

CHIN TECK PLANTATIONS BERHAD

(Company No. 3250-V)

Incorporated In Malaysia

2002

ANNUAL REPORT

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FINANCIAL HIGHLIGHT AND FINANCIAL CALENDAR

FINANCIAL HIGHLIGHT - GROUP

	2002	2001
	RM'000	RM'000
Revenue	70,429	58,098
Operating profit	36,044	34,030
Share of results of associated companies	1,725	3,848
Profit before taxation	37,769	37,878
Taxation	(10,208)	(6,372)
Profit for the year attributable to shareholders	27,561	31,506
Dividends	17,449	16,417
Issued and paid-up share capital	87,440	83,559
Shareholders' funds	387,961	364,175
Earnings per stock unit		
- Basic	32.3 sen	37.7 sen
- Diluted	31.9 sen	37.0 sen
Dividends		
- First interim dividend	9% tax exempt	12% less 28% taxation
- Second interim dividend	11% tax exempt	11% tax exempt
Dividend cover (times)	1.6	1.9
Net tangible assets per stock unit	RM4.44	RM4.36

FINANCIAL CALENDAR

Financial year	1 September, 2001 to 31 August, 2002
Announcement of results	
First financial quarter ended 30 November, 2001	25 January, 2002
Second financial quarter ended 28 February, 2002	26 April, 2002
Third financial quarter ended 31 May, 2002	25 July, 2002
Fourth financial quarter ended 31 August, 2002	29 October, 2002
Dividends payment	
First interim	13 June, 2002
Second interim	30 August, 2002
Despatch of 2002 Annual Report	3 January, 2003
Forty Fourth Annual General Meeting	27 January, 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty Fourth Annual General Meeting of the Company will be held at Ballroom 2, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Monday, 27 January, 2003 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, 2002 and the Auditors' Report thereon. (Resolution 1)
2. To approve the directors' fees for the financial year ended 31 August, 2002 and to authorise the directors to divide such fees in the proportions and manner to be determined by them. (Resolution 2)
3. To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company: -
 - (i) Mr Goh Pock Ai (Resolution 3)
 - (ii) Dr Gan Kim Leng (Resolution 4)
4. 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." (Resolution 5)
 - (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." (Resolution 6)
 - (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." (Resolution 7)
5. Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed on page 76 of the Annual Report has been received by the Company for the nomination of Messrs. Ernst & Young who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution: -

" That Messrs. Ernst & Young be and are hereby appointed Auditors of the Company in place of retiring Auditors, Messrs. Arthur Andersen & Co. at a remuneration to be fixed by the Directors and to hold office until the conclusion of the next Annual General Meeting." (Resolution 8)
6. As special business, to consider and if thought fit, pass the following resolutions: -

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE CTP GROUP TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES ("PROPOSAL")

"THAT, pursuant to paragraph 10.09 of the Listing Requirements of Kuala Lumpur Stock Exchange, authority be and is hereby given to allow the Company and its subsidiary(ies) ("CTP Group") to enter into any of the category of recurrent related party transactions of a revenue or trading nature with: -

- (i) Negri Sembilan Oil Palms Berhad (Resolution 9)
- (ii) Seong Thye Plantations Sdn Bhd (Resolution 10)
- (iii) Sin Thye Management Sdn Bhd (Resolution 11)
- (iv) Tat Lee Commodities Private Limited (Resolution 12)
- (v) Kai Lee Company (Resolution 13)
- (vi) Yew Hoe Chan (Resolution 14)

as set out in paragraph 2 of the Circular to Shareholders dated 3 January 2003 which shall be considered and approved as separate mandates, provided that: -

- (a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the breakdown of the aggregate value of the recurrent related parties transactions conducted during a financial year based on information, such as the type of the recurrent related parties transactions made, and the names of the related parties involved in each type of the recurrent related parties transactions made and their relationship with the Company will be disclosed in the annual report for the said financial year;

AND THAT such approval will take effect from the passing of the ordinary resolution and will continue to be in force (unless revoked or varied by the Company in general meeting) until:-

- (a) the conclusion of the next AGM of the Company in 2004 (and will be subject to annual renewal) at which time it will lapse, unless by a resolution passed at that meeting or EGM whereby the authority is renewed;
- (b) the expiration of the period within which the next AGM of CTP after the date it is required to be held pursuant to Section 143(1) of the Companies Act 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in an AGM or EGM;
- (d) the timeframe in accordance with any guidelines, rules and regulations of the relevant authorities governing the shareholders' mandate for the CTP Group to enter into recurrent related party transactions of a revenue or trading nature with related parties;

whichever is earlier;

AND THAT, the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Proposal."

- 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, 2003

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.
- 4. For Item 6, further information on the Proposal are set out in the Circular to Shareholders dated 3 January, 2003 which is despatched together with the Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election and re-appointment at the Forty Fourth Annual General Meeting

- | | |
|---------------------|--|
| (a) Goh Pock Ai | - Retiring pursuant to Article 94 of the Articles of Association |
| (b) Dr Gan Kim Leng | - Retiring pursuant to Article 94 of the Articles of Association |
| (c) Goh Eng Chew | - Retiring pursuant to Section 129 of the Companies Act, 1965 |
| (d) Wong Aun Phui | - Retiring pursuant to Section 129 of the Companies Act, 1965 |
| (e) Goh Beng Hwa | - Retiring pursuant to Section 129 of the Companies Act, 1965 |

2. Details of attendance of Directors at Board Meeting held during the financial year ended 31 August, 2002

A total of four (4) Board Meetings were held during the financial year ended 31 August, 2002.

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

<u>Name</u>	<u>Number of Meetings Attended</u>
Goh Eng Chew	4
Wong Aun Phui	4
Goh Pock Ai	4
Goh Beng Hwa	4
Sio Sit Po	3
Dr Gan Kim Leng	4
Keong Choon Keat	4
Goh Lei Eng	0
Dr Goh Han Teng	4
Gho Lian Chin	4
Goh Yeok Beng	4

3. Forty Fourth Annual General Meeting

Venue : Ballroom 2, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur
Date : 27 January, 2003 (Monday)
Time : 12.00 noon.

4. Details of Directors who are standing for re-election and re-appointment

- (a) Goh Pock Ai, 62 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. His shareholding in the Company and the wholly owned subsidiary, Double Alliance Sdn Bhd, as at 29 November, 2002, are as follows: -

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
200,000 (Direct)	0.23	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 74 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- (b) Dr Gan Kim Leng, 60 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. His shareholding in the Company and the wholly owned subsidiary, Double Alliance Sdn Bhd, as at 29 November, 2002, are as follows:-

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
68,812 (Direct)	0.08	Nil	Nil
2,103,750 (Indirect)	2.40		

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 74 of the Annual Report, the Company purchases fertilisers, which is necessary for the day-to-day operations, from Yew Hoe Chan, a partnership of whom two of the partners are his brothers.

- (c) Goh Eng Chew. Executive Chairman. 71-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 29 November, 2002, are as follows: -

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
200,000 (Direct)	0.23	100,000*	100.00
33,520,968 (Indirect)	38.21		

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

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 74 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- (d) Wong Aun Phui, 80 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, West Synergy Sdn Bhd (Chairman), 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 29 November, 2002, are as follows: -

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
730,250 (Direct)	0.83	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 74 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.

- (e) Goh Beng Hwa, 71 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 29 November, 2002, are as follows: -

<-----Company----->		<-----Subsidiary----->	
Ordinary Stock Units of RM 1 each		Ordinary Shares of RM1 each	
No.	%	No.	%
2,652,655 (Direct)	3.02	Nil	Nil
455,625 (Indirect)	0.52		

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 74 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.

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

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

AUDIT COMMITTEE

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

**NOMINATION COMMITTEE &
REMUNERATION COMMITTEE**

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

COMPANY SECRETARY

Gan Kok Tiong B.Commerce (Accounting)(Hons.), CA(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

PROFILE OF DIRECTORS

Goh Eng Chew

Executive Chairman. 71-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 74 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, 2002: 4 out of 4

Wong Aun Phui

80 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 74 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, 2002: 4 out of 4

Goh Pock Ai

62 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 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 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 74 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, 2002: 4 out of 4

PROFILE OF DIRECTORS

Goh Beng Hwa

71 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 74 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, 2002: 4 out of 4

Sio Sit Po

54 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 74 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, 2002: 3 out of 4

Dr Gan Kim Leng

60 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 74 of the Annual Report, the Company purchases fertilisers, 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, 2002: 4 out of 4

Keong Choon Keat

58 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 Institute 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, 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, 2002: 4 out of 4

PROFILE OF DIRECTORS

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.

62 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 74 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, 2002: 4 out of 4

Gho Lian Chin

54 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 74 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, 2002: 4 out of 4

Goh Yeok Beng

53 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 74 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, 2002: 4 out of 4

PROFILE OF DIRECTORS

Goh Wei Lei (alternate to Goh Eng Chew)

34 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 74 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 (alternate to Gho Lian Chin)

52 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 74 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.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Chin Teck Plantations Berhad, I take great pleasure in presenting the Annual Report and the Audited Financial Statements of the Group and of the Company for the financial year ended 31 August, 2002.

The measures initiated by the Government in 2001 together with aggressive marketing efforts by the industry have stimulated an increase in export and reduced the carryover stock of palm oil. With the reduction in palm oil stock, prices improved progressively. Replanting of uneconomic old palms, encouraged by the introduction of Oil Palm Replanting Incentive Scheme, and the cyclical effect on the production of oil palms i.e. tree stress and production fatigue, have resulted in a decline of the production of crude palm oil. Expectation of higher import by China, the reduction of import duty by the Indian Government and the fear of El-Nino weather phenomenon have further supported the improvement in prices.

Global adverse weather conditions have resulted in tight supply of vegetable oils while demand is expected to remain strong. Lower soyabean harvests due to adverse weather conditions have tightened supply and raised soyaoil prices. This has further supported the rally in palm oil prices.

FINANCIAL PERFORMANCE

During the financial year under review, revenue of the Group increased by 21.22% to RM70,428,860 due mainly to the substantial increase in the average selling prices of crude palm oil and palm kernel. The increase in revenue has contributed to a substantial improvement in plantation profit.

Included in the preceding financial year's profit was an amount of RM14,244,673, mainly from the gain relating to the acceptance of the cash offers for the shares in Keppel Capital Holdings Ltd which was one-off transaction and not assessable for tax purposes. This has resulted in a decrease of 12.52% in profit after taxation to RM27,561,125.

