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Corporate Information

Directors

Oh Chong Peng
Chairman

G. Krishnan
Managing Director

Mohamed Razeek Hussain
Executive Director

General (Rtd) Tan Sri Borhan Hj Ahmad

Dato' Dr Salleh Mohd Nor

Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor

Dato' Dr A. Bakar Jaafar

Rita A/P Benoy Bushon

Md Tarmuzi Md Salleh

Secretary

Lim Fong Een
(MAICSA 0785833)

Assistant Secretary

Hayati Aman Hashim
(MACPA 3067)

Executive Committee

Oh Chong Peng
Chairman

G. Krishnan

Mohamed Razeek Hussain

Audit Committee

General (Rtd) Tan Sri Borhan Hj Ahmad
Chairman
Independent Non-Executive Director

Oh Chong Peng
Non-Independent Non-Executive Director

Dato' Dr Salleh Mohd Nor
Independent Non-Executive Director

Dato' Dr A Bakar Jaafar
Independent Non-Executive Director

Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor
Independent Non-Executive Director

Rita A/P Benoy Bushon
Non-Independent Non-Executive Director

Nominations Committee

Oh Chong Peng
Chairman

General (Rtd) Tan Sri Borhan Hj Ahmad

Dato' Dr Salleh Mohd Nor

Md Tarmuzi Md Salleh

Remuneration Committee

Dato' Dr A Bakar Jaafar
Chairman

General (Rtd) Tan Sri Borhan Hj Ahmad

Dato' Dr Salleh Mohd Nor

Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor

Registered Office

2nd Floor
7 Persiaran Dagang
Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6275 7788
Fax: 603-6277 7061

Corporate Office

3rd Floor
7 Persiaran Dagang
Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6275 7788
Fax: 603-6275 2101
E-mail: lgb@land-general.com
Website: <http://www.land-general.com>

Auditors

PricewaterhouseCoopers
Chartered Accountants

Listing (Ordinary Shares)

Kuala Lumpur Stock Exchange

Listing (Convertible Bonds)

Luxembourg Stock Exchange

Share Registrars

Malaysian Share Registration Services Sdn Bhd
(Company No. 378993-D)
7th Floor,
Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Tel: 603-2026 8099

Additional Compliance Information

* Material Contracts

There were no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year by the Company and its subsidiaries which involves interests of directors and major shareholders other than as disclosed below:

- a) On 18 January 2001, the Company entered into a Share Sale Agreement with Kelbourne Resources Sdn Bhd for the disposal of its entire equity interest in Industrial Resins (Malaysia) Berhad for a cash consideration of RM30.0 million.

A director of Industrial Resins (Malaysia) Berhad, who was also a former director of the Company, has an interest in Kelbourne Resources Sdn Bhd.

- b) On 5 July 2001, the Company entered into a Sale & Purchase Agreement with KL-Kepong Property Holdings Sdn Bhd, Clarity Crest Sdn Bhd and Key Century Sdn Bhd for the termination of the Joint Venture Agreement dated 8 October 1993. In conjunction with the proposed acquisition and disposal, Clarity Crest Sdn Bhd and Key Century Sdn Bhd will redeem the existing 18,900 and 9,600 units of Redeemable Preference Shares held by KL-Kepong Property Holdings Sdn Bhd in Clarity Crest Sdn Bhd and Key Century Sdn Bhd, for a total cash consideration of RM18.9 million and RM9.6 million respectively. In addition, Clarity Crest Sdn Bhd will also redeem the existing 14,000 units of Redeemable Preference Shares held by the Company in Clarity Crest Sdn Bhd for a total cash consideration of RM14.0 million.

The Employees Provident Fund Board is deemed interested in the proposed acquisition and disposal, by being a major shareholder of the Company as well as a major shareholder of Kuala Lumpur Kepong Berhad, the holding company of KL-Kepong Property Holdings Sdn Bhd.

- c) On 31 July 2001, the Company completed the disposal of its 49% equity interest in Armada Tankers Sdn Bhd to Bumi Armada Navigation Sdn Bhd, which is wholly owned by Bumi Armada Berhad, an associated company of the Company, for a cash consideration of RM5.6 million.

A former director, who is a substantial shareholder of the Company, is deemed interested in the disposal of Armada Tankers Sdn Bhd, being connected to the Chairman and a substantial shareholder of Bumi Armada Berhad. Another former director and a current director of the Company are deemed interested in the disposal by virtue of their directorship in the Company and Bumi Armada Berhad.

* Sanctions and/or Penalties Imposed

There were no fines or sanctions imposed on the Company and its subsidiaries, directors or management by the relevant regulatory authorities.

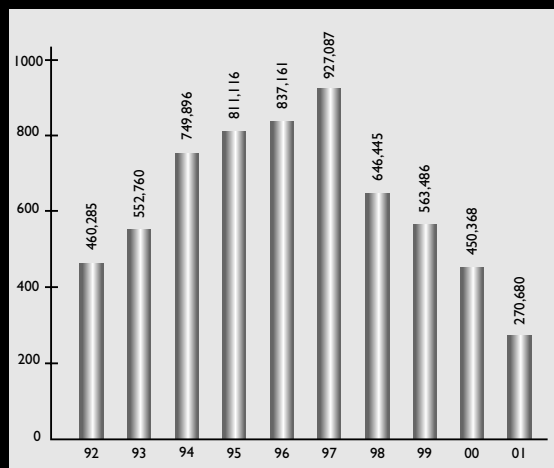
* Non-audit Fees

The amount of non-audit fees payable to the external auditors for the financial year ended 31 December 2001 has been reflected under Note 6 to the Financial Statements.

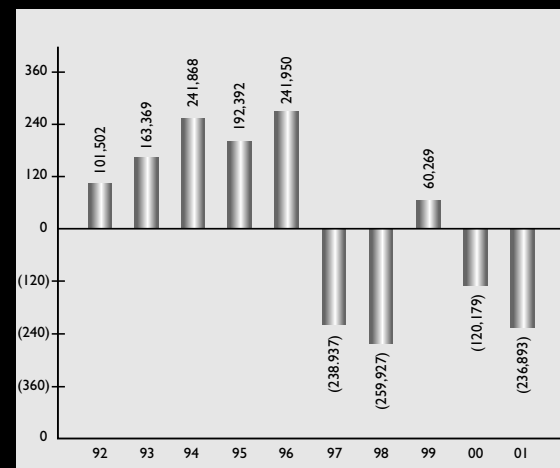
Ten-Year Performance Highlights

	1992 RM'000	1993 RM'000	1994 RM'000	1995 RM'000
Turnover	460,285	552,760	749,896	811,116
Profit/(Loss) Before Taxation*	101,502	163,369	241,868	192,392
Taxation*	(33,844)	(49,471)	(73,640)	(70,203)
Minority Interest*	(7,848)	(953)	(8,722)	(8,380)
Profit/(Loss) After Taxation & Minority Interests	59,810	112,945	159,506	113,809
Weighted Average Number of Shares ('000)	262,405	272,052	423,215	439,548
Earnings / (Loss) Per Share (Sen)*	22.8	41.5	37.7	25.9
Shareholders' Funds	386,916	500,003	703,485	772,681
Issued & Paid Up Share Capital ('000)	269,580	279,285	292,579	445,018
Net Tangible Assets Per Share (Sen)	143.7	179.0	238.0	172.0

* The above comparatives have been restated to conform with the adoption of the Malaysian Accounting Standard Board 3.



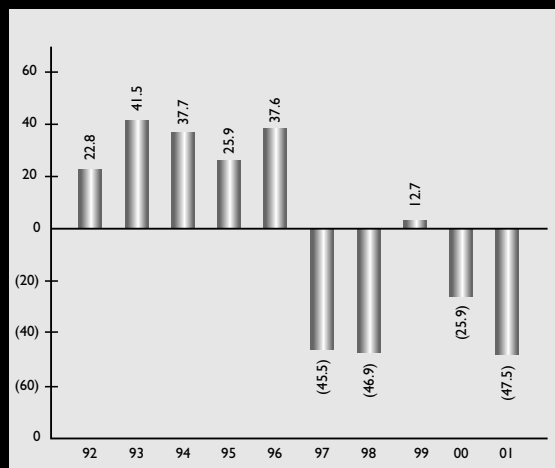
Turnover
RM Thousand



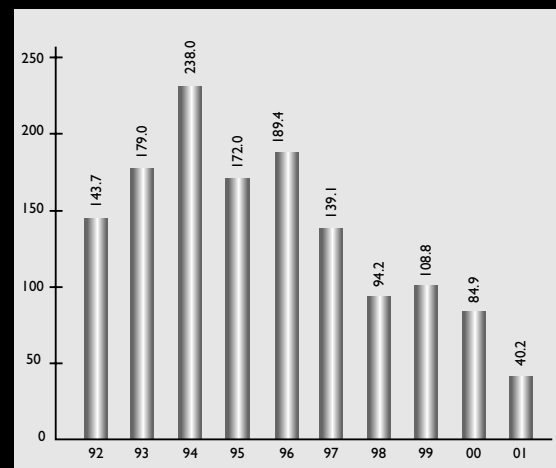
Profit/(Loss) Before Tax
RM Thousand

	1994	1995	1996	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	749,896	811,116	837,161	927,087	646,445	563,486	450,368	270,680
	241,868	192,392	241,950	(238,937)	(259,927)	60,269	(120,179)	(236,893)
	(73,640)	(70,203)	(37,285)	(19,963)	(1,011)	(1,339)	(19,626)	(17,273)
	(8,722)	(8,380)	(22,072)	32,367	27,183	4,617	8,089	(754)
	159,506	113,809	182,593	(226,533)	(233,755)	63,547	(131,716)	(254,920)
	423,215	439,548	485,102	498,066	498,066	499,069	507,883	537,508
	37.7	25.9	37.6	(45.5)	(46.9)	12.7	(25.9)	(47.5)
	703,485	772,681	950,470	704,301	472,738	548,159	454,493	216,269
	292,579	445,018	498,066	498,066	498,066	500,917	535,157	537,507
	238.0	172.0	189.4	139.1	94.2	108.8	84.9	40.2

Board 3.



Earnings/(Loss) Per Share
Sen



Net Tangible Assets per Share
Sen

Directors' Profile

Oh Chong Peng

Chairman

Non-Independent Non-Executive Director

Oh Chong Peng, a Malaysian aged 57, was appointed a Director of Land & General on 18 October 1999. On 18 January 2002, Mr Oh was appointed Chairman of Land & General. Mr Oh is a Fellow of the Institute of Chartered Accountants, England and Wales. He was a Partner of Coopers & Lybrand, Malaysia from 1974 until his retirement in 1997. He sits on the Board of several public listed companies namely Star Publications (Malaysia) Berhad, Powertek Berhad, British American Tobacco (Malaysia) Berhad, Rashid Hussain Berhad, RHB Capital Berhad, Renong Berhad and IJM Corporation Berhad and is also the Chairman of Nanyang Press Holdings Berhad. In addition, he is a director of RHB Bank Berhad and RHB Insurance Berhad. He is a Council member of the Malaysian Association of Certified Public Accountants, a Committee member of the Labuan Offshore Financial Services Authority, a Trustee of the Huaren Education Foundation and an Advisor to the RHB Group.

- (a) Details of any board committee to which he belongs:
1. **Executive Committee** (Chairman)
 2. **Audit Committee**
 3. **Nominations Committee** (Chairman)
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or majority shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
Mr Oh is a director of RHB Bank Berhad and the Company has obtained certain facilities from the said bank.
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None

G. Krishnan

Managing Director

Non-Independent Executive Director

G. Krishnan, a Malaysian aged 62, was appointed Managing Director of Land & General on 1 September 2001. He is a graduate of the Advanced Management Programme, Harvard Business School, an Associate member of the Australian Society of Accountants and also a Certified Practising Accountant. He served as an Executive Director of Antah Holdings Berhad ("Antah") from April 1990 until his retirement from Antah on 31 October 2000. Prior to that, he was with ICI Malaysia Sdn Bhd which he joined in 1963 and was appointed a director of ICI Malaysia Sdn Bhd and Chemical Company of Malaysia Berhad in 1984. His last position in the ICI Group of Companies was Managing Director of ICI Fertilizers Malaysia Sdn Bhd and ICI Industrial Chemicals Malaysia Sdn Bhd, and Executive Director of Chemical Company of Malaysia Berhad. Currently, he is a Council member of the Federation of Malaysian Manufacturers and the Malaysian International Chamber of Commerce and Industry ("MICCCI"). In MICCI, he is the Convenor of the Environment Committee. He was also the founding Council member of the Malaysia Australia Business Council. In addition, he is the Chairman of Bains Harding Limited, a company listed on the Australian Stock Exchange and the Deputy Chairman of Oiltools International Limited. He also holds directorships in other Malaysian companies including Bumi Armada Berhad.

- (a) Details of any board committee to which he belongs:
Executive Committee
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or majority shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None

Mohamed Razeek Hussain

Non-Independent Executive Director

Mohamed Razeek Hussain, a Malaysian aged 44, was appointed an Executive Director of Land & General on 18 October 1999. He joined the Land & General Group in 1991 and has extensive experience in property developments such as the residential development of Subang Jaya, UEP Subang Jaya and Land & General's townships at Bandar Sri Damansara, Lembah Beringin as well as Bandar Sungai Buaya. He holds a Bachelor of Science degree in Civil Engineering from the University of The South Bank London and is a member of the Institute of Engineers Malaysia. He is also a director of several subsidiaries of Land & General and Bumi Armada Berhad.

- (a) Details of any board committee to which he belongs:
Executive Committee
- (b) Any securities holdings in Land & General and its subsidiaries:
Direct interest - 7,000 ordinary shares in Land & General
- (c) Any family relationship with any director and/or majority shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None

Directors' Profile (Continued)

General (Rtd) Tan Sri Borhan Hj Ahmad

Independent Non-Executive Director

General (Rtd) Tan Sri Borhan Hj Ahmad, a Malaysian aged 62, was appointed a Director of Land & General on 27 March 1995. He gained experience with various government authorities throughout his 37 years of service with the government. He is also the Chairman of Perbadanan Hal Ehwal Bekas Angkatan Tentera, Chairman of Baiduri Auto Sdn Bhd, Chairman of Baiduri Auto Care Sdn Bhd, Chairman of Kausar Corporation Sdn Bhd and Chairman of Kristal Security Sdn Bhd. He is currently the Deputy President of Persekutuan Tinju Amatur Malaysia.

- (a) Details of any board committee to which he belongs:
1. Audit Committee (Chairman)
2. Nominations Committee
3. Remuneration Committee
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or majority shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None

Dato' Dr Salleh Mohd Nor

Independent Non-Executive Director

Dato' Dr Salleh Mohd Nor, a Malaysian aged 61, was appointed a Director of Land & General on 13 November 1995. He holds a Master and Doctorate degree in Forestry from Michigan State University, USA and a Bachelor of Science (Forestry) from University of Adelaide, Australia. He has also received several honours including the conferment of the Doctorate of Science from Universiti Kebangsaan Malaysia and University of Aberdeen, UK. He is currently the President of the Malaysian Nature Society and was formerly the Director General of the Forest Research Institute of Malaysia. He is currently a Director of Minho (M) Bhd and also holds directorships in other private limited companies.

- (a) Details of any board committee to which he belongs:
1. Audit Committee
2. Nominations Committee
3. Remuneration Committee
- (b) Any securities holdings in Land & General and its subsidiaries:
Direct interest - 12,000 ordinary shares in Land & General
- (c) Any family relationship with any director and/or majority shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None

Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor

Independent Non-Executive Director

Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor, a Malaysian aged 58, was appointed a Director of Land & General on 18 October 1999. He retired as the Chief of the Royal Malaysian Navy in January 1999. During his 35 years of service in the Navy, he received numerous awards, both local and international. Dato' Seri Ramli holds a Master in Public Administration degree from Harvard University, USA. He is a director of several private limited companies and is also a director of Muhibbah Engineering (M) Berhad.

- (a) Details of any board committee to which he belongs:
1. Audit Committee
2. Remuneration Committee
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or majority shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None

Directors' Profile (Continued)

Dato' Dr A. Bakar Jaafar

Independent Non-Executive Director

Dato' Dr A. Bakar Jaafar, a Malaysian aged 52, was appointed a Director of Land & General on 18 October 1999. He holds a Doctorate in Marine Geography from the University of Hawaii, a Master of Environmental Science degree from the Miami University and a Bachelor of Engineering (Hons) degree in Mechanical Engineering from the University of Newcastle, Australia. He served in the civil service in Malaysia for over 22 years in various positions including being Director General of the Department of Environment from 1990 to 1995. He continues to serve the Malaysian Government as the Chairman of the ISO National Committee on Environmental Standards, IRPA Panel on Environment Research and Development, elected-member to the Commission on the Limits of Continental Shelf, member of the Maritime Institute of Malaysia and the National Council for Scientific Research and Development and as an adjunct Professor in the Faculty of Science and Environmental Studies, Universiti Putra Malaysia.

- (a) Details of any board committee to which he belongs:
1. Audit Committee
2. Remuneration Committee (Chairman)
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or majority shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:

Rita A/P Benoy Bushon

Non-Independent Non-Executive Director

Rita A/P Benoy Bushon, a Malaysian aged 41, was appointed a Director of Land & General on 14 March 2002. She holds a Master in Business Administration, Brunel University, West London and an Honours Degree in Economic Statistics, Universiti Kebangsaan Malaysia. She joined the Employees Provident Fund Board ("EPF") in 1984 and has served in several departments in the EPF prior to her appointment as Senior Manager in the Investment Research and Supervision Department. Currently, she is also a Board member of the Badan Pengawas Pemegang Saham Minoriti Berhad.

- (a) Details of any board committee to which she belongs:
Audit Committee
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or majority shareholder of Land & General:
As Nominee Director representing EPF, a major shareholder of Land & General.
- (d) Any conflict of interest that she has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None

Md Tarmuzi Md Salleh

Non-Independent Non-Executive Director

Md Tarmuzi Md Salleh, a Malaysian aged 45, was appointed a Director of Land & General on 14 March 2002. He holds a Master in Business Administration, University of Connecticut, Hartford, USA and a Bachelor in Business Administration, Ohio University, Athens, USA. He joined EPF in 1993 as Senior Manager in the Business Development Division. Currently, he serves in the Property Management and Development Division, EPF. Prior to joining the EPF, he was with the Puncak Group of Companies as well as several other private limited companies.

- (a) Details of any board committee to which he belongs:
Nominations Committee
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or majority shareholder of Land & General:
As Nominee Director representing EPF, a major shareholder of Land & General.
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None

Chairman's Letter

Dear Shareholders,

I believe that in 2001 we laid the foundations on which to rebuild our company.

In recent years, our business has been beset by problems, both internal and external, and we have sometimes been unavoidably sidetracked by fire-fighting. But thanks to our renewed determination, we now see our way forward. The road will not be easy, but our goals are clear. As Tan Sri Azmi Wan Hamzah said in his Chairman's Letter last year, we are committed to refocusing our company on property.

