*

* Adjusted for the Bonus Issue of 1 for 2.

FINANCIAL CALENDAR

Financial year	1 September, 2000 to 31 August, 2001
Announcement of results	
First financial quarter ended 30 November, 2000	15 January, 2001
Second financial quarter ended 28 February, 2001	26 April, 2001
Third financial quarter ended 31 May, 2001	26 July, 2001
Fourth financial quarter ended 31 August, 2001	26 October, 2001
Dividends payment	
First interim	18 June, 2001
Second interim	12 December, 2001
Despatch of Annual Report 2001	3 January, 2002
Forty Third Annual General Meeting	25 January, 2002

CHIN TECK PLANTATIONS BERHAD (3250V)
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty Third Annual General Meeting of the Company will be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 25 January, 2002 at 12.00 noon for the following purposes: -

1. To receive and adopt the Directors' Report and the Financial Statements for the financial year ended 31 August, 2001 and the Auditors' Report thereon.
2. To increase the directors' fees for the financial year ended 31 August, 2001 to RM206,000 and to authorise the directors to divide such fees in the proportions and manner to be determined by them.
3. To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company: -
 - (i) Mr Goh Yeok Beng
 - (ii) Mdm Goh Lei Eng
 - (iii) Mr Gho Lian Chin
4. To re-elect the following director retiring under Article 97 of the Articles of Association of the Company: -
 - (i) Mr Keong Choon Keat
5. To consider and if thought fit, pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965: -
 - (i) "That Mr Goh Eng Chew, who retires pursuant to Section 129 of the Companies Act, 1965 be re-appointed a director of the Company to hold office until the next Annual General Meeting of the Company."
 - (ii) "That Mr Wong Aun Phui, who retires pursuant to Section 129 of the Companies Act, 1965 be re-appointed a director of the Company to hold office until the next Annual General Meeting of the Company."
 - (iii) "That Mr Goh Beng Hwa, who retires pursuant to Section 129 of the Companies Act, 1965 be re-appointed a director of the Company to hold office until the next Annual General Meeting of the Company."
6. To re-appoint auditors and authorise the directors to fix their remuneration.
7. To transact any other ordinary business of the Company of which proper notice shall have been given to the Company.

By Order of the Board

Gan Kok Tiong
Company Secretary

Kuala Lumpur
3 January, 2002

NOTES:

1. A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. If the member is a corporation, the Form of Proxy must be executed under its common seal or under the hand of a person duly authorised in writing.
3. The Form of Proxy must be deposited at the Registered Office, No. 107-1 Changkat Tambi Dollah, 55100 Kuala Lumpur not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Names of Directors who are standing for re-election / re-appointment

- | | | | |
|-----|------------------|---|--|
| (a) | Goh Yeok Beng | - | Retiring pursuant to Article 94 of the Articles of Association |
| (b) | Goh Lei Eng | - | Retiring pursuant to Article 94 of the Articles of Association |
| (c) | Gho Lian Chin | - | Retiring pursuant to Article 94 of the Articles of Association |
| (d) | Keong Choon Keat | - | Retiring pursuant to Article 97 of the Articles of Association |
| (e) | Goh Eng Chew | - | Retiring pursuant to Section 129 of the Companies Act, 1965 |
| (f) | Wong Aun Phui | - | Retiring pursuant to Section 129 of the Companies Act, 1965 |
| (g) | Goh Beng Hwa | - | Retiring pursuant to Section 129 of the Companies Act, 1965 |

2. Details of attendance of Directors at Board Meeting.

Five (5) Board Meetings were held during the financial year from 1 September 2000 to 31 August 2001.

Details of attendance of Directors at the Board Meetings are as follows:-

<u>Name</u>	<u>Number of Meetings Attended</u>
Goh Eng Chew	5
Wong Aun Phui	5
Goh Pock Ai	5
Goh Beng Hwa	5
Sio Sit Po	2
Dr Gan Kim Leng	5
Keong Choon Keat	1*
Goh Lei Eng	3**
Dr Goh Han Teng	4
Gho Lian Chin	5
Goh Yeok Beng	4

* One meeting was held during the period since the date of his appointment to 31 August, 2001.

** Attended by her alternate.

3. The place, date and hour of the Forty Third Annual General Meeting.

Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur.

25 January, 2002 (Friday)

12.00 noon.

4. Further details of directors who are standing for re-election / re-appointment as Directors.

- (a) Goh Yeok Beng, 52 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 23 December, 1998. He is a member of the Nomination Committee and Remuneration Committee. He has vast experience and extensive knowledge in the oil palm plantation industry and rubber industry. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Timor Oil Palm Plantation Berhad (Executive Director) and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Global Formation (M) Sdn Bhd. His shareholding in the Company and the wholly owned subsidiary, Double Alliance Sdn Bhd, as at 30 November, 2001, are as follows: -

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
12,000 (Direct)	0.01	Nil	Nil

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He has had no convictions for any offences within the past ten years.

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- (b) Goh Lei Eng, 50 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 21 January, 1984. She is a Chartered Accountant, Canada and holds a Bachelor of Business Administration (Hons). She has vast experience in banking and finance. Other public companies in which she is a director are Negri Sembilan Oil Palms Berhad and Tiong Thye Company Berhad (alternate director), the major shareholder of the Company. She does not have any shareholdings in the Company and the wholly owned subsidiary, Double Alliance Sdn Bhd. She is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company as disclosed on pages to of the Annual Report. She has had no convictions for any offences within the past ten years. She is the sister of Goh Seh Kiat.
- (c) Gho Lian Chin, 53 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 13 July, 1995. Holds a Bachelor of Science from the University of Melbourne, Australia. He is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Employee Share Option Scheme Committee. He worked in a licensed commercial bank listed in Singapore as its representative in a foreign country. Subsequently, he was engaged to manage the property division of the bank. He was also formerly a director of a licensed finance company and a real estate company both of which were listed in Singapore. He has extensive experience and knowledge in the rubber industry. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Global Formation (M) Sdn Bhd and Gaeronic Pte Ltd. His shareholdings in the Company and the wholly owned subsidiary, Double Alliance Sdn Bhd, as at 30 November, 2001, are as follows: -

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
33,562,968 (Indirect)	39.80	100,000*	100.00

* By virtue of his interests in the Company.

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company as disclosed on pages to of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Gho Bun Tjin.

- (d) Keong Choon Keat, 57 years of age, Malaysian. Independent Non-Executive Director. Appointed to the Board of the Company on 26 April, 2001. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. He is a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales. Attached to Bristol Myers & Company Ltd, England as an Accountant in 1968 and left to join Malaysian Tobacco Company Bhd as an Accountant in 1969. From 1974 to 1999, he was attached to UMW Holdings Bhd where he held various management positions from General Manager to Director, Group Accounts before being promoted to the position of an Executive Director in 1988. Upon retirement in 1999, he joined a consultancy firm providing outplacement and career management consultancy services in Malaysia. Other public companies in which he is a director are JT International Berhad, Perusahaan Otomobil Nasional Berhad, Malaysian Airline System Berhad, Negeri Sembilan Oil Palms Berhad, PacificMas Bhd and The Pacific Insurance Bhd. He does not have any shareholdings in the Company and the wholly owned subsidiary, Double Alliance Sdn Bhd. He does not have any family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten years.

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- (e) Goh Eng Chew. Executive Chairman. 70- year-old Mr Goh, a Singaporean, has more than thirty years of plantation and financial experience. Appointed to the Board on 1 January, 1971. He later served as Executive Director on 21 January, 1984 and as Chairman from 17 December, 1994. He was appointed as the Executive Chairman on 1 March, 1996. He is also a member of the Employee Share Option Scheme Committee. He had been Chairman of a licensed commercial bank, a licensed finance company and a real estate company, all of which were formerly listed in Singapore. He is also the Executive Chairman of Negri Sembilan Oil Palms Berhad, Other public companies in which he heads the Board are Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Double Alliance Sdn Bhd, Sin Thye Management Sdn Bhd and Global Formation (M) Sdn Bhd.

His shareholdings in the Company and the wholly owned subsidiary, Double Alliance Sdn Bhd, as at 30 November, 2001, are as follows: -

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
100,000 (Direct)	0.12	100,000*	100.00
33,520,968 (Indirect)	39.75		

* By virtue of his interests in the Company.

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company as disclosed on pages to of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Dr Goh Han Teng and Goh Pock Ai and the father of Goh Wei Lei.

- (f) Wong Aun Phui, 79 years of age, Malaysian. Executive Director. He has more than forty years of plantation and banking experience. Appointed to the Board on 29 January, 1961 and as Executive Director on 23 April, 1983. He is a member of the Audit Committee and Employee Share Option Scheme Committee. He was conferred Senior Cambridge Certificate by Cambridge University. He had served as Assistant Managing Director of Malayan Banking Berhad, Managing Director of Pan Malayan Finance Limited and Adviser of Bank Bumiputra Malaysia Berhad (now known as Bumiputra-Commerce Bank Berhad). Formerly, Chairman of Bandar Raya Development Berhad. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Pan Malaysian Industries Berhad, Eng Thye Plantations Berhad and Timor Oil Palm Plantation Berhad. He is also a director of Double Alliance Sdn Bhd, Sin Thye Management Sdn Bhd, Global Formation (M) Sdn Bhd and Gaeronic Pte Ltd. His shareholding in the Company and the wholly owned subsidiary, Double Alliance Sdn Bhd, as at 30 November, 2001, are as follows:-

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
630,250 (Direct)	0.75	Nil	Nil

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company as disclosed on pages to of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten years.

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- (g) Goh Beng Hwa, 70 years of age, Singaporean. Independent Non-Executive Director. Appointed to the Board on 16 November, 1969. Completed High School Certificate. He is a member of the Nomination Committee and Remuneration Committee. He had worked for several years in a listed licensed commercial bank in Singapore and was formerly the Managing Director of a licensed finance company listed in Singapore. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad and Eng Thye Plantations Berhad. His shareholding in the Company and the wholly owned subsidiary, Double Alliance Sdn Bhd, as at 30 November, 2001, are as follows: -

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
2,652,655 (Direct)	3.15	Nil	Nil
455,625 (Indirect)	0.54		

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
(Non-Independent)

Goh Eng Chew

Executive Directors
(Non-Independent)

Wong Aun Phui
Goh Pock Ai

Non-Executive Directors
(Independent)

Goh Beng Hwa
Sio Sit Po
Dr Gan Kim Leng
Keong Choon Keat

Non-Executive Directors
(Non-Independent)

Goh Lei Eng
Dr Goh Han Teng P.B.M., O.ST.J., F.I.M.G.T., D.DG.,
M.O.I.F., A.I.M.(P.C.), L.F.A.B.I.
Gho Lian Chin
Goh Yeok Beng

Alternate Directors

Goh Seh Kiat (alternate to Goh Lei Eng)
Goh Wei Lei (alternate to Goh Eng Chew)
Gho Bun Tjin (alternate to Gho Lian Chin)

AUDIT COMMITTEE

Chairman
Members

Keong Choon Keat
Dr Gan Kim Leng
Sio Sit Po
Wong Aun Phui
Goh Pock Ai

**NOMINATION COMMITTEE &
REMUNERATION COMMITTEE**

Chairman
Members

Gho Lian Chin
Goh Beng Hwa
Dr Gan Kim Leng
Keong Choon Keat
Goh Yeok Beng

COMPANY SECRETARY

Gan Kok Tiong B.Commerce (Accounting)(Hons.), PA(M), CPA

REGISTERED OFFICE

107-1, Changkat Tambi Dollah
55100 Kuala Lumpur
Telephone: 03-21488901
Fax: 03-21428195

AUDITORS

Arthur Andersen & Co.
Public Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

**SHARE REGISTRAR AND
MANAGING AGENT**

Sin Thye Management Sdn Bhd
107-1, Changkat Tambi Dollah
55100 Kuala Lumpur
Telephone: 03-21488901
Fax: 03-21428195

LEGAL FORM AND DOMICILE

Public Limited Liability Company
Incorporated and Domiciled in Malaysia

STOCK EXCHANGE LISTING

Main Board of the Kuala Lumpur Stock Exchange

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PROFILE OF DIRECTORS

Goh Eng Chew

Executive Chairman. 70-year-old Mr Goh, a Singaporean, has more than thirty years of plantation and financial experience. Appointed to the Board on 1 January, 1971. He later served as Executive Director on 21 January, 1984 and as Chairman from 17 December, 1994. He was appointed as the Executive Chairman on 1 March, 1996. He is also a member of the Employee Share Option Scheme Committee. He had been Chairman of a licensed commercial bank, a licensed finance company and a real estate company, all of which were formerly listed in Singapore. He is also the Executive Chairman of Negri Sembilan Oil Palms Berhad. Other public companies in which he heads the Board are Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Double Alliance Sdn Bhd, Sin Thye Management Sdn Bhd and Global Formation (M) Sdn Bhd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Dr Goh Han Teng and Goh Pock Ai and the father of Goh Wei Lei.

Number of Board meetings attended during the financial year ended 31 August, 2001: 5 out of 5

Wong Aun Phui

79 years of age, Malaysian. Executive Director. Has more than forty years of plantation and banking experience. Appointed to the Board on 29 January, 1961 and as Executive Director on 23 April, 1983. He is a member of the Audit Committee and Employee Share Option Scheme Committee. He was conferred Senior Cambridge Certificate by Cambridge University. He had served as Assistant Managing Director of Malayan Banking Berhad, Managing Director of Pan Malayan Finance Limited and Adviser of Bank Bumiputra Malaysia Berhad (now known as Bumiputra-Commerce Bank Berhad). Formerly, Chairman of Bandar Raya Development Berhad. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Pan Malaysian Industries Berhad, Eng Thye Plantations Berhad and Timor Oil Palm Plantation Berhad. He is also a director of Double Alliance Sdn Bhd, West Synergy Sdn Bhd (Chairman), Sin Thye Management Sdn Bhd, Global Formation (M) Sdn Bhd and Gaeronic Pte Ltd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 August, 2001: 5 out of 5

Goh Pock Ai

61 years of age, Singaporean. Executive Director. Appointed to the Board on 2 June, 1979 and as Executive Director on 23 April, 1983. He is a member of the Audit Committee. He has vast experience and extensive knowledge in the oil palm plantation industry. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Double Alliance Sdn Bhd, Global Formation (M) Sdn Bhd and Sin Thye Management Sdn Bhd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Goh Eng Chew and Dr Goh Han Teng.