Share of results of associated companies decreased from RM3,848,283 to RM1,725,315 due mainly to lower contribution from West Synergy Sdn Bhd, an associated company engaged in property development.

Shareholders' funds increased by 6.53% to RM387,961,754.

DIVIDENDS

Total dividends of 20%, tax exempt, in respect of the financial year ended 31 August, 2002 were paid during the financial year. i.e. a first interim dividend of 9%, tax exempt, was paid on 13 June, 2002 and a second interim dividend of 11%, tax exempt, was paid on 30 August, 2002. In view of the payment of the interim dividends, the Board has not recommended any final dividend in respect of the financial year ended 31 August, 2002.

OPERATION REVIEW

Jemima & Sungei Sendayan Estate

Production of ffb decreased by 16.79% to 52,193 m/t. Purchases of ffb also decreased by 29.24% to 15,112 m/t. Accordingly, production of crude palm oil decreased by 17.93% to 12,227 m/t and production of palm kernel decreased by 20.42% to 3,714 m/t.

Gua Musang Estate

Production of ffb increased by 17.43% to 21,700 m/t. Purchases of ffb however decreased by 33.94% to 12,837 m/t. Overall, production of crude palm oil decreased by 6.50% to 7,078 m/t and production of palm kernel decreased by 2.20% to 1,820 m/t.

Production of ffb in Gua Musang Estate is expected to increase as the young matured palms in the replanted fields progressively attain prime production age.

CHAIRMAN'S STATEMENT

Keratong Estate

Production of ffb decreased by 14.72% to 160,901 m/t. Accordingly, production of crude palm oil decreased by 14.17% to 31,775 m/t and production of palm kernel decreased by 11.22% to 9,906 m/t.

ASSOCIATED COMPANIES

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

10,000 hectares of land in the estates at Lampung, Sumatera have been planted. The construction of the processing plant is in progress and is expected to be completed by the second quarter of 2003.

Approximately 6,000 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 1,852 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. The project has received favourable response.

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

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

CORPORATE DEVELOPMENT

During the financial year,

- (a) the issued and paid-up share capital of the Company was increased from RM83,559,250 to RM87,440,250 by way of the issuance of 3,881,000 ordinary shares of RM1 each pursuant to the exercise of options under the Employee Share Option Scheme.
- (b) the Company further subscribed for 13,058,400 cumulative redeemable preference shares ("CRPS") of RM0.10 each in Global Formation (M) Sdn Bhd at an issue price of RM1.00 per CRPS.

The Company has obtained the approval of the shareholders to subscribe for 32,000,000 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 on 27 November, 2000.

To date the Company has subscribed for a total of 30,146,400 CRPS of RM0.10 each at the issue price of RM1.00 each.

- (c) the Company obtained the approval of the shareholders at the Extraordinary General Meeting held on 25 January, 2002: -
 - (i) to amend 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
 - (ii) for the Group to enter into 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.

CHAIRMAN'S STATEMENT

On 29 October, 2002, the Company announced that it proposes to seek the approval of shareholders for the proposed renewal of shareholders' mandate for the Group to enter into recurrent related party transactions at the forthcoming Annual General Meeting.

A separate Circular to Shareholders, the purpose of which is to provide information on and to seek the approval for the ordinary resolution pertaining to the proposed renewal of shareholders' mandate is enclosed together with the Annual Report.

Board of Directors

I regret to report that Mdm Goh Lei Eng was disqualified as a director of the Company and her office as a director of the Company was vacated pursuant to Article 99(a)(v) of the Articles of Association of the Company and Paragraph 15.05(1)(c) of the Listing Requirements of Kuala Lumpur Stock Exchange with effect from 1 September, 2002 by virtue of her absence from more than 50% of the total meetings of Directors held during the financial year ended 31 August, 2002. Her alternate, Goh Seh Kiat, ipso facto, ceased as an alternate director of the Company with effect from 1 September, 2002.

OUTLOOK FOR YEAR 2003

The selling price of crude palm oil is expected to remain strong and this would have a positive impact on the financial performance for the financial year ending 31 August, 2003.

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: 19 December, 2002

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

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 system and management information system

Composition of the Board

The Board currently consists of ten directors: -

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

There are two 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.

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

The Executive Chairman, Goh Eng Chew, the Executive Director, Goh Pock Ai and the three Non-Independent Non-Executive Directors, 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 38.20% of the issued and paid-up share capital of the Company as at 29 November, 2002.

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, 2002 is set out on pages 23 to 26 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 participate in the discussion and comments are considered before a decision is made.

For Directors' meetings were held during the financial year ended 31 August, 2002 and the attendance of the Directors are as follows: -

<u>Name</u>	<u>Number of Meetings Attended</u>
Goh Eng Chew	4
Wong Aun Phui	4
Goh Pock Ai	4
Goh Beng Hwa	4
Sio Sit Po	3
Dr Gan Kim Leng	4
Keong Choon Keat	4
Goh Lei Eng	0
Dr Goh Han Teng	4
Gho Lian Chin	4
Goh Yeok Beng	4

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

Goh Lei Eng was disqualified as a director of the Company and her office as a director of the Company was vacated pursuant to Article 99(a)(v) of the Articles of Association of the Company and Paragraph 15.05(1)(c) of the Listing Requirements of Kuala Lumpur Stock Exchange with effect from 1 September, 2002 by virtue of her absence from more than 50% of the total meetings of Directors held during the financial year ended 31 August, 2002. Her alternate, Goh Seh Kiat, ipso facto, ceased as an alternate director of the Company with effect from 1 September, 2002.

Supply of Information

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

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

The Nomination Committee was established on 26 April, 2001. 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.

Two meetings of Nomination Committee were held during the financial year ended 31 August, 2002.

All members of the Nomination Committee attended the meetings.

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

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 present Directors have successfully attended the Mandatory Accreditation Programme ("MAP"). The Directors will attend the Continuing Education Programme ("CEP") once the training programme for CEP commences.

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

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 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 once at least three years but shall be eligible for re-election.

Directors who are of or over the age of seventy year 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.

The Remuneration Committee was established on 26 April, 2001. 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.

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

All members of the Remuneration Committee attended the meetings.

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.

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

The details of the total remuneration of the Executive Directors and Non-Executive Director for the financial year ended 31 August, 2002 are as follows:-

	No. of Directors	Fees RM	Salaries RM	Commission RM	Other RM	Total RM
Executive Directors						
	1	20,000	180,000	179,716	-	379,716
	1	17,000	120,000	125,801	2,000	264,801
	1	17,000	120,000	89,858	4,000	230,858
	3	54,000	420,000	395,375	6,000	875,375
Non-Executive Directors						
	1	23,000	-	-	8,000	31,000
	1	21,000	-	-	8,000	29,000
	1	23,000	-	-	4,000	27,000
	1	19,000	-	-	4,000	23,000
	1	19,000	-	-	4,000	23,000
	1	17,000	-	-	3,000	20,000
	1	15,000	-	-	-	15,000
	1	15,000	-	-	-	15,000
	8	152,000	-	-	31,000	183,000
		206,000	420,000	395,375	37,000	1,058,375

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.

STATEMENT ON THE APPLICATION OF THE PRINCIPLES AND COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

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(15) of the Companies Act, 1965 is set out on page 37 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 27 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 function has been outsourced to Ernst & Young 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 23 to 26 of the Annual Report.

STATEMENT ON INTERNAL CONTROL

Pursuant to Paragraph 15.27(b) of the Listing Requirements of the Kuala Lumpur Stock Exchange, the Board of Directors is pleased to provide the following statement on the state of internal control of the Group. For the purposes of this statement, the Group refers to the Company and its subsidiary, excluding the associated companies.

RESPONSIBILITY

The Board has overall responsibility for maintaining an effective and sound system of internal control, which has been designed to meet the Group's particular needs and for reviewing its adequacy and integrity. There are inherent limitations to any system of internal control. The system of internal control is designed to manage risks to which the Group is exposed rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement or loss. Furthermore, it should be recognised that the cost of control procedures should not outweigh or exceed the expected benefits.

INTERNAL CONTROL PROCESSES

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the financial year under review and up to the date of approval of the annual report and financial statements.

The process is regularly reviewed by the Board and is in accordance with the guidance as contained in the publication – Statement of Internal Control: Guidance for Directors of Public Listed Companies.

KEY ELEMENTS OF INTERNAL CONTROL

- **Organisational Structure**

The Group is headed by the Executive Chairman and assisted by the Executive Directors. The Executive Chairman and Executive Directors have many years of experience in managing the Group's core business i.e. plantations.

There is in place an operating structure with clear defined lines of accountability and delegated authority for the estates.

- **Procedures Manual**

There is an Estate Procedures Manual that provides guidelines to staff members in respect of estate and mill operations.

The Estate Procedures Manual covers mainly operational, administrative, financial and reporting procedures.

- **Audit Committee and Internal Audit**

The Audit Committee was established with a view to assist the Board in discharging its duties. The internal audit function has the primary objective to carry out a review of the internal control system to determine if the accounting and internal control 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 auditors report directly to the Audit Committee. An internal audit report was presented to the Audit Committee during the financial year. The internal audit report summarised 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 by the management on implementation of recommendations in their earlier reports.

STATEMENT ON INTERNAL CONTROL

- **Financial Report**

The Group has in place a reporting mechanism whereby Directors receive monthly statement of accounts, which contain information on financial performance and plantation statistics.

Periodical Board meetings are held. 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 are presented to the Board at the Board meeting.

- **Estates Visits and Estates Managers Meetings**

An Executive Director and the General Manager regularly visit the Group's estates to monitor the state of affairs of the estates. During the visits, the estate managers report on the progress and performance of the respective estates and discuss and resolve estate operational and key management issues.

Other Directors also visit the Group's estates occasionally and their comments and suggestions for improvements are directed to the Executive Chairman and/or Executive Directors.

Estate Managers Meetings are held twice a year, alternating between an estate on a rotational basis and at head office to discuss and resolve estate operational and key management policies.

- **Review of Recurrent Related Party Transactions**

All recurrent related party transactions are dealt with in accordance with the Listing Requirements of the Kuala Lumpur Stock Exchange. The Board and the Audit Committee review the recurrent related party transactions quarterly.