On a less happy note, Tan Sri Azmi Wan Hamzah has left the Group for personal reasons. It was thanks largely to his vision, dedication and drive that our Company succeeded in expanding so impressively and rapidly. He will be greatly missed. I am sure you will all join me in thanking Tan Sri Azmi Wan Hamzah for his years of leadership and wish him well.

Throughout the year, the global economic slowdown meant that we were operating under difficult business conditions. Inevitably, the situation was exacerbated by the uncertainties following the terrorist attacks on the United States on September 11.

During the year, Malaysia's GDP growth fell to 0.4%. The first three quarters of the year saw a decline from 3.1% to minus 1.2%, though the fourth quarter picked up slightly to record a contraction of only 0.5%. More positively, the construction sector expanded by 2.3% in real terms (as against 1% in 2000). Growth was generated mainly by the civil engineering and residential sub-sectors, due mainly to the Government's fiscal stimulus programme and the promotion of home ownership by both the Government and the banking sector.

As a result, 2001 saw a reduction in the property oversupply. However, higher demand centered on selected areas, while the take-up rate remained low in non-prime areas and in the outskirts of the Klang Valley. While we were able to capitalize on this upturn at Bandar Sri Damansara, which again achieved commendable results, sales at our northern corridor developments of Bandar Sungai Buaya and Lembah Beringin were sluggish.

Meanwhile, it was another difficult year for our Investment Division. Falling prices, a shortage of working capital, and the uncertain political and economic situation in Indonesia continued to bedevil our timber operations. In addition, activity in the petrochemical sector remained muted. On the other hand, Bumi Armada (in which we hold a 47% stake) once again achieved excellent results.

In these circumstances, your Board deemed it prudent to make substantial write-downs of certain properties and investments so as to fairly reflect their asset values. On the other hand, assets that we intend to dispose of at higher than carrying values have not been written up.

During the year, we continued to work hard on our debt restructuring proposals; and I am pleased to say that in February 2002, we were finally able to announce the signing of a comprehensive Debt Restructuring Agreement. This should enable us to settle nearly two thirds of the Group's debts via the issuing of new paper, the sale of non-core assets, and an equity-for-debt swap. Meanwhile, our programme of disposing of non-core assets has not only begun, but has already met with considerable success.

Chairman's Letter (Continued)

Dato' Abdul Karim Ahmad Tarmizi resigned as Managing Director in August 2001. I should like to take this opportunity to thank him for his years of outstanding commitment to the Group, and to wish him well. I should also like to welcome several new Board members: Mr G. Krishnan, who was appointed Managing Director in September 2001 and Puan Rita A/P Benoy Bushon and Encik Md Tarmuzi Md Salleh, who were appointed non-executive directors in March 2002. Mr G. Krishnan is a very capable manager, and we look forward to seeing him lead his team of senior management and staff to take on the challenge of the future.

Your Board wholeheartedly supports the recommendations of the Malaysian Code on Corporate Governance and is taking steps to adopt and implement the Code's best practices. We recognize that good corporate governance is vital both to protect and enhance shareholder value, and to safeguard the interests of our other stakeholders.

Looking ahead, we expect to have completed our financial restructuring by the third quarter of 2002. We will also continue with our disposal of non-property assets. Together, these initiatives should restore our company to sound financial health. Meanwhile, on the property development front, we believe that the measures taken by the Government will further boost market sentiment.

Oh Chong Peng
Chairman

24 April 2002

Managing Director's Review of Operations

2001 was another tough year for the Group.

What with an overall drop in our property sales, severe problems affecting our timber operations, and only modest activity in the petrochemicals arena, 2001 saw a reduction in Group turnover, and an increase in losses.

For the financial year ended 31 December 2001, Group turnover fell to RM270.7 million (from RM450.4 million in 2000), and we recorded losses of RM236.9 million (as against RM120.2 million in 2000). However, much of the increase in losses was due to RM174.2 million of exceptional items, including the write-down of assets, a reduction in the value of our landbank, and losses from the sale of subsidiaries and associated companies. During the year, cashflow also remained very tight.

Financial Restructuring

On 28 February 2002, the Company entered into a Debt Restructuring Agreement to settle RM350.383 million owing to various financial institutions. However, the ultimate aim of the Debt Restructuring Scheme is to settle RM657.931 million owing both to financial institutions and to the Company's Euro-Convertible Bondholders.

The Proposed Composite Debt Restructuring Scheme involves:

- the settling of secured debts of about RM149.085 million by converting the debts into a new term loan of up to RM149.085 million, or by issuing up to RM149.085 million nominal value seven-year 5% redeemable convertible secured loan stocks (RCSLS A);
- the settling of unsecured debts of about RM508.846 million by issuing up to RM426.793 million nominal value seven-year 5% redeemable convertible secured loan stocks (RCSLS B); and up to 82.053 million new ordinary Company shares of RM1 each at an issue price of RM1 per share.

The Company also proposes settling RM207.439 million of its debts by swapping the Group's 29,634,164 shares in Bumi Armada Berhad. This initiative has already obtained approvals from the relevant authorities, and is currently awaiting approval by our shareholders and creditors. If the proposed Bumi Armada Swap is fully subscribed, the remaining indebtedness to the Scheme Creditors will reduce to RM450.492 million, and will be settled as follows:

- the settling of secured debts of about RM102.080 million by converting the debts into a new term loan of up to RM102.080 million, or by issuing up to RM102.080 million nominal value seven-year 5% redeemable convertible secured loan stocks (RCSLS A);
- the settling of unsecured debts of about RM348.412 million by issuing up to RM303.042 million nominal value seven-year 5% redeemable convertible secured loan stocks (RCSLS B); and up to 45.370 million new ordinary Company shares of RM1 each at an issue price of RM1 per share.

Overview of Group's Results

	Turnover			(Loss) / Profit Before Tax		
	2001 RM'000	2000 RM'000	% Change	2001 RM'000	2000 RM'000	% Change
Property Division	122,437	209,991	(42)	(115,682)	(18,233)	534
Investment Division						
Timber	7,074	47,921	(85)	(46,205)	(45,409)	2
Petrochemical	120,408	148,702	(19)	(6,094)	(5,818)	5
Oil & Gas	-	-	-	(84)	(264)	(68)
Investment & Others	20,761	43,754	(53)	(91,820)	(66,550)	38
	270,680	450,368		(259,885)	(136,274)	
Group's share in associated companies				22,992	16,095	43
				(236,893)	(120,179)	

Managing Director's Review of Operations (Continued)

Disposal of Non-property Assets

We have been vigorously pursuing a programme to dispose of non-property assets.

On 6 June 2001, the Company completed the disposal of its entire 100% equity stake in Cakara Alam (PNG) Ltd, a subsidiary of Overseas & General Ltd (OGL), for a cash consideration of US\$3.5 million, supported by a bank guarantee.

On 31 July 2001, the Company completed the disposal of its 735,000 ordinary shares in Armada Tankers Sdn Bhd for a cash consideration of RM5.6 million. The disposal resulted in a gain of RM4.6 million.

On 31 December 2001, the Company entered into a Sale & Purchase of Shares Agreement with Powerama Holding Sdn Bhd for the disposal of its entire equity interest in Perlis Consolidated Sdn Bhd for a nominal amount of RM1. We expect completion of the sale by the second quarter of 2002.

On 20 March 2002, the Company entered into a conditional Share Sale Agreement with Honcity Limited for the disposal of our entire equity interest in Kinley Trading Limited, with the ultimate intention of disposing of our 80% interest in PT Wapoga Mutiara Industries for a cash consideration of USD3.5 million.

The proposed disposal of our entire 100% equity stake in Industrial Resins (Malaysia) Berhad to Kelbourne Resource Sdn Bhd has received shareholder approval, and we expect completion during 2002.

Property Division

In 2001, our Property Division recorded a loss of RM115.6 million (as against a loss of RM18.2 million in 2000) on a turnover of RM122.4 million (compared to RM210.0 million in 2000).

Bandar Sri Damansara again delivered an impressive turnover and a healthy profit for the Group. However, at Bandar Sungai Buaya, we still owe approximately RM227 million for the purchase of land from Murna Jaya Development Berhad (MJDB). Given our tight cashflow position, we are currently in the final stages of negotiating an amicable solution of this with MJDB.

Overview of Property Division

	2001	2000
Turnover (RM'000)	122,437	209,991
Operating loss before extraordinary items (RM'000)	(2,184)	(18,233)
Extraordinary items:		
Write down of development properties (RM'000)	(76,825)	-
Write down of real property assets (RM'000)	(36,673)	-
Loss before taxation (RM'000)	(115,682)	(18,233)
Units launched during the year:	279	330
Units sold on current & previous launches:	229	483

The development of Lembah Beringin has been undertaken by a joint venture between Land & General, KL-Kepong Property Holdings Sdn Bhd (KLKPH), Clarity Crest Sdn Bhd (CC) and Key Century Sdn Bhd (KC). In view of changes in the economic environment resulting in the delay of the development, the parties have decided to disengage their existing joint venture agreement. The Company therefore plans to acquire the equity stakes of the other parties.

Accordingly, on 5 July 2001, the Company entered into a Sale & Purchase Agreement with KLKPH, CC and KC for the termination of the Joint Venture Agreement dated 8 October 1993. In addition, CC and KC will redeem the existing 18,990 and 9,600 Redeemable Preference Shares held by KLKPH in CC and KC, for a total cash consideration of RM18.9 million and RM9.6 million respectively. CC will also redeem the existing 14,000 Redeemable Preference Shares held by the Company in CC for a total cash consideration of RM14.0 million. We expect these transactions to be completed in the second quarter of 2002, after approval by shareholders.

2001 saw our properties in Melbourne, Australia, performing well. Occupancy rates at the World Trade Centre remained high. Hidden Valley, our 50% joint venture project north of Melbourne, has enjoyed strong sales, and we have completed Phase I of the development and are now pressing ahead with Phase II.

Managing Director's Review of Operations (Continued)

Property Division (Continued)

On 22 June 2001, three of our wholly-owned subsidiaries, plus an associated company of one of our subsidiaries (all incorporated in Australia) entered into a Joint Venture Agreement with Far East Consortium Properties Pty Ltd and Royal Domain Plaza Pty Ltd to develop a parcel of vacant land on the northern bank of the Yarra River into a multi-tiered complex known as "Flinders Wharf". The project has met with a good response, with 85% of the units already sold.

Investment Division

2001 was a very difficult year for our Investment Division, which recorded a loss of RM121.2 million (as against a loss of RM101.9 million in 2000) on a turnover of RM148.2 million (compared to RM240.4 million in 2000).

Overview of Timber Operations

	2001	2000
Turnover (RM'000)	7,074	47,921
PBT (RM'000)	(46,205)	(45,409)

Our timber harvesting concessions in Papua New Guinea and Irian Jaya continued to flounder in an exceptionally hostile operating environment; and we are now extricating ourselves, as reported above, by the sale of our 100% interest Cakara Alam (PNG) Ltd and our 80% stake in PT Wapoga Mutiara Industries.

Meanwhile, the performance of our Fijian operation was also poor, mainly due to a shortage of working capital. However, new financing has now been secured, and we expect business to pick up in 2002 on the back of the growing Australian demand for timber.

On 29 August 2001, we completed the conversion of A\$81,061,666 of loans due to the Company from OGL into 66,061,666 class B convertible (non-voting) ordinary shares of A\$1 each, plus A\$15 million secured redeemable convertible bonds to be issued to OGL. I am also pleased to report that, on 23 November 2001, the shares of OGL were reinstated to official quotation on the Australian Stock Exchange and the CLOB, Singapore.

Overview of Petrochemical Operations

	2001	2000
Turnover (RM'000)	120,408	148,702
PBT (RM'000)	(6,094)	(5,818)
IRM		
Production : Resins/MT	26,271	26,669
Production : Compound/MT	16,836	15,952
PVC Selling Price (USD/MT)	496	693
VCM Selling Price (USD/MT)	395	560
PVC/VCM Price Differential (USD/MT)	101	133
PCSB		
Flooring - Rolls	249,897	226,039
PVC Sheeting - Metre	241,164	311,595
PVC Tiles - Pieces	-	4,520
Furniture Rigid - Metre	-	670,505

2001 saw a drop in turnover for our petrochemical operations, plus an increase in losses. This was mainly due to a sharp fall in international PVC prices, significantly lower resin margins, and stiff competition from imported goods not only from Thailand and Vietnam, but now also from China. As mentioned earlier, we are therefore in the process of disposing of our petrochemical operations, which are Perlis Consolidated Sdn Bhd and Industrial Resins (Malaysia) Berhad.

On a happier note, 2001 was another excellent year for our Oil & Gas operations, with Bumi Armada achieving a turnover of RM425.8 million and a profit before tax of RM63.5 million. Our planned disposal of our 47% equity interest in Bumi Armada will significantly contribute to the success of our debt restructuring programme.

Finally, our education operations continued to record modest profits.

Overview of Oil & Gas Operations

	2001	2000
Turnover (RM'000)	-	-
PBT (RM'000)	29,958	25,262

Managing Director's Review of Operations (Continued)

Human Resources

In 2001, we made good progress with re-allocating our manpower resources so as to ensure that we have the right people in the right places. At the same time, we streamlined our functions, systems and processes, and introduced a variety of programmes to boost efficiency and effectiveness, and to build a performance-based corporate culture.

Looking Forward

Though 2002 promises to be another challenging year for our Group, we are cautiously optimistic.

Having absorbed in 2001 the losses caused by revaluing our land bank, we are now confident of a better financial performance by our Property Division in 2002. In the year ahead, we will focus mainly on capitalizing on the success of our development at Bandar Sri Damansara by launching stylistically distinctive, high-end condominiums and townhouses. I believe that the excellent location, combined with innovative marketing campaigns and attractive financing packages, will create a robust demand for these units.

Meanwhile, we will continue to implement our financial restructuring plan, and dispose of assets from our Investment Division so as rapidly to reduce debt and ease cashflow.

Thanks

The last few years have tested the resilience of our Company, and I would like to convey our profound appreciation to all our shareholders for standing by us during these trying times.

We owe a similar debt of gratitude to our customers, business associates, and bankers, whose support has constantly strengthened our will to succeed. I would also like to express our appreciation to all government agencies and regulatory authorities for their guidance and assistance.

Finally, on behalf of the Board, I wish to offer heartfelt thanks above all to our staff for their unstinting dedication and loyalty. Such dedication and support will go a long way to underpin our corporate restructuring initiatives, and enable us to look to the future with hope.

G. Krishnan
Managing Director

24 April 2002

Statement of Corporate Governance

The Board of Land & General Berhad is fully committed to maintaining high standards of corporate governance by supporting and implementing the principles and best practices as outlined in the Malaysian Code of Corporate Governance and the relevant provisions in the KLSE Listing Requirements. The Board strives to ensure that high standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Company.

The Board of Directors

The Company currently has nine members, comprising seven non-executive Directors and two executive Directors. There is balance in the Board as four of the nine Directors are also independent Directors.

Together, the Directors have a wide range of business, financial and technical skills and experience. This mix of skills and experience is essential for the successful direction of the Group.

There is a clear division of responsibilities between the non-executive Chairman and the Managing Director to ensure a balance of power and authority. The non-executive Chairman is responsible for the running of the Board and ensuring Board effectiveness whilst the Managing Director has the overall executive responsibility for the running of the business of the Company and its subsidiaries, including organisational effectiveness and the implementation of the Board's decisions.

All the Directors have an equal responsibility for the Group's operations and corporate accountability. The independent non-executive Directors provide unbiased and independent views, advice and judgement, taking account of the interests of the Group, shareholders, employees, customers and the communities in which the Group conducts its businesses.

All Directors have access to the advice and service of the Company Secretary in carrying out their duties. If so required, they also have access to independent professional advice in the furtherance of their duties, at the Company's expense.

Board Meetings

The Board meets every quarter, and additional meetings are convened as and when necessary. During the financial year ended 31 December 2001, a total of eight Board meetings were held.

The record of attendance of the Directors for the financial year ended 31 December 2001, taking into account their appointment/resignation dates is as follows.

	Directors	No. of Meetings Attended
1	Tan Sri Azmi Wan Hamzah (resigned w.e.f. 18 January 2002)	7/8
2	Oh Chong Peng	8/8
3	Dato' Abdul Karim Ahmad Tarmizi (resigned w.e.f. 31 August 2001)	6/6
4	G. Krishnan (appointed w.e.f. 1 September 2001)	2/2
5	Mohamed Razeek Hussain	7/8
6	General (Rtd) Tan Sri Borhan Hj Ahmad	6/8
7	Dato' Dr Salleh Mohd Nor	4/8
8	Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor	7/8
9	Dato' Dr A Bakar Jaafar	7/8
10	Rita A/P Benoy Bushon (appointed w.e.f. 14 March 2002)	Not Applicable
11	Md Tarmuzi Md Salleh (appointed w.e.f. 14 March 2002)	Not Applicable

Statement of Corporate Governance (Continued)

The agenda and board papers for each meeting are circulated in advance of the meeting to the Board members. The Directors are provided with all necessary information in good time, to enable them to effectively discharge their responsibilities.

The following Board Committees have been established to assist the Board in the discharge of its duties:-

- i) **Executive Committee**
The Executive Committee was set up on 1 September 2001 and meets every month to discuss and address immediate issues experienced by the Company and the Group. The Executive Committee also brings material issues to the attention of the Board at the Board meetings and, where appropriate, makes recommendations in respect of material issues to the Board for the approval of the Board as a whole.
- ii) **Audit Committee**
The Audit Committee was set up on 8 August 1991 to review and monitor the work of the Group's internal audit function, as well as to ensure that an objective professional relationship is maintained with the external auditors.
- iii) **Remuneration Committee**
The Remuneration Committee was set up on 20 September 1999 to review and recommend to the Board the remuneration of the executive directors and senior executives of the Company.
- iv) **Nominations Committee**
The Nominations Committee was established on 10 June 1999. Its function is to identify and recommend the appointment of new directors to the Board. However, decisions on the appointment of new directors are made by the Board of the Company after considering the recommendations of the Committee.

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 election by the shareholders of the Company at the first Annual General Meeting after their appointment. In addition, the Articles of Association of the Company also provide that one-third of the remaining Directors (including the Managing Director) are required to submit themselves for re-election by rotation at each Annual General Meeting.

Directors' Remuneration

The non-executive Directors are paid directors' fees, which are based on both experience and the level of responsibilities undertaken by the non-executive Director concerned. The annual fees payable to the non-executive Directors are approved by the shareholders of the Company at each Annual General Meeting, based on the recommendations of the Board as a whole.

In the case of the executive directors, remuneration is based on experience, performance and the level of responsibilities undertaken by the executive Director concerned. The remuneration of the executive Directors is based on the recommendations of the Remuneration Committee.