Number of Board meetings attended during the financial year ended 31 August, 2001: 5 out of 5

Goh Beng Hwa

70 years of age, Singaporean. Independent Non-Executive Director. Appointed to the Board on 16 November, 1969. Completed High School Certificate. He is a member of the Nomination Committee and Remuneration Committee. He had worked for several years in a listed licensed commercial bank in Singapore and was formerly the Managing Director of a licensed finance company listed in Singapore. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad and Eng Thye Plantations Berhad. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He does not have any family

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PROFILE OF DIRECTORS

relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 August, 2001: 5 out of 5

Sio Sit Po

53 years of age, Singaporean. Independent Non-Executive Director. He was first appointed as an alternate director on 16 June, 1995 and ceased as alternate director on 10 January, 1997. Subsequently, he was appointed as a director on 3 February, 1997. He is a member of the Audit Committee. Holds a Bachelor of Science (Hons) from the Nanyang University, Singapore. Worked in a licensed commercial bank listed in Singapore since graduation till 1999. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad and Eng Thye Plantations Berhad. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 August, 2001: 2 out of 5

Dr Gan Kim Leng

59 years of age, Malaysian. Independent Non-Executive Director. Appointed to the Board on 29 October, 1999. A dental surgeon. He is a member of the Audit Committee, Employee Share Option Scheme Committee, Nomination Committee and Remuneration Committee. He holds a Bachelor of Dental Surgery from the University of Sydney, Australia. He does not hold any directorship in other public companies. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years. As disclosed on page 66 of the Annual Report, the Company purchases fertiliser, which is necessary for the day-to-day operations, from Yew Hoe Chan, a partnership of whom two of the partners are his brothers.

Number of Board meetings attended during the financial year ended 31 August, 2001: 5 out of 5

Keong Choon Keat

57 years of age, Malaysian. Independent Non-Executive Director. Appointed to the Board on 26 April, 2001. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. He is a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales. Attached to Bristol Myers & Company Ltd, England as an Accountant in 1968 and left to join Malaysian Tobacco Company Bhd as an Accountant in 1969. From 1974 to 1999, he was attached to UMW Holdings Bhd where he held various management positions from General Manager to Director, Group Accounts before being promoted to the position of an Executive Director in 1988. Upon retirement in 1999, he joined a consultancy firm providing outplacement and career management consultancy services in Malaysia. Other public companies in which he is a director are JT International Berhad, Perusahaan Otomobil Nasional Berhad, Malaysian Airline System Berhad, Negri Sembilan Oil Palms Berhad, PacificMas Bhd and The Pacific Insurance Bhd. He does not have any family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten years.

Number of Board meeting attended during the financial year ended 31 August, 2001: 1 out of 1

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PROFILE OF DIRECTORS

Goh Lei Eng

50 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 21 January, 1984. She is a Chartered Accountant, Canada and holds a Bachelor of Business Administration (Hons). She has vast experience in banking and finance. Other public companies in which she is a director are Negri Sembilan Oil Palms Berhad and Tiong Thye Company Berhad (alternate director), the major shareholder of the Company. She is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. She has had no convictions for any offences within the past ten years. She is the sister of Goh Seh Kiat.

Number of Board meetings attended during the financial year ended 31 August, 2001: 3 out of 5 (Attended by her alternate)

Dr Goh Han Teng P.B.M., O.ST.J., F.I.M.G.T., D.DG., M.O.I.F., A.I.M.(P.C.), L.F.A.B.I.

61 years of age, Singaporean. Non-Independent Non-Executive Director. He was first appointed as an alternate director on 2 September, 1974 and ceased as alternate director on 25 October, 1994. Subsequently he was appointed as a director on 22 December, 1994. He was formerly the Managing Director of a real estate company listed in Singapore. He was also formerly a director of a licensed commercial bank and a licensed finance company both of which were listed in Singapore. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad (alternate director), Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Goh Eng Chew and Goh Pock Ai.

Number of Board meetings attended during the financial year ended 31 August, 2001: 4 out of 5

Gho Lian Chin

53 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 13 July, 1995. Holds a Bachelor of Science from the University of Melbourne, Australia. He is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Employee Share Option Scheme Committee. He worked in a licensed commercial bank listed in Singapore as its representative in a foreign country. Subsequently, he was engaged to manage the property division of the bank. He was also formerly a director of a licensed finance company and a real estate company both of which were listed in Singapore. He has extensive experience and knowledge in the rubber industry. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Global Formation (M) Sdn Bhd and Gaeronic Pte Ltd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Gho Bun Tjin.

Number of Board meetings attended during the financial year ended 31 August, 2001: 5 out of 5

Goh Yeok Beng

52 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 23 December, 1998. He is a member of the Nomination Committee and Remuneration Committee. He has vast experience and extensive knowledge in the oil palm plantation industry and rubber industry. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Timor Oil Palm Plantation Berhad (Executive Director) and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Global Formation (M) Sdn Bhd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 August, 2001: 4 out of 5

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PROFILE OF DIRECTORS

Goh Seh Kiat

42 years of age, Singaporean. Appointed as alternate director of Goh Lei Eng on 14 April, 1984. A businessman with more than twenty years of experience and knowledge in property development, plantation and corporate advisory. Holds a Bachelor of Arts from the York University, Canada. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad (alternate director), Eng Thye Plantations Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Double Alliance Sdn Bhd, Global Formation (M) Sdn Bhd and West Synergy Sdn Bhd (Executive Director). He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Goh Lei Eng.

Goh Wei Lei

33 years of age, Singaporean. Appointed as alternate director of Goh Eng Chew on 29 March, 1994. Holds a Bachelor of Science from the Oregon State University, USA. He has vast experience and extensive knowledge in oil palm plantation and property development. Other public companies in which he is a director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantations Berhad (alternate director) and Tiong Thye Company Berhad (alternate director), the major shareholder of the Company. He is also the Executive Director of Global Formation (M) Sdn Bhd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the son of Goh Eng Chew.

Gho Bun Tjin

51 years of age, Singaporean. He was first appointed as an alternate director on 18 February, 1994 and ceased as alternate director on 21 June, 1995. Subsequently, he was appointed as alternate director of Gho Lian Chin on 8 September, 1995. Holds a Bachelor of Science from the University of Waterloo, Canada. He worked for a short period in a licensed commercial bank listed in Singapore. He is now working in a commercial company overseeing the general management. Other public companies in which he is an alternate director are Negri Sembilan Oil Palms Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantations Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 66 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Gho Lian Chin.

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CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Chin Teck Plantations Berhad, I have great pleasure to present the Annual Report and the Audited Financial Statements of the Group and of the Company for the financial year ended 31 August, 2001.

The Group experienced difficult plantation operating conditions for the financial year under review whereby the Malaysian palm oil industry faced challenges in managing the continued increase in production, weak export market, high stock and low palm oil prices. These factors have eroded profits. In an effort to assist the industry, the Government has implemented measures to reduce the high stock situation. Funds have been allocated to finance replanting of uneconomic old palms. Duty free crude palm oil quota has been increased and all processed palm oil products are exempted from export duty. Direct burning of crude palm oil as an alternative fuel to petroleum diesel is also encouraged. To further enhance export, counter-trade was pursued and palm oil was offered in exchange for the upgrading of railway tracks and the purchase of locomotives. These measures have a positive impact and the price of crude palm oil has recovered.

With the entry into World Trade Organisation, China is expected to fulfil the requirements for a gradual elimination of trade tariffs and quota for the imports of various products and commodities including palm oil. Consequently, Malaysia's exports of palm oil to China are set to increase and this should improve palm oil prices.

FINANCIAL PERFORMANCE

During the financial year under review, revenue of the Group decreased by 26.28% to RM58,097,707 due to lower average selling prices of crude palm oil and palm kernel recorded.

The effect of lower revenue was mitigated by the gain on disposal of investments of RM14,244,673, mainly due to the gain arising from the acceptance of the cash offers made by UBS AG, Singapore Branch, acting through its business group UBS Warburg for and on behalf of Oversea-Chinese Banking Corporation Limited for the shares in Keppel Capital Holdings Ltd and this had resulted in a lower decrease of 4.02% in profit from operations to RM34,029,696.

Contribution from associated companies increased from RM2,498,901 to RM3,848,283, mainly due to increased profits from West Synergy Sdn Bhd, an associated company engaged in property development.

After taking into account the results of associated companies, profit before taxation decreased marginally by 0.20% to RM37,877,979.

Profit after taxation increased by 13.37% to RM31,505,367 due to lower taxation as the gain on disposal of investments is not assessable for tax purposes.

Shareholders' funds increased by 4.29% to RM364,175,570.

DIVIDENDS

The Board had declared a second interim dividend of 11% or 11 sen per stock unit tax exempt for the financial year ended 31 August, 2001 which was paid on 12 December, 2001. Together with the first interim dividend of 12% or 12 sen per stock unit less 28% taxation which was paid on 18 June, 2001, the total dividends for the year amounted to 23%. (2000: 40% or 40 sen per stock unit less 28% taxation). In view of the declaration of the second interim dividend, the Board has not recommended any final dividend in respect of the financial year ended 31 August, 2001.

OPERATION REVIEW

Jemima & Sungei Sendayan Estate

Production of ffb increased by 8.85% to 62,727 m/t. Purchases of ffb however decreased by 3.33% to 21,358 m/t. Overall, production of crude palm oil increased by 7.92 % to 14,898 m/t and production of palm kernel increased by 14.58% to 4,667 m/t.

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Gua Musang Estate

Production of ffb increased by 61.45% to 18,479 m/t. Purchases of ffb however decreased by 8.15% to 19,433 m/t. Overall, production of crude palm oil increased by 26.61% to 7,570 m/t and production of palm kernel increased by 15.09% to 1,861 m/t.

All the replanted fields attained maturity during the year.

Keratong Estate

Production of ffb increased by 20.59% to 188,663 m/t. Accordingly, production of crude palm oil increased by 16.94% to 37,021 m/t and production of palm kernel increased by 15.56% to 11,158 m/t.

ASSOCIATED COMPANIES

Global Formation (M) Sdn Bhd – Joint venture on oil palm plantations in Indonesia

The first phase of 6,000 hectares of land in the estates at Lampung, Sumatera have been planted. The estates at Lampung have commenced planting on the second phase of 4,000 hectares of which 3,000 hectares have been planted. Planting on the remaining 1,000 hectares would be completed by first half of 2002. The preliminary work on the construction of the processing plant has started. Construction of the processing plant is expected to be completed by first half of 2003.

Approximately 5,650 hectares of land in the estate at Padang, Sumatera have been planted.

West Synergy Sdn Bhd – Joint venture on property development

Since 1997, West Synergy Sdn Bhd has launched a total of 1,308 units of various types of properties in Bandar Springhill. Bandar Springhill is a 1,990 acres of integrated township development project along the Seremban-Port Dickson highway near Lukut, Negeri Sembilan. West Synergy Sdn Bhd has received overwhelming response with approximately 80% sales attained.

Gaeronic Pte Ltd – Joint venture on food manufacturing in People's Republic of China

Gaeronic Pte Ltd, a 24.88% owned associated company with subsidiary companies engaged in food manufacturing in People's Republic of China has performed satisfactorily.

CORPORATE DEVELOPMENT

During the financial year, the Company,

- (a) allotted and issued 27,843,750 new shares RM1.00 each, which were immediately converted into ordinary stock units of RM1.00 each, credited as fully paid-up pursuant to the bonus issue of one new share for every two existing ordinary stock units of RM1.00 each held in the Company via the capitalisation of RM23,617,037 and RM4,226,713 from the revaluation reserve account and share premium account respectively.
- (b) implemented the employee share option scheme for eligible employees and executive directors of the Group. A total of 7,870,000 options to subscribe equivalent number of new shares in the Company at RM3.51 per share were granted and accepted by eligible employees and executive directors of the Group. As at 30 November 2001, a total of 791,000 options were exercised.
- (c) obtained the approval of the shareholders to subscribe for 32,000,000 cumulative redeemable preference shares ('CRPS') of RM0.10 each representing 80% of the total CRPS in Global Formation (M) Sdn Bhd, at an issue price of RM1.00 per CRPS for a total cash subscription sum of RM32,000,000.

Global Formation (M) Sdn Bhd would utilise the cash subscription sum from the issuance of CRPS to meet additional funding requirements of its joint venture companies in Lampung, Sumatera, Indonesia for the development and planting of an additional 4,000 hectares of land into oil palm plantation and the construction

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of one new processing plant. To date the Company has subscribed for a total of 13,760,000 CRPS of RM0.10 each at the issue price of RM1.00 each.

On 26 October 2001, on behalf of the Board, Commerce International Merchant Bankers Berhad announced the following: -

- (a) the proposed amendments to the Company's Articles of Association to comply with the provisions of the Listing Requirements of the Kuala Lumpur Stock Exchange as well as other relevant regulatory and statutory requirements; and
- (b) the proposed shareholders' mandate for the recurrent related party transactions of a revenue or trading nature which are or have been entered into by the Group with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations based on commercial terms which are not more favourable to the related parties than those generally available to the public.

The aforesaid proposals are subject to the approvals of the shareholders of the Company at the forthcoming Extraordinary General Meeting of the Company, which will be held immediately after the conclusion or adjournment of the forthcoming Annual General Meeting. A separate Circular to Shareholders, the purpose of which is to provide information on the proposals and to seek the approvals of the shareholders for the special resolution and ordinary resolution pertaining to the proposals is enclosed together with the Annual Report. The Notice of the Extraordinary General Meeting is set out in the said Circular to Shareholders.

Board of Directors

I would like to take this opportunity to welcome Mr Keong Choon Keat who joined the Board on 26 April, 2001. Mr Keong has also been appointed as a member and the Chairman of the Audit Committee and as member of the Nomination Committee and Remuneration Committee.

OUTLOOK FOR YEAR 2002

The selling prices of crude palm oil and palm kernel have strengthened since their low. Barring any unforeseen circumstances and provided the improved selling prices of crude palm oil and palm kernel are maintained, the Group expects an increase in the plantation profits for the financial year ending 31 August, 2002.

APPRECIATION

On behalf of the Board of Directors, I would like to thank the management and staff for their contribution and commitment. I must also thank our suppliers and customers for their co-operation and support. To our shareholders, I would like to thank you for your continued support and confidence in the Company.

Goh Eng Chew
Executive Chairman

Dated: 20 December, 2001

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**STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE
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The Board of Directors is committed to ensure that a high standard of corporate governance is practised throughout the Group in discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

The Board of Directors will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the Best Practices of the Malaysian Code on Corporate Governance ('the Code') wherever applicable in the best interests of the shareholders of the Company. Save for the exceptions, which are highlighted, the Board considers that it has generally applied the Principles of the Code and complied with the Best Practices of the Code.