RISK MANAGEMENT

Management regularly review, identify, evaluate, monitor and manage the significant risks faced by the Group. In addition, internal audit using a risk based approach annually review the operational procedures and processes to ensure the integrity of the management information system.

The Audit Committee chaired by an Independent Non-Executive Director and its members comprising a majority of Independent Non-Executive Directors, provide an independent review of the Group's process for producing financial data, the adequacy, effectiveness and integrity of the system of internal control, compliance with laws, regulations and guidelines, independence of external auditors and internal audit function.

CONCLUSION

The Board is of the opinion that the existing system of internal control is adequate to achieve the Group's business objectives. The Board will continuously assess the adequacy of the Group's system of internal control and make improvements and enhancements to the system as and when necessary.

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, 2002.

MEMBERS OF THE AUDIT COMMITTEE

The members of the Audit Committee during the financial year ended 31 August, 2002 are as follows:-

Chairman	Keong Choon Keat	- Independent Non-Executive Director
Members	Dr Gan Kim Leng	- Independent Non-Executive Director
	Sio Sit Po	- Independent Non-Executive Director
	Wong Aun Phui	- Non-Independent Executive Director
	Goh Pock Ai	- Non-Independent Executive Director

TERMS OF REFERENCE

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.

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.

REPORT ON AUDIT COMMITTEE

- 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
 - 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.

REPORT ON AUDIT COMMITTEE

- (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, 2002 AND ATTENDANCE OF EACH AUDIT COMMITTEE MEMBER

During the financial year ended 31 August 2002, a total of four 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	4
Dr Gan Kim Leng	4
Sio Sit Po	3
Wong Aun Phui	4
Goh Pock Ai	2

REPORT ON AUDIT COMMITTEE

SUMMARY OF THE ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 AUGUST, 2002

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, 2002: -

- (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 internal 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 appointment of external auditors.
- (e) Review the transactions with related parties as disclosed in the annual financial statements.

INTERNAL AUDIT FUNCTION

The internal audit function has been outsourced to Ernst & Young 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 auditors report directly to the Audit Committee.

An internal audit report of the Group for the financial year ended 31 August, 2002 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 by the management on implementation of recommendations in their earlier reports.

**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 39 to 68 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 38.

This statement is made in accordance with a resolution of the Board of Directors dated 29 October, 2002.

GROUP FINANCIAL PROFILE

	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	131,907	130,599	131,763	128,901	124,944
Investments	102,746	98,538	111,948	114,643	132,199
	<u>234,653</u>	<u>229,137</u>	<u>243,711</u>	<u>243,544</u>	<u>257,143</u>
CURRENT ASSETS					
Inventories	2,646	3,624	1,711	1,964	1,426
Trade receivables	4,633	4,593	3,851	2,519	4,514
Other receivables	4,148	3,648	3,850	11,083	3,099
Deposits with financial institutions	81,481	117,038	108,996	119,436	125,788
Cash and bank balances	3,529	3,139	4,447	2,109	2,106
	<u>96,437</u>	<u>132,042</u>	<u>122,855</u>	<u>137,111</u>	<u>136,933</u>
CURRENT LIABILITIES					
Trade payables	3,278	2,375	1,933	1,379	1,447
Other payables	4,174	5,899	3,651	2,992	2,094
Taxation	18,655	4,520	-	-	-
Dividend	15,236	8,821	8,821	9,200	-
	<u>41,343</u>	<u>21,615</u>	<u>14,405</u>	<u>13,571</u>	<u>3,541</u>
NET CURRENT ASSETS					
	<u>55,094</u>	<u>110,427</u>	<u>108,450</u>	<u>123,540</u>	<u>133,392</u>
	<u>289,747</u>	<u>339,564</u>	<u>352,161</u>	<u>367,084</u>	<u>390,535</u>
FINANCED BY:					
Share capital	55,688	55,688	55,688	83,559	87,440
Reserves	231,351	281,168	293,521	280,616	300,521
Shareholders' equity	<u>287,039</u>	<u>336,856</u>	<u>349,209</u>	<u>364,175</u>	<u>387,961</u>
Retirement benefits	145	145	145	102	-
Deferred taxation	2,563	2,563	2,807	2,807	2,574
Non-current liabilities	<u>2,708</u>	<u>2,708</u>	<u>2,952</u>	<u>2,909</u>	<u>2,574</u>
	<u>289,747</u>	<u>339,564</u>	<u>352,161</u>	<u>367,084</u>	<u>390,535</u>
Net tangible assets per stock unit (RM)	3.43*	4.03*	4.18*	4.36	4.44

* Adjusted for the Bonus Issue of 1 for 2.

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

GROUP FINANCIAL PROFILE

	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	92,634	108,293	78,808	58,098	70,429
Operating profit	51,812	64,795	35,453	34,030	36,044
Share of results of associated companies	1,344	107	2,499	3,848	1,725
Profit before taxation	53,156	64,902	37,952	37,878	37,769
Taxation	(14,450)	1,262	(10,163)	(6,372)	(10,208)
Net profit for the year	38,706	66,164	27,789	31,506	27,561
Dividends	20,047	16,038	16,038	16,417	17,449
Earnings per stock unit (sen)					
Basic	46.3*	79.2*	33.3*	37.7	32.3
Diluted	-	-	-	37.0	31.9
Net dividend (%)					
First interim	8.64	12.96	12.96	8.64	9.00
Second interim	12.96	15.84	15.84	11.00	11.00
Special	14.40	-	-	-	-
	36.00	28.80	28.80	19.64	20.00
Dividend cover (times)	1.9	4.1	1.7	1.9	1.6

* Adjusted for the Bonus Issue of 1 for 2.

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

PLANTATIONS STATISTICS

	1998	1999	2000	2001	2002
PLANTED AREA (HECTARES)					
As at 31, August					
Mature	10,466	10,750	11,036	11,512	11,450
Immature	1,123	788	502	-	-
	<u>11,589</u>	<u>11,538</u>	<u>11,538</u>	<u>11,512</u>	<u>11,450</u>
PRODUCTION (M/T)					
ffb					
- own estates	177,160	200,668	225,522	269,869	234,794
- purchased	37,874	49,312	43,251	40,791	27,949
	<u>215,034</u>	<u>249,980</u>	<u>268,773</u>	<u>310,660</u>	<u>262,743</u>
Crude palm oil	43,206	49,344	51,440	59,489	51,080
Palm kernel	12,466	13,898	15,346	17,686	15,440
EXTRACTION RATE (%)					
Crude palm oil	20.09	19.74	19.14	19.15	19.44
Palm kernel	5.80	5.56	5.71	5.69	5.88

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, 2002.

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 have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the year	<u>27,561,125</u>	<u>26,749,747</u>

DIVIDENDS

The amount of dividends paid or declared by the Company since 31 August, 2001 were as follows:

	RM
In respect of the financial year ended 31 August, 2001:	
Second interim dividend of 11%, tax exempt, paid on 12 December, 2001	9,266,538
In respect of the financial year ended 31 August, 2002:	
First interim dividend of 9%, tax exempt, paid on 13 June, 2002	7,779,622
Second interim dividend of 11%, tax exempt, paid on 30 August, 2002	<u>9,602,258</u>
	<u>26,648,418</u>

In view of the payment of the interim dividends, the directors do not recommend a 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 14 to the financial statements.

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 as doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent.

DIRECTORS' REPORT

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 including 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 Group and the Company 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 method 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.

SIGNIFICANT EVENTS

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

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 23 to the financial statements.

DIRECTORS' REPORT

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 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 have 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.

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.

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

DIRECTORS' REPORT

Exemption has been granted by the Companies Commission of Malaysia for the non-disclosure of names of eligible employees who have been granted with options below 100,000 units. The names of eligible employees (including executive directors) who have been granted with options of more than 100,000 units are as follows:

Name	Number of options
Goh Eng Chew	500,000
Wong Aun Phui	500,000
Goh Pock Ai	500,000
Wong Aun Jin	400,000
Gan Kok Tiong	350,000
Gan Tek Wat	300,000
Tan Ah Lek @ Tan Ban Chuan	300,000
Teh Kwee Huat	300,000
Loo Thung Chong	200,000
Soh Lep Ching @ Soh Lip Cheng	150,000
Goh Soo Ee	150,000
Wong Swee	130,000
Chong Kit Yin	130,000
Ong Hua Seng	130,000
Tan Ah Keng	120,000
	<u>4,160,000</u>

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:

Subscription price per share	At 1 September, 2001	Granted	Exercised	At 31 August, 2002
RM3.51	7,842,000	-	3,881,000	3,961,000

Subsequent to the end of the financial year, 230,000 options were exercised.

SHARE CAPITAL

During the financial year, the issued and paid-up share capital of the Company was increased from RM83,559,250 to RM87,440,250 by way of the issuance of 3,881,000 ordinary shares of RM1 each, for cash, pursuant to the ESOS.

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 Han Teng
Gho Lian Chin
Sio Sit Po
Goh Yeok Beng
Gan Kim Leng
Keong Choon Keat
Goh Wei Lei (alternate to Goh Eng Chew)
Gho Bun Tjin (alternate to Gho Lian Chin)
Goh Lei Eng (disqualified and office vacated on 1 September, 2002)
Goh Seh Kiat (alternate to Goh Lei Eng - ceased on 1 September, 2002)

DIRECTORS' REPORT

In accordance with the Company's Articles of Association, Goh Pock Ai and Gan Kim Leng 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.

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 18 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 26 to the financial statements.

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 RM1.00 Each

	At 1.9.2001	Bought	Sold	At 31.8.2002
Direct Interest				
Goh Eng Chew	-	200,000	-	200,000
Wong Aun Phui	530,250	200,000	-	730,250
Goh Pock Ai	-	200,000	-	200,000
Goh Beng Hwa	2,652,655	-	-	2,652,655
Goh Han Teng	164,250	-	(60,000)	104,250
Sio Sit Po	414,000	-	-	414,000
Goh Yeok Beng	12,000	12,000	-	24,000
Gan Kim Leng	68,812	-	-	68,812
Indirect Interest				
Goh Eng Chew	33,520,968	-	-	33,520,968
Goh Beng Hwa	455,625	-	-	455,625
Goh Han Teng	-	60,000	-	60,000
Gho Lian Chin	33,562,968	-	-	33,562,968
Sio Sit Po	1,293,750	-	-	1,293,750
Gan Kim Leng	2,103,750	-	-	2,103,750
Goh Seh Kiat	33,506,718	-	-	33,506,718

DIRECTORS' REPORT

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

Options Over Unissued Shares of RM1.00 Each				
	At 1.9.2001	Granted	Exercised	At 31.8.2002
Granted in 2001 at the subscription price of RM3.51 per share				
Goh Eng Chew	500,000	-	(200,000)	300,000
Wong Aun Phui	500,000	-	(200,000)	300,000
Goh Pock Ai	500,000	-	(200,000)	300,000

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.