The aggregate remuneration of the Directors of the Company categorised into appropriate components for the financial year ended 31 December 2001 is as follows:-

	Fees RM'000	Emoluments RM'000	Benefits in kind RM'000	Total RM'000
Executive		1,178	104	1,282
Non-executive	280	—	—	280

Statement of Corporate Governance (Continued)

The number of Directors of the Company whose total remuneration fall within the respective band is as follows:-

	Number of Directors	
	Executive	Non-executive
RM50,000 and below	–	4
RM50,001 to RM100,000	–	1
RM100,001 to RM150,000	1	–
RM150,001 to RM200,000	1	–
RM250,001 to RM300,000	1	–
RM700,001 to RM750,000	1	–

Financial Reporting

In discharging their responsibilities to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's financial position and prospects. The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group, and ensure that the financial statements comply with the Companies Act, 1965 and approved Accounting Standards in Malaysia.

Internal Control

The Directors acknowledge their responsibility for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives. Due to the limitations that are inherent in any system of internal control, the system of internal controls can only provide reasonable assurance and not absolute assurance against misstatement, loss or fraud. Ongoing reviews are performed for identifying, evaluating and managing the significant risks facing the Group's business activities. Such continuous reviews are conducted by the Internal Audit Department which reports to the Audit Committee. The reports and recommendations of the Audit Committee are then presented to and reviewed regularly by the Board.

Relationship with Shareholders and Investors

The Board recognises the need to inform shareholders and investors on all material business matters affecting the Company and the Group. The financial results of the Group are announced quarterly. In addition, the Company promptly releases various announcements as required by the KLSE Listing Requirements.

The Company values dialogue with and feedback from investors. At each Annual General Meeting, the Company encourages and welcomes participation from its shareholders in the question and answer session. The Board and the external auditors of the Company are present at such meetings to respond to questions raised by shareholders.

Shareholders can obtain up-to-date information on the Group's activities by accessing its website at www.land-general.com.

Any concerns or queries regarding the Group may be conveyed to General (Rtd) Tan Sri Borhan Hj Ahmad, Senior Independent Non-executive Director.

This statement was made in accordance with a resolution of the Board dated 24 April 2002.

Audit Committee's Report 2001

The Audit Committee was established on 8 August 1991 to act as a Committee of the Board to fulfil its fiduciary responsibilities relating primarily to business ethics, policies and practices, and financial management and controls.

Members And Meetings

The Audit Committee had five meetings during the year ended 31 December 2001. The members of the Audit Committee and the record of their attendance are as follows:-

	Directors/Members	Position on the L&G Board	No. of Meetings Attended
1	General (Rtd) Tan Sri Borhan Hj Ahmad	Chairman of Audit Committee, Independent Non-Executive Director	4
2	Oh Chong Peng	Non-Independent Non-Executive Director	5
3	Dato' Dr Salleh Mohd Nor	Independent Non-Executive Director	-
4	Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor	Independent Non-Executive Director	4
5	Dato' Dr A Bakar Jaafar	Independent Non-Executive Director	4
6	Rita A/P Benoy Bushon	Non-Independent Non-Executive Director	Not Applicable

Terms Of Reference

The terms of reference of the Audit Committee are as follows:

Membership

1. The Audit Committee shall be appointed by the Board from amongst their number and shall consist of at least three members, with the majority being independent directors.
2. At least one member of the Committee shall be a member of the Malaysian Institute of Accountants or one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
3. The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.
4. In the event of any vacancy in the Audit Committee, within three months of that event, the Board shall appoint new members to make up the minimum number of three members.
5. No alternate director shall be appointed as a member of the Audit Committee.
6. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three years.

Authority

The Audit Committee is authorised by the Board:-

1. To investigate any activity within its terms of reference;
2. To have the resources required to perform its duties;
3. To have full and unrestricted access to information about the Company and the Group;
4. To have unrestricted access to both the internal and external auditors and to all employees of the Group; and
5. To obtain external legal or other independent professional advice as necessary.

Audit Committee's Report 2001 (Continued)

Functions

The functions of the Audit Committee shall be:-

1. To review with the external auditors:
 - the audit plan
 - their evaluation of the system of internal controls
 - their audit reports, to ensure that their recommendations regarding major management weaknesses are implemented
 - the annual financial statements and recommend adoption of the financial statements
 - the audit fees
2. To review:
 - the Group's internal control procedures, including organisational and operational controls
 - the internal audit department's scope of work and functions
 - the Annual Audit Plan
 - the results of internal audit procedures and relevant reports
 - the assistance given by the Company's officers to the internal auditors
 - the regular management information, to ensure that audit recommendations regarding major management weaknesses are effectively implemented
 - any related party transactions that may arise within the Company or Group
 - the Group's quarterly financial results, in conjunction with the Group's announcement to the Kuala Lumpur Stock Exchange
3. To review and recommend the appointment of the external auditors.
4. Any other function that may be agreed on or required by the Audit Committee and the Board.

Meetings

1. Meetings shall be held not less than four times a year.
2. The quorum for each meeting shall be two members present and a majority must be independent directors.
3. The Managing Director, Executive Director, Head of Group Finance and Accounts and the Head of Internal Audit shall normally attend the meetings. Other Board members and employees may attend the meetings upon the invitation of the Audit Committee.
4. At least once a year, the Audit Committee shall meet with the external auditors without any executive directors present.
5. The Company Secretary shall be the Secretary of the Audit Committee. Minutes of each meetings shall be kept and distributed to each member of the Audit Committee and of the Board.
6. The Chairman of the Audit Committee shall report on each meeting to the Board.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE AUDIT COMMITTEE DURING THE YEAR ENDED 31 DECEMBER 2001

Internal Audit Function

The Company has an Internal Audit Department whose principal responsibility is to undertake regular and systematic reviews of the systems of internal controls, so as to provide reasonable assurance that such systems continue to operate effectively and efficiently. The Department is also responsible for the conduct of regular and systematic reviews of safety, health and environmental issues in the Company and the Group to ensure its compliance with the Group's Occupational Safety, Health & Environmental Policy (OSHE). In general, the principal activities of the Department are governed by the approved Internal Audit Charter of the Group.

Audit Committee's Report 2001 (Continued)

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE AUDIT COMMITTEE DURING THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

In year 2001, the following activities were carried out by the Internal Audit Department:-

1. Reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls, and promoting effective control in the Company and the Group;
2. Ascertained the extent of compliance with established policies, procedures and statutory requirements;
3. Ascertained the extent to which the Company's and the Group's assets are accounted for and safeguarded from losses of all kinds;
4. Carried out ad hoc audit assignments and special reviews;
5. Recommended improvements to the existing system of controls; and
6. Identified opportunities to improve the operations of and processes within the Group;

Summary of Activities of the Audit Committee

During the year ended 31 December 2001, the Audit Committee performed its duties as set out in its terms of reference.

The main activities undertaken by the Audit Committee were as follows:-

1. Approved the charters of Internal Audit Functions in the Group and ensuring that the internal audit functions are adequately resourced and have appropriate standing in the Group;
2. Reviewed the audit plans for the Group prepared by the internal auditor;
3. Reviewed the external auditors' scope of work and audit plans for the year;
4. Reviewed the internal audit reports, recommendations and management's response. Discussed actions taken with Management to improve the internal controls system based on internal audit findings;
5. Reviewed the quarterly Risk Assessment exercise to assist the Board in identifying and managing the Group's risks;
6. Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval (the review and discussions being conducted with the Managing Director and Head of Group Finance & Accounts); and
7. Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval (to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by MASB).

GENERAL (RTD) TAN SRI BORHAN HJ AHMAD
24 April 2002

Statement Of Directors' Responsibilities In Respect Of The Audited Financial Statements

Directors are required by Company Law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company for the financial year then ended.

In preparing those financial statements, the Directors have:

- adopted suitable accounting policies and then applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate Diary 2001/2002

Year 2001

30 May

Shareholders' approval obtained at Extraordinary General Meeting of the Company in respect of the following

- issue of up to 7,880,087 new ordinary shares of RM1 each in the Company to certain contractors and consultants of Bandar Sungai Buaya Sdn Bhd, Lembah Beringin Sdn Bhd and Sri Damansara Sdn Bhd, all being subsidiaries of the Company;
- disposal of 735,000 ordinary shares of RM1 each representing 49% equity interest in Armada Tankers Sdn Bhd for a cash consideration of RM5,561,839.08;
- conversion of Australian Dollar ("A\$") 81,061,666 loans due to the Company from Overseas & General Limited ("OGL"), a subsidiary of the Company, into 66,061,666 class B convertible (non-voting) ordinary shares of A\$1 each and A\$15 million secured redeemable convertible bonds to be issued by OGL; and
- disposal by the Company of 15,000,000 ordinary shares of RM1 each representing 100% equity interest in Industrial Resins (Malaysia) Berhad to Kelbourne Resource Sdn Bhd for a cash consideration of RM30 million.

22 June

Flinders Wharf One Pty Ltd, Flinders Wharf Two Pty Ltd and Flinders Wharf Land Pty Ltd, all being wholly-owned subsidiaries of the Company and Flinders Wharf Management Pty Ltd, a 50% owned company of a wholly-owned subsidiary of the Company entered into a Joint Venture Agreement with Far East Consortium Properties Pty Ltd and Royal Domain Plaza Pty Ltd (as Trustee of the 360 St Kilda Road Unit Trust) for the main purpose of developing a parcel of vacant land adjacent to the World Trade Centre on the northern bank of the Yarra River in Melbourne, Australia into a multi-tiered complex to be known as "Flinders Wharf".

27 June

Shareholders' approval obtained at the 38th Annual General Meeting of the Company in respect of the amendments to the Articles of Association of the Company to comply with the revamped Listing Requirements of the Kuala Lumpur Stock Exchange.

05 July

The Company entered into a Sale & Purchase Agreement with KL-Kepong Property Holdings Sdn Bhd ("KLKPH"), Clarity Crest Sdn Bhd ("CC") and Key Century Sdn Bhd ("KCSB") for the termination of the Joint Venture Agreement dated 8 October 1993.

Announcement of the proposed acquisitions by the Company of additional equity interests in CC, KCSB and Lembah Beringin Sdn Bhd, all of which are 70% owned subsidiaries of the Company, from KLKPH for a total consideration of RM13,821,300 and the proposed disposal by CC of several pieces of land to KLKPH for a total consideration of RM45,893,400.

July 31

Completion of disposal of Armada Tankers Sdn Bhd.

August 29

Completion of the conversion of Australian Dollar ("A\$") 81,061,666 loans due to the Company from Overseas & General Limited ("OGL"), a subsidiary of the Company, into 66,061,666 class B convertible (non-voting) ordinary shares of A\$1 each and A\$15 million secured redeemable convertible bonds to be issued by OGL.

August 31

Resignation of Dato' Abdul Karim Ahmad Tarmizi as the Group Managing Director of the Company.

September 01

Appointment of Mr G. Krishnan as the Managing Director of the Company.

Executive Committee formed comprising Mr Oh Chong Peng (Chairman), Mr G. Krishnan and Encik Mohamed Razeek Hussain.

September 21

Announcement of the proposed partial settlement of approximately RM207.4 million amount owing by the Company via swapping with 29,634,164 shares of Bumi Armada Berhad owned by the Company and its subsidiary.

November 23

The shares of OGL were reinstated to official quotation on the Australian Stock Exchange and the CLOB, Singapore.

December 31

The Company entered into a Sale and Purchase of Shares Agreement with Powerama Holding Sdn Bhd for the disposal of 73,757,399 ordinary shares of RM1 each representing approximately 99.7% in Perlis Consolidated Sdn Bhd for a nominal consideration of RM1.

Corporate Diary 2001/2002 (Continued)

Year 2002

14 January

Resignation of Tan Sri Azmi Wan Hamzah as Chairman of OGL.

Appointment of Mr G. Krishnan as the acting Chairman of OGL.

18 January

Resignation of Tan Sri Azmi Wan Hamzah as Chairman of the Company.

Appointment of Mr Oh Chong Peng as Chairman of the Company.

28 February

The Company entered into a Debt Restructuring Agreement with financial institutional lenders for the restructuring of the amount owing by the Company and its subsidiaries to the said lenders of approximately RM350.383 million as at 30 June 2001.

Announcement of the proposed Composite Debt Restructuring Scheme which involves the settlement of the total indebtedness of the Company to the Scheme Creditors as at 30 June 2001.

March 14

Appointment of Puan Rita A/P Benoy Bushon and Encik Md Tarmuzi Md Salleh as directors of the Company.

March 20

The Company entered into a conditional Share Sale Agreement with Hocity Limited for the disposal of the entire equity interest in Kinley Trading Limited comprising 28,000,002 ordinary shares of USD1 each with the ultimate intention of disposing its 80% equity interest in PT Wapoga Mutiara Industries for a cash consideration of USD3.5 million.

April 24

Appointment of Puan Rita A/P Bernoy Bushon as a member of the Audit Committee.

Appointment of Encik Md Tarmuzi Md Salleh as a member of the Nominations Committee.

June 27

39th Annual General Meeting

Corporate Citizenship

Tabung Amanah Land & General Berhad (TALGB) was established in 1996 as part of the Group's commitment to nation building and fulfilling its role as a corporate citizen. It is a means by which the Group is able to effectively channel 1% of the Company's annual profits before tax to worthwhile causes and to contribute towards various deserving charitable and community services.

Despite the adverse economic conditions and the difficulties faced by the Group in the year 2001, TALGB has endeavoured to keep up with some of its commitments, albeit in very small ways towards the further development and promotion of society, education and the environment.

Society

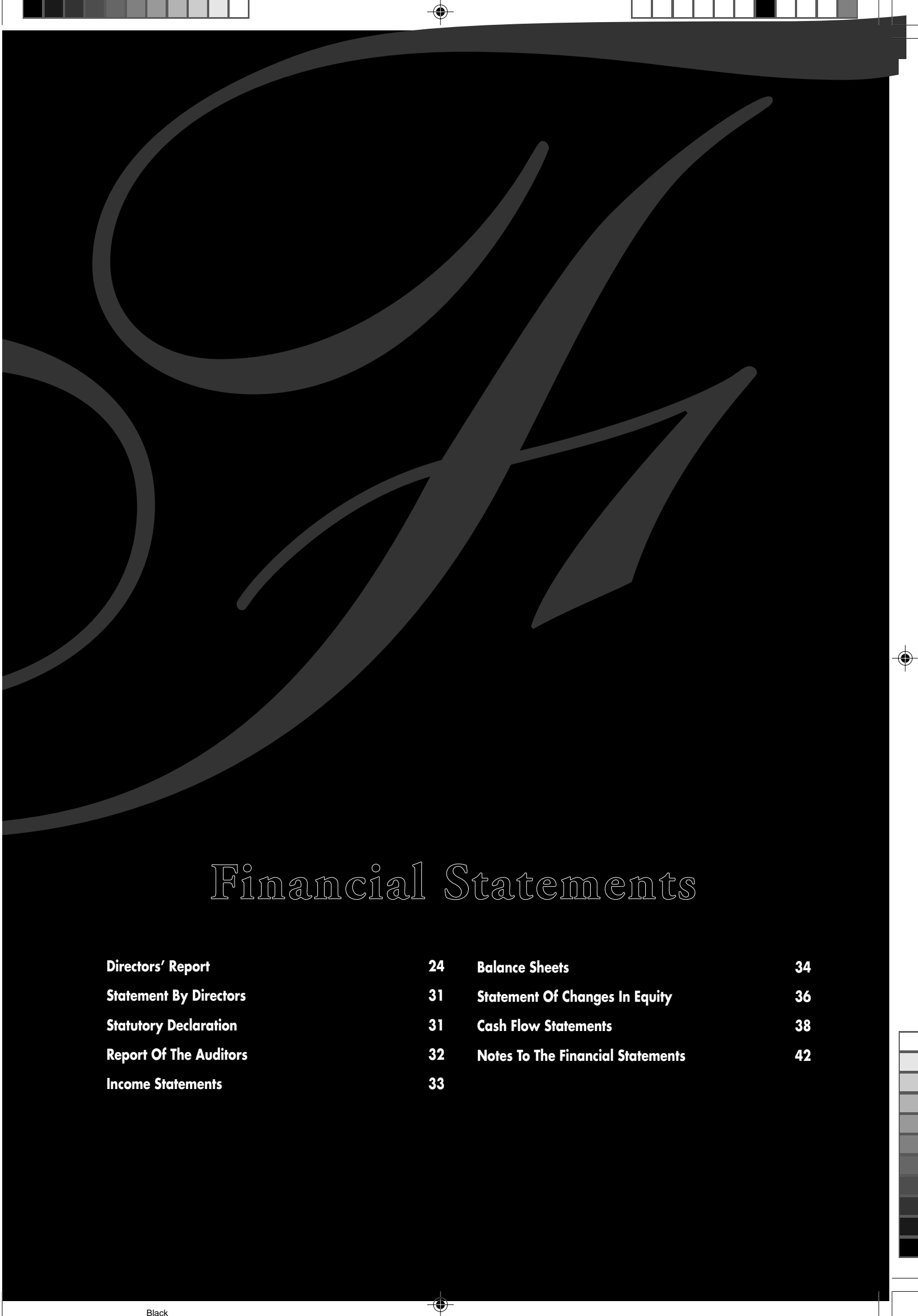
TALGB contributed RM30,000 towards the establishment of religious institutions in Bandar Sungai Buaya and Lembah Beringin and the upkeep of the Masjid Al Mukarramah in Bandar Sri Damasara.

Education - University Putra Malaysia (UPM)

TALGB contributed RM1,500 to UPM for its Best Student awards in their respective fields of study.

Environment - Malaysian Nature Society (MNS)

TALGB has contributed a total of RM250,000 to the MNS since 1998 to promote nature conservation and awareness as well as maintenance of the Milky Stork Breeding programmes. We are happy to report that the Milky Storks have started breeding, and the first eggs were laid early this year.



Financial Statements

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Directors' Report

The Directors submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2001.

Principal Activities

The principal activities of the Company are investment holding and rental of assets.

The principal activities of the subsidiary companies are set out in Note 34 to the financial statements. There have been no significant changes to the activities of the Group and the Company during the financial year.

Financial Results

	<u>Group</u> RM'000	<u>Company</u> RM'000
Loss after taxation	254,166	102,631
Minority interests	754	-
Net loss attributable to shareholders	<u>254,920</u>	<u>102,631</u>

Dividends

No dividends were paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend payment of any dividend for the financial year ended 31 December 2001.

Reserves And Provisions

Material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Share Capital

During the financial year, the issued and fully paid-up share capital of the Company was increased from 535,157,530 ordinary shares of RM1.00 each to 537,507,530 ordinary shares of RM1.00 each by the issuance of 2,350,000 new ordinary shares to consultants and contractors of the Company's property development subsidiary companies for settlement of outstanding debts of RM2,350,000.

The new ordinary shares issued during the year ranked pari passu in all respects with the existing ordinary shares of the Company.

There was no change in the authorised share capital of the Company.

Directors' Report (Continued)

Significant Events During The Financial Year

On 6 June 2001, the Company completed the disposal of the entire 100% equity interest in Cakara Alam (PNG) Ltd, a subsidiary company of Overseas & General Limited for a cash consideration of USD3.5 million.