Set out below is the description on the manner in which the Company has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

1. Directors

Board Responsibilities

The Board retains full and effective control of the Company and is responsible for the overall performance of the Company. It focuses mainly on strategies, performance and critical business issues and is responsible for the following: -

- Group's strategic plans
- Conduct of the Group's business
- Principal risks identification and their management
- Succession planning for senior management
- Shareholders communication policy
- Group's internal control systems and management information system

Composition of the Board

The Board currently consists of eleven directors: -

- One Executive Chairman
- Two Executive Directors
- Four Independent Non-Executive Directors
- Four Non-Independent Non-Executive Directors

There are three alternate directors on the Board.

The Executive Chairman and Executive Directors have many years of experience in managing the Group's core business, plantations. The Non-Executive Directors have broad business and commercial experience. The Independent Directors are actively involved in various Board Committees and they provide independent assessment and opinion. The biographical details of the Board members are set out on pages 8 to 11 of the Annual Report.

The Executive Chairman functions both as Chairman of the Board and Executive Director. The Board is mindful of the combined roles but is comfortable that there is no undue risk involved as all related party transactions are dealt with in accordance with the Listing Requirements of the Kuala Lumpur Stock Exchange. The Executive Directors will be informed and consulted before the Executive Chairman makes any significant decision. All major matters and issues are referred to the Board for considerations and approvals. The roles and contributions of Independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board.

The Executive Chairman, Goh Eng Chew, the Executive Director, Goh Pock Ai and the four Non-Independent Non-Executive Directors, Goh Lei Eng, Dr Goh Han Teng, Gho Lian Chin and Goh Yeok Beng are directors and/or shareholders of Tiong Thye Company Berhad, the largest shareholder of the Company holding 39.74% of the issued and paid-up share capital of the Company as at 30 November, 2001.

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The Board considers that its complement of the Independent Non-Executive Directors and Non-Independent Non-Executive Directors provides an effective Board with a mix of general management, accounting and finance and business experience and fairly reflects the investment in the Company by shareholders. The Board complies with the Listing Requirements of the Kuala Lumpur Stock Exchange that requires at least two or one third of the Board, whichever is higher, to be independent directors.

All concerns regarding the Company can be conveyed to any one of the Directors. As such, the Board has not appointed a senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed.

The Board has established Board committees, which operate within the defined terms of reference. These committees are: -

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Employee Share Option Scheme Committee

The Report on Audit Committee for the financial year ended 31 August, 2001 is set out on pages 21 to 24 of the Annual Report.

Details of the Nomination Committee and Remuneration Committee are set out below.

The Employee Share Option Scheme Committee or the Option Committee was established to administer the Chin Teck Plantations Berhad Employee Share Option Scheme, which became effective on 31 January 2001. The directors who serve on the Option Committee are Goh Eng Chew, Wong Aun Phui, Dr Gan Kim Leng and Gho Lian Chin. The Company Secretary also serves on the Option Committee.

The Directors will normally meet quarterly and has a formal schedule of matters reserved to it. On other occasions, additional meetings are held as and when required to discuss matters of importance. The Executive Chairman and the Executive Directors will explain to the Board the rationale of the matters to be discussed and the implications on the Company. The Directors participated in the discussion and comments are considered before a decision is made.

Five Directors' meetings were held during the financial year ended 31 August, 2001 and the attendance of the Directors are as follows: -

<u>Name</u>	<u>Number of Meetings Attended</u>
Goh Eng Chew	5
Wong Aun Phui	5
Goh Pock Ai	5
Goh Beng Hwa	5
Sio Sit Po	2
Dr Gan Kim Leng	5
Keong Choon Keat	1*
Goh Lei Eng	3**
Dr Goh Han Teng	4
Gho Lian Chin	5
Goh Yeok Beng	4

* One meeting was held during the period since the date of his appointment to 31 August, 2001.

** Attended by her alternate.

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Supply of Information

Each Director receives monthly statement of accounts, which contain information on financial performance and plantation statistics of the Company.

Agenda of Board meeting and Board papers for each agenda item are sent to the directors prior to Board meeting. The Board papers include amongst others, quarterly financial results, performance of the estates, financial position of the Company, the market value of its quoted investments, the sales of crude palm oil and palm kernel, summary of budget and capital expenditure, proposals for major acquisitions and disposals and corporate issues.

Directors have access to information within the Group. Any comments and suggestions for improvements are directed to the Executive Chairman and/or Executive Directors. Directors may also obtain independent professional advice.

Directors also have direct access to the service of the Company Secretary.

Appointments to the Board

On 26 April, 2001, the Board established the Nomination Committee. The members of the Nomination Committee are as follows: -

Chairman	Gho Lian Chin	- Non-Independent Non-Executive Director
Members	Goh Beng Hwa	- Independent Non-Executive Director
	Dr Gan Kim Leng	- Independent Non-Executive Director
	Keong Choon Keat	- Independent Non-Executive Director
	Goh Yeok Beng	- Non-Independent Non-Executive Director

The duties and functions of the Nomination Committee shall be: -

- to propose new nominees for the Board and Board Committee
- to assess directors on an on-going basis
- to annually review the required mix of skills and experience and core competencies of non-executive directors

The Directors have direct access to the services of the Company Secretary who is responsible for ensuring that all appointments are properly made and all necessary information is obtained from directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act, 1965, Listing Requirements of Kuala Lumpur Stock Exchange and other regulatory requirements.

The Nomination Committee held its first meeting on 26 October, 2001. All members of the Nomination Committee attended the meeting.

Directors' Training

All Directors are required to attend the training programmes that are prescribed by the Kuala Lumpur Stock Exchange from time to time.

All the Directors except Goh Lei Eng have attended the Mandatory Accreditation Programme ('MAP').

An Executive Director and the Company Secretary also meet the newly appointed director to brief him or her on the background information and structure of the Company.

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Re-election of Directors

In accordance with the Articles of Association of the Company, all Directors who are appointed by the Board are subject to re-election by shareholders at the first Annual General Meeting after their appointment.

The existing Articles of Association of the Company provides that one-third of the Directors, or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office provided always all directors, except the Managing Director shall retire from office once at least three years but shall be eligible for re-election. In compliance with the Listing Requirements of the Kuala Lumpur Stock Exchange, which came into force on 1 June, 2001, the Managing Director will now also be subject to retirement and re-election by rotation. The proposed amendments to the Articles of Association of the Company to be tabled for approvals by shareholders at the forthcoming Extraordinary General Meeting provides for all Directors to retire from office once at least three years but shall be eligible for re-election.

Directors who are of or over the age of seventy years shall retire pursuant to Section 129 of the Companies Act, 1965 and shall be re-appointed under the provision of Section 129(6) of the said Act annually.

2. Directors' Remuneration

It is the Company's policy that the level of Directors' remuneration is sufficient to attract and retain the Directors of the calibre needed to run the Group successfully. In the case of Executive Directors, the component parts of the remuneration are structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the Non-Executive Directors concerned.

On 26 April, 2001, the Board established the Remuneration Committee. The members of the Remuneration Committee are as follows: -

Chairman	Gho Lian Chin	- Non-Independent Non-Executive Director
Members	Goh Beng Hwa	- Independent Non-Executive Director
	Dr Gan Kim Leng	- Independent Non-Executive Director
	Keong Choon Keat	- Independent Non-Executive Director
	Goh Yeok Beng	- Non-Independent Non-Executive Director

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of the Executive Directors. Nevertheless, the determination of remuneration packages of directors is a matter for the Board as a whole and individual directors are required to abstain from discussion of their own remuneration.

The shareholders at the annual general meeting approve the annual fees payable to the Directors. The Company reimburse reasonable expenses incurred by the Directors in the course of their duties as Directors. The basic salary for each executive director takes into account the compensation practices of other comparable companies and the performance of each individual director. Salary will be reviewed annually (although not necessary increased). Appropriate adjustments will be made to reflect performance and increased responsibilities. Executive Directors are entitled to commission, which is dependent on the financial performance of the Company based on an established formula.

To commensurate with the experience and level of responsibilities undertaken by the Directors, the Directors have recommended that their total fees for the financial year ended 31 August, 2001 be increased to RM206,000 with authority to Directors to divide such fees in the proportions and manner to be determined by them.

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The details of the total remuneration of the Executive Directors and Non-Executive Director for the financial year ended 31 August, 2001 are as follows:-

	No. of Directors	Fees RM	Salaries RM	Commission RM	Other RM	Total RM
Executive Directors						
	1	20,000	180,000	172,126	-	372,126
	1	15,696	120,000	120,489	2,000	258,185
	1	17,000	120,000	86,064	2,000	225,064
	3	52,696	420,000	378,679	4,000	855,375
Non-Executive Directors						
	1	18,392	-	-	2,000	20,392
	1	18,978	-	-	-	18,978
	1	17,784	-	-	-	17,784
	1	15,696	-	-	2,000	17,696
	1	16,392	-	-	-	16,392
	1	15,000	-	-	-	15,000
	1	15,000	-	-	-	15,000
	1	8,003	-	-	2,000	10,003
	8	125,245	-	-	6,000	131,245
		177,941	420,000	378,679	10,000	986,620

The Remuneration Committee held its first meeting on 26 October, 2001. All members of the Remuneration Committee attended the meeting.

3. Shareholders

Dialogue between the Company and Investors

The annual and quarterly reports and the various mandatory announcements are the primary modes of communication to report on the Group's financial performance and operations and corporate developments.

The annual and quarterly reports are sent to shareholders.

Shareholders and the members of the public can also obtain information on the annual and quarterly reports and the announcements made by accessing the Kuala Lumpur Stock Exchange's website.

It is not the practice of the Company to organise briefings sessions or investors forums for analysts and fund managers.

Annual General Meeting

The annual general meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and the Annual Report are despatched to shareholders. Notice of the Annual General Meeting is also published in a leading English newspaper.

At the Annual General Meeting, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session prior to the resolutions to approve the audited annual financial statements and directors' report. Suggestions and comments by shareholders are noted by directors for consideration.

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4. Accountability and Audit

Financial Reporting

In presenting the annual and quarterly financial statements to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee assists the Board in ensuring accuracy, adequacy and completeness of information for disclosure.

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 35 of the Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited accounts pursuant to paragraph 15.27 (a) of the Listing Requirements of the Kuala Lumpur Stock Exchange is set out on page 25 of the Annual Report.

Internal Control

The Directors acknowledge their responsibilities for the Group's system of internal control, which has been designed to meet the Group's particular needs. The system of internal control is designed to manage risks to which the business of the Group is exposed rather than eliminate the risk of failure to achieve business objectives.

The Directors continue to maintain a sound system of internal control to safeguard shareholders' investment and Group's assets.

Internal Audit

The internal audit functions have been outsourced to the external auditors Arthur Andersen & Co with the primary objective to carry out a review of the internal control system to determine if the accounting and internal control system procedures have been complied with as well as to identify recommendations to strengthen the accounting and internal control system so as to foster a strong management control environment.

Relationship with the Auditors

The Company has always maintained a formal and transparent relationship with its auditors.

The role of the Audit Committee in relation to the external auditors is set out in the Report on Audit Committee on pages 21 to 24 of the Annual Report.

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REPORT ON AUDIT COMMITTEE

The Board of Directors of Chin Teck Plantations Berhad is pleased to present the report of the Audit Committee for the financial year ended 31 August, 2001.

MEMBERS OF THE AUDIT COMMITTEE

The members of the Audit Committee during the financial year ended 31 August, 2001 are as follows:-

Chairman	Keong Choon Keat (Appointed on 26 April, 2001)	- Independent Non-Executive Director
	Goh Beng Hwa (Resigned on 24 April, 2001)	- Independent Non-Executive Director
Members	Dr Gan Kim Leng Sio Sit Po (Appointed on 26 April, 2001)	- Independent Non-Executive Director - Independent Non-Executive Director
	Wong Aun Phui Goh Pock Ai (Appointed on 26 April, 2001)	- Non-Independent Executive Director - Non-Independent Executive Director

TERMS OF REFERENCE

During the financial year ended 31 August, 2001, the Terms of Reference of the Audit Committee were amended and approved by the Board of Directors on 26 July, 2001.

The Terms of Reference of the Audit Committee are as follows: -

1. Formation

1.1 The Board pursuant to its resolution formed the Audit Committee on 25 June, 1994.

2. Membership

2.1 The members of the Audit Committee shall be appointed by the Board from amongst their number and shall consist of not fewer than three (3) members of whom a majority shall be independent directors.

2.2 At least one (1) member of the Audit Committee: -

- (i) must be a member of the Malaysian Institute of Accountants; or
- (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and: -
- (iii) (a) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
- (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

2.3 No alternate director can be appointed as a member of the Audit Committee.

2.4 The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an independent director.

2.5 If a member of the Audit Committee retires, resigns, dies or for any reason ceases to be a member resulting in the non-compliance of paragraph 2.1 and 2.2 above, the Board shall within three (3) months of that event, fill the vacancy.

2.6 The Company Secretary or such other person as the Audit Committee may determine shall be the Secretary of the Audit Committee.

REPORT ON AUDIT COMMITTEE

3. Meeting

- 3.1 Meetings of Audit Committee shall be held at least four (4) times a year.
- 3.2 In order to form a quorum in respect of a meeting of an Audit Committee, the majority of members present must be independent directors.
- 3.3 Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditors believes should be brought to the attention of the Board or shareholders.
- 3.4 The Audit Committee shall meet with the external auditors excluding the attendance of the executive members of the Audit Committee, whenever deemed necessary.
- 3.5 At least 5 calendar days' notice should be given to members of the Audit Committee before a meeting is held. In an emergency meeting, the notice can be shortened provided majority of members agree.
- 3.6 Each member is entitled to one vote. Decision arising from any meeting shall be by majority of votes. The Chairman has no casting vote.
- 3.7 Other directors and employees may attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

4. Authority

- 4.1 The Audit Committee is authorised to investigate any activity within its term of reference.
- 4.2 The Audit Committee shall have the resources, which are required to perform its duties.
- 4.3 The Audit Committee shall have full and unrestricted access to any information pertaining to the Group and is authorised to seek any information it requires from any employees and all employees are directed to co-operate with any request made by the Audit Committee and is free to summon any employee to appear before the meeting of the Audit Committee.
- 4.4 The Audit Committee is authorised to communicate directly with the external auditors and person(s) carrying out the internal audit function.
- 4.5 The Audit Committee is authorised to obtain independent professional service or other service and to secure the attendance of persons with relevant experience and expertise at the meeting of the Audit Committee, if it considers necessary.