AUDITORS

Our auditors, Arthur Andersen & Co., retire and do not seek re-appointment. A resolution to appoint Ernst & Young will be proposed at the forthcoming Annual General Meeting.

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

GOH ENG CHEW

WONG AUN PHUI

Kuala Lumpur
Dated: 29 October, 2002

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

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

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 39 to 68 give a true and fair view of the state of affairs of the Group and the Company as at 31 August, 2002 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: 29 October, 2002

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

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 39 to 68 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 29 October, 2002) GAN KOK TIONG

Before me:

OOI AH BAH
No. W152
Commissioner for Oaths
Kuala Lumpur

**REPORT OF THE AUDITORS TO THE MEMBERS OF
CHIN TECK PLANTATIONS BERHAD**

We have audited the financial statements set out on pages 39 to 68. 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 so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 31 August, 2002 and of their results and their cash flows 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 have considered the financial statements and the auditors' report of the subsidiary, as indicated in Note 4 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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.

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

Arthur Andersen & Co.
AF: 0103
Chartered Accountants

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

Dated: 29 October, 2002

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

CONSOLIDATED BALANCE SHEET As At 31 AUGUST, 2002

	Note	2002 RM	2001 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	124,943,835	128,901,007
Associated companies	5	126,038,389	112,114,461
Other investments	6	6,160,996	2,528,622
		<u>257,143,220</u>	<u>243,544,090</u>
CURRENT ASSETS			
Inventories	7	1,425,619	1,964,262
Trade receivables	8	4,514,088	2,518,810
Tax recoverable		2,277,365	8,804,734
Other receivables	9	821,846	2,278,078
Deposits with financial institutions	11	125,788,346	119,436,294
Cash and bank balances		2,106,379	2,108,634
		<u>136,933,643</u>	<u>137,110,812</u>
CURRENT LIABILITIES			
Trade payables	12	1,447,139	1,378,532
Other payables		2,093,970	2,992,327
Dividend payable		-	9,199,658
		<u>3,541,109</u>	<u>13,570,517</u>
NET CURRENT ASSETS		<u>133,392,534</u>	<u>123,540,295</u>
		<u><u>390,535,754</u></u>	<u><u>367,084,385</u></u>
FINANCED BY:-			
Share capital	13	87,440,250	83,559,250
Reserves	14	300,521,504	280,616,320
Shareholders' equity		<u>387,961,754</u>	<u>364,175,570</u>
Retirement benefits		-	101,815
Deferred taxation	15	2,574,000	2,807,000
Non- current liabilities		<u>2,574,000</u>	<u>2,908,815</u>
		<u><u>390,535,754</u></u>	<u><u>367,084,385</u></u>

The annexed notes form an integral part of these financial statements.

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

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST, 2002

	Note	2002 RM	2001 RM
Revenue	16	70,428,860	58,097,707
Cost of sales	16	(32,799,365)	(32,128,630)
Gross profit		<u>37,629,495</u>	<u>25,969,077</u>
Other operating income		7,608,522	17,838,316
Selling expenses		(2,539,496)	(2,942,861)
Administrative expenses		(6,655,022)	(6,379,962)
Replanting expenditure		-	(454,874)
Profit from operations	17	<u>36,043,499</u>	<u>34,029,696</u>
Share of results of associated companies		<u>1,725,315</u>	<u>3,848,283</u>
Profit before taxation		<u>37,768,814</u>	<u>37,877,979</u>
Taxation	19	<u>(10,207,689)</u>	<u>(6,372,612)</u>
Net profit for the year		<u><u>27,561,125</u></u>	<u><u>31,505,367</u></u>
Basic earnings per stock unit	21	<u><u>32.3 sen</u></u>	<u><u>37.7 sen</u></u>
Diluted earnings per stock unit	21	<u><u>31.9 sen</u></u>	<u><u>37.0 sen</u></u>

The annexed notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST, 2002**

	Share capital RM	Non- distributable reserves (Note 14) RM	Distributable reserves (Note 14) RM	Total RM
As at 1 September, 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 20)	-	-	(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)
As at 31 August, 2001	<u>83,559,250</u>	<u>24,397,400</u>	<u>256,218,920</u>	<u>364,175,570</u>
As at 1 September, 2001	83,559,250	24,397,400	256,218,920	364,175,570
Net profit for the year	-	-	27,561,125	27,561,125
Transfer to capital reserve by an associated company	-	447,785	(447,785)	-
Share of capital reserve of an associated company	-	(137,672)	-	(137,672)
Transfer to retained profits relating to disposal of freehold estate land	-	(267,658)	267,658	-
Dividends (Note 20)	-	-	(17,448,760)	(17,448,760)
Issue of shares pursuant to ESOS	3,881,000	9,741,517	-	13,622,517
Currency translation difference, representing gain not recognised in the income statement	-	188,974	-	188,974
As at 31 August, 2002	<u>87,440,250</u>	<u>34,370,346</u>	<u>266,151,158</u>	<u>387,961,754</u>

The annexed notes form an integral part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST, 2002**

	2002 RM	2001 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,768,814	37,877,979
Adjustments for:		
Depreciation	3,344,209	3,421,987
Property, plant and equipment written off	98,430	3,792
Dividend income	(153,681)	(768,790)
Interest income	(3,365,375)	(3,244,523)
Gain on disposal of property, plant and equipment	(3,729,257)	(14,500)
Loss/(gain) on sale of investments	87,512	(14,244,673)
Share of results of associated companies	(1,725,315)	(3,848,283)
Expenses in connection with issue of shares	-	193,806
Write back of provision for retirement benefits	(101,815)	-
(Write back) of/provision for doubtful debts	(111,596)	674,261
Unrealised loss on foreign exchange	33,151	-
(Write back) of/provision for diminution in value of investments	(276,351)	394,283
Operating profit before working capital changes	31,868,726	20,445,339
(Increase)/decrease in receivables	(654,450)	1,939,946
Decrease/(increase) in inventories	538,643	(253,274)
Decrease in payables	(829,750)	(1,212,904)
Cash generated from operating activities	30,923,169	20,919,107
Income taxes paid	(2,755,914)	(13,864,909)
Retirement benefits paid	-	(43,000)
Net cash generated from operating activities	28,167,255	7,011,198
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposits	(13,952)	(7,115)
Purchase of property, plant and equipment	(328,122)	(563,714)
Investments in associated companies	(13,058,400)	(15,270,874)
Proceeds from disposal of property, plant and equipment	4,650,000	14,500
Proceeds from sale of investments	1,675,246	31,857,320
Purchase of investments	(5,118,781)	(3,420,421)
Interest income	3,301,952	3,259,597
Dividend income	119,699	577,272
Distribution from capital reduction in a quoted investment	-	842,790
Net cash (used in)/generated from investing activities	(8,772,358)	17,289,355
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares pursuant to ESOS	13,622,517	98,280
Expenses in connection with issue of shares	-	(265,916)
Dividends paid	(26,648,418)	(16,038,000)
Net cash used in financing activities	(13,025,901)	(16,205,636)

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST, 2002 (CONT'D)

	2002	2001
	RM	RM
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,368,996	8,094,917
EFFECTS OF CHANGES IN EXCHANGE RATE	(33,151)	-
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER,		
2001/2000	<u>120,754,134</u>	<u>112,659,217</u>
CASH AND CASH EQUIVALENTS AT 31 AUGUST	<u><u>127,089,979</u></u>	<u><u>120,754,134</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Deposits with financial institutions (Note 11)	125,788,346	119,436,294
Less: Deposits pledged for guarantee facilities (Note 11)	<u>(804,746)</u>	<u>(790,794)</u>
	124,983,600	118,645,500
Cash and bank balances	<u>2,106,379</u>	<u>2,108,634</u>
	<u><u>127,089,979</u></u>	<u><u>120,754,134</u></u>

The annexed notes form an integral part of these financial statements.

BALANCE SHEET As At 31 AUGUST, 2002

	Note	2002 RM	2001 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	124,943,835	128,901,007
Subsidiary company	4	100,000	100,000
Associated companies	5	85,663,116	72,604,716
Other investments	6	6,160,996	2,528,622
		<u>216,867,947</u>	<u>204,134,345</u>
CURRENT ASSETS			
Inventories	7	1,425,619	1,964,262
Trade receivables	8	4,514,088	2,518,810
Tax recoverable		2,274,342	8,801,594
Other receivables	9	821,609	2,277,825
Due from subsidiary	10	32,008,329	32,008,329
Deposits with financial institutions	11	125,698,346	119,346,294
Cash and bank balances		2,101,961	2,101,501
		<u>168,844,294</u>	<u>169,018,615</u>
CURRENT LIABILITIES			
Trade payables	12	1,447,139	1,378,532
Other payables		2,092,970	2,991,327
Dividend payable		-	9,199,658
		<u>3,540,109</u>	<u>13,569,517</u>
NET CURRENT ASSETS		<u>165,304,185</u>	<u>155,449,098</u>
		<u><u>382,172,132</u></u>	<u><u>359,583,443</u></u>
FINANCED BY:-			
Share capital	13	87,440,250	83,559,250
Reserves	14	292,157,882	273,115,378
Shareholders' equity		<u>379,598,132</u>	<u>356,674,628</u>
Retirement benefits		-	101,815
Deferred taxation	15	2,574,000	2,807,000
Non-current liabilities		<u>2,574,000</u>	<u>2,908,815</u>
		<u><u>382,172,132</u></u>	<u><u>359,583,443</u></u>

The annexed notes form an integral part of these financial statements.