On 22 June 2001, the Company announced that three of its wholly-owned subsidiaries and an associated company of a wholly-owned subsidiary of the Company, all being incorporated in Australia, entered into a Joint Venture Agreement with Far East Consortium Properties Pty Ltd and Royal Domain Plaza Pty Ltd for the purpose of developing a parcel of vacant land on the northern bank of the Yarra River in Melbourne, Australia into a multi-tiered complex to be known as "Flinders Wharf".

On 5 July 2001, the Company entered into a Sale & Purchase Agreement with KL-Kepong Property Holdings Sdn Bhd, Clarity Crest Sdn Bhd and Key Century Sdn Bhd for the termination of the Joint Venture Agreement dated 8 October 1993. In conjunction with the proposed acquisition and disposal, Clarity Crest Sdn Bhd and Key Century Sdn Bhd will redeem the existing 18,900 and 9,600 units of Redeemable Preference Shares held by KL-Kepong Property Holdings Sdn Bhd in Clarity Crest Sdn Bhd and Key Century Sdn Bhd, for a total cash consideration of RM18.9 million and RM9.6 million respectively. In addition, Clarity Crest Sdn Bhd will also redeem the existing 14,000 units of Redeemable Preference Shares held by the Company in Clarity Crest Sdn Bhd for a total cash consideration of RM14.0 million. Pending the approval from the shareholders of the Company, these transactions remain uncompleted.

On 31 July 2001, the Company announced the completion of the disposal of 735,000 ordinary shares in Armada Tankers Sdn Bhd for a cash consideration of RM5.6 million. The disposal resulted in a gain of RM4.6 million.

On 29 August 2001, the Company announced the completion of the conversion of A\$81,061,666 loans due to the Company from Overseas & General Limited into 66,061,666 class B convertible (non-voting) ordinary shares of A\$1 each and A\$15 million secured redeemable convertible bonds to be issued to Overseas & General Limited. The class B convertible ordinary shares and secured redeemable convertible bonds have been issued by Overseas & General Limited.

On 21 September 2001, the Company announced the proposed partial settlement of approximately RM207.4 million of debts owing by the Company via swapping with 29,634,164 shares of Bumi Armada Berhad owned by the Group (the 'Proposed Bumi Armada Share Swap'). Approvals from the relevant authorities have been obtained. Submission to the Kuala Lumpur Stock Exchange has been made for their approval. Approval from the shareholders will be sought.

On 23 November 2001, the shares of Overseas & General Limited, were reinstated to official quotation on the Australian Stock Exchange and the CLOB, Singapore.

On 31 December 2001, the Company entered into a Sale and Purchase of Shares Agreement with Powerama Holding Sdn Bhd for the disposal of its entire equity in Perlis Consolidated Sdn Bhd for a nominal consideration of RM1. As at 31 December 2001, the disposal remained uncompleted pending the satisfaction of certain conditions of the agreement.

Directors' Report (Continued)

Significant Post Balance Sheet Events

On 28 February 2002, the Company entered into a Debt Restructuring Agreement for the settlement of the amount owing by the Company and certain of its subsidiary companies to financial institution lenders of approximately RM350.383 million as at 30 June 2001 with a view to ultimately settling the total indebtedness owing to the financial institution lenders and the Euro Convertible Bond ("ECB") holders of the Company (collectively, referred to as the Scheme Creditors) of approximately RM657.931 million as at 30 June 2001 (the Proposed Composite Debt Restructuring Scheme). Approval from the ECB holders will be sought at an ECB holders' meeting to be convened.

The Proposed Composite Debt Restructuring Scheme comprises the following:

- (i) the settlement of secured debts of the Scheme Creditors amounting to approximately RM149.085 million via conversion into a new term loan of up to RM149.085 million or the proposed issue of up to RM149.085 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLSA") and;
- (ii) the settlement of unsecured debts of the Scheme Creditors amounting to approximately RM508.846 million via the proposed issue of up to RM426.793 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLS B") and the proposed issue of up to 82.053 million new ordinary shares of the Company of RM1.00 each at an issue price of RM1.00 per share.

The Company has also proposed to partially settle RM207,439,000 of the total indebtedness to the Scheme Creditors of RM657,931,000 via swapping with 29,634,164 shares in Bumi Armada Berhad owned by the Group. Approvals from the relevant authorities have been obtained. Submission to the Kuala Lumpur Stock Exchange has been made for their approval. Approval from the shareholders will be sought.

If the Proposed Bumi Armada Share Swap is fully subscribed, the remaining indebtedness to the Scheme Creditors of RM450,492,000 will be settled as follows:

- (i) the settlement of secured debts of the Scheme Creditors amounting to approximately RM102.080 million via conversion into a new term loan of up to RM102.080 million or the proposed issue of up to RM102.080 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLSA") and;
- (ii) the settlement of unsecured debts of the Scheme Creditors amounting to approximately RM348.412 million via the proposed issue of up to RM303.042 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLS B") and the proposed issue of up to 45.370 million new ordinary shares of the Company of RM1.00 each at an issue price of RM1.00 per share.

As at 31 December 2001, the Group carrying value of the 29,634,164 shares in Bumi Armada Berhad is approximately RM101,522,000, comprising shares at cost of RM41,985,000 and share of post acquisition profits and reserves of RM59,537,000. Based on the settlement sum of RM207,439,000 arising from the Proposed Bumi Armada Share Swap, this will give rise to a surplus on disposal of RM105,917,000.

Directors' Report (Continued)

Significant Post Balance Sheet Events (Continued)

The Proposed Composite Debt Restructuring Scheme is subject to approvals being obtained from the relevant authorities and the shareholders of the Company.

On 20 March 2002, the Company entered into a conditional Share Sale Agreement with Honcity Limited for the disposal of the entire equity interest in Kinley Trading Limited with the ultimate intention of disposing its 80% equity interest in PT Wapoga Mutiara Industries for a cash consideration of USD3.5 million.

Directors

The Directors who have held office during the period since the date of the last report are:

Tan Sri Azmi Wan Hamzah	(Resigned on 18.1.2002)
Oh Chong Peng	(Chairman)
M.R Gopala Krishnan C.R.K Pillai	(Managing Director, appointed on 1.9.2001)
General (R) Tan Sri Borhan Hj Ahmad	
Dato' Dr Salleh Mohd Nor	
Vice Admiral (R) Dato' Seri Ahmad Ramli Hj. Mohd Nor	
Dato' Dr A. Bakar Jaafar	
Mohamed Razeek Md Hussain Maricar	
Dato' Abdul Karim Ahmad Tarmizi	(Resigned on 31.8.2001)
Rita Benoy Bushon	(Appointed on 14.3.2002)
Md Tarmuzi Md Salleh	(Appointed on 14.3.2002)

In accordance with Article 93 of the Articles of Association of the Company, Oh Chong Peng and Vice Admiral (R) Dato' Seri Ahmad Ramli Hj. Mohd Nor, retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

In accordance with Article 98 of the Articles of Association of the Company, M.R Gopala Krishnan C.R.K Pillai, Rita A/P Benoy Bushon and Md Tarmuzi Md Salleh retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for election.

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in the Company or shares in or debentures of any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than as disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm in which he is a member, or with a company in which he has a substantial financial interest.

Directors' Report (Continued)

Directors' Interests In Shares And Debentures

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations are as follows:

	<u>Ordinary shares of RM1.00 each in the Company</u>			
	<u>At</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At</u>
	<u>1.1.2001</u>			<u>31.12.2001</u>
Tan Sri Azmi Wan Hamzah				
- direct	12,561,882	–	–	12,561,882
- indirect	28,062,000	–	–	28,062,000
Dato' Dr Salleh Mohd Nor	5,000	2,000	–	7,000
Mohamed Razeek Md Hussain Maricar	7,000	–	–	7,000

	<u>Ordinary shares of A\$1.00 each in Overseas & General Limited</u>			
	<u>At</u>	<u>Conversion*</u>	<u>Acquired/</u>	<u>At</u>
	<u>1.1.2001</u>		<u>Disposed</u>	<u>31.12.2001</u>
Tan Sri Azmi Wan Hamzah				
- direct	2,500	125	–	125
- indirect	15,300,000	765,000	–	765,000
M.R Gopala Krishnan C.R.K Pillai	–	15,000	–	15,000

	<u>Ordinary shares of RM1.00 each in Bumi Armada Berhad</u>			
	<u>At</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At</u>
	<u>1.1.2001</u>			<u>31.12.2001</u>
Dato' Dr Salleh Mohd Nor	2,000	–	–	2,000
Mohamed Razeek Md Hussain Maricar	5,000	–	–	5,000
General (Rtd) Tan Sri Borhan Hj Ahmad	10,000	–	–	10,000

No other Directors in office at the end of the financial year held any interest in shares in or debentures of the Company and its related corporations.

* During the financial year, the issued and paid up share capital of Overseas & General Limited of 303,347,336 ordinary shares of A\$0.10 each amounting to A\$30,334,734, was reduced against its accumulated losses of A\$15,167,367 to 303,347,336 ordinary shares of A\$0.05 each amounting to A\$15,167,367.

The 303,347,336 ordinary shares of A\$0.05 each amounting to A\$15,167,367, were subsequently consolidated into 15,167,367 ordinary shares of A\$1.00 each.

Directors' Report (Continued)

Statutory Information On The Financial Statements

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of 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:

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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 of the Company to meet their obligations when they fall due.

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

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

Directors' Report (Continued)

Other Statutory Information

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 which would render any amount stated in the financial statements misleading.

In their opinion:

- (a) other than as disclosed in Note 35 of the financial statements, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) other than as disclosed in Note 36 of the financial statements, 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 to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Auditors

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

In accordance with a resolution of the Board of Directors dated 24 April 2002.



OH CHONG PENG
DIRECTOR



M.R. GOPALA KRISHNAN C.R.K. PILLAI
DIRECTOR

Statement By Directors


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

We, Oh Chong Peng and M.R Gopala Krishnan C.R.K Pillai, being two of the Directors of Land & General Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 33 to 87 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2001 and of the results and cash flow of the Group and the Company for the financial year ended on that date, in accordance with the applicable approved Accounting Standards in Malaysia and provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 24 April 2002.



OH CHONG PENG
DIRECTOR



M.R GOPALA KRISHNAN C.R.K PILLAI
DIRECTOR

Statutory Declaration

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

I, M.R Gopala Krishnan C.R.K Pillai, the Director primarily responsible for the financial management of Land & General Berhad, do solemnly and sincerely declare that the financial statements set out on pages 33 to 87 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.



M.R GOPALA KRISHNAN C.R.K PILLAI

Subscribed and solemnly declared by the abovenamed M.R Gopala Krishnan C.R.K Pillai at Kuala Lumpur in Malaysia on **24 APR 2002** before me.



Tingkat Dawah Wisma P.K.N.S.
Jalan Raja Laut,
50653 KUALA LUMPUR.
TEL: 03-27823218

MAISHARAH BINTI ABU HASAN
W181
Commissioner For Oaths

Report of The Auditors

To The Members of Land & General Berhad (Company No. 5507 H)

We have audited the financial statements set out on pages 33 to 87. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt in the financial statements; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2001 and of the results and cash flows of the Group and the Company for the financial year ended on that date;

and

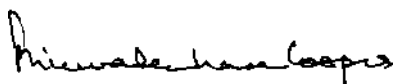
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

Without qualifying our opinion, we draw attention to Notes 2, 3(a), 23 and 36 to the financial statements which explain the financial position of the Group and the Company and the plans of the Directors to implement a Composite Debt Restructuring Scheme involving the restructuring of the debts of the Company and certain of its subsidiary companies and the basis of the preparation of the financial statements of the Group and the Company.

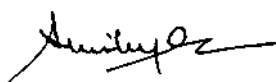
The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 34 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

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

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



PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants



SHIRLEY GOH
(No. 1778/08/02 (J))
Partner of the firm

24 April 2002

Income Statements

For The Financial Year Ended 31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue					
- continuing operations		269,934	409,882	54,858	32,058
- discontinued operations	5				
current year		746	15,076	-	-
previous year		-	25,410	-	-
	4	270,680	450,368	54,858	32,058
Operating expenses	6	(491,892)	(554,238)	(112,613)	(65,272)
Operating loss		(221,212)	(103,870)	(57,755)	(33,214)
Other operating income	8	23,309	42,229	1,010	1,315
(Loss)/profit from operations					
- continuing operations		(181,963)	3,423	(56,745)	(31,899)
- discontinued operations	5				
current year		(15,940)	(8,881)	-	-
previous year		-	(56,183)	-	-
		(197,903)	(61,641)	(56,745)	(31,899)
Share of results of associated companies		22,992	16,095	-	-
Share of results of jointly controlled entities		2,159	(3,261)	-	-
Finance cost	9	(64,141)	(71,372)	(35,916)	(24,009)
Loss from ordinary activities before taxation		(236,893)	(120,179)	(92,661)	(55,908)
Taxation	10	(17,273)	(19,626)	(9,970)	(15,331)
Loss from ordinary activities after taxation		(254,166)	(139,805)	(102,631)	(71,239)
Minority interests		(754)	8,089	-	-
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS		(254,920)	(131,716)	(102,631)	(71,239)
Loss per share (sen)					
- basic	11	(47.5)	(25.9)		
- diluted		-	-		

The notes on pages 42 to 87 form part of these financial statements.

Balance Sheets

At 31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
NON CURRENT ASSETS					
Property, plant and equipment	12	521,581	579,610	23,111	24,176
Real property assets	3(i)	89,669	93,861	–	–
Investment in subsidiary companies	13	–	–	592,301	464,685
Investment in associated companies	14	128,231	132,673	90,663	99,215
Investment in jointly controlled entities	15	(872)	3,724	–	6,985
Other investments	16	24,330	24,240	620	620
		762,939	834,108	706,695	595,681
CURRENT ASSETS					
Development properties	17	425,243	525,177	–	–
Other assets	18	34,437	43,919	–	–
Inventories	19	87,415	103,213	–	–
Debtors	20	214,650	255,607	369,540	427,735
Deposits, cash and bank balances	21	69,691	66,791	9,258	8,467
		831,436	994,707	378,798	436,202
LESS: CURRENT LIABILITIES					
Creditors	22	196,411	187,733	120,051	115,040
Short term borrowings	23	866,889	866,107	612,831	462,946
Taxation		5,929	4,493	–	952
		1,069,229	1,058,333	732,882	578,938
NET CURRENT LIABILITIES		(237,793)	(63,626)	(354,084)	(142,736)
		525,146	770,482	352,611	452,945
LESS: NON CURRENT LIABILITIES					
Deferred taxation	24	15,678	20,827	1,123	1,123
Long term borrowings	25	189,291	208,005	110	163
Other deferred liabilities	26	43,942	23,653	–	–
		248,911	252,485	1,233	1,286
		276,235	517,997	351,378	451,659

Balance Sheets

At 31 December 2001(Continued)

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CAPITAL AND RESERVES					
Share capital	27	537,507	535,157	537,507	535,157
Share premium		133,003	133,003	133,003	133,003
Revaluation and other reserves		33,016	33,581	–	–
Accumulated losses		(487,257)	(247,248)	(319,132)	(216,501)
Shareholders' equity		216,269	454,493	351,378	451,659
Minority interests		59,966	63,504	–	–
		276,235	517,997	351,378	451,659

The notes on pages 42 to 87 form part of these financial statements.

Consolidated Statement of Changes In Equity

For The Financial Year Ended 31 December 2001

	Issued and fully paid ordinary shares of RM1 each		Non-distributable				Total
	Number of shares	Nominal value	Share premium	Revaluation and other reserves	Capital reserve on consolidation	Accumulated losses	
2001							
At 1 January	535,157	535,157	133,003	902	32,679	(247,248)	454,493
Issue of shares	2,350	2,350	–	–	–	–	2,350
Loss for the financial year	–	–	–	–	–	(254,920)	(254,920)
Foreign exchange adjustments	–	–	–	–	–	23,280	23,280
Transfer from revaluation reserve	–	–	–	(565)	–	565	–
Goodwill written off	–	–	–	–	–	(8,934)	(8,934)
At 31 December	537,507	537,507	133,003	337	32,679	(487,257)	216,269
2000							
At 1 January	500,917	500,917	132,573	2,291	32,821	(120,443)	548,159
Issue of shares	32,434	32,434	–	–	–	–	32,434
Issue of shares arising from exercise of Employees' Share Option Scheme	1,806	1,806	430	–	–	–	2,236
Loss for the financial year	–	–	–	–	–	(131,716)	(131,716)
Foreign exchange adjustments	–	–	–	–	–	3,551	3,551
Transfer from revaluation reserve	–	–	–	(1,389)	(177)	1,566	–
Increase/(decrease) in other non-distributable reserve	–	–	–	–	35	(206)	(171)
At 31 December	535,157	535,157	133,003	902	32,679	(247,248)	454,493

The notes on pages 42 to 87 form part of these financial statements.

Company Statement of Changes In Equity

For The Financial Year Ended 31 December 2001

	Issued and fully paid ordinary shares of RMI each		Non-distributable			Total
	Number of shares	Nominal value	Share premium	Revaluation reserves	Accumulated losses	
	'000	RM'000	RM'000	RM'000	RM'000	
2001						
At 1 January	535,157	535,157	133,003	–	(216,501)	451,659
Issue of shares	2,350	2,350	–	–	–	2,350
Loss for the financial year	–	–	–	–	(102,631)	(102,631)
At 31 December	537,507	537,507	133,003	–	(319,132)	351,378
2000						
At 1 January	500,917	500,917	132,573	1,505	(146,767)	488,228
Issue of shares	32,434	32,434	–	–	–	32,434
Issue of shares arising from exercise of Employees' Share Option Scheme	1,806	1,806	430	–	–	2,236
Loss for the financial year	–	–	–	–	(71,239)	(71,239)
Transfer from revaluation reserve	–	–	–	(1,505)	1,505	–
At 31 December	535,157	535,157	133,003	–	(216,501)	451,659

The notes on pages 42 to 87 form part of these financial statements.