5. Duties and functions

- 5.1 The duties and functions of the Audit Committee shall be: -
 - (a) to review with the external auditors, the audit plan.
 - (b) to review with the external auditors, their evaluation of the system of internal controls.
 - (c) to review with the external auditors, their audit report.
 - (d) to review the assistance given by the employees to the external auditors.
 - (e) to review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work.
 - (f) to review the internal audit programme, processes, the results of the internal audit programme, process or investigation and consider the findings and recommendations of the internal audit and management's response.
 - (g) to review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on: -
 - any change in or implementation of accounting policies and practices
 - the going concern assumption
 - significant and unusual events

CHIN TECK PLANTATIONS BERHAD (3250V)
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REPORT ON AUDIT COMMITTEE

- significant adjustments arising from the audit
- compliance with accounting standards and other legal requirements
- (h) to review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (i) to discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary)
- (j) to consider the appointment of the external auditors, audit fee and any questions of resignation or dismissal.

5.2 To consider other topics as defined by the Board.

6. Minutes

6.1 The Audit Committee shall cause minutes to be duly entered in books provided for the purpose of all proceedings of meetings of Audit Committee.

6.2 Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

6.3 The Secretary shall circulate the minutes of meetings of Audit Committee to all members of the Board.

7. Reporting of breaches to Kuala Lumpur Stock Exchange

7.1 Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Kuala Lumpur Stock Exchange, the Audit Committee must promptly report such matter to the Kuala Lumpur Stock Exchange.

8. Review of the Audit Committee

8.1 The Board must review the terms of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee and the members have carried out their duties in accordance with the terms of reference.

NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR ENDED 31 AUGUST, 2001 AND ATTENDANCE OF EACH AUDIT COMMITTEE MEMBER

During the financial year ended 31 August 2001, a total of five meetings were held.

The attendance of each member is as follows: -

<u>Audit Committee Member</u>	<u>Number of Meetings Attended</u>
Keong Choon Keat	*2
Goh Beng Hwa	**2
Dr Gan Kim Leng	5
Sio Sit Po	*2
Wong Aun Phui	5
Goh Pock Ai	*2

* Two meetings were held during the period since the date of their appointment to 31 August, 2001.

** Two meetings were held during the period since 1 September, 2000 to the date of his resignation.

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REPORT ON AUDIT COMMITTEE

SUMMARY OF THE ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 AUGUST, 2001

The Audit Committee met at scheduled times. Agendas were planned and itemised so that matters were deliberated and discussed in a focused and detailed manner.

The Audit Committee carried out the following activities during the financial year ended 31 August, 2001: -

- (a) Review of the quarterly and annual financial statements prior to submission to the Board of Directors for consideration and approval.
- (b) Review of the audit results and the audit reports prepared by the external auditors and the recommendations in respect of control weaknesses noted during the course of their audit.
- (c) Review of the audit plans for the financial year prepared by the external auditors.
- (d) Consider and recommend to the Board of Directors the re-appointment of external auditors.
- (e) Review the transactions with related parties as disclosed in the annual financial statements.

INTERNAL AUDIT FUNCTIONS

The internal audit functions have been outsourced to the external auditors Arthur Andersen & Co with the primary objective to carry out a review of the internal control system to determine if the accounting and internal control system procedures have been complied with as well as to identify recommendations to strengthen the accounting and internal control system so as to foster a strong management control environment.

The internal audit functions as performed by Arthur Andersen & Co reports directly to the Audit Committee.

An internal audit report of the Group for the financial year ended 31 August, 2001 prepared by Arthur Andersen & Co was presented to the Audit Committee. The internal audit report summarises the audit approach, scope, significant audit findings, the overall opinion for the internal control review, management comments on the audit findings and recommendations. The internal audit report also covers the follow-up on implementation of recommendations.

During the financial year ended 31 August, 2001, the Audit Committee also reviewed the internal audit report for the financial year ended 31 August, 2000.

CHIN TECK PLANTATIONS BERHAD (3250V)
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**STATEMENT ON DIRECTORS' RESPONSIBILITY
FOR THE PREPARATION OF ANNUAL AUDITED ACCOUNTS**

The Directors are required by the Companies Act, 1965 ('the Act') to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and the profit and loss of the Company and of the Group for the financial year.

The Directors are responsible for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group and which enable them to ensure that the financial statements of the Company and of the Group comply with the provisions of the Act and the applicable approved accounting standards in Malaysia.

The Directors consider that the financial statements set out on pages 37 to 61 have been prepared using appropriate accounting policies, which are consistently applied and are in accordance with the provisions of the Act and applicable approved accounting standards in Malaysia.

The Directors have engaged auditors who are required to undertake inspection and make enquiries they consider to be appropriate for the purpose of enabling them to give their audit report set out on page 36.

This statement is made in accordance with a resolution of the Board of Directors dated 26 October, 2001.

CHIN TECK PLANTATIONS BERHAD (3250V)
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GROUP FINANCIAL PROFILE

	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	132,976	131,907	130,599	131,763	128,901
Investments	77,537	102,746	98,538	111,948	114,643
	<u>210,513</u>	<u>234,653</u>	<u>229,137</u>	<u>243,711</u>	<u>243,544</u>
Current assets					
Inventories	2,284	2,646	3,624	1,711	1,964
Trade receivables	3,693	4,633	4,593	3,851	2,519
Other receivables	1,772	4,148	3,648	3,850	11,083
Deposits with financial institutions	73,291	81,481	117,038	108,996	119,436
Cash and bank balances	4,422	3,529	3,139	4,447	2,109
	<u>85,462</u>	<u>96,437</u>	<u>132,042</u>	<u>122,855</u>	<u>137,111</u>
Current liabilities					
Trade payables	1,698	3,278	2,375	1,933	1,379
Other payables	3,139	4,174	5,899	3,651	2,992
Taxation	12,287	18,655	4,520	-	-
Dividend	8,576	15,236	8,821	8,821	9,200
	<u>25,700</u>	<u>41,343</u>	<u>21,615</u>	<u>14,405</u>	<u>13,571</u>
Net current assets	<u>59,762</u>	<u>55,094</u>	<u>110,427</u>	<u>108,450</u>	<u>123,540</u>
	<u>270,275</u>	<u>289,747</u>	<u>339,564</u>	<u>352,161</u>	<u>367,084</u>
Share capital	55,688	55,688	55,688	55,688	83,559
Reserves	212,123	231,351	281,168	293,521	280,616
Shareholders equity	<u>267,811</u>	<u>287,039</u>	<u>336,856</u>	<u>349,209</u>	<u>364,175</u>
Retirement benefits	145	145	145	145	102
Deferred taxation	2,319	2,563	2,563	2,807	2,807
Non-current liabilities	<u>2,464</u>	<u>2,708</u>	<u>2,708</u>	<u>2,952</u>	<u>2,909</u>
	<u>270,275</u>	<u>289,747</u>	<u>339,564</u>	<u>352,161</u>	<u>367,084</u>

CHIN TECK PLANTATIONS BERHAD (3250V)
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GROUP FINANCIAL PROFILE

	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	79,941	92,634	108,293	78,808	58,098
Operating profit	45,064	51,812	64,795	35,453	34,030
Share of results of associated companies	578	1,344	107	2,499	3,848
Profit before taxation	45,642	53,156	64,902	37,952	37,878
Taxation	(12,421)	(14,450)	1,262	(10,163)	(6,372)
Profit after taxation	33,221	38,706	66,164	27,789	31,506
Transfer to capital reserve	(2)	-	(3,537)	(3)	(14,245)
	33,219	38,706	62,627	27,786	17,261
Retained profits brought forward	134,321	155,845	174,504	221,093	232,841
Profits available for appropriation	167,540	194,551	237,131	248,879	250,102
Dividends	(11,695)	(20,047)	(16,038)	(16,038)	(16,417)
Retained profits carried forward	155,845	174,504	221,093	232,841	233,685
Earnings per stock unit (sen)					
Basic	39.8*	46.3*	79.2*	33.3*	37.7
Diluted	-	-	-	-	37.0
Net tangible assets per stock unit (RM)	3.21*	3.43*	4.03*	4.18*	4.36
Gross Dividend (%)					
First interim	8	12	18	18	12
Second interim	22	18	22	22	11
Special	-	20	-	-	-
	30	50	40	40	23
Dividend cover (times)	2.8	1.9	4.1	1.7	1.9

* Adjusted for the Bonus Issue of 1 for 2.

CHIN TECK PLANTATIONS BERHAD (3250V)
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PLANTATIONS STATISTICS

	1997	1998	1999	2000	2001
Planted area (hectares)					
As at 31, August					
Mature	10,819	10,466	10,750	11,036	11,512
Immature	935	1,123	788	502	-
	<u>11,754</u>	<u>11,589</u>	<u>11,538</u>	<u>11,538</u>	<u>11,512</u>
Production (M/T)					
ffb					
own estates	235,466	177,160	200,668	225,522	269,869
purchased	39,350	37,874	49,312	43,251	40,791
	<u>274,816</u>	<u>215,034</u>	<u>249,980</u>	<u>268,773</u>	<u>310,660</u>
crude palm oil	54,746	43,206	49,344	51,440	59,489
palm kernel	16,155	12,466	13,898	15,346	17,686
Extraction rate (%)					
crude palm oil	19.92	20.09	19.74	19.14	19.15
palm kernel	5.88	5.80	5.56	5.71	5.69

CHIN TECK PLANTATIONS BERHAD (3250V)
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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 August, 2001.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the cultivation, processing and sale of crude palm oil and palm kernel.

The principal activity of the subsidiary is described in Note 4 to the financial statements.

There were no significant changes in the nature of these activities during the financial year.

RESULTS

	<u>Group</u> RM	<u>Company</u> RM
Net profit for the year	31,505,367	28,505,356
Transfer to capital reserve	(14,244,673)	(14,244,673)
	17,260,694	14,260,683
Retained profits brought forward	232,841,192	229,054,844
Profits available for appropriation	250,101,886	243,315,527
Dividends	(16,416,758)	(16,416,758)
Retained profits carried forward	<u>233,685,128</u>	<u>226,898,769</u>

DIVIDENDS

The amount of dividends paid or declared by the Company since 31 August, 2000 were as follows:

RM

In respect of the financial year ended 31 August, 2000:

Second interim dividend of 22% less 28% taxation paid on 5 January, 2001	<u>8,820,900</u>
--	------------------

In respect of the financial year ended 31 August, 2001:

First interim dividend of 12% less 28% taxation paid on 18 June, 2001	7,217,100
Second interim dividend of 11% tax exempt payable on 12 December, 2001	9,199,658
	<u>16,416,758</u>

In view of the declaration of the second interim dividend, the directors do not recommend any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity and Note 13 to the financial statements.

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that 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 there were no known bad debts and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require any amount to be written off as bad debts or render the amount provided for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business their values as shown in the accounting records of the Group and the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company and the Group misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group or the Company which has arisen since the end of the financial year.

No contingent or other liability 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 the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group or the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

DIRECTORS' REPORT

SIGNIFICANT EVENTS

The significant events are disclosed in Note 21 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 22 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME

The Chin Teck Plantations Berhad Employee Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 27 November, 2000 and became effective on 31 January, 2001. The new shares to be issued pursuant to the ESOS will be immediately converted into new ordinary stock units of RM1.00 each in the Company upon allotment and issue.

The main features of the ESOS are as follows:

- (a) Eligible employees (including executive directors) of the Group must have been confirmed and served at least twelve months in the employment of the Group on or prior to the date of the offer. The Option Committee appointed by the Board of Directors may at its discretion at any time and from time to time as it shall deem fit make an offer, to any eligible employee (including executive directors) whom the Option Committee may at its discretion select, to subscribe for new shares in the Company in accordance with the terms of the ESOS.
- (b) The maximum number of ordinary shares to be issued under the ESOS shall not be more than 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS, which shall be in force for a period of five years from 31 January, 2001 to 30 January, 2006.
- (c) The subscription price at which eligible employees (including executive directors) are entitled to exercise the option shall be the weighted average market price of the ordinary stock units as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five preceding market days immediately prior to the date of offer provided that:
 - (i) a discount, if any, of not more than 10% from the weighted average market price of the ordinary stock units for the five market days immediately preceding the date of offer is allowed; and
 - (ii) the price so determined shall not be less than the par value of the ordinary stock units of RM1.00 each.
- (d) No offer shall be made for less than 1,000 shares nor more than 500,000 shares to any eligible employee (including executive directors).
- (e) The number of shares under the ESOS or the subscription price or both, so far as the option remain unexercised, may be adjusted following any alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, rights issue, reduction of capital, subdivision and/or consolidation of the Company's ordinary stock units.
- (f) The shares under the ESOS shall remain unissued until the option is exercised and shall upon allotment and issue rank pari passu in all respects with the existing ordinary stock units of the Company provided always that the shares so issued shall not be entitled to any dividends, rights, allotments and/or distributions, the entitlement date of which precedes the relevant dates of the allotment of the aforesaid shares.

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DIRECTORS' REPORT

The persons to whom the options have been granted have no right to participate by virtue of the option in any share issue of any other company.

The movement in the options to take up unissued shares of RM1.00 each during the financial year and the subscription price are as follows:

<u>Subscription price</u> <u>per share</u>	<u>At 1 September,</u> <u>2000</u>	<u>Granted</u>	<u>Exercised</u>	<u>At 31 August,</u> <u>2001</u>
RM3.51	-	7,870,000	28,000	7,842,000

Subsequent to the end of the financial year, 85,000 options were exercised.

DIRECTORS

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

Goh Eng Chew
Wong Aun Phui
Goh Pock Ai
Goh Beng Hwa
Goh Lei Eng
Goh Han Teng
Gho Lian Chin
Sio Sit Po
Goh Yeok Beng
Gan Kim Leng
Keong Choon Keat (appointed on 26 April, 2001)
Goh Seh Kiat (alternate to Goh Lei Eng)
Goh Wei Lei (alternate to Goh Eng Chew)
Gho Bun Tjin (alternate to Gho Lian Chin)

In accordance with the Company's Articles of Association, Goh Yeok Beng, Goh Lei Eng, Gho Lian Chin and Keong Choon Keat retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Goh Eng Chew, Wong Aun Phui and Goh Beng Hwa retire pursuant to Section 129 of the Companies Act, 1965 and resolutions are being 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.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiary is a party with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the options granted pursuant to the ESOS of the Company.

Since the end of the previous financial year, no director 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 as shown in Note 17 to the financial statements) 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 those transactions entered into in the ordinary course of business between the Company and certain companies in which several directors have interests as disclosed in Note 24 to the financial statements.