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

INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST, 2002

	Note	2002 RM	2001 RM
Revenue	16	70,428,860	58,097,707
Cost of sales	16	(32,799,365)	(32,128,630)
Gross profit		<u>37,629,495</u>	<u>25,969,077</u>
Other operating income		7,605,623	17,835,211
Selling expenses		(2,539,496)	(2,942,861)
Administrative expenses		(6,650,595)	(6,375,509)
Replanting expenditure		-	(454,874)
Profit from operations	17	<u>36,045,027</u>	<u>34,031,044</u>
Taxation	19	(9,295,280)	(5,525,688)
Net profit for the year		<u><u>26,749,747</u></u>	<u><u>28,505,356</u></u>

The annexed notes form an integral part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST, 2002

	Share capital RM	Non- distributable reserves (Note 14) RM	Distributable reserves (Note 14) RM	Total RM
As at 1 September, 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 20)	-	-	(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)
As at 31 August, 2001	<u>83,559,250</u>	<u>23,682,817</u>	<u>249,432,561</u>	<u>356,674,628</u>
As at 1 September, 2001	83,559,250	23,682,817	249,432,561	356,674,628
Net profit for the year	-	-	26,749,747	26,749,747
Dividends (Note 20)	-	-	(17,448,760)	(17,448,760)
Issue of shares pursuant to ESOS	3,881,000	9,741,517	-	13,622,517
Transfer to retained profits relating to disposal of freehold estate land	-	(267,658)	267,658	-
As at 31 August, 2002	<u>87,440,250</u>	<u>33,156,676</u>	<u>259,001,206</u>	<u>379,598,132</u>

The annexed notes form an integral part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST, 2002

	2002	2001
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	36,045,027	34,031,044
Adjustments for:		
Depreciation	3,344,209	3,421,987
Property, plant and equipment written off	98,430	3,792
Dividend income	(153,681)	(768,790)
Interest income	(3,362,476)	(3,241,418)
Gain on disposal of property, plant and equipment	(3,729,257)	(14,500)
Loss/(gain) on sale of investments	87,512	(14,244,673)
Expenses in connection with issue of shares	-	193,806
Write back of provision for retirement benefits	(101,815)	-
(Write back) of/provision for doubtful debts	(111,596)	674,261
Unrealised loss on foreign exchange	33,151	-
(Write back) of/provision for diminution in value of investments	(276,351)	394,283
Operating profit before working capital changes	31,873,153	20,449,792
(Increase)/decrease in receivables	(654,448)	1,939,946
Decrease/(increase) in inventories	538,643	(253,274)
Decrease in payables	(829,750)	(1,212,904)
Cash generated from operating activities	30,927,598	20,923,560
Income taxes paid	(2,754,711)	(13,862,174)
Retirement benefits paid	-	(43,000)
Net cash generated from operating activities	28,172,887	7,018,386
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposits	(13,952)	(7,115)
Purchase of property, plant and equipment	(328,122)	(563,714)
Investments in associated companies	(13,058,400)	(15,270,874)
Proceeds from disposal of property, plant and equipment	4,650,000	14,500
Proceeds from sale of investments	1,675,246	31,857,320
Purchase of investments	(5,118,781)	(3,420,421)
Interest income	3,299,035	3,256,511
Dividend income	119,699	577,272
Distribution from capital reduction in a quoted investment	-	842,790
Net cash (used in)/generated from investing activities	(8,775,275)	17,286,269
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares pursuant to ESOS	13,622,517	98,280
Expenses in connection with issue of shares	-	(265,916)
Dividends paid	(26,648,418)	(16,038,000)
Net cash used in financing activities	(13,025,901)	(16,205,636)

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST, 2002 (CONT'D)

	2002	2001
	RM	RM
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,371,711	8,099,019
EFFECTS OF CHANGES IN EXCHANGE RATE	(33,151)	-
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER, 2001/2000	<u>120,657,001</u>	<u>112,557,982</u>
CASH AND CASH EQUIVALENTS AT 31 AUGUST	<u><u>126,995,561</u></u>	<u><u>120,657,001</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Deposits with financial institutions (Note 11)	125,698,346	119,346,294
Less: Deposits pledged for guarantee facilities (Note 11)	<u>(804,746)</u>	<u>(790,794)</u>
	124,893,600	118,555,500
Cash and bank balances	<u>2,101,961</u>	<u>2,101,501</u>
	<u><u>126,995,561</u></u>	<u><u>120,657,001</u></u>

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

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 have been no significant changes in the nature of these activities during the financial year.

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.

The number of employees in both the Group and the Company at the end of the financial year was 387 (2001: 403).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 October, 2002.

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 has been completed.

(c) Basis of Consolidation

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

(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. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") on adoption of MASB Standard No. 15: Property, Plant and Equipment, the valuation of these assets has not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation.

Any increase arising from revaluation is credited to equity as a revaluation surplus. Subsequent decrease, if any, is first offset against the revaluation surplus in respect of the same property and is thereafter charged to income statement. Upon disposal of the revalued asset, the amount in revaluation surplus relating to that asset is transferred directly to retained profits.

Freehold estates are not depreciated. Long term leasehold land is depreciated over the period of the respective leases of 86 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 expensed to the income statement. Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

(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.

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

	2002 RM	2001 RM
Singapore Dollar	2.14	2.14

(j) Retirement Benefits

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

During the financial year, the Company ceased this voluntary provision for retirement benefits. Such retirement benefits will be expensed to the income statement as and when incurred. The provision for retirement benefits brought forward from the previous financial year has been recognised as income for the financial year.

(k) Investments

Investments in subsidiary, associated companies and other quoted and unquoted investments held on a long term basis are stated at cost less provision for any permanent diminution in value. Such provision is made when there is a decline other than temporary in the value of the investments and is recognised as an expense in the financial year in which the decline occurred.

On disposal of investments, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement. The gains arising from disposal of investments are thereafter transferred to capital reserve.

(l) Deferred Taxation

Provision is made for deferred taxation using the liability method on all material timing differences except where the tax effects of such deferrals are expected to continue in the foreseeable future. Deferred tax benefits are recognised only when there is a reasonable expectation of realisation in the future.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and in banks and deposits at call which have an insignificant risk of changes in value.

(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.

(o) Provision for Liabilities

Provisions for liabilities are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

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
Valuation/Cost					
At 1 September, 2001	82,591,309	50,213,998	10,019,485	26,596,715	169,421,507
Additions	-	30,972	151,736	145,414	328,122
Disposal	(842,655)	-	-	-	(842,655)
Write offs	-	(2,645,532)	(1,919,067)	(5,296,114)	(9,860,713)
At 31 August, 2002	81,748,654	47,599,438	8,252,154	21,446,015	159,046,261
Accumulated Depreciation					
At 1 September, 2001	2,327,000	12,239,400	7,528,345	18,425,755	40,520,500
Charge	232,700	991,621	578,139	1,541,749	3,344,209
Write offs	-	(2,591,627)	(1,905,127)	(5,265,529)	(9,762,283)
At 31 August, 2002	2,559,700	10,639,394	6,201,357	14,701,975	34,102,426
Net Book Value					
At 31 August, 2002	79,188,954	36,960,044	2,050,797	6,744,040	124,943,835
At 31 August, 2001	80,264,309	37,974,598	2,491,140	8,170,960	128,901,007
Depreciation charge for 2001	232,700	993,882	635,151	1,560,254	3,421,987

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

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

Group and Company	Freehold estates RM	Long term leasehold estate RM	Total RM
Valuation			
At 1 September, 2001	38,558,155	44,033,154	82,591,309
Disposal	(842,655)	-	(842,655)
At 31 August, 2002	37,715,500	44,033,154	81,748,654
Accumulated Depreciation			
At 1 September, 2001	-	2,327,000	2,327,000
Charge	-	232,700	232,700
At 31 August, 2002	-	2,559,700	2,559,700
Net Book Value			
At 31 August, 2002	37,715,500	41,473,454	79,188,954
At 31 August, 2001	38,558,155	41,706,154	80,264,309
Depreciation charge for 2001	-	232,700	232,700

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

Group and Company	Long term leasehold estate RM	Buildings RM	Total RM
Cost			
At 1 September, 2001	31,327,736	18,886,262	50,213,998
Additions	-	30,972	30,972
Write offs	-	(2,645,532)	(2,645,532)
At 31 August, 2002	31,327,736	16,271,702	47,599,438
Accumulated Depreciation			
At 1 September, 2001	843,520	11,395,880	12,239,400
Charge	84,352	907,269	991,621
Write offs	-	(2,591,627)	(2,591,627)
At 31 August, 2002	927,872	9,711,522	10,639,394
Net Book Value			
At 31 August, 2002	30,399,864	6,560,180	36,960,044
At 31 August, 2001	30,484,216	7,490,382	37,974,598
Depreciation charge for 2001	84,352	909,530	993,882

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

- (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:

Description of Property	Amount RM
Freehold estate at Jemima	21,665,918
Freehold estate at Gua Musang	16,049,582
Long term leasehold estate at Keratong	44,033,154
	<u>81,748,654</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, 2002 would be approximately RM7,201,144 (2001 : RM7,362,035) and RM12,026,046 (2001 : RM12,193,074) respectively.

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

	Group and Company	
	2002 RM	2001 RM
Buildings	3,239,207	5,192,257
Plant and machinery	6,335,849	10,844,057
Motor vehicles	2,839,733	3,599,998
Estate equipment and furniture	749,600	1,203,712
	<u>13,164,389</u>	<u>20,840,024</u>

4. SUBSIDIARY COMPANY

	Company	
	2002 RM	2001 RM
Investment in subsidiary:		
Unquoted shares, at cost	<u>100,000</u>	<u>100,000</u>

The subsidiary company which is incorporated in Malaysia is:

Name of Company	Effective interest		Paid-up capital	
	2002 %	2001 %	2002 RM	2001 RM
Double Alliance Sdn. Bhd.	100	100	100,000	100,000

The principal activity of the subsidiary is investment holding.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

5. ASSOCIATED COMPANIES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Unquoted shares, at cost	117,663,116	104,604,716	85,663,116	72,604,716
Share of post-acquisition reserves	7,477,602	6,801,048	-	-
Currency translation difference	897,671	708,697	-	-
	<u>126,038,389</u>	<u>112,114,461</u>	<u>85,663,116</u>	<u>72,604,716</u>
Represented by:				
Share of net tangible assets	<u>126,038,389</u>	<u>112,114,461</u>		

The associated companies are:

Name of Company	Effective interest		Principal Activity
	2002 %	2001 %	
Sin Thye Management Sdn. Bhd. *	50	50	Provision of management and advisory services and acting as an insurance agent
West Synergy Sdn. Bhd.*#	40	40	Property development and investment
Global Formation (M) Sdn. Bhd. *	50	50	Investment holding
Gaeronic Pte. Ltd.**#	24.88	24.88	Investment holding and food manufacturing

* Incorporated in Malaysia

** Incorporated in the Republic of Singapore

Audited by firms of auditors other than Arthur Andersen & Co.