Cash Flow Statements

For The Financial Year Ended 31 December 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss after taxation		(254,166)	(139,805)	(102,631)	(71,239)
Adjustments for:					
Write off of property, plant and equipment		16,689	19,880	–	388
Depreciation on property, plant and equipment		18,094	33,462	1,030	1,526
Gain on disposal of property, plant and equipment		(679)	(4,740)	(201)	(123)
Allowance/(write back of allowance) for diminution in value of investments		6,895	(861)	55,490	20,379
Loss/(gain) on disposal of shares in associated and subsidiary companies and other investments		10,560	(564)	7,221	494
Provision for retirement benefits		431	385	–	–
Share of profit in associated companies		(22,992)	(16,095)	–	–
Dividend income		–	–	(44,010)	(17,964)
Interest expense		64,141	65,251	35,916	24,009
Allowance for inventories obsolescence/written off		4,920	5,756	–	–
Closure and retrenchment costs		2,076	5,083	–	–
Unrealised foreign exchange losses/(gains)		2,730	15,709	(3,603)	2,450
Allowance for doubtful debt - intercompany balances		–	–	39,999	39,533
- third parties		32,392	17,089	1,812	–
Liquidated ascertained damages		24,865	9,801	–	–
Reduction on put option premium of convertible bonds		(3,411)	–	(3,411)	–
Write down of development properties		76,825	–	–	–

Cash Flow Statements

For The Financial Year Ended 31 December 2001 (Continued)

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Write down of real property assets		36,673	–	–	–
Accretion arising on subscription of additional shares in a subsidiary company		–	(542)	–	–
Write down of other investments and assets		5,769	56	–	–
Share of results of jointly controlled entities		(2,159)	3,261	–	–
Amortisation/write off of deferred charges		–	2,927	–	2,927
Interest income		(3,610)	(9,005)	(9,932)	(13,129)
Gain on cancellation of Euro Convertible Bonds		–	(18,144)	–	(18,144)
Allowance for foreseeable losses		2,172	–	–	–
Taxation		17,273	19,626	9,970	15,331
		35,488	8,530	(12,350)	(13,562)
Decrease in development properties		21,558	16,824	–	–
Decrease in inventories		11,027	20,613	–	–
Decrease/(increase) in debtors		11,577	(23,936)	37,180	(67,949)
(Decrease)/increase in creditors		(184)	22,726	(38,676)	80,150
Net cash generated from/(absorbed by) operations		79,466	44,757	(13,846)	(1,361)
Taxation paid		(18,746)	(18,591)	(1,169)	(1,809)
Interest paid		(31,213)	(56,412)	(6,226)	(26,724)
Interest received		1,856	5,735	224	496
Net cash inflow/(outflow) from operating activities		31,363	(24,511)	(21,017)	(29,398)

Cash Flow Statements

For The Financial Year Ended 31 December 2001 (Continued)

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of additional shares in a subsidiary company		-	(800)	-	-
Cash flow on disposal of subsidiaries	29	12,791	(28)	-	-
Purchase of shares in associated company		(12,608)	(78)	(12,608)	-
Proceeds from disposal of shares in an associated company		11,586	-	11,606	-
Proceeds from disposal of investments		-	1,733	-	-
Proceeds from disposal of property, plant and equipment		4,550	13,424	273	8,706
Purchase of shares in a jointly controlled entity		(250)	-	-	-
Purchase of real property assets		(8)	(43)	-	-
Purchase of property, plant and equipment		(8,259)	(10,996)	(37)	(112)
Purchase of investments		-	-	-	(878)
Dividends received		9,298	4,124	25,502	28,890
Net cash inflow from investing activities		17,100	7,336	24,736	36,606
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from term loans		19,000	34,261	-	-
Repayment of term loans		(11,498)	(21,539)	(2,457)	(7,169)
Repayment of hire purchase instalments		(508)	(722)	(90)	(479)
Proceeds from exercise of options under ESOS		-	2,236	-	2,236
(Decrease)/increase in short term borrowings		(41,300)	10,815	-	-
Deferred cash payment for acquisition of land bank		(26,191)	(19,905)	-	-
Dividends paid to minority interest		(150)	-	-	-
Net cash (outflow) /inflow from financing activities		(60,647)	5,146	(2,547)	(5,412)

Cash Flow Statements

For The Financial Year Ended 31 December 2001 (Continued)

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(12,184)	(12,029)	1,172	1,796
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		(52,851)	(42,660)	(38,001)	(39,797)
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		(1,152)	1,838	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	30	(66,187)	(52,851)	(36,829)	(38,001)

The notes on pages 42 to 87 form part of these financial statements.

Notes To The Financial Statements

31 December 2001

I GENERAL INFORMATION

The principal activities of the Company are investment holding and rental of assets.

The principal activities of the subsidiary companies are described in Note 34 to the financial statements. There have been no significant changes in these activities during the financial year, except for those subsidiaries that have ceased operations.

The number of employees in the Group and the Company at the end of the financial year were 2,350 and 97 (2000: 2,796 and 97) persons respectively.

2 PROPOSED COMPOSITE DEBT RESTRUCTURING

On 28 February 2002, the Company entered into a Debt Restructuring Agreement for the settlement of the amount owing by the Company and certain of its subsidiary companies to the financial institution lenders of approximately RM350.383 million as at 30 June 2001 with a view to ultimately settling the total indebtedness owing to the financial institution lenders and the Euro Convertible Bond ("ECB") holders of the Company (collectively, referred to as the Scheme Creditors) of approximately RM657.931 million as at 30 June 2001 (the Proposed Composite Debt Restructuring Scheme). Approval from the ECB holders will be sought at an ECB holders' meeting to be convened.

The Proposed Composite Debt Restructuring Scheme comprises of the following:

- (i) the settlement of secured debts of the Scheme Creditors amounting to approximately RM149.085 million via conversion into a new term loan of up to RM149.085 million or the proposed issue of up to RM149.085 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLS A") and;
- (ii) the settlement of unsecured debts of the Scheme Creditors amounting to approximately RM508.846 million via the proposed issue of up to RM426.793 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLS B") and the proposed issue of up to 82.053 million new ordinary shares of the Company of RM1.00 each at an issue price of RM1.00 per share.

The Company has also proposed to partially settle RM207,439,000 of the total indebtedness to the Scheme Creditors of RM657,931,000 via swapping with 29,634,164 shares in Bumi Armada Berhad owned by the Group. Approvals from the relevant authorities have been obtained. Submission to the Kuala Lumpur Stock Exchange has been made for their approval. Approval from the shareholders will be sought.

If the Proposed Bumi Armada Share Swap is fully subscribed, the remaining indebtedness to the Scheme Creditors of RM450,492,000 will be settled as follows:

- (i) the settlement of secured debts of the Scheme Creditors amounting to approximately RM102.080 million via conversion into a new term loan of up to RM102.080 million or the proposed issue of up to RM102.080 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLS A") and;
- (ii) the settlement of unsecured debts of the Scheme Creditors amounting to approximately RM348.412 million via the proposed issue of up to RM303.042 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLS B") and the proposed issue of up to 45.370 million new ordinary shares of the Company of RM1.00 each at an issue price of RM1.00 per share.

As at 31 December 2001, the Group carrying value of the 29,634,164 shares in Bumi Armada Berhad is approximately RM101,522,000, comprising shares at cost of RM41,985,000 and share of post acquisition profits and reserves of RM59,537,000. Based on the settlement sum of RM207,439,000 arising from the Proposed Bumi Armada Share Swap, this will give rise to a surplus on disposal of RM105,917,000.

The Proposed Composite Debt Restructuring Scheme is subject to approvals being obtained from the relevant authorities and the shareholders of the Company.

Notes To The Financial Statements

31 December 2001 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention (except as disclosed in this summary of significant accounting policies) in accordance with the applicable approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965.

As at balance sheet date, the Group and the Company had accumulated loss of RM487,257,000 and RM319,132,000, respectively. At that date, the current liabilities of the Group and the Company exceeded current assets by RM237,793,000 and RM354,084,000 respectively. As stated in Note 23 to the financial statements, the total balances due to bankers, lenders and bondholders, which are due for repayment within the next 12 months for the Group and the Company amounted to RM866,889,000 and RM612,831,000 respectively.

The Directors have prepared the financial statements of the Group and the Company on a going concern basis on the assumption that the Proposed Composite Debt Restructuring Scheme referred in Note 2 to the financial statements will be successfully implemented. Accordingly, the financial statements do not include any adjustments relating to the recoverability and reclassification of recorded assets amounts or to amounts and classifications of liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

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

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The results of subsidiary companies acquired or disposed during the financial year are included in the consolidated income statement from the date of their acquisition or up to the date of their disposal.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made on minority interests.

(c) Goodwill arising on consolidation

Goodwill arising on consolidation represents the excess of the fair value of the purchase consideration over the fair value of the Group's share of separable net assets of subsidiary companies at the date of acquisition and is written off against Group's reserves in the financial year of acquisition.

(d) Investment in subsidiary companies

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investment in subsidiary companies are stated at cost less provision for any permanent diminution in value.

Notes To The Financial Statements

31 December 2001 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment in associated companies

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Associated companies are companies, other than subsidiary companies, in which the Group has a long term equity investment of 20% to 50% and where the Group has representation on the board and is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies but not control over those policies. Investment in associated companies are stated at cost less provision for any permanent diminution in value.

The consolidated income statement includes the Group's share of profits less losses of associated companies based on the latest audited or management financial statements of the companies concerned. In the consolidated balance sheet, the Group's interest in associated companies is stated at cost plus the Group's share of post acquisition retained profits and reserves. Where necessary, accounting policies for associated companies have been changed to ensure consistency with the policies adopted by the Group.

(f) Investments

Long term investments are stated at cost and provision for diminution in value of investments is only made when the Directors consider that there has been a permanent impairment in their values. Permanent diminution in the value of an investment is recognised as an expense in the period in which the diminution is identified. Short term investments are stated at the lower of cost and net realisable value. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land and capital work-in-progress, which are not depreciated.

Timber concession rights are amortised on a straight line basis over the concession periods to which they relate. Amortisation is charged from the date of commencement of timber harvesting operations. Timber concession rights are written down to their recoverable amounts when the Directors are of the opinion that there has been a permanent diminution in their value.

Depreciation of the other property, plant and equipment is calculated on a straight-line basis to write off the cost or valuation of the assets over their estimated useful lives at the following annual rates:

Long leasehold land	Over 51 to 99 years lease
Leasehold buildings	Over 26 to 50 years
Freehold buildings	2% - 10%
Plant and machinery	5% - 30%
Forest camps	20%
Motor vehicles	20%
Furniture, fittings and equipment	7.5% - 30%

The carrying values of property, plant and equipment are reviewed at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the carrying value of the asset will be reduced to its recoverable amount and the impairment loss is charged to the income statement.

The Directors have applied the transitional provisions of International Accounting Standards 16 (Revised) Property, Plant and Equipment as adopted by Malaysian Accounting Standards Board which allow for freehold land and buildings to be stated at their last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

Notes To The Financial Statements

31 December 2001 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments at the date of inception. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term liabilities. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance lease agreements is depreciated over the useful life of the asset in accordance with the policy set out in Note 3(g) above.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(i) Real property assets

Real property assets consists of land held for future development and are stated at cost of acquisition including all related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use.

Such assets are transferred to development properties when significant development work is to be undertaken and is expected to be completed within the normal operating cycle.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost includes where relevant, appropriate proportions of overheads and is calculated using weighted average, first-in-first-out or specific identification methods.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Notes To The Financial Statements

31 December 2001 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories (Continued)

The Group's foreign entities are those operations that are not an integral part of the operations of the Company. Income and expense items of foreign entities are translated into Ringgit Malaysia at average exchange rates for the financial year. Assets and liabilities of foreign subsidiary companies are translated into Ringgit Malaysia at the exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investments in foreign entities are taken directly to reserves. The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign currency	31.12.2001	31.12.2000
	RM	RM
I United States Dollar	3.80	3.80
I Singapore Dollar	2.04	2.18
I Pound Sterling	5.49	5.58
I Australian Dollar	1.93	2.06
I Hong Kong Dollar	0.49	0.49
I Indonesian Rupiah	0.00034	0.00038
I Papua New Guinea Kina	0.98	1.29

(k) Revenue recognition

Revenues for the Group are recognised based on the invoiced value of goods sold less returns, upon billings for services rendered to third party and the proportion of sales value from the development property units sold.

Other revenues earned by the Company are recognised on the following bases:

- Rental income - on an accrual basis in accordance with the substance of the relevant agreements;
- Interest income - on advances to subsidiaries and related companies, interest is accrued unless recoverability is in doubt;
- Dividend income - the rights to receive dividends are established;
- Management fees - on an accrual basis.

(l) Deferred taxation

The tax expense is determined on the basis of the tax effect accounting using the liability method. Deferred taxation is recognised for timing differences except when there is reasonable evidence that such timing difference will not reverse in the foreseeable future. The tax effect of timing differences that result in a debit to deferred tax balance is not carried forward unless there is a reasonable expectation of its realisation.

The potential tax saving relating to a tax loss carry forward is only recognised if there is assurance beyond any reasonable doubt that the future taxable income will be sufficient for the benefit of the loss to be realised.

Notes To The Financial Statements

31 December 2001 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Deferred taxation (continued)

Where there is intention to dispose of revalued assets, the deferred tax relating to such assets is recognised through a transfer from the related revaluation surplus. No provision nor disclosure is made of this tax effect where the Group intends to hold such assets for the foreseeable future.

(m) Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates. Assets and liabilities at the financial year end are translated at the rates of exchange ruling at that date and differences are taken to the income statement.

(n) Interest capitalisation

Interest incurred on external borrowings relating to property, plant and equipment, development properties under construction and investments in enterprises is capitalised. Interest relating to property, plant and equipment is capitalised as part of the cost of assets during the financial year or time that is required to complete and prepare the assets for their intended use.

Interest relating to development properties is capitalised during the period in which the activities to prepare and develop the properties are carried out.

(o) Development properties

Development properties are stated at cost plus attributable profit less losses and applicable progress billings. Cost comprises cost of land and development expenditure, which includes interest expense incurred relating to the development.

Profit on the sale of development properties is recognised on the percentage of completion method. Anticipated losses are immediately recognised in the income statement.

(p) Retirement benefits

Retirement benefits are provided for based on the respective subsidiary companies' collective union agreement for unionised members and letters of appointment for executives. For retirement benefit plans, which are defined benefit plans, the retirement benefit plan is subject to periodic actuarial valuation by an independent qualified actuary.

(q) Interest in jointly controlled entities

A company in which the Group has joint control over its financial and operating policy decisions and not being a subsidiary or an associated company is treated as interest in jointly controlled entities.

Notes To The Financial Statements

31 December 2001 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Trade receivables

Trade receivables are carried at realisable value. A general allowance is made for doubtful receivables based on a review of all outstanding amounts at the year end.

Specific allowance are made for doubtful debts, which have been individually reviewed and identified as bad or doubtful.

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, demand deposits including short term, highly liquid investments readily convertible to cash with insignificant changes in value net of bank overdrafts.

4 REVENUE

Revenue of the Group represents the aggregate of the invoiced value of goods sold less returns, billings for services rendered to third parties, rental income receivable and the proportion of sales value from development property units sold.

Revenue of the Company represents dividends receivable, interest charges to subsidiary companies, rental and interest income receivable.

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Continuing operations:				
Sales of development property units	83,240	164,311	-	-
Sales of goods	127,747	181,619	-	-
Rendering of services	22,751	22,851	-	-
Dividends receivable/received				
- subsidiary companies	-	-	35,245	14,314
- associated company				
- Bumi Armada Berhad	-	-	8,765	3,650
Interest income				
- subsidiary companies	-	-	9,651	12,633
- quoted investments in Malaysia	281	496	281	496
Rental income				
- subsidiary companies	-	-	433	433
- quoted investments in Malaysia	30,729	34,942	-	-
Others	5,186	5,663	483	532
	269,934	409,882	54,858	32,058

Notes To The Financial Statements

31 December 2001 (Continued)

4 REVENUE (CONTINUED)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Discontinued operations:				
Current year				
- Sales of goods	746	15,076	-	-
Previous year				
- Sales of goods	-	23,773	-	-
- Rendering of services	-	1,637	-	-
	-	25,410	-	-
	270,680	450,368	54,858	32,058

5 DISCONTINUED OPERATIONS

Cakara Alam (PNG) Ltd, a subsidiary company operating in the timber segment, was disposed of on 6 June 2001 for a net disposal proceeds of RM13,301,000.

The effect of the disposal on the results of the Group for the current period to the date of disposal was as follows:

	Group	
	5 months to date of disposal RM'000	2000 RM'000
Sales	746	15,076
Operating costs	(3,165)	(23,957)
Loss on disposal of subsidiary company	(13,521)	-
Loss from operations	(15,940)	(8,881)
Finance costs	(460)	(825)
Loss before tax	(16,400)	(9,706)
Tax	-	176
Net loss after tax	(16,400)	(9,530)

The loss on disposal of this discontinued operation is the difference between net disposal proceeds and the Group's share of its net assets together with the exchange differences which were not previously recognised in the consolidated income statement.

Notes To The Financial Statements

31 December 2001 (Continued)

5 DISCONTINUED OPERATIONS (CONTINUED)

The effect of the disposal of Cakara Alam (PNG) Ltd on the financial position the Group was as follows:

	Group	
	At date of disposal RM'000	31.12.2000 RM'000
Property, plant and equipment	8,632	10,823
Inventories	477	1,241
Debtors	2,033	2,317
Bank balances and deposits	556	1,652
Creditors	(14,340)	(11,696)
Short term borrowings	(47)	(4,498)
Deferred taxation	(253)	(285)
Net liabilities	(2,942)	(446)
Intercompany balances written off	5,668	
Currency translation differences	24,096	
Net disposal proceeds	(13,301)	
Loss on disposal	13,521	

6 OPERATING EXPENSES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Raw materials and consumables used	99,761	178,211	-	-
Write down of development properties	76,825	-	-	-
Property development expenditure recognised as expense	43,008	134,928	-	-
Staff costs	39,972	56,121	4,894	5,930
Write down of real property assets	36,673	-	-	-
Allowance for doubtful debt				
- intercompany balances	-	-	39,999	39,533
- third parties	32,392	17,089	1,812	-
Liquidated ascertained damages	24,865	9,801	-	-
Depreciation of property, plant and equipment	18,094	33,462	1,030	1,526
Write off of property, plant and equipment	16,689	19,880	-	388

Notes To The Financial Statements

31 December 2001 (Continued)

6 OPERATING EXPENSES (CONTINUED)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Loss/(gain) on disposal of shares in associated, subsidiary companies and other investments	10,560	(564)	7,221	494
Restructuring, legal and professional fees	7,872	9,335	4,718	5,466
Upkeep, repairs and maintenance of assets	9,904	8,463	634	735
Utilities and fuel	8,766	12,943	53	84
Changes in inventories of raw materials, work in progress and finished goods	7,927	11,814	-	-
Statutory payments, quit rent and assessment	7,467	6,357	74	109
Allowance/(write back) of allowance for diminution in value of investments				
- subsidiary companies	-	-	48,505	20,379
- others	6,895	(861)	6,985	-
Write down of other investments and assets	5,769	56	-	-
Freight, transportation and duties	3,206	13,452	-	-
Franchise fee and club operator costs	3,124	4,613	-	-
Unrealised foreign exchange loss/(gain)	2,730	15,709	(3,603)	2,450
Closure and retrenchment costs	2,076	5,083	-	-
Rental of plant and machinery	2,073	1,547	-	-
Realised foreign exchange loss/(gain)	1,691	(3,344)	-	-
Advertising expenses	1,480	3,883	6	184
Log extraction and related costs	1,112	11,289	-	-
Rental of land and buildings	1,011	2,946	254	320
Auditors' remuneration				
- audit fees	777	1,042	63	60
- non audit fee	2,110	787	2,110	787
Gain on cancellation of Euro Convertible Bonds	-	(18,144)	-	(18,144)
Reduction on put option premium of convertible bonds	(3,411)	-	(3,411)	-
Other operating expenses	20,474	18,340	1,269	4,971
	491,892	554,238	112,613	65,272

Notes To The Financial Statements

31 December 2001 (Continued)

7 DIRECTORS' REMUNERATION

The aggregate amount of emoluments receivable by Directors of the Company during the period were as follows:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Non-executive Directors:				
- fees	280	233	280	233
Executive Directors:				
- estimated money value of benefits-in-kind	104	89	104	89
- basic salaries, bonus and pension	1,178	1,794	1,178	1,794
	1,562	2,116	1,562	2,116

8 OTHER OPERATING INCOME

Other operating income consist of:

	Group	Company
Sales commission income	-	-
Land tax, rates and other charges recoverable from tenants	11,836	-
Rental income	2,628	362
Gain on disposal of property, plant and equipment	679	201
Interest income	3,329	-
Bad debts recovered	95	-
Others	4,742	447
	23,309	1,010

9 FINANCE COST

Interest expense on:

	Group	Company
Term loans	19,675	7,711
Short term borrowings	26,835	9,784
Leases and hire purchases	151	28
Bank overdrafts	8,100	3,780
Euro Convertible Bonds	9,380	9,380
Intercompany loans/advances	-	5,233
Realised foreign exchange:		
Loss on foreign currency borrowings	-	-
Others	-	-
	64,141	35,916

Notes To The Financial Statements

31 December 2001 (Continued)

10 TAXATION

The taxation charge comprises:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
In Malaysia				
Current taxation	18,252	16,520	9,970	3,889
Deferred taxation (Note 24)	(4,863)	(2,710)	-	-
Underprovision in respect of prior years	3	3,611	-	11,442
Associated companies	3,446	1,737	-	-
Jointly controlled entities	21	-	-	-
	16,859	19,158	9,970	15,331
Outside Malaysia				
Current taxation	372	400	-	-
Deferred taxation (Note 24)	-	(213)	-	-
Associated companies	42	281	-	-
	414	468	-	-
	17,273	19,626	9,970	15,331

Taxation on the Company represents taxation on dividend income received from companies incorporated in Malaysia.