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DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the stock units of the Company during the financial year were as follows:

	Number of Stock Units of RM1 Each			
	At 1 September, <u>2000</u>	<u>Bought</u>	<u>Sold</u>	At 31 August, <u>2001</u>
Direct interest:				
Wong Aun Phui	353,500	176,750*	-	530,250
Goh Beng Hwa	1,768,437	884,218*	-	2,652,655
Goh Han Teng	109,500	54,750*	-	164,250
Sio Sit Po	276,000	138,000*	-	414,000
Goh Yeok Beng	8,000	4,000*	-	12,000
Gan Kim Leng	45,875	22,937*	-	68,812
Indirect interest:				
Goh Eng Chew	23,212,312	11,173,656*	(865,000)**	33,520,968
Goh Beng Hwa	303,750	151,875*	-	455,625
Goh Han Teng	550,000	-	(550,000)**	-
Gho Lian Chin	22,375,312	11,187,656*	-	33,562,968
Sio Sit Po	862,500	431,250*	-	1,293,750
Goh Seh Kiat	22,337,812	11,168,906*	-	33,506,718
Gan Kim Leng	1,402,500	701,250*	-	2,103,750

* Bonus issue

** Due to cessation of interest in an investor.

The options to subscribe for shares in the Company pursuant to the ESOS are as follows:

	<u>Options Over Unissued Shares of RM1 Each</u>			
	At 1 September, <u>2000</u>	<u>Granted</u>	<u>Exercised</u>	At 31 August, <u>2001</u>
Granted in 2001 at the subscription <u>price of</u> <u>RM3.51 per share</u>				
Goh Eng Chew	-	500,000	-	500,000
Wong Aun Phui	-	500,000	-	500,000
Goh Pock Ai	-	500,000	-	500,000

Goh Eng Chew, Gho Lian Chin and Goh Seh Kiat by virtue of their interests in the Company are also deemed interested in the shares of the subsidiary to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in the stock units of the Company or the shares of its subsidiary during the financial year.

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DIRECTORS' REPORT

NUMBER OF EMPLOYEES AND REGISTERED OFFICE

The number of employees in both the Group and the Company at the end of the financial year was 403 (2000 : 394).

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Kuala Lumpur Stock Exchange. The registered office of the Company is located at 107-1, Changkat Tambi Dollah, 55100 Kuala Lumpur.

AUDITORS

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

Signed on behalf of the Board
in accordance with a resolution
of the directors

GOH ENG CHEW

WONG AUN PHUI

Kuala Lumpur
Dated: 26 October, 2001

CHIN TECK PLANTATIONS BERHAD (3250V)
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STATEMENT BY DIRECTORS

We, GOH ENG CHEW and WONG AUN PHUI, being two of the directors of CHIN TECK PLANTATIONS BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 37 to 61 give a true and fair view of the state of affairs of the Group and the Company as at 31 August, 2001 and of their results and their cash flows for the year then ended and have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

Signed on behalf of the Board
in accordance with a resolution
of the directors

GOH ENG CHEW

WONG AUN PHUI

Kuala Lumpur
Dated: 26 October, 2001

STATUTORY DECLARATION

I, GAN KOK TIONG, the officer primarily responsible for the financial management of CHIN TECK PLANTATIONS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 37 to 61 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)	
the abovenamed GAN KOK TIONG at)	
Kuala Lumpur in Wilayah Persekutuan)	
on 26 October, 2001)	GAN KOK TIONG

Before me:

OOI AH BAH
No. W152
Commissioner for Oaths
Kuala Lumpur

CHIN TECK PLANTATIONS BERHAD (3250V)
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AUDITORS' REPORT

To the Shareholders of
CHIN TECK PLANTATIONS BERHAD

We have audited the financial statements set out on pages 37 to 61. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia and give a true and fair view of:
 - (i) the state of affairs of the Group and the Company as at 31 August, 2001 and of their results and their cash flows for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the Act.

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

Our auditors' report on the financial statements of the subsidiary was not subject to any qualification or comment made under subsection (3) of Section 174 of the Act.

Arthur Andersen & Co.
No. AF 0103
Public Accountants

Pushpanathan a/l S. A. Kanagarayar
No. 1056/03/03(J/PH)
Partner of the Firm

Dated: 26 October, 2001

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

CONSOLIDATED BALANCE SHEET – 31 AUGUST, 2001

	<u>Note</u>	<u>2001</u> RM	<u>2000</u> RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	128,901,007	131,763,072
Associated companies	5	112,114,461	93,990,165
Other investments	6	2,528,622	17,957,921
		<u>243,544,090</u>	<u>243,711,158</u>
CURRENT ASSETS			
Inventories	7	1,964,262	1,710,988
Trade receivables	8	2,518,810	3,850,553
Other receivables	9	11,082,812	3,850,146
Deposits with financial institutions	10	119,436,294	108,996,179
Cash and bank balances		2,108,634	4,446,717
		<u>137,110,812</u>	<u>122,854,583</u>
CURRENT LIABILITIES			
Trade payables	11	1,378,532	1,933,016
Other payables		2,992,327	3,650,747
Dividend payable		9,199,658	8,820,900
		<u>13,570,517</u>	<u>14,404,663</u>
NET CURRENT ASSETS		<u>123,540,295</u>	<u>108,449,920</u>
		<u>367,084,385</u>	<u>352,161,078</u>
FINANCED BY:			
Share capital	12	83,559,250	55,687,500
Reserves	13	280,616,320	293,521,763
Shareholders' equity		<u>364,175,570</u>	<u>349,209,263</u>
Retirement benefits		101,815	144,815
Deferred taxation	14	2,807,000	2,807,000
Non- current liabilities		<u>2,908,815</u>	<u>2,951,815</u>
		<u>367,084,385</u>	<u>352,161,078</u>

The accompanying notes are an integral part of this balance sheet.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST, 2001

	Note	2001 RM	2000 RM
Revenue	15	58,097,707	78,807,566
Cost of sales	15	(32,128,630)	(38,619,052)
Gross profit		<u>25,969,077</u>	<u>40,188,514</u>
Other operating income		17,838,316	4,845,158
Selling expenses		(2,942,861)	(2,601,573)
Administrative expenses		(6,379,962)	(5,808,830)
Replanting expenditure		(454,874)	(1,169,956)
Profit from operations	16	<u>34,029,696</u>	<u>35,453,313</u>
Share of results of associated companies		3,848,283	2,498,901
Profit before taxation		<u>37,877,979</u>	<u>37,952,214</u>
Taxation	18	(6,372,612)	(10,163,178)
Net profit for the year		<u><u>31,505,367</u></u>	<u><u>27,789,036</u></u>
Basic earnings per stock unit	20	<u><u>37.7 sen</u></u>	<u><u>33.3 sen</u></u>
Diluted earnings per stock unit	20	<u><u>37.0 sen</u></u>	<u><u>Not applicable</u></u>

The accompanying notes are an integral part of this statement.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST, 2001**

	<u>Share capital</u> RM	<u>Non- distributable reserves</u> RM	<u>Distributable reserves</u> RM	<u>Total</u> RM
At 1.9.1999	55,687,500	51,788,995	229,379,275	336,855,770
Net profit for the year	-	-	27,789,036	27,789,036
Transfer to capital reserve relating to gain on sale of investments	-	-	(2,741)	(2,741)
Dividends (Note 19)	-	-	(16,038,000)	(16,038,000)
Currency translation difference, representing gain not recognised in the income statement	-	602,457	-	602,457
Transfer from income statement	-	-	2,741	2,741
At 31.8.2000	<u>55,687,500</u>	<u>52,391,452</u>	<u>241,130,311</u>	<u>349,209,263</u>
At 1.9.2000	55,687,500	52,391,452	241,130,311	349,209,263
Net profit for the year	-	-	31,505,367	31,505,367
Transfer to capital reserve relating to gain on sale of investments	-	-	(14,244,673)	(14,244,673)
Dividends (Note 19)	-	-	(16,416,758)	(16,416,758)
Transfer from income statement	-	-	14,244,673	14,244,673
Bonus issue	27,843,750	(27,843,750)	-	-
Issue of shares pursuant to ESOS	28,000	70,280	-	98,280
Losses not recognised in income statement	-	(220,582)	-	(220,582)
Currency translation difference	-	(148,472)	-	(148,472)
Expenses in connection with issue of shares	-	(72,110)	-	(72,110)
At 31.8.2001	<u>83,559,250</u>	<u>24,397,400</u>	<u>256,218,920</u>	<u>364,175,570</u>

An analysis of the movement in each category within reserves is set out in Note 13.

The accompanying notes are an integral part of this statement.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST, 2001

	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,877,979	37,952,214
Adjustments for:		
Depreciation	3,421,987	3,202,816
Property, plant and equipment written off	3,792	33,709
Unexercised quoted warrants written off	-	547,746
Dividend income	(768,790)	(1,405,336)
Interest income	(3,244,523)	(3,810,505)
Gain on disposal of property, plant and equipment	(14,500)	(139,365)
Gain on disposal of investments	(14,244,673)	(2,741)
Share of results of associated companies	(3,848,283)	(2,498,901)
Expenses in connection with issue of shares	193,806	-
Provision for doubtful debts	674,261	-
Provision for diminution in value of investments	394,283	-
Operating profit before working capital changes	20,445,339	33,879,637
Decrease in receivables	1,939,946	1,270,161
(Increase)/decrease in inventories	(253,274)	1,913,407
Decrease in payables	(1,212,904)	(1,445,477)
Cash generated from operating activities	20,919,107	35,617,728
Income taxes paid	(13,864,909)	(14,060,971)
Retirement benefits paid	(43,000)	-
Net cash generated from operating activities	7,011,198	21,556,757
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(563,714)	(4,407,502)
Investments in associated companies	(15,270,874)	(12,300,000)
Proceeds from disposal of property, plant and equipment	14,500	146,300
Proceeds from disposal of investments	31,857,320	2,800,442
Purchase of investments	(3,420,421)	(3,369,699)
Interest income	3,259,597	3,831,024
Dividend income	577,272	1,046,866
Distribution from capital reduction in a quoted investment	842,790	-
Net cash generated from/(used in) investing activities	17,296,470	(12,252,569)
CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from issue of shares pursuant to ESOS	98,280	-
Expenses in connection with issue of shares	(265,916)	-
Dividends paid	(16,038,000)	(16,038,000)
Net cash used in financing activities	(16,205,636)	(16,038,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	8,102,032	(6,733,812)
CASH AND CASH EQUIVALENTS AT 1.9.2000/1999	113,442,896	120,176,708
CASH AND CASH EQUIVALENTS AT 31.8.2001/2000	121,544,928	113,442,896
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	2,108,634	4,446,717
Deposits with financial institutions	119,436,294	108,996,179
	121,544,928	113,442,896

The accompanying notes are an integral part of this statement.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

BALANCE SHEET – 31 AUGUST, 2001

	<u>Note</u>	<u>2001</u> RM	<u>2000</u> RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	128,901,007	131,763,072
Subsidiary company	4	32,108,329	32,108,329
Associated companies	5	72,604,716	57,333,842
Other investments	6	2,528,622	17,957,921
		<u>236,142,674</u>	<u>239,163,164</u>
CURRENT ASSETS			
Inventories	7	1,964,262	1,710,988
Trade receivables	8	2,518,810	3,850,553
Other receivables	9	11,079,419	3,848,972
Deposits with financial institutions	10	119,346,294	108,906,179
Cash and bank balances		2,101,501	4,435,482
		<u>137,010,286</u>	<u>122,752,174</u>
CURRENT LIABILITIES			
Trade payables	11	1,378,532	1,933,016
Other payables		2,991,327	3,649,747
Dividend payable		9,199,658	8,820,900
		<u>13,569,517</u>	<u>14,403,663</u>
NET CURRENT ASSETS		<u>123,440,769</u>	<u>108,348,511</u>
		<u>359,583,443</u>	<u>347,511,675</u>
FINANCED BY:			
Share capital	12	83,559,250	55,687,500
Reserves	13	273,115,378	288,872,360
Shareholders' equity		<u>356,674,628</u>	<u>344,559,860</u>
Retirement benefits		101,815	144,815
Deferred taxation	14	2,807,000	2,807,000
Non-current liabilities		<u>2,908,815</u>	<u>2,951,815</u>
		<u>359,583,443</u>	<u>347,511,675</u>

The accompanying notes are an integral part of this balance sheet.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST, 2001

	<u>Note</u>	<u>2001</u> RM	<u>2000</u> RM
Revenue	15	58,097,707	78,807,566
Cost of sales	15	(32,128,630)	(38,619,052)
Gross profit		<u>25,969,077</u>	<u>40,188,514</u>
Other operating income		17,835,211	4,842,139
Selling expenses		(2,942,861)	(2,601,573)
Administrative expenses		(6,375,509)	(5,804,640)
Replanting expenditure		(454,874)	(1,169,956)
Profit from operations	16	<u>34,031,044</u>	<u>35,454,484</u>
Taxation	18	(5,525,688)	(9,868,430)
Net profit for the year		<u><u>28,505,356</u></u>	<u><u>25,586,054</u></u>

The accompanying notes are an integral part of this statement.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST, 2001**

	<u>Share capital</u> RM	Non- distributable <u>reserves</u> RM	Distributable <u>reserves</u> RM	<u>Total</u> RM
At 1.9.1999	55,687,500	51,528,397	227,795,909	335,011,806
Net profit for the year	-	-	25,586,054	25,586,054
Transfer to capital reserve relating to gain on sale of investments	-	-	(2,741)	(2,741)
Dividends (Note 19)	-	-	(16,038,000)	(16,038,000)
Transfer from income statement	-	-	2,741	2,741
At 31.8.2000	<u>55,687,500</u>	<u>51,528,397</u>	<u>237,343,963</u>	<u>344,559,860</u>
At 1.9.2000	55,687,500	51,528,397	237,343,963	344,559,860
Net profit for the year	-	-	28,505,356	28,505,356
Transfer to capital reserve relating to gain on sale of investments	-	-	(14,244,673)	(14,244,673)
Dividends (Note 19)	-	-	(16,416,758)	(16,416,758)
Transfer from income statement	-	-	14,244,673	14,244,673
Bonus issue	27,843,750	(27,843,750)	-	-
Issue of shares pursuant to ESOS	28,000	70,280	-	98,280
Expenses in connection with issue of shares, representing loss not recognised in the income statement	-	(72,110)	-	(72,110)
At 31.8.2001	<u>83,559,250</u>	<u>23,682,817</u>	<u>249,432,561</u>	<u>356,674,628</u>

An analysis of the movement in each category within reserves is set out in Note 13.