6. OTHER INVESTMENTS

	Group and Company	
	2002 RM	2001 RM
Quoted shares, at cost		
In Malaysia	2,680,117	1,852,964
Outside Malaysia	3,134,111	593,741
	<u>5,814,228</u>	<u>2,446,705</u>
Provision for diminution in value	(117,932)	(394,283)
	<u>5,696,296</u>	<u>2,052,422</u>
Unquoted shares, at cost	464,700	476,200
	<u>6,160,996</u>	<u>2,528,622</u>
Total other investments		
	<u>6,160,996</u>	<u>2,528,622</u>
Market value of quoted shares		
In Malaysia	3,379,570	1,709,838
Outside Malaysia	3,016,179	342,584
	<u>6,395,749</u>	<u>2,052,422</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

7. INVENTORIES

	Group and Company	
	2002 RM	2001 RM
At cost:		
Oil palm produce	322,840	299,916
Estate stores	1,102,779	1,664,346
	<u>1,425,619</u>	<u>1,964,262</u>

8. TRADE RECEIVABLES

	Group and Company	
	2002 RM	2001 RM
Trade receivables	4,837,796	2,954,114
Less : Provision for doubtful debts	(323,708)	(435,304)
	<u>4,514,088</u>	<u>2,518,810</u>

9. OTHER RECEIVABLES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Deposits, prepayments and other receivables	1,297,772	2,754,004	1,297,535	2,753,751
Less: Provision for doubtful debts	(475,926)	(475,926)	(475,926)	(475,926)
	<u>821,846</u>	<u>2,278,078</u>	<u>821,609</u>	<u>2,277,825</u>

10. DUE FROM SUBSIDIARY

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

11. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Deposits with:				
- licensed banks	82,802,746	75,278,794	82,712,746	75,188,794
- licensed finance companies	16,400,000	15,200,000	16,400,000	15,200,000
- other financial institution	26,585,600	28,957,500	26,585,600	28,957,500
	<u>125,788,346</u>	<u>119,436,294</u>	<u>125,698,346</u>	<u>119,346,294</u>

Deposits with licensed banks amounting to RM804,746 (2001 : RM790,794) have been pledged to the banks for guarantee facilities provided to the Company. The deposits with other financial institution relate to placements with a foreign bank.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

12. TRADE PAYABLES

	Group and Company	
	2002 RM	2001 RM
Due to Negri Sembilan Oil Palms Berhad, a company in which several directors and substantial shareholders have interests (as referred to in Note 26)	224,919	91,721
Due to Kai Lee Company, the sole proprietor of whom is connected to several directors (as referred to in Note 26)	259,000	299,450
Due to Yew Hoe Chan, a partnership of whom, two of the partners are connected to a director (as referred to in Note 26)	267,080	272,395
Other trade payables	696,140	714,966
	<u>1,447,139</u>	<u>1,378,532</u>

13. SHARE CAPITAL

	Number of Shares of RM1.00 Each		Amount	
	2002	2001	2002 RM	2001 RM
Authorised	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>
	Number of Ordinary Stock Units of RM1.00 Each		Amount	
	2002	2001	2002 RM	2001 RM
Issued and fully paid:				
At 1 September, 2001/2000	83,559,250	55,687,500	83,559,250	55,687,500
Issued and fully paid during the year				
- Bonus issue	-	27,843,750	-	27,843,750
- Issued pursuant to ESOS	<u>3,881,000</u>	<u>28,000</u>	<u>3,881,000</u>	<u>28,000</u>
At 31 August	<u>87,440,250</u>	<u>83,559,250</u>	<u>87,440,250</u>	<u>83,559,250</u>

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 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 have 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

- (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.

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:

Subscription price per share	At 1 September, 2001	Granted	Exercised	At 31 August, 2002
RM3.51	7,842,000	-	3,881,000	3,961,000

The consideration is payable in full on exercise of options.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

14. RESERVES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Non-distributable	34,370,346	24,397,400	33,156,676	23,682,817
Distributable	266,151,158	256,218,920	259,001,206	249,432,561
	<u>300,521,504</u>	<u>280,616,320</u>	<u>292,157,882</u>	<u>273,115,378</u>

The movement in each category of non-distributable and distributable reserves of the Group are as follows:

	Share premium RM	Revaluation reserve and capital reserve of an associated company RM	Exchange fluctuation reserve RM	Total RM
Non-distributable Group				
At 1 September, 2000	4,294,323	47,239,960	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 August, 2001	<u>65,780</u>	<u>23,622,923</u>	<u>708,697</u>	<u>24,397,400</u>
At 1 September, 2001	65,780	23,622,923	708,697	24,397,400
Transfer to retained profits relating to disposal of freehold estate land	-	(267,658)	-	(267,658)
Issue of shares pursuant to ESOS	9,741,517	-	-	9,741,517
Share of capital reserve of an associated company	-	(137,672)	-	(137,672)
Transfer from retained profits by an associated company	-	447,785	-	447,785
Currency translation difference, representing gain not recognised in the income statement	-	-	188,974	188,974
At 31 August, 2002	<u>9,807,297</u>	<u>23,665,378</u>	<u>897,671</u>	<u>34,370,346</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

The details of revaluation reserve and capital reserve of an associated company are as follows:

Group	Revaluation reserve RM	Capital reserve of an associated company RM	Total RM
At 1 September, 2000	47,234,074	5,886	47,239,960
Bonus issue	(23,617,037)	-	(23,617,037)
At 31 August, 2001	<u>23,617,037</u>	<u>5,886</u>	<u>23,622,923</u>
At 1 September, 2001	23,617,037	5,886	23,622,923
Transfer to retained profits relating to disposal of freehold estate land	(267,658)	-	(267,658)
Share of capital reserve of an associated company	-	(137,672)	(137,672)
Transfer from retained profits by an associated company	-	447,785	447,785
At 31 August, 2002	<u>23,349,379</u>	<u>315,999</u>	<u>23,665,378</u>

The capital reserve of an associated company relates to statutory reserve and enterprise expansion reserve of its subsidiaries and associates:-

(i) Statutory reserve

The subsidiaries and associates of an associated company follow the accounting principles and relevant financial regulations of the People's Republic of China ("PRC GAAP") applicable to wholly foreign-owned enterprises and sino-foreign equity joint venture enterprises in the preparation of the accounting records and the statutory financial statements. The subsidiaries and associates are required to appropriate 10% of the profit arrived at in accordance with PRC GAAP for each year to a statutory reserve. The appropriation to statutory reserve must be made before distribution of dividends to shareholders. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends.

(ii) Enterprise expansion reserve

In accordance with the Articles of Association, the subsidiaries and associates of an associated company are required to appropriate 5% of the profit arrived at in accordance with the PRC GAAP to an enterprise expansion reserve to fund future development projects. The appropriation to enterprise expansion reserve must be made before distribution of dividends to shareholders. This reserve is not distributable in the form of cash dividends.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

Distributable Group	Capital reserve relating to gain on sale of investments RM	General reserve RM	Retained profits RM	Total RM
At 1 September, 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 20)	-	-	(16,416,758)	(16,416,758)
Transfer from income statement	14,244,673	-	-	14,244,673
At 31 August, 2001	<u>18,183,792</u>	<u>4,350,000</u>	<u>233,685,128</u>	<u>256,218,920</u>
At 1 September, 2001	18,183,792	4,350,000	233,685,128	256,218,920
Net profit for the year	-	-	27,561,125	27,561,125
Transfer from revaluation reserve relating to disposal of freehold estate land	-	-	267,658	267,658
Dividends (Note 20)	-	-	(17,448,760)	(17,448,760)
Transfer to capital reserve by an associated company	-	-	(447,785)	(447,785)
At 31 August, 2002	<u>18,183,792</u>	<u>4,350,000</u>	<u>243,617,366</u>	<u>266,151,158</u>

The movement in each category of non-distributable and distributable reserves of the Company are as follows:

Non-distributable Company	Share premium RM	Revaluation reserve RM	Total RM
At 1 September, 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	(72,110)	-	(72,110)
At 31 August, 2001	<u>65,780</u>	<u>23,617,037</u>	<u>23,682,817</u>
At 1 September, 2001	65,780	23,617,037	23,682,817
Issue of shares pursuant to ESOS	9,741,517	-	9,741,517
Transfer to retained profits relating to disposal of freehold estate land	-	(267,658)	(267,658)
At 31 August, 2002	<u>9,807,297</u>	<u>23,349,379</u>	<u>33,156,676</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

Distributable Company	Capital reserve relating to gain on sale of investments RM	General reserve RM	Retained profits RM	Total RM
At 1 September, 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 20)	-	-	(16,416,758)	(16,416,758)
Transfer from income statement	14,244,673	-	-	14,244,673
At 31 August, 2001	<u>18,183,792</u>	<u>4,350,000</u>	<u>226,898,769</u>	<u>249,432,561</u>
At 1 September, 2001	18,183,792	4,350,000	226,898,769	249,432,561
Net profit for the year	-	-	26,749,747	26,749,747
Transfer from revaluation reserve relating to disposal of freehold estate land	-	-	267,658	267,658
Dividends (Note 20)	-	-	(17,448,760)	(17,448,760)
At 31 August, 2002	<u>18,183,792</u>	<u>4,350,000</u>	<u>236,467,414</u>	<u>259,001,206</u>

15. DEFERRED TAXATION

	Group and Company	
	2002 RM	2001 RM
At 1 September, 2001/2000	2,807,000	2,807,000
Transfer to income statement (Note 19)	(233,000)	-
At 31 August	<u>2,574,000</u>	<u>2,807,000</u>
Deferred taxation is provided in respect of:		
Timing differences between depreciation and corresponding capital allowances	8,840,000	9,976,000
Other timing differences	354,000	49,000
	<u>9,194,000</u>	<u>10,025,000</u>

Deferred taxation amounting to RM2,348,000 (2001 : RM2,362,000) is not provided on the surplus arising from the revaluation of freehold and long term leasehold estates (as referred to in Note 3) as it is not the intention of the directors to dispose these properties.