11 LOSS PER SHARE

The loss per share is calculated by dividing the Group's loss after taxation and minority interest of RM254,920,000 (2000: Group's loss after taxation and minority interests of RM131,716,000) by the weighted average number of shares of the Company in issue during the financial year of 536,528,000 (2000: 507,883,000).

There is no dilution in earnings per share noted from conversion of the Euro Convertible Bonds issued by the Group.

Notes To The Financial Statements

31 December 2001 (Continued)

12 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM'000	Freehold Buildings RM'000	Leasehold Land and Buildings RM'000	Plant and Machinery RM'000	Forest Camps and Concessions RM'000	Motor Vehicles RM'000	Furniture, Fittings and Equipment RM'000	Capital Work-in- Progress RM'000	Total RM'000
GROUP									
2001									
Net book value at 1.1.2001	211,187	97,893	89,993	123,986	8,522	2,416	26,016	19,597	579,610
Exchange rate adjustments	(2,846)	(4,196)	(1,249)	(6,822)	(100)	(50)	(1,128)	(6)	(16,397)
Additions	-	405	2	5,703	96	873	1,529	234	8,842
Disposal of subsidiary company	-	-	(2,373)	(5,401)	(649)	(19)	(139)	(51)	(8,632)
Disposals	-	-	-	(42)	-	(81)	(35)	-	(158)
Reclassification of fixed assets	-	5,858	(3,154)	(567)	298	401	(637)	(2,199)	-
Assets written off	-	-	(7,254)	(9,288)	-	(70)	(77)	-	(16,689)
Transfer to other assets	-	-	(6,901)	-	-	-	-	-	(6,901)
Depreciation	-	(2,894)	(2,394)	(9,056)	(252)	(938)	(2,560)	-	(18,094)
Net book value at 31.12.2001	<u>208,341</u>	<u>97,066</u>	<u>66,670</u>	<u>98,513</u>	<u>7,915</u>	<u>2,532</u>	<u>22,969</u>	<u>17,575</u>	<u>521,581</u>

GROUP**At 31 December 2001**

At cost	206,391	117,298	62,790	208,504	8,114	9,681	53,490	17,575	683,843
At valuation	1,950	4,133	18,094	-	-	-	-	-	24,177
Accumulated depreciation	-	(24,365)	(14,214)	(109,991)	(199)	(7,149)	(30,521)	-	(186,439)
Net book value	<u>208,341</u>	<u>97,066</u>	<u>66,670</u>	<u>98,513</u>	<u>7,915</u>	<u>2,532</u>	<u>22,969</u>	<u>17,575</u>	<u>521,581</u>

Notes To The Financial Statements

31 December 2001 (Continued)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold Land RM'000	Freehold Buildings RM'000	Leasehold Land and Buildings RM'000	Plant and Machinery RM'000	Forest Camps and Concessions RM'000	Motor Vehicles RM'000	Furniture, Fittings and Equipment RM'000	Capital Work-in- Progress RM'000	Total RM'000
GROUP									
2000									
Net book value at 1.1.2000	227,271	125,802	128,692	175,723	1,311	2,902	32,953	17,685	712,339
Exchange rate adjustments	(8,258)	(12,336)	(3,227)	(17,678)	(110)	(179)	(3,100)	(11)	(44,899)
Additions	-	4,771	311	4,989	(194)	772	2,932	1,987	15,568
Disposal of subsidiary company	-	(18)	-	(5)	-	(70)	(25)	-	(118)
Disposals	(3,850)	(4,644)	-	(20)	-	(136)	(35)	-	(8,685)
Reclassification of fixed assets	-	6,836	(14,698)	(7,985)	7,916	619	7,362	(50)	-
Assets written off	-	(4,271)	-	(6,294)	-	(42)	(9,273)	-	(19,880)
Transfer to other assets	(3,976)	(13,579)	(19,853)	(6,703)	-	(28)	234	(14)	(43,919)
Depreciation	-	(4,668)	(3,898)	(18,041)	(401)	(1,422)	(5,032)	-	(33,462)
Deferred cash payment capitalised	-	-	2,666	-	-	-	-	-	2,666
Net book value at 31.12.2000	<u>211,187</u>	<u>97,893</u>	<u>89,993</u>	<u>123,986</u>	<u>8,522</u>	<u>2,416</u>	<u>26,016</u>	<u>19,597</u>	<u>579,610</u>
GROUP									
At 31 December 2000									
At cost	209,149	113,750	89,156	246,102	26,296	10,375	56,901	19,597	771,326
At valuation	2,038	4,279	18,148	-	-	-	-	-	24,465
Accumulated depreciation	-	(20,136)	(17,311)	(122,116)	(17,774)	(7,959)	(30,885)	-	(216,181)
Net book value	<u>211,187</u>	<u>97,893</u>	<u>89,993</u>	<u>123,986</u>	<u>8,522</u>	<u>2,416</u>	<u>26,016</u>	<u>19,597</u>	<u>579,610</u>

Notes To The Financial Statements

31 December 2001 (Continued)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold Buildings RM'000	Leasehold Land and Buildings RM'000	Plant and Machinery RM'000	Motor Vehicles RM'000	Furniture, Fittings and Equipment RM'000	Total RM'000
COMPANY						
2001						
Net book value at 1.1.2001	19,230	3,588	118	521	719	24,176
Additions	-	-	-	7	30	37
Disposals	-	-	-	(72)	-	(72)
Depreciation	(414)	(82)	(21)	(179)	(334)	(1,030)
Net book value at 31.12.2001	<u>18,816</u>	<u>3,506</u>	<u>97</u>	<u>277</u>	<u>415</u>	<u>23,111</u>
At 31 December 2001						
At cost	20,720	4,091	206	2,367	2,447	29,831
Accumulated depreciation	(1,904)	(585)	(109)	(2,090)	(2,032)	(6,720)
Net book value	<u>18,816</u>	<u>3,506</u>	<u>97</u>	<u>277</u>	<u>415</u>	<u>23,111</u>

Notes To The Financial Statements

31 December 2001 (Continued)

I2 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold Land RM'000	Freehold Buildings RM'000	Leasehold Land and Buildings RM'000	Plant and Machinery RM'000	Motor Vehicles RM'000	Furniture, Fittings and Equipment RM'000	Total RM'000
COMPANY							
2000							
Net book value at 1.1.2000	3,674	24,172	3,670	138	549	1,578	33,781
Additions	-	-	-	-	398	54	452
Transferred from subsidiary companies	-	-	-	-	102	-	102
Disposals	(3,674)	(4,456)	-	-	(103)	(12)	(8,245)
Depreciation	-	(486)	(82)	(20)	(425)	(513)	(1,526)
Written off	-	-	-	-	-	(388)	(388)
Net book value at 31.12.2000	-	19,230	3,588	118	521	719	24,176
At 31 December 2000							
At cost	-	20,720	4,091	205	3,286	2,417	30,719
Accumulated depreciation	-	(1,490)	(503)	(87)	(2,765)	(1,698)	(6,543)
Net book value	-	19,230	3,588	118	521	719	24,176

Notes To The Financial Statements

31 December 2001 (Continued)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Information on freehold and leasehold land and buildings are as follows:

	Net book value at 31 December			
	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At valuation:				
Freehold land	1,950	2,038	–	–
Leasehold land and buildings	15,553	15,967	–	–
Freehold buildings	3,314	3,561	–	–
	20,817	21,566	–	–
At cost:				
Freehold land	206,391	209,149	–	–
Leasehold land and buildings	51,116	74,026	3,506	3,588
Freehold buildings	93,753	94,332	18,816	19,230
	351,260	377,507	22,322	22,818
	372,077	399,073	22,322	22,818

The freehold and leasehold land and buildings of the Company and subsidiary companies stated at valuation were revalued between 1984 and 1998 based on valuations carried out either by independent professional valuers on open market basis or Directors' own valuation.

As stated in Note 3(g) to the financial statements, the Directors have applied the transitional provisions of International Accounting Standards 16 (Revised) Property, Plant and Equipment as adopted by Malaysian Accounting Standards Board which allow for freehold land and building to be stated at their last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

The tax effect in connection with the surplus arising on revaluation of the revalued properties is not disclosed as there is no intention of disposals of these properties in the foreseeable future.

	Net book value at 31 December			
	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Net book value at 31 December had these assets been carried at cost less depreciation	14,183	14,713	–	–

Notes To The Financial Statements

31 December 2001 (Continued)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included in the property, plant and equipment of the Group and Company are the following property, plant and equipment held under finance lease agreements and hire purchase terms:

<u>GROUP</u>	<u>Plant and Machinery RM'000</u>	<u>Motor Vehicles RM'000</u>	<u>Furniture, Fittings and Equipment RM'000</u>	<u>Total RM'000</u>
<u>At 31 December 2001</u>				
At cost	-	1,280	221	1,501
Accumulated depreciation	-	(599)	(33)	(632)
Net book value	<u>-</u>	<u>681</u>	<u>188</u>	<u>869</u>
<u>At 31 December 2000</u>				
At cost	72	2,653	15	2,740
Accumulated depreciation	(11)	(2,182)	(7)	(2,200)
Net book value	<u>61</u>	<u>471</u>	<u>8</u>	<u>540</u>
<u>COMPANY</u>				
<u>At 31 December 2001</u>				
At cost	-	339	-	339
Accumulated depreciation	-	(136)	-	(136)
Net book value	<u>-</u>	<u>203</u>	<u>-</u>	<u>203</u>
<u>At 31 December 2000</u>				
At cost	-	1,205	-	1,205
Accumulated depreciation	-	(828)	-	(828)
Net book value	<u>-</u>	<u>377</u>	<u>-</u>	<u>377</u>

The depreciation charge for the financial year in respect of property, plant and equipment acquired under finance lease and hire purchase agreements of the Group and Company amounted to RM149,000 (2000: RM475,000) and RM68,000 (2000: RM241,000), respectively.

Notes To The Financial Statements

31 December 2001 (Continued)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Certain land and buildings of subsidiary companies have been pledged to financial institutions for facilities granted to the Group. The net book value of these land and buildings are as follows:

	Group	
	2001 RM'000	2000 RM'000
Land and buildings	59,513	58,722

13 INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2001 RM'000	2000 RM'000
Shares at cost, quoted outside Malaysia	26,859	26,859
Unquoted shares:		
At cost	823,198	633,747
At valuation	6,803	6,803
	<u>856,860</u>	<u>667,409</u>
Less: Allowance for diminution in value of investments	(289,920)	(241,415)
	<u>566,940</u>	<u>425,994</u>
Advances to subsidiary companies	54,211	54,212
Less: Allowance for non recoverable advances to subsidiary companies	(28,850)	(15,521)
	<u>592,301</u>	<u>464,685</u>
Market value of quoted shares	845	6,315

The Group's effective equity interest in the subsidiary companies and their respective principal activities are as set out in Note 34.

Notes To The Financial Statements

31 December 2001 (Continued)

13 INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

On 12 August 1996, a subsidiary company allotted 309,267 redeemable preference shares of RM1.00 each (together with the deferred cash payments of RM308,957,733) to part finance the acquisition of land bank which is classified under real property asset, property development expenditure and property plant and equipment. The redeemable preference shares carry no voting rights at general meetings and do not participate in the distribution of dividends. In the event of the subsidiary company being wound-up, the redeemable preference shareholders shall have the right to be paid the redemption amount in cash in priority to the ordinary shares, but have no rights to any further participation in the profit or assets of the subsidiary company.

The redemption amount of the redeemable preference shares is the nominal value paid on the preference shares. 41,000 shares a year shall be redeemed from the fourth year anniversary date to the sixth year anniversary date falling after the allotment date and the balance of the shares will be redeemed on the seventh year anniversary date falling after the allotment date. The Company has guaranteed the redemption of the redeemable preference shares and the deferred cash payment.

14 INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Shares at cost - quoted in Malaysia	42,501	42,501	41,055	41,055
- quoted outside Malaysia	9,744	10,403	-	-
- unquoted	49,754	59,658	49,608	59,623
Less: Allowance for diminution in value of investments	(516)	(516)	-	(1,463)
Share of post acquisition accumulated profits less losses	13,315	676	-	-
Share of post acquisition reserves	13,433	19,951	-	-
	128,231	132,673	90,663	99,215
Market value of quoted shares - in Malaysia	162,987	119,129	160,700	117,457
- outside Malaysia	22,193	8,056	-	-
Group's share of net tangible assets	80,475	73,177		
Group's share of intangible assets	47,756	59,496		
	128,231	132,673		

Notes To The Financial Statements

31 December 2001 (Continued)

14 INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

The Group's effective equity interest in the associated companies and their respective principal activities are as follows:

Associated company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
Armada Tankers Sdn Bhd	Specialised gas tankers	Malaysia	0.0	73.0
C.I. Damansara Quarry Sdn Bhd	Dormant	Malaysia	35.0	35.0
Intercontinental Terminals (M) Sdn Bhd	Chemical warehousing	Malaysia	30.0	30.0
BMG Home Center Sdn Bhd	Dormant	Malaysia	20.0	20.0
Vietnam Industrial Investments Limited	Production of steel rods and aluminium roofing	Australia	11.2	11.5
Crystal Clear Technology Sdn Bhd	Manufacture of liquid crystal display	Malaysia	36.0	45.0
Bumi Armada Berhad	Marine transportation and support services, engineering and maintenance servicing	Malaysia	47.0	47.0
Projass Langbuilt Sdn Bhd	Mass housing using system housing construction housing projects	Malaysia	50.0	50.0
L & G Landscaping Sdn Bhd	Cultivation and sale of turf grasses, garden plants and trees and of landscaping services	Malaysia	0.0	49.0

Notes To The Financial Statements

31 December 2001 (Continued)

15 INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unquoted investments at cost	79,759	79,509	79,509	79,509
Less:				
- write down	(43,387)	(43,387)	(43,387)	(43,387)
- allowance for diminution in value	(36,122)	(29,137)	(36,122)	(29,137)
	250	6,985	-	6,985
Share of post acquisition accumulated losses	(1,122)	(3,261)	-	-
Share of net assets	(872)	3,724	-	6,985

Joint controlled entity	Principal activities	Country of incorporation	Joint ownership interest	
			2001 %	2000 %
Ansad Petrol Joint Venture	Oil and gas production and exploration activities	Azerbaijan	17.15	17.15
Hidden Valley Pty Ltd	Property development	Australia	50.00	50.00
Maslino Sdn Bhd	Trading of PVC floor covering and other related products	Malaysia	50.00	0.00

The following amounts represent the Group's share of assets, liabilities, revenue and expenses of the jointly controlled entities:

	2001 RM'000	2000 RM'000
Property, plant and equipment	5,453	1,519
Non current assets	50	-
Current assets	17,364	30,342
Non current liabilities	(10,480)	-
Current liabilities	(13,259)	(28,137)
Net assets	(872)	3,724
Revenue	15,799	32,270

Notes To The Financial Statements

31 December 2001 (Continued)

15 INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONTINUED)

	2001 RM'000	2000 RM'000
Loss before taxation	2,159	(3,261)
Taxation	(21)	-
Loss after taxation	<u>2,138</u>	<u>(3,261)</u>

The investment in jointly controlled entity of Ansad Petrol Joint Venture is in respect of an agreement with Attila Dogan Petroleum Corporation for participation in the joint venture together with the State Oil Company of Azerbaijan Republic for oil and gas production and future exploration activities.

The Company together with its joint venture partner have undertaken to support financially its investment in the jointly controlled entity of Hidden Valley Pty Ltd, for the next twelve months up to 31 December 2002.

The investment in jointly controlled entity of Maslino Sdn Bhd is between the Company's subsidiary, namely, Perlis Consolidated Sdn Bhd and Sin Teong Heng Sdn Bhd. Maslino Sdn Bhd was incorporated on 13 January 2001.

16 OTHER INVESTMENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At cost				
Investment in limited partnerships	17,100	17,100	-	-
Quoted investments				
- outside Malaysia	21,600	21,986	-	-
Unquoted investments	17,989	17,989	620	620
	<u>56,689</u>	<u>57,075</u>	<u>620</u>	<u>620</u>
Less: Allowance for diminution in value of investments	(32,359)	(32,835)	-	-
	<u>24,330</u>	<u>24,240</u>	<u>620</u>	<u>620</u>
Market value of quoted shares:				
Quoted outside Malaysia	146	87	-	-

Notes To The Financial Statements

31 December 2001 (Continued)

17 DEVELOPMENT PROPERTIES

	Group	
	2001 RM'000	2000 RM'000
Development expenditure incurred	1,305,460	1,272,079
Accumulated profits less losses recognised	339,654	310,435
	1,645,114	1,582,514
Allowance for foreseeable losses	(2,172)	-
	1,642,942	1,582,514
Cash received and receivable as progress payments and advances	(1,217,699)	(1,057,337)
	425,243	525,177

Interest capitalised during the financial year in development properties amounted to RM4,641,000 (2000: RM11,265,000).

18 OTHER ASSETS

Other assets comprise of net realisable value of property, plant and equipment of subsidiary companies which have ceased operations.