The accompanying notes are an integral part of this statement.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST, 2001

	<u>2001</u> RM	<u>2000</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	34,031,044	35,454,484
Adjustments for:		
Depreciation	3,421,987	3,202,816
Property, plant and equipment written off	3,792	33,709
Dividend income	(768,790)	(1,405,336)
Interest income	(3,241,418)	(3,807,485)
Gain on disposal of property, plant and equipment	(14,500)	(139,365)
Unexercised quoted warrants written off	-	547,746
Gain on disposal of investments	(14,244,673)	(2,741)
Expenses in connection with issue of shares	193,806	-
Provision for doubtful debts	674,261	-
Provision for diminution in value of investments	394,283	-
Operating profit before working capital changes	20,449,792	33,883,828
Decrease in receivables	1,939,946	1,270,161
(Increase)/decrease in inventories	(253,274)	1,913,407
Decrease in payables	(1,212,904)	(1,445,477)
Cash generated from operating activities	20,923,560	35,621,919
Income taxes paid	(13,862,174)	(14,058,818)
Retirement benefits paid	(43,000)	-
Net cash generated from operating activities	7,018,386	21,563,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(563,714)	(4,407,502)
Investments in associated companies	(15,270,874)	(11,500,000)
Proceeds from disposal of property, plant and equipment	14,500	146,300
Proceeds from disposal of investments	31,857,320	2,800,442
Purchase of investments	(3,420,421)	(3,369,699)
Interest income	3,256,511	3,827,963
Dividend income	577,272	1,046,866
Advance to subsidiary	-	(800,000)
Distribution from capital reduction in a quoted investment	842,790	-
Net cash generated from/(used in) investing activities	17,293,384	(12,255,630)
CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from issue of shares pursuant to ESOS	98,280	-
Expenses in connection with issue of shares	(265,916)	-
Dividends paid	(16,038,000)	(16,038,000)
Net cash used in financing activities	(16,205,636)	(16,038,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	8,106,134	(6,730,529)
CASH AND CASH EQUIVALENTS AT 1.9.2000/1999	113,341,661	120,072,190
CASH AND CASH EQUIVALENTS AT 31.8.2001/2000	121,447,795	113,341,661
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	2,101,501	4,435,482
Deposits with financial institutions	119,346,294	108,906,179
	121,447,795	113,341,661

The accompanying notes are an integral part of this statement.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2001

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are the cultivation, processing and sale of crude palm oil and palm kernel.

The principal activity of the subsidiary is described in Note 4.

There were no significant changes in the nature of these activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Revenue Recognition

Revenue relating to sales of goods is recognised when delivery has taken place and the transfer of risks and rewards have been completed.

(c) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary. The subsidiary is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. The subsidiary is consolidated using the acquisition method of accounting.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

(d) Associated Companies

The Group treats as associated companies those companies in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. The Group's share of post acquisition results of associated companies is included in the consolidated income statement and the Group's interest in associated companies is stated at cost plus the Group's share of post-acquisition retained profits and reserves.

(e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Freehold and long term leasehold estates represent freehold and long term leasehold land and new planting expenditure.

The freehold estates and a long term leasehold estate of the Company have not been revalued since their revaluation in 1983. The directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of IAS16 (Revised) : Property, Plant and Equipment, these assets continue to be stated at their 1983 valuation less accumulated depreciation.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2001

Freehold estates are not depreciated. Long term leasehold land is depreciated over the period of the respective leases of 86 years and 99 years.

Depreciation of other property, plant and equipment is provided on a straight line basis to write off the cost of each asset over its estimated useful life. The principal annual rates of depreciation are as follows:

Buildings	2% - 10%
Plant and machinery	10%
Motor vehicles, estate equipment and furniture	5% - 20%

The carrying values of property, plant and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(f) New Planting Expenditure

New planting expenditure incurred on land clearing and upkeep of oil palms to maturity are capitalised under estate costs and are not depreciated.

(g) Replanting Expenditure

Replanting expenditure incurred in the financial year is charged to the income statement. Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

(h) Inventories

Inventories of oil palm produce and estate stores are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Cost of inventories of oil palm produce includes, where appropriate, the cost of direct materials, direct labour and appropriate production overheads.

(i) Currency Conversion and Translation

Transactions in foreign currencies during the financial year are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences are taken to the income statement.

The Group's share of net assets of a foreign associated company are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. All exchange differences due to such currency translation are taken to reserves.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2001

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:

	<u>2001</u> RM	<u>2000</u> RM
Singapore Dollar	2.14	2.18

(j) Retirement Benefits

The Group does not have a defined contribution plan nor a defined benefit plan. The Group voluntarily provides for retirement benefits, in addition to the statutory obligations, covering all eligible employees at rates determined by the directors.

(k) Investments

Investments in subsidiary, associated companies and other long term investments are stated at cost less provision for any permanent diminution in value.

Gains arising from sale of investments are transferred to capital reserve.

(l) Deferred Taxation

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and in banks and deposits with financial institutions.

(n) Trade and Other Receivables

Trade and other receivables are carried at anticipated realisable value. Bad debts are written off when identified. An estimate is made for doubtful debts based on review of all outstanding amounts as at the financial year end.

3. PROPERTY, PLANT AND EQUIPMENT

	VALUATION	<----- COST ----->			
Group and Company	Freehold and long term leasehold estates RM	Long term leasehold estate and buildings RM	Motor vehicles, estate equipment and furniture RM	Plant and machinery RM	Total RM
<u>2001</u>					
<u>Valuation/Cost</u>					
At 1.9.2000	82,591,309	50,208,793	9,789,578	26,404,486	168,994,166
Additions	-	5,205	280,121	278,388	563,714
Disposal	-	-	(32,940)	-	(32,940)
Write offs	-	-	(17,274)	(86,159)	(103,433)
At 31.8.2001	82,591,309	50,213,998	10,019,485	26,596,715	169,421,507

CHIN TECK PLANTATIONS BERHAD (3250V)
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NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2001

<u>Group and Company</u>	<u>Freehold and long term leasehold estates</u> RM	<u>Long term leasehold estate and buildings</u> RM	<u>Motor vehicles, estate equipment and furniture</u> RM	<u>Plant and machinery</u> RM	<u>Total</u> RM
<u>Accumulated Depreciation</u>					
At 1.9.2000	2,094,300	11,245,518	6,940,848	16,950,428	37,231,094
Charge	232,700	993,882	635,151	1,560,254	3,421,987
Disposal	-	-	(32,940)	-	(32,940)
Write offs	-	-	(14,714)	(84,927)	(99,641)
At 31.8.2001	2,327,000	12,239,400	7,528,345	18,425,755	40,520,500
<u>Net Book Value</u>					
At 31.8.2001	80,264,309	37,974,598	2,491,140	8,170,960	128,901,007
At 31.8.2000	80,497,009	38,963,275	2,848,730	9,454,058	131,763,072
Depreciation charge for 2000	232,700	981,917	616,406	1,371,793	3,202,816

The details of freehold and long term leasehold estates at valuation are as follows:

<u>Group and Company</u>	<u>Freehold estates</u> RM	<u>Long term leasehold estate</u> RM	<u>Total</u> RM
<u>Valuation</u>			
At 1.9.2000/31.8.2001	38,558,155	44,033,154	82,591,309
<u>Accumulated Depreciation</u>			
At 1.9.2000	-	2,094,300	2,094,300
Charge	-	232,700	232,700
At 31.8.2001	-	2,327,000	2,327,000
<u>Net Book Value</u>			
At 31.8.2001	38,558,155	41,706,154	80,264,309
At 31.8.2000	38,558,155	41,938,854	80,497,009
Depreciation charge for 2000	-	232,700	232,700

CHIN TECK PLANTATIONS BERHAD (3250V)
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NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2001

The details of long term leasehold estate and buildings at cost are as follows:

<u>Cost</u>	Long term leasehold <u>estate</u> RM	<u>Buildings</u> RM	<u>Total</u> RM
At 1.9.2000	31,327,736	18,881,057	50,208,793
Additions	-	5,205	5,205
At 31.8.2001	31,327,736	18,886,262	50,213,998

Accumulated Depreciation

At 1.9.2000	759,168	10,486,350	11,245,518
Charge	84,352	909,530	993,882
At 31.8.2001	843,520	11,395,880	12,239,400

Net Book Value

At 31.8.2001	30,484,216	7,490,382	37,974,598
At 31.8.2000	30,568,568	8,394,707	38,963,275
Depreciation charge for 2000	84,352	897,565	981,917

- (a) The freehold and long term leasehold estates were revalued by a firm of professional valuers in 1983 based on their open market values on existing use basis. The details are as follows:

<u>Description of Property</u>	<u>Amount</u> RM
Freehold estate at Jemima Estate	22,508,573
Freehold estate at Gua Musang Estate	16,049,582
Long term leasehold estate at Keratong Estate	44,033,154
	<u>82,591,309</u>

Had the revalued estates been carried at historical cost, the net book value of the freehold and long term leasehold estates that would have been included in the financial statements of the Group and the Company as at 31 August, 2001 would be approximately RM7,362,035 (2000 : RM7,362,035) and RM12,193,074 (2000 : RM12,360,102) respectively.

- (b) Included in the cost of property, plant and equipment are the following property, plant and equipment, at cost, which have been fully depreciated but are still in use:

	<u>Group and Company</u>	
	<u>2001</u> RM	<u>2000</u> RM
Buildings	5,192,257	5,190,575
Plant and machinery	10,844,057	11,014,338
Motor vehicles	3,599,998	3,477,444
Estate equipment and furniture	1,203,712	1,205,679
	<u>20,840,024</u>	<u>20,888,036</u>

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4. SUBSIDIARY COMPANY

	<u>Company</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
Investment in subsidiary:		
Unquoted shares, at cost	100,000	100,000
Due from subsidiary	32,008,329	32,008,329
	<u>32,108,329</u>	<u>32,108,329</u>

The subsidiary company which is incorporated in Malaysia is:

<u>Name of Company</u>	<u>Effective Interest</u>		<u>Paid-up Capital</u>		<u>Principal Activity</u>
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	
	%	%	RM	RM	
Double Alliance Sdn. Bhd.	100	100	100,000	100,000	Investment holding.

The amount due from subsidiary is unsecured, interest free and has no fixed terms of repayment.

5. ASSOCIATED COMPANIES

	<u>Group</u>		<u>Company</u>	
	RM	RM	RM	RM
Unquoted shares, at cost	104,604,716	89,333,842	72,604,716	57,333,842
Share of post-acquisition reserves	6,801,048	3,799,154	-	-
Currency translation difference	708,697	857,169	-	-
	<u>112,114,461</u>	<u>93,990,165</u>	<u>72,604,716</u>	<u>57,333,842</u>
Represented by:				
Share of net tangible assets	<u>112,114,461</u>	<u>93,990,165</u>		

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The associated companies are:

<u>Name of Company</u>	<u>Effective Interest</u>		<u>Country of Incorporation</u>	<u>Financial Year End</u>	<u>Principal Activity</u>
	<u>2001</u> %	<u>2000</u> %			
Sin Thye Management Sdn. Bhd.	50	50	Malaysia	31 December	Provision of management and advisory services and acting as an insurance agent
West Synergy Sdn. Bhd.	40	40	Malaysia	31 December	Property development and investment
Global Formation (M) Sdn. Bhd.	50	50	Malaysia	31 December	Investment holding
Gaeronic Pte. Ltd.	24.88	24.88	Republic of Singapore	31 December	Investment holding and food manufacturing

6. OTHER INVESTMENTS

	<u>Group and Company</u>	
	<u>2001</u> RM	<u>2000</u> RM
Quoted shares, at cost		
In Malaysia	1,852,964	671,965
Outside Malaysia	593,741	16,809,756
	<u>2,446,705</u>	<u>17,481,721</u>
Provision for diminution in value	(394,283)	-
	<u>2,052,422</u>	<u>17,481,721</u>
Unquoted shares, at cost	476,200	476,200
Total other investments	<u>2,528,622</u>	<u>17,957,921</u>
Market value of quoted shares		
In Malaysia	1,709,838	599,398
Outside Malaysia	342,584	22,620,000
	<u>2,052,422</u>	<u>23,219,398</u>

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7. INVENTORIES

	<u>Group and Company</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
Oil palm produce	299,916	456,350
Estate stores	1,664,346	1,254,638
	<u>1,964,262</u>	<u>1,710,988</u>

8. TRADE RECEIVABLES

	<u>Group and Company</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
Trade receivables	2,954,114	4,087,522
Less : Provision for doubtful debts	(435,304)	(236,969)
	<u>2,518,810</u>	<u>3,850,553</u>

9. OTHER RECEIVABLES

	<u>Group</u>		<u>Company</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM	RM	RM	RM
Tax recoverable	8,804,734	274,530	8,801,594	273,592
Other receivables, deposits and prepayments	2,754,004	3,575,616	2,753,751	3,575,380
	<u>11,558,738</u>	<u>3,850,146</u>	<u>11,555,345</u>	<u>3,848,972</u>
Less: Provision for doubtful debts	(475,926)	-	(475,926)	-
	<u>11,082,812</u>	<u>3,850,146</u>	<u>11,079,419</u>	<u>3,848,972</u>

10. DEPOSITS WITH FINANCIAL INSTITUTIONS

	<u>Group</u>		<u>Company</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM	RM	RM	RM
Deposits with:				
- licensed banks	104,236,294	102,996,179	104,146,294	102,906,179
- licensed finance companies	15,200,000	6,000,000	15,200,000	6,000,000
	<u>119,436,294</u>	<u>108,996,179</u>	<u>119,346,294</u>	<u>108,906,179</u>

Deposits with licensed banks amounting to RM790,794 (2000 : RM783,679) have been pledged to the banks for guarantee facilities provided to the Company.

11. TRADE PAYABLES

Included in trade payables is an amount of RM91,721 (2000 : RM112,741) due to Negri Sembilan Oil Palms Berhad, a company in which several directors and substantial shareholders have interests (as referred to in Note 24).

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12. SHARE CAPITAL

	<u>2001</u> RM	<u>2000</u> RM
(a) Authorised:		
Shares of RM1 each, 150,000,000 shares	<u>150,000,000</u>	<u>150,000,000</u>
(b) Issued and fully paid:		
Stock units of RM1 each		
At 1.9.2000/1999, 55,687,500 units	55,687,500	55,687,500
Issued and fully paid up during the year		
- Bonus issue of 1 : 2, 27,843,750 units (2000: Nil)	27,843,750	-
- Issued pursuant to ESOS, 28,000 units (2000: Nil)	<u>28,000</u>	<u>-</u>
At 31.8.2001/2000, 83,559,250 (2000 : 55,687,500) units	<u>83,559,250</u>	<u>55,687,500</u>

The details of options under the ESOS to subscribe for shares which were outstanding as at 31 August, 2001 are as follows:

<u>Option expiry date</u>	<u>Subscription price</u>	<u>No. of shares</u>
30 January, 2006	RM3.51	7,842,000

The consideration is payable in full on exercise of options.