16. 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 costs 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

17. PROFIT FROM OPERATIONS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 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	19,000	19,000	19,000
Directors' remuneration (Note 18)	1,058,375	986,620	1,058,375	986,620
Depreciation	3,344,209	3,421,987	3,344,209	3,421,987
Property, plant and equipment written off	98,430	3,792	98,430	3,792
Provision for doubtful debts	-	674,261	-	674,261
Provision for diminution in value of investments	-	394,283	-	394,283
Staff costs	4,357,679	4,497,294	4,357,679	4,497,294
Loss on sale of investments	87,512	-	87,512	-
Loss on foreign exchange				
- unrealised	43,400	-	43,400	-
- realised	561	-	561	-
Gain on disposal of property, plant and equipment	(3,729,257)	(14,500)	(3,729,257)	(14,500)
Gross dividends received from:				
Quoted investments in Malaysia	(98,741)	(43,690)	(98,741)	(43,690)
Quoted investments outside Malaysia	(54,940)	(725,100)	(54,940)	(725,100)
Interest income	(3,365,375)	(3,244,523)	(3,362,476)	(3,241,418)
Write back of provision for diminution in value of investments	(276,351)	-	(276,351)	-
Write back of provision for doubtful debts	(111,596)	-	(111,596)	-
Write back of provision for retirement benefits	(101,815)	-	(101,815)	-
Gain on sale of investments	-	(14,244,673)	-	(14,244,673)
Gain on foreign exchange				
- unrealised	(10,249)	-	(10,249)	-
- realised	-	(562,403)	-	(562,403)

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

18. DIRECTORS' REMUNERATION

	Group and Company	
	2002	2001
	RM	RM
Directors of the Company		
Executives:		
Salaries	420,000	420,000
Commission	395,375	378,679
Other emoluments	6,000	4,000
Fees	54,000	52,696
	<u>875,375</u>	<u>855,375</u>
Non-executives:		
Fees	152,000	125,245
Other emoluments	31,000	6,000
	<u>183,000</u>	<u>131,245</u>
Total	<u>1,058,375</u>	<u>986,620</u>

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

	Number of Directors	
	2002	2001
Executive directors:		
RM200,001 - RM250,000	1	1
RM250,001 - RM300,000	1	1
RM300,001 - RM350,000	-	-
RM350,001 - RM400,000	1	1
	<u>3</u>	<u>3</u>
Non-executive directors:		
Below RM50,000	8	8
	<u>11</u>	<u>11</u>

19. TAXATION

	Group		Company	
	2002	2001	2002	2001
	RM	RM	RM	RM
Current year's provision:				
Malaysian	9,301,475	5,446,978	9,300,705	5,446,978
Foreign	11,450	180,570	11,450	180,570
	<u>9,312,925</u>	<u>5,627,548</u>	<u>9,312,155</u>	<u>5,627,548</u>
Transfer to deferred taxation (Note 15)	(233,000)	-	(233,000)	-
	<u>9,079,925</u>	<u>5,627,548</u>	<u>9,079,155</u>	<u>5,627,548</u>
Taxation under/(over) provided in prior years	216,675	(101,325)	216,675	(101,860)
	<u>9,296,600</u>	<u>5,526,223</u>	<u>9,295,280</u>	<u>5,525,688</u>
Share of taxation of associated companies	911,089	846,389	-	-
	<u>10,207,689</u>	<u>6,372,612</u>	<u>9,295,280</u>	<u>5,525,688</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

The disproportionate tax rate for the Group and the Company is due mainly to the gain/loss on sale of investments which is not assessable/deductible for tax purposes and disposal of estate land which is subject to real property gains tax.

As at 31 August, 2002, the Company has tax exempt profits available for distribution of approximately RM46,406,000 (2001 : RM72,914,000) 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 RM177,683,000 (2001 : RM170,778,000) out of its entire distributable reserves as at 31 August, 2002 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 RM22,769,000 (2001 : RM22,023,000).

20. DIVIDENDS

	Amount		Dividend per stock unit	
	2002	2001	2002	2001
	RM	RM	Sen	Sen
Underprovision of second interim dividend of 11%, tax exempt, in respect of the financial year ended 31 August, 2001	66,880	-	-	-
First interim dividend of 9%, tax exempt, (2001 : 12% less 28% taxation)	7,779,622	7,217,100	9.0	8.6
Second interim dividend of 11%, tax exempt, (2001 : 11%, tax exempt)	9,602,258	9,199,658	11.0	11.0
	<u>17,448,760</u>	<u>16,416,758</u>	<u>20.0</u>	<u>19.6</u>

21. EARNINGS PER STOCK UNIT - GROUP

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

	Net profit for the year		Weighted average number of stock units	
	2002	2001	2002	2001
	RM	RM		
Basic	27,561,125	31,505,367	85,278,253	83,531,864
Diluted				
Assumed conversion of ESOS	-	-	996,584	1,514,317
	<u>27,561,125</u>	<u>31,505,367</u>	<u>86,274,837</u>	<u>85,046,181</u>
Earnings per stock unit (sen)				
	2002	2001		
Basic	32.3	37.7		
Diluted	<u>31.9</u>	<u>37.0</u>		

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

22. SIGNIFICANT EVENTS

During the financial year:

- (i) the Company further subscribed for 13,058,400 cumulative redeemable preference shares ("CRPS") of RM0.10 each in Global Formation (M) Sdn. Bhd. at RM1.00 per CRPS for a total cash subscription sum of RM13,058,400. The CRPS carries the right to receive a cumulative preferential dividend at a rate of 7 sen per CRPS.

The Company has obtained the approval of the shareholders to subscribe for 32,000,000 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.

- (ii) a total of 3,881,000 new shares of RM1.00 each were issued pursuant to the Employee Share Option Scheme ("ESOS") of the Company.

23. SUBSEQUENT EVENTS

Subsequent to the financial year,

- (i) the Company further subscribed for 2,432,000 CRPS of RM0.10 each in Global Formation (M) Sdn. Bhd. at RM1.00 per CRPS for a total cash subscription sum of RM2,432,000.

- (ii) a total of 230,000 new shares of RM1.00 each were issued pursuant to the ESOS of the Company.

24. COMMITMENTS

As at 31 August, 2002, the Company had subscribed for a total of 23,458,000 CRPS of RM0.10 each in Global Formation (M) Sdn. Bhd. at RM1.00 per CRPS for a total cash subscription sum of RM23,458,000 and has an outstanding commitment to subscribe for the remaining 8,542,000 CRPS at an issue price of RM1.00 per CRPS as approved by the shareholders.

25. 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.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group and Company	
	2002 RM	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 Wei Lei, Gho Bun Tjin, Goh Lei Eng and Goh Seh Kiat) have interests	<u>2,118,678</u>	<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 Wei Lei, Gho Bun Tjin, Goh Beng Hwa, Sio Sit Pot, Goh Lei Eng and Goh Seh Kiat) have interests	<u>2,894,454</u>	<u>2,616,380</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

	Group and Company	
	2002 RM	2001 RM
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 Wei Lei, Gho Bun Tjin, Goh Lei Eng and Goh Seh Kiat) have interests	<u>107,450</u>	<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, Gho Bun Tjin, Goh Lei Eng and Goh Seh Kiat) 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>2,010,785</u>	<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>1,898,605</u>	<u>1,890,105</u>
Sale of oil palm produce to Eng Thye Plantations 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 Wei Lei, Gho Bun Tjin, Goh Beng Hwa, Sio Sit Po, Goh Lei Eng and Goh Seh Kiat) have interests	<u>-</u>	<u>257,218</u>
	Group	
	2002 RM	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 Wei Lei, Gho Bun Tjin, Goh Lei Eng and Goh Seh Kiat) have interests	<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 Wei Lei, Gho Bun Tjin, Goh Lei Eng and Goh Seh Kiat 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST, 2002

27. CURRENCY

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

28. COMPARATIVE FIGURES

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

	As restated RM	2001 RM
Consolidated Balance Sheet:		
Tax recoverable	8,804,734	-
Other receivables	<u>2,278,078</u>	<u>11,082,812</u>
Balance Sheet:		
Tax recoverable	8,801,594	-
Other receivables	2,277,825	11,079,419
Subsidiary company	100,000	32,108,329
Due from subsidiary	<u>32,008,329</u>	<u>-</u>
Consolidated Cash Flow Statement:		
Cash and cash equivalent		
Deposits with financial institutions	119,436,294	119,436,294
Less: Deposits pledged for guarantee facilities	<u>(790,794)</u>	<u>-</u>
	118,645,500	119,436,294
Cash and bank balances	<u>2,108,634</u>	<u>2,108,634</u>
	<u>120,754,134</u>	<u>121,544,928</u>
Cash Flow Statement:		
Cash and cash equivalent		
Deposits with financial institutions	119,346,294	119,346,294
Less: Deposits pledged for guarantee facilities	<u>(790,794)</u>	<u>-</u>
	118,555,500	119,346,294
Cash and bank balances	<u>2,101,501</u>	<u>2,101,501</u>
	<u>120,657,001</u>	<u>121,447,795</u>

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

SHAREHOLDING STATISTICS AS AT 29 NOVEMBER, 2002

Share capital

Authorised	: RM150,000,000
Issued and fully paid	: RM87,726,250
Class of stock units	: Ordinary stock units of RM1 each
Voting rights	: One vote per stock unit
No. of shareholders	: 2,357

Distribution schedule of issued and paid-up share capital

No. of Holders	%	Holdings	Total Holdings	%
141	5.98	Less than 1,000	61,093	0.07
1,873	79.47	1,000 to 10,000	5,284,597	6.02
268	11.37	10,001 to 100,000	7,652,401	8.72
74	3.14	100,001 to less than 5% of the issued shares 5% and above of the issued shares	41,221,441	46.99
1	0.04		33,506,718	38.20
2,357	100.00		87,726,250	100.00

Interests of directors in the stock units of the Company

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units of RM1.00 each	%	No. of Stock Units of RM1.00 each	%
Goh Eng Chew	200,000	0.23	33,520,968	38.21
Wong Aun Phui	730,250	0.83	-	-
Goh Pock Ai	200,000	0.23	-	-
Goh Beng Hwa	2,652,655	3.02	455,625	0.52
Dr Goh Han Teng	104,250	0.12	60,000	0.07
Gho Lian Chin	-	-	33,562,968	38.26
Sio Sit Po	414,000	0.47	1,293,750	1.47
Goh Yeok Beng	24,000	0.03	-	-
Dr Gan Kim Leng	68,812	0.08	2,103,750	2.40
Keong Choon Keat	-	-	-	-
Goh Wei Lei	-	-	-	-
Gho Bun Tjin	-	-	-	-