Notes To The Financial Statements

31 December 2001 (Continued)

19 INVENTORIES

	Group	
	2001 RM'000	2000 RM'000
At cost:		
Timber logs	18	1,373
Completed development property units for sale	48,796	72,020
Raw materials	2,886	2,879
Work-in-progress	1,356	2,325
Finished goods		
- manufactured timber products	347	2,860
Consumable stores	1,858	382
	55,261	81,839
At net realisable value:		
Completed development property units for sale	17,871	-
Raw materials	6,933	5,045
Work-in-progress	-	232
Finished goods		
- manufactured timber products	-	265
- PVC resins and compounds	6,837	13,373
Consumable stores	513	2,459
	32,154	21,374
	87,415	103,213

Certain inventories of the Group have been pledged to financial institutions for facilities granted to the Group. The carrying value of these inventories are as follows:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Completed development property units for sale	39,207	39,207	-	-

Notes To The Financial Statements

31 December 2001 (Continued)

20 DEBTORS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade debtors	152,886	191,198	-	-
Bills receivable	1,623	1,564	-	-
	154,509	192,762	-	-
Less: Allowance for doubtful debts	(26,010)	(22,830)	-	-
	128,499	169,932	-	-
Amounts owing by subsidiary companies	-	-	671,030	704,179
Less: Allowance for doubtful debts	-	-	(315,943)	(284,530)
	-	-	355,087	419,649
Sundry and other debtors	37,614	36,602	15,468	7,007
Amount receivable on sale of investments	19,341	6,448	-	-
Amount owed by a jointly controlled entity	10,543	9,975	-	-
Advances for logs supplies	29,364	26,447	-	-
Deposits	8,324	3,764	245	244
Prepayments	6,548	6,903	107	217
	111,734	90,139	15,820	7,468
Less: Allowance for doubtful debts	(33,381)	(14,022)	(6,082)	(4,972)
	78,353	76,117	9,738	2,496
Amounts owing by associated companies	1,254	4,342	1,254	3,623
Less: Allowance for doubtful debts	(1,008)	(2,336)	(1,008)	(2,502)
	246	2,006	246	1,121
Tax recoverable	7,552	7,552	4,469	4,469
	214,650	255,607	369,540	427,735

The amounts owing by subsidiary companies and associated companies are unsecured, interest free and have no fixed terms of repayment except for certain balances due from subsidiary companies amounting to RM147,110,000 (2000: RM188,849,000) where interest is charged at 9% per annum (2000: 9% per annum).

Notes To The Financial Statements

31 December 2001 (Continued)

21 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Deposits with licensed banks	12,545	18,435	6,714	7,688
Cash and bank balances	57,146	48,356	2,544	779
	69,691	66,791	9,258	8,467

Included in deposits, cash and bank balances of the Group as at 31 December 2001 are monies held under the Housing Development Accounts pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 (Act 118) amounting to RM45,112,000 (2000: RM33,691,000).

22 CREDITORS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade creditors	60,091	79,714	–	–
Other creditors and accruals (*)	135,960	107,581	52,741	31,715
Amounts owing to subsidiary companies	–	–	67,146	83,235
Amounts owing to associate companies	–	–	111	–
Hire purchase and lease obligations repayable within 12 months (Note 25)	360	438	53	90
	196,411	187,733	120,051	115,040
(*) These comprise:				
- Other creditors	61,038	63,836	9,984	15,888
- Interest	50,665	22,371	42,757	15,827
- Liquidated ascertained damages	59,843	37,412	–	–
- Closure and retrenchment costs	6,607	5,795	–	–
	178,153	129,414	52,741	31,715
Less: non current liquidated ascertained damages (Note 26)	(42,193)	(21,833)	–	–
	135,960	107,581	52,741	31,715

The amounts owing to subsidiary companies are unsecured, interest free and have no fixed terms of repayment except for certain subsidiary companies where interest is charged ranging from 7% to 9% (2000: 5% to 8%).

Notes To The Financial Statements

31 December 2001 (Continued)

23 SHORT TERM BORROWINGS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Secured:				
Bankers acceptances	118,981	22,716	95,260	—
Bank bills	6,754	7,211	—	—
Short term loans and other credit facilities	178,127	300,928	94,585	78,043
Term loans - portion repayable within 12 months (Note 25)	30,082	39,516	—	—
	333,944	370,371	189,845	78,043
Unsecured:				
Bankers acceptances	19,169	4,339	—	—
Short term loans and other credit facilities	90,442	85,050	89,443	51,443
Euro Convertible Bonds	288,214	291,625	288,214	291,625
	397,825	381,014	377,657	343,068
Bank overdrafts (Note 30)				
- Secured	82,570	70,707	—	—
- Unsecured	52,550	44,015	45,329	41,835
	135,120	114,722	45,329	41,835
	866,889	866,107	612,831	462,946

The Euro Convertible Bonds are convertible into Land & General Berhad ordinary shares of RM1.00 each at a conversion price (after adjusting for bonus issue) of RM6.46 per ordinary share based on a fixed exchange rate of USD1.00 to RM2.594 throughout the term of the Euro Convertible Bonds commencing from 9 August 1994. Interests on the Euro Convertible Bonds are payable annually in arrears on 26 July each year. The last date for conversion of these Euro Convertible Bonds is 19 July 2004. The Euro Convertible Bonds are quoted on the Luxembourg Stock Exchange.

Under the terms and conditions of the Euro Convertible Bonds issued on 24 July 1994, the holders of the Euro Convertible Bonds have the option to require the Company to redeem all or some of the Euro Convertible Bonds on 26 July 2001 and the last day of redemption is on 19 July 2004, at a premium of 30.85% of the principal amount in US Dollars. The terms of these Euro Convertible Bonds is proposed to be restructured as part of the Composite Debt Restructuring Scheme as stated in Note 2 and Note 36 to the financial statements. The Composite Debt Restructuring Scheme is subject to the approvals of the Euro Convertible Bonds holders, relevant authorities and shareholders of the Company.

Notes To The Financial Statements

31 December 2001 (Continued)

23 SHORT TERM BORROWINGS (CONTINUED)

The secured short term borrowings are secured by fixed and floating charges over certain assets of the Company and certain subsidiary companies. The borrowings bear interest at rates ranging from 3.30% to 10.50% per annum (2000: 4.05% to 9.8% per annum).

The Group and the Company have not serviced some of their principal borrowings and interest charges. As stated in Note 2 and Note 36 to the financial statements, the Company has entered into a Debt Restructuring Agreement with the financial institution lenders to restructure the Company's indebtedness to them under a Proposed Composite Debt Restructuring Scheme. The Scheme is subject to approvals of the relevant authorities and the shareholders of the Company.

24 DEFERRED TAXATION

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Balance brought forward	20,827	23,811	1,123	1,123
Transfer to income statement (Note 10)	(4,863)	(2,923)	-	-
Exchange rate adjustments	(286)	(61)	-	-
Balance carried forward	15,678	20,827	1,123	1,123
Representing the tax effects of:				
Timing difference relating to recognition of property development income	10,670	10,670	-	-
Timing difference relating to loan interest capitalised	1,339	5,939	-	-
Excess of capital allowances over depreciation	3,665	4,041	1,123	1,123
Double tax deduction on research and development	-	2,035	-	-
Timing difference relating to unabsorbed tax losses	4	(1,858)	-	-
	15,678	20,827	1,123	1,123

Deferred tax liabilities have been provided for all material timing differences.

Notes To The Financial Statements

31 December 2001 (Continued)

25 LONG TERM BORROWINGS

	Group		Company	
	<u>2001</u> RM'000	<u>2000</u> RM'000	<u>2001</u> RM'000	<u>2000</u> RM'000
Term loans and other credit facilities (secured)	70,917	91,390	-	-
Term loans and other credit facilities (unsecured)	9,132	-	-	-
Portion repayable within 12 months included under short term borrowings (Note 23)	(30,082)	(39,516)	-	-
	<u>49,967</u>	<u>51,874</u>	<u>-</u>	<u>-</u>
Bank bills (secured)	138,857	155,810	-	-
Hire purchase and lease creditors	827	759	163	253
Portion repayable within 12 months included under creditors (Note 22)	(360)	(438)	(53)	(90)
	<u>467</u>	<u>321</u>	<u>110</u>	<u>163</u>
	<u>189,291</u>	<u>208,005</u>	<u>110</u>	<u>163</u>

The secured long term borrowings are secured by fixed and floating charges over the assets of certain subsidiary companies (as disclosed in Note 12 and Note 19).

Long term borrowings bear interest at rates ranging from 4.35% to 11.00% per annum (2000: 6.48% to 7.8% per annum) and are repayable by fixed instalments which vary from a monthly, quarterly or half yearly basis.

The long term borrowings are repayable over the following periods:

	Group	
	<u>2001</u>	<u>2000</u>
Within one year	30,082	39,516
Between one and two years	63,152	66,296
Between two and five years	27,016	36,055
After five years	98,656	105,333
	<u>218,906</u>	<u>247,200</u>

Notes To The Financial Statements

31 December 2001 (Continued)

26 OTHER DEFERRED LIABILITIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Liquidated ascertained damages (Note 22)	42,193	21,833	-	-
Retirement benefits	1,749	1,820	-	-
	43,942	23,653	-	-

The last actuarial valuation was carried out during the financial year ended 31 December 2000 using the projected unit credit method. There were no material shortfall in accruals as compared to the valuation.

27 SHARE CAPITAL

	Group/Company	
	2001 RM'000	2000 RM'000
Ordinary shares of RM1.00 each:		
Authorised	1,000,000	1,000,000
Issued and fully paid:		
At 1 January	535,157	500,917
Issued during the financial year	2,350	34,240
At 31 December	537,507	535,157

During the financial year, the issued and fully paid-up share capital of the Company was increased from 535,157,530 ordinary shares of RM1.00 each to 537,507,530 ordinary shares of RM1.00 each by the issuance of 2,350,000 new ordinary shares to consultants and contractors of the Company's property development subsidiary companies for settlement of outstanding debts of RM2,350,000.

The new ordinary shares issued during the year ranked pari passu in all respects with the existing ordinary shares of the company.

There was no change in the authorised share capital of the Company.

28 SECTION 108 CREDIT

The Company has tax credit under Section 108 of the Income Tax Act 1967 amounting to approximately RM39,634,000 as at 31 December 2001.

Notes To The Financial Statements

31 December 2001 (Continued)

29 CASH FLOW ON DISPOSAL OF SUBSIDIARY COMPANIES

	Group	
	2001 RM'000	2000 RM'000
Property, plant and equipment	8,632	118
Inventories	477	-
Debtors	2,033	2,003
Bank balances and deposits	556	28
Creditors	(14,340)	(1,507)
Short term borrowings	(47)	-
Deferred taxation	(253)	-
Net (liabilities)/assets	(2,942)	642
Intercompany balances written off	5,668	-
Currency translation differences	24,096	-
Adjusted share of net assets	26,822	642
Loss on disposal	(13,521)	(642)
Net disposal proceeds	13,301	-
Cash and cash equivalents of subsidiary disposed of	(510)	(28)
Net cash flow on disposal	12,791	(28)

30 CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Bank balances and deposits (Note 21)	69,691	66,791	9,258	8,467
Less: Deposits pledged for credit facilities	(758)	(4,920)	(758)	(4,633)
	68,933	61,871	8,500	3,834
Less:				
Bank overdrafts (Note 23)	(135,120)	(114,722)	(45,329)	(41,835)
	(66,187)	(52,851)	(36,829)	(38,001)

31 SIGNIFICANT RELATED PARTY DISCLOSURES

There are no other related party transactions other than those disclosed elsewhere in the financial statements.

Notes To The Financial Statements

31 December 2001 (Continued)

32 CONTINGENT LIABILITIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Secured:				
Guarantees given to financial institutions for credit facilities granted to				
- subsidiary companies			95,087	180,959
- related company	7,852	7,513	7,852	7,513
Unsecured:				
Guarantees given to financial institutions for credit facilities granted to subsidiary companies			10,000	48,154
Corporate guarantee granted in respect of subsidiary company			227,019	229,645
Bank guarantees extended to third parties	8,649	7,572	557	517

33 COMMITMENTS

Capital commitments

Authorised capital expenditure not provided
for in the financial statements:

Relating to property, plant and equipment:
- not contracted

Others:
- contracted
- not contracted

Lease commitments

Commitments under non-cancellable
operating leases:

- expiring within one year
- expiring between one to five years
- expiring after five years

	549	323	-	-
	549	323	-	-
	681	250	-	-
	965	1,030	-	-
	2,195	1,603	-	-
	300	300	-	-
	1,200	1,200	-	-
	900	1,200	-	-
	2,400	2,700	-	-

Notes To The Financial Statements

31 December 2001 (Continued)

34 SUBSIDIARY COMPANIES

The Group's effective equity interest in the subsidiary companies and their respective principal activities are as follows:

Subsidiary company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
Associated Commercial Incorporated	Investment holding	British Virgin Islands	100.0	100.0
Bandar Sungai Buaya Sdn Bhd	Property development	Malaysia	100.0	100.0
Banjara Marketing Services Ltd	Investment holding	British Virgin Islands	100.0	100.0
Bestform Limited	Investment holding	Isle of Man	100.0	100.0
Clarity Crest Sdn Bhd	Cultivation of rubber and oil palm	Malaysia	70.0	70.0
Industrial Resins (Malaysia) Berhad	Manufacturing and trading of Polyvinyl Chloride (PVC) resins and compounds	Malaysia	100.0	100.0
Controls the following subsidiary company:				
- IRM Compounds Sdn Bhd	Dormant	Malaysia	100.0	100.0
Jade Commercial Ventures Ltd	Investment holding	British Virgin Islands	100.0	100.0
Key Century Sdn Bhd	Investment holding	Malaysia	70.0	70.0
Controls the following subsidiary company:				
- Cipta Ria Sdn Bhd	Dormant	Malaysia	70.0	70.0

Notes To The Financial Statements

31 December 2001 (Continued)

34 SUBSIDIARY COMPANIES (CONTINUED)

Subsidiary company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
Kinley Trading Limited	Investment holding	British Virgin Islands	100.0	100.0
Controls the following subsidiary company:				
- Baines Ltd*	Investment holding	Hong Kong	100.0	100.0
Controls the following subsidiary company:				
- PT Wapoga Mutiara Industries	Downstream timber activities	Indonesia	80.0	80.0
L&G Resort Sdn Bhd	Dormant	Malaysia	100.0	100.0
L&G Resources, Inc.	Investment holding	USA	100.0	100.0
Controls the following subsidiary companies:				
- L&G Display Technologies, Inc.	Investment holding	USA	100.0	100.0
- L&G Sensor Technology, Inc.	Investment holding	USA	100.0	100.0
- US Furniture Industries, Inc.	Dormant	USA	100.0	100.0
Land & General Properties Sdn Bhd	Property development	Malaysia	100.0	100.0
Landgen Holdings (PNG) Ltd *	Management and marketing services	Papua New Guinea	100.0	100.0

Notes To The Financial Statements

31 December 2001 (Continued)

34 SUBSIDIARY COMPANIES (CONTINUED)

Subsidiary company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
Land & General Australia (Holdings) Pty Ltd *	Investment holding	Australia	100.0	100.0
Controls the following subsidiary companies:				
- Lang Melbourne Pty Ltd *	Investment holding	Australia	100.0	100.0
- Flinders Wharf Pty Ltd *	Investment holding	Australia	100.0	100.0
Controls the following subsidiary company:				
- Flinders Wharf Management Pty Ltd *	Property management	Australia	50.0	0.0
- Flinders Wharf One Pty Ltd *	Investment holding	Australia	100.0	0.0
- Flinders Wharf Two Pty Ltd *	Investment holding	Australia	100.0	0.0
- Flinders Wharf Land Pty Ltd *	Property investment	Australia	100.0	0.0
- FW Financing Solutions Pty Ltd *	Property financing	Australia	50.0	0.0
Controls the following subsidiary company:				
- FW Developments Pty Ltd *	Property development	Australia	50.0	0.0
- PLR Mayfields Pty Ltd *	Investment holding	Australia	100.0	100.0
Landgen Property Management Sdn Bhd	Managing underground car park and commercial complex	Malaysia	100.0	100.0

Notes To The Financial Statements

31 December 2001 (Continued)

34 SUBSIDIARY COMPANIES (CONTINUED)

Subsidiary company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
Lang Australia Pty Ltd*	Property management	Australia	100.0	100.0
Controls the following subsidiary company:				
- World Trade Centre Melbourne Pty Ltd*	Holder of the business name "World Trade Centre Melbourne"	Australia	100.0	100.0
Lang Center for Digital Media Sdn Bhd	Dormant	Malaysia	65.0	65.0
Lang Education Holdings Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Controls the following subsidiary companies:				
- Lang Education Sdn Bhd	Education services	Malaysia	90.0	90.0
- L&G-Twintech Sdn Bhd	Management and operation of private education institution	Malaysia	70.0	70.0
Controls the following subsidiary companies:				
- Modern Corporate Systems Sdn Bhd	Management and operation of private education institution (branch campus)	Malaysia	49.0	49.0
- Infinite Alpha Sdn Bhd	Dormant	Malaysia	70.0	100.0
- College of Visual Arts Sdn Bhd	Dormant	Malaysia	65.0	65.0
Lang Furniture (M) Sdn Bhd	Dormant	Malaysia	100.0	100.0

Notes To The Financial Statements

31 December 2001 (Continued)

34 SUBSIDIARY COMPANIES (CONTINUED)

Subsidiary company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
Lang Furniture (Selangor) Sdn Bhd	Dormant	Malaysia	100.0	100.0
Lang-Oil Technology Sdn Bhd	Dormant	Malaysia	100.0	100.0
Lang Projects Sdn Bhd	Dormant	Malaysia	100.0	100.0
Lang Sensor Technology Sdn Bhd	Marketing and selling of vapour sensor analyser products	Malaysia	100.0	100.0
Lang Tooling Sdn Bhd	Dormant	Malaysia	100.0	100.0
Lembah Beringin Sdn Bhd	Property development	Malaysia	70.0	70.0
Controls the following subsidiary companies:				
- Beringin Equestrian Park Sdn Bhd	Dormant	Malaysia	70.0	70.0
- Beringin Golf Course Sdn Bhd	Rental of golf course and club house	Malaysia	70.0	70.0
- Lang Wood Industries Sdn Bhd	Dormant	Malaysia	84.7	84.7
Lojing Highland Resort Development Sdn Bhd	Resort centre, plantation horticulture and housing development	Malaysia	51.0	51.0
Controls the following subsidiary company:				
- Lojing Highland Floriculture Sdn Bhd	Horticulture	Malaysia	51.0	51.0
Metropolitan Asia Limited	Investment holding	British Virgin Islands	100.0	100.0

Notes To The Financial Statements

31 December 2001 (Continued)

34 SUBSIDIARY COMPANIES (CONTINUED)

Subsidiary company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
Nexus Investments International Limited	Investment holding	British Virgin Islands	100.0	100.0
Oasis Frontier Sdn Bhd	Dormant	Malaysia	100.0	100.0
Overseas & General Limited*	Investment holding	Isle of Man	51.0	52.3
Controls the following subsidiary companies:				
- Cakara Alam (PNG) Limited*	Extraction and sale of log timber	Papua New Guinea	0.0	52.3
- Periton Limited*	Investment holding	Isle of Man	51.0	52.3
Controls the following subsidiary company:				
- Societe Forestiere Et Agricole Des Ruraux Africains S.A.*	Timber harvesting	Republic of Cameroon	28.1	28.8
- Overseas & General SARL*	Management and marketing	Republic of Cameroon	51.0	52.3
- Fabier Limited*	Investment holding	Isle of Man	51.0	52.3
Controls the following subsidiary company:				
- Societe Des Forestiere Du Cameroon SARL*	Timber harvesting	Republic of Cameroon	45.9	47.1