13. RESERVES

	<u>Group</u>		<u>Company</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Non-distributable	24,397,400	52,391,452	23,682,817	51,528,397
Distributable	<u>256,218,920</u>	<u>241,130,311</u>	<u>249,432,561</u>	<u>237,343,963</u>
	<u>280,616,320</u>	<u>293,521,763</u>	<u>273,115,378</u>	<u>288,872,360</u>

The movement in each category of non-distributable reserves is as follows:

	<u>Share</u> <u>premium</u> RM	<u>Revaluation</u> <u>reserve</u> RM	<u>Capital</u> <u>reserve of</u> <u>associated</u> <u>company</u> RM	<u>Exchange</u> <u>fluctuation</u> <u>reserve</u> RM	<u>Total</u> RM
<u>Group</u>					
At 1.9.1999	4,294,323	47,234,074	5,886	254,712	51,788,995
Currency translation difference, representing gain not recognised in the income statement	-	-	-	602,457	602,457
At 31.8.2000	<u>4,294,323</u>	<u>47,234,074</u>	<u>5,886</u>	<u>857,169</u>	<u>52,391,452</u>

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	<u>Share premium</u> RM	<u>Revaluation reserve</u> RM	<u>Capital reserve of associated company</u> RM	<u>Exchange fluctuation reserve</u> RM	<u>Total</u> RM
<u>Group</u>					
At 1.9.2000	4,294,323	47,234,074	5,886	857,169	52,391,452
Bonus issue	(4,226,713)	(23,617,037)	-	-	(27,843,750)
Issue of shares pursuant to ESOS	70,280	-	-	-	70,280
Losses not recognised in income statement	(72,110)	-	-	(148,472)	(220,582)
Currency translation difference	-	-	-	(148,472)	(148,472)
Expenses in connection with issue of shares	(72,110)	-	-	-	(72,110)
At 31.8.2001	<u>65,780</u>	<u>23,617,037</u>	<u>5,886</u>	<u>708,697</u>	<u>24,397,400</u>
<u>Company</u>					
At 1.9.1999/ 31.8.2000	<u>4,294,323</u>	<u>47,234,074</u>	<u>-</u>	<u>-</u>	<u>51,528,397</u>
At 1.9.2000	4,294,323	47,234,074	-	-	51,528,397
Bonus issue	(4,226,713)	(23,617,037)	-	-	(27,843,750)
Issue of shares pursuant to ESOS	70,280	-	-	-	70,280
Expenses in connection with issue of shares, representing loss not recognised in income statement	<u>(72,110)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,110)</u>
At 31.8.2001	<u>65,780</u>	<u>23,617,037</u>	<u>-</u>	<u>-</u>	<u>23,682,817</u>

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The movement in each category of distributable reserve is as follows:

	Capital reserve relating to gain on sale of <u>investments</u> RM	General <u>reserve</u> RM	Retained <u>profits</u> RM	<u>Total</u> RM
<u>Group</u>				
At 1.9.1999	3,936,378	4,350,000	221,092,897	229,379,275
Net profit for the year	-	-	27,789,036	27,789,036
Transfer to capital reserve relating to gain on sale of investments	-	-	(2,741)	(2,741)
Dividends (Note 19)	-	-	(16,038,000)	(16,038,000)
Transfer from income statement	2,741	-	-	2,741
At 31.8.2000	<u>3,939,119</u>	<u>4,350,000</u>	<u>232,841,192</u>	<u>241,130,311</u>
At 1.9.2000	3,939,119	4,350,000	232,841,192	241,130,311
Net profit for the year	-	-	31,505,367	31,505,367
Transfer to capital reserve relating to gain on sale of investments	-	-	(14,244,673)	(14,244,673)
Dividends (Note 19)	-	-	(16,416,758)	(16,416,758)
Transfer from income statement	14,244,673	-	-	14,244,673
At 31.8.2001	<u>18,183,792</u>	<u>4,350,000</u>	<u>233,685,128</u>	<u>256,218,920</u>
<u>Company</u>				
At 1.9.1999	3,936,378	4,350,000	219,509,531	227,795,909
Net profit for the year	-	-	25,586,054	25,586,054
Transfer to capital reserve relating to gain on sale of investments	-	-	(2,741)	(2,741)
Dividends (Note 19)	-	-	(16,038,000)	(16,038,000)
Transfer from income statement	2,741	-	-	2,741
At 31.8.2000	<u>3,939,119</u>	<u>4,350,000</u>	<u>229,054,844</u>	<u>237,343,963</u>
At 1.9.2000	3,939,119	4,350,000	229,054,844	237,343,963
Net profit for the year	-	-	28,505,356	28,505,356
Transfer to capital reserve relating to gain on sale of investments	-	-	(14,244,673)	(14,244,673)
Dividends (Note 19)	-	-	(16,416,758)	(16,416,758)
Transfer from income statement	14,244,673	-	-	14,244,673
At 31.8.2001	<u>18,183,792</u>	<u>4,350,000</u>	<u>226,898,769</u>	<u>249,432,561</u>

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14. DEFERRED TAXATION

		<u>Group and Company</u>	
		<u>2001</u>	<u>2000</u>
		RM	RM
(a)	At 1.9.2000/1999	2,807,000	2,563,000
	Transfer from income statement (Note 18)	-	244,000
	At 31.8.2001/2000	<u>2,807,000</u>	<u>2,807,000</u>
(b)	Deferred taxation is provided in respect of:		
	Timing differences between depreciation and corresponding capital allowances	9,976,000	10,004,000
	Other timing differences	<u>49,000</u>	<u>21,000</u>
		<u>10,025,000</u>	<u>10,025,000</u>

Deferred taxation amounting to RM2,362,000 (2000 : RM2,362,000) is not provided on the surplus arising from the revaluation of freehold and long term leasehold estates as it is not the intention of the directors to dispose these properties.

15. REVENUE AND COST OF SALES

Revenue of the Group and the Company represents the invoiced value of sales of crude palm oil and palm kernel. The cost of sales in relation to the Group's and Company's invoiced value of sales consists of cost of cultivation, raw materials, labour and overheads.

16. PROFIT FROM OPERATIONS

	<u>Group</u>		<u>Company</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM	RM	RM	RM
Profit from operations is stated after charging/ (crediting):				
Auditors' remuneration:				
- Audit fees	33,000	33,000	32,000	32,000
- Non-audit fees	19,000	13,000	19,000	13,000
Directors' remuneration (Note 17)	986,620	822,092	986,620	822,092
Depreciation	3,421,987	3,202,816	3,421,987	3,202,816
Property, plant and equipment written off	3,792	33,709	3,792	33,709
Provision for doubtful debts	674,261	-	674,261	-
Provision for diminution in value of investments	394,283	-	394,283	-
Unexercised quoted warrants written off	-	547,746	-	547,746
Staff costs (including salaries and other emoluments of executive directors (Note 17))	5,483,914	5,261,525	5,483,914	5,261,525

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	<u>Group</u>		<u>Company</u>	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Gain on disposal of property, plant and equipment	(14,500)	(139,365)	(14,500)	(139,365)
Gross dividends received from:				
Quoted investments in Malaysia	(43,690)	(53)	(43,690)	(53)
Quoted investments outside Malaysia	(725,100)	(1,405,283)	(725,100)	(1,405,283)
Interest income	(3,244,523)	(3,810,505)	(3,241,418)	(3,807,485)
Gain on disposal of investments	(14,244,673)	(2,741)	(14,244,673)	(2,741)
Gain on foreign exchange	<u>(562,403)</u>	<u>(8,116)</u>	<u>(562,403)</u>	<u>(8,116)</u>

17. DIRECTORS' REMUNERATION

	<u>Group and Company</u>	
	<u>2001</u> RM	<u>2000</u> RM
Directors of the Company		
Executives:		
Salaries	420,000	332,000
Commission	378,679	389,999
Other emoluments	4,000	-
Fees	<u>52,696</u>	<u>37,000</u>
	<u>855,375</u>	<u>758,999</u>
Non-Executives:		
Fees	125,245	63,093
Other emoluments	<u>6,000</u>	<u>-</u>
	<u>131,245</u>	<u>63,093</u>
Total	<u>986,620</u>	<u>822,092</u>

The number of directors of the Company whose total remuneration during the year fall within the following bands are:

	<u>Number of Directors</u>	
	<u>2001</u>	<u>2000</u>
Executive directors:		
RM150,001 – RM200,000	-	1
RM200,001 - RM250,000	1	1
RM250,001 - RM300,000	1	-
RM300,001 -RM350,000	-	1
RM350,001 - RM400,000	<u>1</u>	<u>-</u>
	<u>3</u>	<u>3</u>
Non-Executive directors:		
Below RM50,000	<u>8</u>	<u>9</u>
	<u>11</u>	<u>12</u>

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18. TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM	RM	RM	RM
Current year's provision:				
Malaysian	5,446,978	9,265,960	5,446,978	9,265,960
Foreign	180,570	358,470	180,570	358,470
	<u>5,627,548</u>	<u>9,624,430</u>	<u>5,627,548</u>	<u>9,624,430</u>
Transfer to deferred taxation (Note 14)	-	244,000	-	244,000
	<u>5,627,548</u>	<u>9,868,430</u>	<u>5,627,548</u>	<u>9,868,430</u>
Taxation (over)/under provided in prior years	(101,325)	446	(101,860)	-
	<u>5,526,223</u>	<u>9,868,876</u>	<u>5,525,688</u>	<u>9,868,430</u>
Share of taxation of associated companies	846,389	294,302	-	-
	<u>6,372,612</u>	<u>10,163,178</u>	<u>5,525,688</u>	<u>9,868,430</u>

The disproportionate tax rate for the Group and the Company is due mainly to the gain on sale of investments which is not assessable for tax purposes.

As at 31 August, 2001, the Company has tax exempt profits available for distribution of approximately RM62,813,000 (2000 : RM72,013,000) subject to agreement with the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account to frank the payment of dividends amounting to RM170,778,000 (2000 : RM174,165,000) out of its entire distributable reserves as at 31 August, 2001 without incurring additional tax liability. If the balance of the distributable reserves were to be distributed as dividends, the Company would have a Section 108 shortfall of approximately RM22,023,000 (2000 : RM17,690,000).

19. DIVIDENDS

	<u>Amount</u>		<u>Dividend per stock unit</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	RM	RM	Sen	sen
First interim dividend of 12% (2000 : 18%) less 28% taxation	7,217,100	7,217,100	8.6	13.0
Second interim dividend of 11% tax exempt (2000 : 22% less 28% taxation)	9,199,658	8,820,900	11.0	15.8
	<u>16,416,758</u>	<u>16,038,000</u>	<u>19.6</u>	<u>28.8</u>

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20. EARNINGS PER STOCK UNIT - GROUP

The basic and diluted earnings per stock unit are calculated as follows:

	<u>Net profit for the year</u> (RM)		<u>Weighted average</u> <u>number of stock units</u>		<u>Earnings per</u> <u>stock unit</u> (sen)	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Basic	31,505,367	27,789,036	83,531,864	83,531,250*	37.7	33.3
Diluted						
Assumed						
conversion						
of ESOS	-	-	1,514,317	-		
	<u>31,505,367</u>	<u>27,789,036</u>	<u>85,046,181</u>	<u>83,531,250*</u>	37.0	NA

(NA – Not applicable)

* The comparative weighted average number of stock units has been adjusted for the bonus issue during the financial year.

21. SIGNIFICANT EVENTS

During the financial year, the Company:

- (i) allotted and issued 27,843,750 new shares of RM1.00 each, which are immediately converted into ordinary stock units of RM1.00 each, credited as fully paid-up pursuant to the bonus issue on the basis of one new share for every two existing ordinary stock units of RM1.00 each held in the Company via the capitalisation of RM23,617,037 and RM4,226,713 from the revaluation reserve account and share premium account respectively.
- (ii) implemented the employee share option scheme ("ESOS") for eligible employees and executive directors of the Group whereby a total of 28,000 options were exercised at the subscription price of RM3.51 per share during the financial year. The new shares to be issued pursuant to the ESOS will be immediately converted into new ordinary stock units of RM1.00 each in the Company upon allotment and issue.
- (iii) obtained approval of the shareholders to subscribe for 32,000,000 cumulative redeemable preference shares ("CRPS") of RM0.10 each representing 80% of the total CRPS in an associated company, Global Formation (M) Sdn. Bhd., at an issue price of RM1.00 per CRPS for a total cash subscription sum of RM32,000,000.

Global Formation (M) Sdn. Bhd. would utilise the cash subscription sum from the issuance of CRPS to meet additional funding requirements of its joint venture companies in Lampung, Sumatra, Indonesia for the development and planting of an additional 4,000 hectares of land into oil palm plantations and the construction of one new processing plant. A total of 10,400,000 CRPS of RM0.10 each was subscribed for by the Company during the financial year.

- (iv) pursuant to the rights issue of shares in an associated company, Gaeronic Pte. Ltd., subscribed for its entitlement totalling 1,761,504 ordinary shares of S\$1.00 each in Gaeronic Pte. Ltd., at S\$1.25 per share for a total cash consideration of RM4,870,874.

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22. SUBSEQUENT EVENTS

Subsequent to the financial year,

- (i) the Company subscribed for 3,360,000 CRPS of RM0.10 each in Global Formation (M) Sdn. Bhd. at RM1.00 per CRPS for a total cash consideration of RM3,360,000.
- (ii) a total of 85,000 new shares of RM1.00 each were issued pursuant to the ESOS of the Company.

23. SEGMENTAL INFORMATION

No segmental information has been prepared as the Group's principal activity involves predominantly the cultivation, processing and sale of crude palm oil and palm kernel and is wholly carried out in Malaysia.

24. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

	<u>Group and Company</u>	
	<u>2001</u> RM	<u>2000</u> RM
Purchase of oil palm produce from Seong Thye Plantations Sdn. Bhd., a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests	<u>681,322</u>	<u>829,118</u>
Transactions with Negri Sembilan Oil Palms Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Gho Bun Tjin, Goh Beng Hwa, Goh Lei Eng and Sio Sit Po) have interests:		
Purchase of oil palm produce	2,616,380	4,236,879
Sale of property, plant and equipment	<u>-</u>	<u>(130,800)</u>
Management fees paid to Sin Thye Management Sdn. Bhd., an associated company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Gho Bun Tjin and Goh Lei Eng) have interests	<u>156,809</u>	<u>161,556</u>
Agency fee paid to Tat Lee Commodities Pte. Ltd., a company incorporated in the Republic of Singapore, in which several directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Seh Kiat, Goh Lei Eng and Gho Bun Tjin) have interests	<u>18,000</u>	<u>18,000</u>
Purchase of fertilisers from Kai Lee Company, the sole proprietor of whom, Ng Yong Seng, is connected to several directors (namely, Goh Eng Chew, Goh Han Teng and Goh Pock Ai)	<u>2,543,542</u>	<u>1,750,254</u>
Purchase of fertilisers from Yew Hoe Chan, a partnership of whom, two of the partners, Gan Eng Heng and Gan Kim Farn, are connected to a director, Gan Kim Leng	<u>1,890,105</u>	<u>2,348,132</u>

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2001

	<u>Group and Company</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
Sale of oil palm produce to Eng Thye Plantations Berhad, a company in which several substantial shareholders and directors (Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Gho Bun Tjin, Goh Beng Hwa, Goh Lei Eng and Sio Sit Po) have interests	257,218	-
	<u>257,218</u>	<u>-</u>
	<u>Group</u>	
	<u>2001</u>	<u>2000</u>
	RM	RM
Secretarial fee paid to Sin Thye Management Sdn. Bhd., an associated company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Gho Bun Tjin and Goh Lei Eng) have interests	1,800	1,800
	<u>1,800</u>	<u>1,800</u>

The substantial shareholders referred to above are Tiong Thye Company Berhad, Goh Eng Chew, Gho Lian Chin and Goh Seh Kiat.

Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin are deemed interested by virtue of their interests and/or directorships in Tiong Thye Company Berhad and/or the respective companies.

Wong Aun Phui, Goh Beng Hwa and Sio Sit Po are deemed interested by virtue of their interests and/or directorships in the respective companies.

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

25. CURRENCY

All amounts are stated in Ringgit Malaysia, unless otherwise stated.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

SHAREHOLDING STATISTICS AS AT 30 NOVEMBER, 2001

Share capital

Authorised	: RM150,000,000
Issued and fully paid	: RM84,322,250
Class of stock units	: Ordinary stock units of RM1 each
Voting rights	: One vote per stock unit
No. of shareholders	: 2,246

Substantial shareholders (excluding bare trustees) as shown in the register of substantial shareholders.

Name of Substantial Shareholders	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units	%	No. of Stock Units	%
Tiong Thye Company Berhad	33,506,718	39.74	-	-
Goh Eng Chew	100,000	0.12	33,520,968	39.75
Gho Lian Chin	-	-	33,562,968	39.80
Goh Seh Kiat	-	-	33,506,718	39.74

Interests of directors in the stock units of the Company and shares in its subsidiary, Double Alliance Sdn Bhd.

Name of Directors	<-----Company----->				<-----Subsidiary ----->			
	<-----Ordinary stock units of RM1 each----->		<-----Ordinary shares of RM1 each----->		<-----Ordinary shares of RM1 each----->		<-----Ordinary shares of RM1 each----->	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Goh Eng Chew	100,000	0.12	33,520,968	39.75	-	-	100,000*	100.00
Wong Aun Phui	630,250	0.75	-	-	-	-	-	-
Goh Pock Ai	70,000	0.08	-	-	-	-	-	-
Goh Beng Hwa	2,652,655	3.15	455,625	0.54	-	-	-	-
Goh Lei Eng	-	-	-	-	-	-	-	-
Dr Goh Han Teng	164,250	0.19	-	-	-	-	-	-
Gho Lian Chin	-	-	33,562,968	39.80	-	-	100,000*	100.00
Sio Sit Po	414,000	0.49	1,293,750	1.53	-	-	-	-
Goh Yeok Beng	12,000	0.01	-	-	-	-	-	-
Dr Gan Kim Leng	68,812	0.08	2,103,750	2.49	-	-	-	-
Keong Choon Keat	-	-	-	-	-	-	-	-
Goh Seh Kiat	-	-	33,506,718	39.74	-	-	100,000*	100.00
Goh Wei Lei	-	-	-	-	-	-	-	-
Gho Bun Tjin	-	-	-	-	-	-	-	-

* Deemed interests by virtue of their interests in the Company pursuant to Section 6A of the Companies Act, 1965.

Distribution schedule of issued and paid-up share capital.

No. of Holders	%	Holdings	Total Holdings	%
123	5.48	Less than 1,000	56,220	0.07
1,803	80.28	1,000 to 10,000	5,100,970	6.05
251	11.17	10,001 to 100,000	7,174,901	8.50
68	3.03	100,001 to less than 5% of the issued shares	38,483,441	45.64
1	0.04	5% and above of the issued shares	33,506,718	39.74
2,246	100.00		84,322,250	100.00

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

SHAREHOLDING STATISTICS AS AT 30 NOVEMBER, 2001

List of 30 largest securities account holders according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same person)

	Name	No. of Stock Units	%
1.	Tiong Thye Company Berhad	33,506,718	39.74
2.	Gan Puay Chee Sendirian Berhad	3,195,000	3.79
3.	Shing Loong Sdn Berhad	2,951,905	3.50
4.	Keck Seng (Malaysia) Berhad	2,784,375	3.30
5.	Goh Beng Hwa @ Gho Bin Hoa	2,652,655	3.15
6.	Gan Seng Lian Sendirian Berhad	1,868,250	2.22
7.	Phua Thian Kang Sdn. Berhad	1,300,000	1.54
8.	Citicorp Nominees (Asing) Sdn Bhd CB GW SPORE for Keppel TatLee Bank Limited	1,297,500	1.54
9.	Affin-UOB Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Hillcrest Pte Ltd	1,293,750	1.53
10.	Affin-UOB Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Sio Sioe Soen	1,156,875	1.37
11.	Gho Eng Liong	1,097,625	1.30
12.	Chew Huaipin Sdn Bhd	1,012,000	1.20
13.	Gan Kim Toon Sdn Bhd	924,625	1.10
14.	Kam Loong Mining Sdn Bhd	920,000	1.09
15.	Citicorp Nominees (Asing) Sdn Bhd KBNPL for Nanyang Gum Benjamin Manufacturing Pte Ltd	902,100	1.07
16.	Lim Kee Chiok Sendirian Berhad	734,719	0.87
17.	Chin Leong Huat Sdn Bhd	724,125	0.86
18.	Goh Hooi Khim	705,750	0.84
19.	Gho Kim Phek @ Goh Kim Phaik	678,937	0.81
20.	Wong Aun Phui	630,250	0.75
21.	Mayban Securities Nominees (Asing) Sdn Bhd OCBC Securities Private Limited for Hin Lam Trading Company Private Limited	562,500	0.67
22.	Mayban Securities Nominees (Asing) Sdn Bhd DMG & Partners Securities Pte Ltd for Seng Hong Chan (S) Pte Ltd	500,125	0.59
23.	OSK Nominees (Asing) Sdn Berhad DBS Vickers Secs (S) Pte Ltd for Lee Beng Wah	469,500	0.56
24.	Thye Heng (How Kee) Company Sdn Bhd	461,500	0.54
25.	Ong Swee Heoh	455,625	0.54
26.	HDM Nominees (Asing) Sdn Bhd Ong & Company Private Limited for Sio Sit Po	414,000	0.49
27.	Lembaga Tabung Haji	373,500	0.44
28.	Mayban Securities Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Sio Leh Koen	364,218	0.43
29.	Gan Kan @ Gan Keng	344,344	0.40
30.	Ang Tien Cheng & Sons Sdn Bhd	321,000	0.38
		<u>64,603,471</u>	<u>76.61</u>

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

LIST OF PROPERTIES AS AT 31 AUGUST, 2001

Location	Tenure	Size	Description	Net book value as at 31 August, 2001
		Hectares		RM'000
Jemima & Sungei Sendayan Estate ^{*b}	Freehold	1,680	Oil palm estate with mill (Approximate age of mill: 16 years)	23,266 ^{*a}
Lot 490, 491, 495, 3058, 3059, 1750, 1973 and part of Lot 3060 Mukim of Jimah Lot 1006, 1125, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913 and 1914 Mukim of Port Dickson Daerah Port Dickson Negeri Sembilan				
Gua Musang Estate ^{*b}	Freehold	1,618	Oil palm estate with mill (Approximate age of mill: 30 years)	17,248 ^{*a}
Lot 154 Mukim of Ketil Daerah Gua Musang Kelantan Darul Naim				
Keratong Estate				77,724 ^{*a}
PT 353 ^{*b} Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 18.04.2075)	4,044	Oil palm estate with two mills (Approximate age of mills: 5 and 21 years respectively)	
PT 5117 ^{*c} Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 17.07.2094)	527		
PT 2604 ^{*d} Mukim of Keratong Daerah Rompin Pahang Darul Makmur	Leasehold (expires on 01.10.2056 with an option to extend for 33 years)	3,520		
				118,238

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

LIST OF PROPERTIES AS AT 31 AUGUST, 2001

- (a) Comprises the value of the estates and buildings. The net book value of the estates as at 31 August, 2001 are as follows: -

	Valuation (RM'000)	Cost (RM'000)	Total (RM'000)
Jemima Estate	22,509	-	22,509
Gua Musang Estate	16,049	-	16,049
Keratong Estate	41,706	30,484	72,190
	<u>80,264</u>	<u>30,484</u>	<u>110,748</u>

- (b) The estates were revalued in 1983. The directors have not adopted a policy of regular revaluations of such estates. As permitted under the transitional provisions of IAS16 (Revised) : Property, Plant and Equipment, these assets continue to be stated at their 1983 revaluation less accumulated depreciation.
- (c) Date of acquisition: 17 July, 1995
- (d) Date of acquisition: 1 October, 1990

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

OTHER INFORMATION

(a) Material Contracts

Other than the recurrent related party transactions of a revenue or trading nature with related parties, there were no material contracts entered into by the Company and its subsidiary which involved the directors' and major shareholders' either still subsisting at the end of the financial year ended 31 August, 2001 or entered into since the end of the previous financial year.

Recurrent related party transactions entered into by the Company during the financial year ended 31 August, 2001: -

	RM
Purchase of oil palm produce from Seong Thye Plantations Sdn. Bhd., a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests.	<u>681,322</u>
Purchase of oil palm produce from Negri Sembilan Oil Palms Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Gho Bun Tjin, Goh Beng Hwa, Goh Lei Eng and Sio Sit Po) have interests.	<u>2,616,380</u>
Management fees paid to Sin Thye Management Sdn. Bhd., an associated company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Gho Bun Tjin and Goh Lei Eng) have interests.	<u>156,809</u>
Agency fee paid to Tat Lee Commodities Pte. Ltd., a company incorporated in the Republic of Singapore, in which several directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Wei Lei, Goh Seh Kiat, Goh Lei Eng and Gho Bun Tjin) have interests.	<u>18,000</u>
Purchase of fertilisers from Kai Lee Company, the sole proprietor of whom, Ng Yong Seng, is connected to several directors (namely, Goh Eng Chew, Goh Han Teng and Goh Pock Ai)	<u>2,543,542</u>
Purchase of fertilisers from Yew Hoe Chan, a partnership of whom, two of the partners, Gan Eng Heng and Gan Kim Farn, are connected to a director, Gan Kim Leng.	<u>1,890,105</u>
Sale of oil palm produce to Eng Thye Plantations Berhad, a company in which several substantial shareholders and directors (Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Gho Bun Tjin, Goh Beng Hwa, Goh Lei Eng and Sio Sit Po) have interests.	<u>257,218</u>

Recurrent related party transaction entered into by Double Alliance Sdn Bhd, the wholly owned subsidiary of the Company during the financial year ended 31 August, 2001: -

	RM
Secretarial fee paid to Sin Thye Management Sdn. Bhd., an associated company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Gho Bun Tjin and Goh Lei Eng) have interests.	<u>1,800</u>

The substantial shareholders referred to above are Tiong Thye Company Berhad, Goh Eng Chew, Gho Lian Chin and Goh Seh Kiat.

Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin are deemed interested by virtue of their interests and/or directorships in Tiong Thye Company Berhad and/or the respective companies.

Wong Aun Phui, Goh Beng Hwa and Sio Sit Po are deemed interested by virtue of their interests and/or directorships in the respective companies.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

OTHER INFORMATION

- (b) Options under the Chin Teck Plantations Berhad Employee Share Option Scheme ('ESOS') exercised during the financial year ended 31 August, 2001

During the financial year ended 31 August, 2001, 28,000 of options under the ESOS were exercised at the subscription price of RM3.51 per share.

- (c) Sanctions and /or penalties

On 8 January, 2001, Jemima Estate was compounded with an amount of RM2,500 by the Malaysian Palm Oil Board for failing to declare accurate and complete information in the monthly return for the period from September, 1999 to April, 2000 to them.

- (d) Non-audit fees paid to external auditors for the year ended 31 August, 2001

During the financial year ended 31 August, 2001, non-audit fees paid or payable to the external auditors amounted to RM19,000.

CHIN TECK PLANTATIONS BERHAD (3250V)
(Incorporated in Malaysia)

FORM OF PROXY

I / We
of
being a member of CHIN TECK PLANTATIONS BERHAD hereby appoint
.....
of
or failing him / her
of

as my / our proxy to attend and vote on my / our behalf at the Forty Third Annual General Meeting of the Company to be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 25 January, 2002 at 12.00 noon and at any adjournment thereof.

Ordinary Resolutions	For	Against
1. To receive and adopt the Directors' Report and the Financial Statements for the financial year ended 31 August, 2001 and the Auditors' Report thereon.		
2. To increase the directors' fees for the financial year ended 31 August, 2001 to RM206,000 and to authorise the directors to divide such fees in the proportions and manner to be determined by them.		
3. To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company: - (i) Mr Goh Yeok Beng (ii) Mdm Goh Lei Eng (iii) Mr Gho Lian Chin		
4. To re-elect the following director retiring under Article 97 of the Articles of Association of the Company: - (i) Mr Keong Choon Keat		
5. (i) To re-appoint Mr Goh Eng Chew as director pursuant to Section 129(6) of the Companies Act, 1965		
(ii) To re-appoint Mr Wong Aun Phui as director pursuant to Section 129(6) of the Companies Act, 1965		
(iii) To re-appoint Mr Goh Beng Hwa as director pursuant to Section 129(6) of the Companies Act, 1965		
6. To re-appoint Messrs Arthur Andersen & Co. as auditors and to authorise the directors to fix their remuneration.		

(Please indicate with "X" or "✓" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signature(s)

Date:

No. of stock units held	
-------------------------	--

NOTES:

1. A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. If the member is a corporation, the Form of Proxy must be executed under its common seal or under the hand of a person duly authorised in writing.
3. The Form of Proxy must be deposited at the Registered Office, No. 107-1 Changkat Tambi Dollah, 55100 Kuala Lumpur not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.