SHAREHOLDING STATISTICS AS AT 29 NOVEMBER, 2002

Interests of directors in the options under the Chin Teck Plantations Berhad Employee Share Option Scheme

Name of Directors	No. of Options	%
Goh Eng Chew	300,000	8.16
Wong Aun Phui	300,000	8.16
Goh Pock Ai	300,000	8.16
Goh Beng Hwa	-	-
Dr Goh Han Teng	-	-
Gho Lian Chin	-	-
Sio Sit Po	-	-
Goh Yeok Beng	-	-
Dr Gan Kim Leng	-	-
Keong Choon Keat	-	-
Goh Wei Lei	-	-
Gho Bun Tjin	-	-

Interests of directors in shares of subsidiary, Double Alliance Sdn Bhd

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1.00 each	%	No. of Ordinary Shares of RM1.00 each	%
Goh Eng Chew	-	-	100,000	100.00
Wong Aun Phui	-	-	-	-
Goh Pock Ai	-	-	-	-
Goh Beng Hwa	-	-	-	-
Dr Goh Han Teng	-	-	-	-
Gho Lian Chin	-	-	100,000	100.00
Sio Sit Po	-	-	-	-
Goh Yeok Beng	-	-	-	-
Dr Gan Kim Leng	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Wei Lei	-	-	-	-
Gho Bun Tjin	-	-	-	-

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 of RM1.00 each	%	No. of Stock Units of RM1.00 each	%
Tiong Thye Company Berhad	33,506,718	38.20	-	-
Goh Eng Chew	200,000	0.23	33,520,968	38.21
Gho Lian Chin	-	-	33,562,968	38.26
Goh Seh Kiat	-	-	33,506,718	38.20

SHAREHOLDING STATISTICS AS AT 29 NOVEMBER, 2002

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	38.20
2.	Gan Puay Chee Sendirian Berhad	3,195,000	3.64
3.	Shing Loong Sdn Berhad	2,951,905	3.36
4.	Keck Seng (Malaysia) Berhad	2,784,375	3.17
5.	Goh Beng Hwa @ Gho Bin Hoa	2,652,655	3.02
6.	Gan Seng Lian Sendirian Berhad	1,868,250	2.13
7.	Phua Thian Kang Sdn. Berhad	1,305,000	1.49
8.	Malaysia Nominees (Asing) Sendirian Berhad Oversea-Chinese Bank Nominees Pte Ltd for Oversea-Chinese Banking Corporation Limited	1,297,500	1.48
9.	Affin-UOB Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Hillcrest Pte Ltd	1,293,750	1.47
10.	Affin-UOB Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Sio Sioe Soen	1,156,875	1.32
11.	Mayban Securities Nominees (Asing) Sdn Bhd OCBC Securities Private Limited for Nanyang Gum Benjamin Manufacturing (Private) Limited	1,127,625	1.29
12.	Gho Eng Liong	1,097,625	1.25
13.	Chew Huaipin Sdn Bhd	1,054,000	1.20
14.	Teh Liang Peng Sdn Bhd	1,000,000	1.14
15.	Gan Kim Toon Sdn Bhd	930,625	1.06
16.	Kam Loong Mining Sdn Bhd	925,000	1.05
17.	Thye Heng (How Kee) Company Sdn Bhd	895,500	1.02
18.	Lim Kee Chiok Sendirian Berhad	734,719	0.84
19.	Wong Aun Phui	730,250	0.83
20.	Chin Leong Huat Sdn Bhd	724,125	0.83
21.	Goh Hooi Khim	705,750	0.80
22.	Gho Kim Phek @ Goh Kim Phaik	678,937	0.77
23.	Mayban Securities Nominees (Asing) Sdn Bhd OCBC Securities Private Limited for Hin Lam Trading Company Private Limited	562,500	0.64
24.	HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Lee Beng Wah	469,500	0.54
25.	Ong Swee Heoh	455,625	0.52
26.	Mayban Securities Nominees (Asing) Sdn Bhd DMG & Partners Securities Pte Ltd for Seng Hong Chan (S) Pte Ltd	420,125	0.48
27.	HDM Nominees (Asing) Sdn Bhd Kim Eng Ong Asia Securities Pte Ltd for Sio Sit Po	414,000	0.47
28.	Thye Heng (How Kee) Company Sdn Bhd	390,500	0.45
29.	Mayban Securities Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Sio Leh Koen	364,218	0.42
30.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Samll Cap Opportunity Unit Trust	363,000	0.41
		<u>66,055,652</u>	<u>75.29</u>

LIST OF PROPERTIES AS AT 31 AUGUST, 2002

Location	Tenure	Size Hectares	Description	Net book value as at 31 August, 2002 RM'000
Jemima & Sungei Sendayan Estate ^{*b}	Freehold	1,617	Oil palm estate with mill (Approximate age of mill: 17 years)	22,770 ^{*a}
Lot 490, 491, 6052, 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: 31 years)	16,771 ^{*a}
Lot 154 Mukim of Ketil Daerah Gua Musang Kelantan Darul Naim				
Keratong Estate				76,608 ^{*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: 6 and 22 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		
				<u>116,149</u>

LIST OF PROPERTIES AS AT 31 AUGUST, 2002

(a) Net book value as at 31 August, 2002 are as follows: -

	<-----Estates----->		Building	
	Valuation	Cost	Cost	Total
	RM'000	RM'000	RM'000	RM'000
Jemima & Sungei				
Sendayan Estate	21,666	-	1,104	22,770
Gua Musang Estate	16,049	-	722	16,771
Keratong Estate	41,474	30,400	4,734	76,608
	<u>79,189</u>	<u>30,400</u>	<u>6,560</u>	<u>116,149</u>

(b) The estates were revalued in 1983. The directors have not adopted a policy of regular revaluations of such estates. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board ("MASB") on adoption of MASB Standard No. 15: Property, Plant and Equipment, the valuation of these estates has not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation..

(c) Date of acquisition: 17 July, 1995

(d) Date of acquisition: 1 October, 1990

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, 2002 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, 2002: -

	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 Wei Lei, Gho Bun Tjin, Goh Lei Eng and Goh Seh Kiat) have interests.	<u>2,118,678</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 Wei Lei, Gho Bun Tjin, Goh Beng Hwa, Sio Sit Po, Goh Lei Eng and Goh Seh Kiat) have interests.	<u>2,894,454</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 Wei Lei, Gho Bun Tjin, Goh Lei Eng and Goh Seh Kiat) have interests.	<u>107,450</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, Gho Bun Tjin, Goh Lei Eng and Goh Seh Kiat) 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>2,010,785</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>1,898,605</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, 2002: -

	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, Goh Lei Eng and Goh Seh Kiat) 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 Wei Lei, Gho Bun Tjin, Goh Lei Eng and Goh Seh Kiat 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.

OTHER INFORMATION

- (b) Options under the Chin Teck Plantations Berhad Employee Share Option Scheme (“ESOS”) exercised during the financial year ended 31 August, 2002

During the financial year ended 31 August, 2002, 3,881,000 options under the ESOS were exercised at the subscription price of RM3.51 per share.

- (c) Sanctions and /or penalties

No sanctions and/or penalties were imposed on the Company and its subsidiary, Directors or management by relevant authorities during the financial year.

- (d) Non-audit fees

During the financial year ended 31 August, 2002, non-audit fees paid or payable to Ernst & Young amounted to RM19,000.

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

**NOTICE OF NOMINATION PURSUANT TO SECTION 172(11) OF THE COMPANIES
ACT, 1965**

23 October, 2002

Lee Yew Hock
No. 9 Jalan Selampit 21 Kawasan 3
Taman Klang Jaya
41200 Klang, Selangor

The Board of Directors
CHIN TECK PLANTATIONS BERHAD
107-1 Changkat Tambi Dollah
55100 Kuala Lumpur

Dear Sirs

**NOTICE OF NOMINATION OF MESSRS ERNST & YOUNG AS STATUTORY AUDITORS OF
CHIN TECK PLANTATIONS BERHAD ("Company") FOR FINANCIAL YEAR ENDING 31 AUGUST
2003**

Pursuant to Section 172(11) of the Companies Act, 1965, I, being a shareholder of the Company, hereby give notice of my intention to nominate Messrs Ernst & Young for appointment as auditors of the Company in place of retiring auditors, Messrs Arthur Andersen & Co. and of my intention to propose the following as an ordinary resolution at the forthcoming Annual General Meeting of the Company:-

“ That Messrs. Ernst & Young be and are hereby appointed Auditors of the Company in place of retiring Auditors, Messrs. Arthur Andersen & Co. at a remuneration to be fixed by the Directors and to hold office until the conclusion of the next Annual General Meeting.”

Yours faithfully

Lee Yew Hock

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 Fourth Annual General Meeting of the Company to be held at Ballroom 2, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Monday, 27 January, 2003 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, 2002 and the Auditors' Report thereon.		
2.	To approve the directors' fees for the financial year ended 31 August, 2002 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 Pock Ai (ii) Dr Gan Kim Leng		
4.			
5.	(i) To re-appoint Mr Goh Eng Chew as director pursuant to Section 129(6) of the Companies Act, 1965		
6.	(ii) To re-appoint Mr Wong Aun Phui as director pursuant to Section 129(6) of the Companies Act, 1965		
7.	(iii) To re-appoint Mr Goh Beng Hwa as director pursuant to Section 129(6) of the Companies Act, 1965		
8.	Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed on page 76 of the Annual Report has been received by the Company for the nomination of Messrs. Ernst & Young who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution: - " That Messrs. Ernst & Young be and are hereby appointed Auditors of the Company in place of retiring Auditors, Messrs. Arthur Andersen & Co. at a remuneration to be fixed by the Directors and to hold office until the conclusion of the next Annual General Meeting."		
9.	Proposed renewal of shareholders' mandate for the CTP Group to enter into recurrent related party transactions of a revenue or trading nature with: - (i) Negri Sembilan Oil Palms Berhad (ii) Seong Thye Plantations Sdn Bhd (iii) Sin Thye Management Sdn Bhd (iv) Tat Lee Commodities Private Limited (v) Kai Lee Company (vi) Yew Hoe Chan		
10.			
11.			
12.			
13.			
14.			

(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

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

FORM OF PROXY

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.