Notes To The Financial Statements

31 December 2001 (Continued)

34 SUBSIDIARY COMPANIES (CONTINUED)

Subsidiary company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
- Osborne Chappel Payne Limited*	Dormant	Hong Kong	51.0	52.3
Controls the following subsidiary company:				
- Riverina Investments Co. Ltd*	Dormant	British Virgin Islands	51.0	52.3
- Lang Timbers Sdn Bhd	Provision of management services	Malaysia	51.0	52.3
- Odin Mining (Australia) Pty Ltd*	Dormant	Australia	51.0	52.3
- Fenning Pacific (Fiji) Ltd*	Investment holding	Fiji	51.0	52.3
Controls the following subsidiary companies:				
- The Pacific Lumber Company Limited *	Kiln drying and marketing of timber products	Fiji	49.4	50.7
- Timbers (Fiji) Ltd *	Sawmilling and logging operations	Fiji	42.2	43.3
Perlis Consolidated Sdn Bhd	Manufacturing of PVC flooring and floor sheets	Malaysia	99.7	99.7
Controls the following subsidiary companies:				
- Perlis Chemical Industries Sdn Bhd	Production of calcium carbonate	Malaysia	99.7	99.7
- Perlis Consolidated Marketing Sdn Bhd	Marketing and exporting of PVC flooring and floor sheets	Malaysia	99.7	99.7

Notes To The Financial Statements

31 December 2001 (Continued)

34 SUBSIDIARY COMPANIES (CONTINUED)

Subsidiary company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
Controls the following subsidiary company:				
- Priem Roller Sdn Bhd	Production, engraving and embossing of roller	Malaysia	99.7	99.7
- Link Quest Sdn Bhd	Dormant	Malaysia	99.7	99.7
- Rajin Setia Sdn Bhd	Dormant	Malaysia	99.7	99.7
Premier Link Resources Ltd	Investment holding	British Virgin Islands	100.0	100.0
Spellgaze Limited	Investment holding	Isle of Man	100.0	100.0
Sri Damansara Sdn Bhd	Property development	Malaysia	100.0	100.0
Controls the following subsidiary companies:				
- Sri Damansara Club Bhd	Management of club activities	Malaysia	100.0	100.0
- Exotic Acres Sdn Bhd	Research and development of timber species	Malaysia	100.0	100.0
Syarikat Trimal Sdn Bhd	Property development	Malaysia	100.0	100.0

Notes To The Financial Statements

31 December 2001 (Continued)

34 SUBSIDIARY COMPANIES (CONTINUED)

Subsidiary company	Principal activities	Country of incorporation	Group's effective interest	
			2001 %	2000 %
Controls the following subsidiary companies:				
- Mentari Unggul Sdn Bhd	Property development	Malaysia	70.0	70.0
- Tinvein Nominees Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Controls the following subsidiary company:				
- Navistar Sdn Bhd	Property development	Malaysia	100.0	100.0
Vista Raya Sdn Bhd	Retailing of furniture	Malaysia	100.0	100.0
Winlink Pte Ltd*	Dormant	Singapore	100.0	100.0
Tinjau Cekap Sdn Bhd	Dormant	Malaysia	100.0	100.0
Dunman Pte Ltd*	Dormant	Singapore	100.0	100.0
L&G-Indian Railway Construction Sdn Bhd	Dormant	Malaysia	70.0	70.0
Lang Furniture (Pahang) Sdn Bhd	Dormant	Malaysia	100.0	100.0
Lang Sawmills Sdn Bhd	Dormant	Malaysia	100.0	100.0

* Audited by firms associated with PricewaterhouseCoopers, Malaysia.

Notes To The Financial Statements

31 December 2001 (Continued)

35 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 6 June 2001, the Company completed the disposal of the entire 100% equity interest in Cakara Alam (PNG) Ltd, a subsidiary company of Overseas & General Limited for a cash consideration of USD3.5 million.

On 22 June 2001, the Company announced that three of its wholly-owned subsidiaries and an associated company of a wholly-owned subsidiary of the Company, all being incorporated in Australia, entered into a Joint Venture Agreement with Far East Consortium Properties Pty Ltd and Royal Domain Plaza Pty Ltd for the purpose of developing a parcel of vacant land on the northern bank of the Yarra River in Melbourne, Australia into a multi-tiered complex to be known as "Flinders Wharf".

On 5 July 2001, the Company entered into a Sale & Purchase Agreement with KL-Kepong Property Holdings Sdn Bhd, Clarity Crest Sdn Bhd and Key Century Sdn Bhd for the termination of the Joint Venture Agreement dated 8 October 1993. In conjunction with the proposed acquisition and disposal, Clarity Crest Sdn Bhd and Key Century Sdn Bhd will redeem the existing 18,900 and 9,600 units of Redeemable Preference Shares held by KL-Kepong Property Holdings Sdn Bhd in Clarity Crest Sdn Bhd and Key Century Sdn Bhd, for a total cash consideration of RM18.9 million and RM9.6 million respectively. In addition, Clarity Crest Sdn Bhd will also redeem the existing 14,000 units of Redeemable Preference Shares held by the Company in Clarity Crest Sdn Bhd for a total cash consideration of RM14.0 million. Pending the approval from the shareholders of the Company, these transactions remain uncompleted.

On 31 July 2001, the Company announced the completion of the disposal of 735,000 ordinary shares in Armada Tankers Sdn Bhd for a cash consideration of RM5.6 million. The disposal resulted in a gain of RM4.6 million.

On 29 August 2001, the Company announced the completion of the conversion of A\$81,061,666 loans due to the Company from Overseas & General Limited into 66,061,666 class B convertible (non-voting) ordinary shares of A\$1 each and A\$15 million secured redeemable convertible bonds to be issued to Overseas & General Limited. The class B convertible ordinary shares and secured redeemable convertible bonds have been issued by Overseas & General Limited.

On 21 September 2001, the Company announced the proposed partial settlement of approximately RM207.4 million of debts owing by the Company via swapping with 29,634,164 shares of Bumi Armada Berhad owned by the Group. Approvals from the relevant authorities have been obtained. Submission to the Kuala Lumpur Stock Exchange has been made for their approval. Approval from the shareholders will be sought.

On 23 November 2001, the shares of Overseas & General Limited, were reinstated to official quotation on the Australian Stock Exchange and the CLOB, Singapore.

On 31 December 2001, the Company entered into a Sale and Purchase of Shares Agreement with Powerama Holding Sdn Bhd for the disposal of its entire equity in Perlis Consolidated Sdn Bhd for a nominal consideration of RM1. As at 31 December 2001, the disposal remained uncompleted pending the satisfaction of certain conditions of the agreement.

Notes To The Financial Statements

31 December 2001 (Continued)

36 SIGNIFICANT POST BALANCE SHEET EVENTS

On 28 February 2002, the Company entered into a Debt Restructuring Agreement for the settlement of the amount owing by the Company and certain of its subsidiary companies to the financial institution lenders of approximately RM350.383 million as at 30 June 2001 with a view to ultimately settling the total indebtedness owing to the financial institution lenders and the Euro Convertible Bond ("ECB") holders of the Company (collectively, referred to as the Scheme Creditors) of approximately RM657.931 million as at 30 June 2001 (the Proposed Composite Debt Restructuring Scheme). Approval from the ECB holders will be sought at an ECB holders' meeting to be convened.

The Proposed Composite Debt Restructuring Scheme comprises of the following:

- (i) the settlement of secured debts of the Scheme Creditors amounting to approximately RM149.085 million via conversion into a new term loan of up to RM149.085 million or the proposed issue of up to RM149.085 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLSA") and;
- (ii) the settlement of unsecured debts of the Scheme Creditors amounting to approximately RM508.846 million via the proposed issue of up to RM426.793 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLS B") and the proposed issue of up to 82.053 million new ordinary shares of the Company of RM1.00 each at an issue price of RM1.00 per share.

The Company has also proposed to partially settle RM207,439,000 of the total indebtedness to the Scheme Creditors of RM657,931,000 via swapping with 29,634,164 shares in Bumi Armada Berhad owned by the Group. Approvals from the relevant authorities have been obtained. Submission to the Kuala Lumpur Stock Exchange has been made for their approval. Approval from the shareholders will be sought.

If the Proposed Bumi Armada Share Swap is fully subscribed, the remaining indebtedness to the Scheme Creditors of RM450,492,000 will be settled as follows:

- (i) the settlement of secured debts of the Scheme Creditors amounting to approximately RM102.080 million via conversion into a new term loan of up to RM102.080 million or the proposed issue of up to RM102.080 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLSA") and;
- (ii) the settlement of unsecured debts of the Scheme Creditors amounting to approximately RM348.412 million via the proposed issue of up to RM303.042 million nominal value of 7-year 5% redeemable convertible secured loan stocks ("RCSLS B") and the proposed issue of up to 45.370 million new ordinary shares of the Company of RM1.00 each at an issue price of RM1.00 per share.

Notes To The Financial Statements

31 December 2001 (Continued)

36 SIGNIFICANT POST BALANCE SHEET EVENTS (CONTINUED)

As at 31 December 2001, the Group carrying value of the 29,634,164 shares in Bumi Armada Berhad is approximately RM101,522,000, comprising shares at cost of RM41,985,000 and share of post acquisition profits and reserves of RM59,537,000. Based on the settlement sum of RM207,439,000 arising from the Proposed Bumi Armada Share Swap, this will give rise to a surplus on disposal of RM105,917,000.

The Proposed Composite Debt Restructuring Scheme is subject to approvals being obtained from the relevant authorities and the shareholders of the Company.

On 20 March 2002, the Company entered into a conditional Share Sale Agreement with Honcity Limited for the disposal of the entire equity interest in Kinley Trading Limited with the ultimate intention of disposing its 80% equity interest in PT Wapoga Mutiara Industries for a cash consideration of USD3.5 million.

37 SEGMENTAL INFORMATION

Analysis of the Group's results and total assets employed by the various activities of the Group are:

	Turnover		Loss before taxation		Total assets employed	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
By Activities						
Properties	122,437	209,991	(115,682)	(18,233)	1,079,809	1,264,895
Timber	7,074	47,921	(46,205)	(45,409)	104,068	143,463
Petrochemical	120,408	148,702	(6,094)	(5,818)	99,349	102,853
Oil and gas	-	-	(84)	(264)	6	7
Investments/others	20,761	43,754	(91,820)	(66,550)	182,912	184,924
	270,680	450,368	(259,885)	(136,274)	1,466,144	1,696,142
Group's share in associated companies			22,992	16,095	128,231	132,673
			(236,893)	(120,179)	1,594,375	1,828,815

Notes To The Financial Statements

31 December 2001 (Continued)

37 SEGMENTAL INFORMATION (CONTINUED)

	Turnover		Loss before taxation		Total assets employed	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
By Geographical Location						
Malaysia	234,102	354,155	(225,631)	(69,064)	1,131,861	1,316,163
Papua New Guinea	746	15,076	(26,188)	(9,355)	(1)	15,735
Australia and Fiji	28,573	32,899	19,895	(17,975)	234,715	226,006
United States of America	1,019	16,128	(2,892)	(11,015)	31,317	40,263
Indonesia	6,115	32,110	(23,041)	(26,866)	64,281	94,792
Others	125	–	(2,028)	(1,999)	3,971	3,183
	270,680	450,368	(259,885)	(136,274)	1,466,144	1,696,142
Group's share in associated companies			22,992	16,095	128,231	132,673
			(236,893)	(120,179)	1,594,375	1,828,815

38 COMPARATIVES

Provision for terminated property units sold included in Provision for Liabilities and Charges at the previous financial year end represent allowance for doubtful debts from expected termination of properties previously sold, and has now been reclassified to allowance for doubtful debts. The balance which comprise provision for liquidated ascertained damages, retrenchment benefits and others has been reclassified to Creditors.

The effects of the above reclassifications on the financial statements are as follows:

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Included in current assets as at 31 December 2000:			
Debtors	266,307	(10,700)	255,607
Included in current liabilities as at 31 December 2000:			
Creditors	166,359	21,374	187,733
Provision for liabilities and charges	32,074	(32,074)	–

Value Added Statement

For The Year 2001

	Group				
	2001 RM'000	2000 RM'000	1999 RM'000	1998 RM'000	1997 RM'000
Components:					
Turnover	270,680	450,368	563,486	646,445	927,087
Cost of materials, supplies, services bought and depreciation set aside	429,454	460,101	395,469	743,030	972,656
Value added from operations	(158,774)	(9,733)	168,017	(96,585)	(45,569)
Share of after tax Profit/(losses) of associated companies	22,615	14,077	20,695	4,280	(24,076)
Share of after tax (losses) of jointly controlled entity	2,160	(3,261)	-	-	-
Total Value (Subtracted)/ Added	(133,999)	1,083	188,712	(92,305)	(69,645)
Distribution:					
To employees as salaries and related staff costs	40,723	56,121	59,253	99,029	89,943
To Government					
- corporate taxes	17,273	17,608	813	(95)	18,857
- import duties, royalties	1,028	1,908	2,103	1,380	37,445
As interest to banks and other lenders	61,142	65,251	67,613	68,319	43,010
To minority shareholders	754	(8,089)	(4,617)	(27,183)	(32,367)
To shareholders	-	-	-	-	26,081
Transfer from/(to) reserves	(340)	-	-	-	-
Retained in the Group	(254,579)	(131,716)	63,547	(233,755)	(252,614)
Total Distribution	(133,999)	1,083	188,712	(92,305)	(69,645)

Analysis of Shareholdings As At 26 April 2002

Size of Holdings	No. Of Shares held		% Of Issued Share Capital		No. Of Shareholders		% Of Shareholders	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 1,000	133,251	40,086	0.02	0.01	410	121	1.07	0.32
1,000 – 10,000	87,293,939	27,832,093	16.24	5.18	26,033	6,200	67.99	16.19
10,001 – 100,000	96,530,295	52,044,752	17.96	9.68	3,349	1,766	8.75	4.61
100,001 to less than 5% of issued shares	123,482,005	47,235,609	22.97	8.79	288	122	0.74	0.32
5% and above of issued shares	102,915,500	–	19.15	–	2	–	0.01	–
	410,354,990	127,152,540	76.34	23.66	30,082	8,209	78.56	21.44

Substantial Shareholders (5% Above) As At 26th April 2002

Name	No. of Shares Held		% Of Issued Share Capital
	Direct	Indirect	
1. Employees Provident Fund Board	74,095,500	820,000	13.94
2. Bumiputra Commerce Nominees (Tempatan) Sdn Bhd	28,000,000	–	5.21
3. Tan Sri Azmi Wan Hamzah	3,000,000	37,623,882	7.56

List Of Top 30 Largest Shareholders As At 26 April 2002

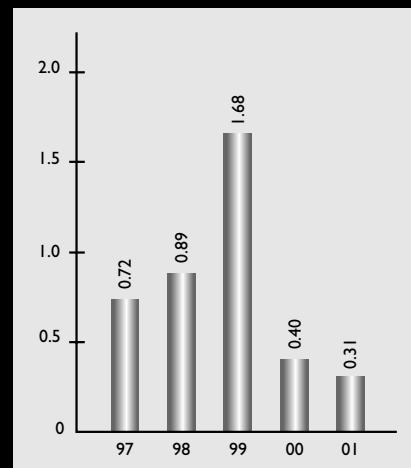
Name	No. Of Shares Held	% Of Issued Share Capital
1. Employees Provident Fund Board	74,915,500	13.94
2. Bumiputra Commerce Nominees (Tempatan) Sdn Bhd (Malayasset Ventures Sdn Bhd)	28,000,000	5.21
3. Permodalan Nasional Berhad	7,392,000	1.38
4. HSBC Nominees (Asing) Sdn Bhd (Pictet And Cie For Pictet Asia Growth Fund FCP)	6,515,000	1.21
5. Lembaga Tabung Haji	5,775,000	1.07
6. Citicorp Nominees (Asing) Sdn Bhd (MLPFS For Piet Yap)	5,276,334	0.98
7. Amanah Raya Nominees (Tempatan) Sdn Bhd (Sekim Amanah Saham Bumiputera)	3,500,000	0.65
8. PAB Nominee (Tempatan) Sdn Bhd (Lembaga Tabung Amanah Warisan Negeri Terengganu (BSNC-Jln Ipoh))	3,448,000	0.64
9. UOBM Nominees (Tempatan) Sdn Bhd (Nik Awang@ Tan Sri Azmi Wan Hamzah (T51-6110525437))	3,000,000	0.56
10. Pertubuhan Keselamatan Sosial	2,891,000	0.54

Analysis of Shareholdings As At 26 April 2002 (Continued)

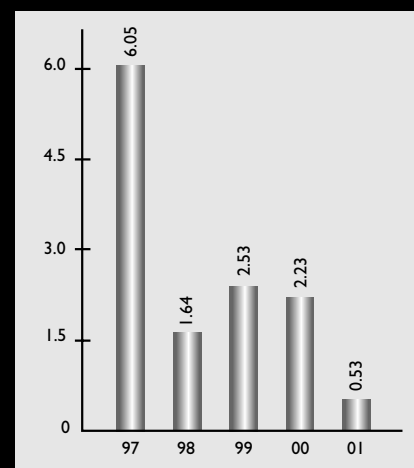
	Name	No. Of Shares Held	% Of Issued Share Capital
11.	DB (Malaysia) Nominee (Asing) Sdn Bhd (UBS AG Singapore For Pacific Investment Fund)	2,851,882	0.53
12.	Perlis State Economic Development Corporation	2,748,727	0.51
13.	HSBC Nominee (Tempatan) Sdn Bhd (HSBC (Malaysia) Trustee Berhad For Amanah Saham Sarawak)	2,712,000	0.50
14.	Jasmurni Sdn Bhd	2,689,000	0.50
15.	The Central Depository (Pte) Limited	2,306,298	0.43
16.	Menta Construction Sdn Bhd	2,055,000	0.38
17.	Cartaban Nominees (Asing) Sdn Bhd (DBSVICKERS For HPL Investors Pte Ltd)	2,000,000	0.37
18.	Perbadanan Nasional Berhad	2,000,000	0.37
19.	RHB Capital Nominees (Tempatan) Sdn Bhd (Rohas Sdn Bhd)	2,000,000	0.37
20.	United Earthwork Sdn Bhd	1,755,000	0.33
21.	Noor Azman @ Noor Hizam Bin Mahd Nurdin	1,747,000	0.32
22.	YTL Power International Berhad	1,700,000	0.32
23.	Mayban Nominees (Tempatan) Sdn Bhd (Mayban Trustees Berhad For RHB Capital Fund)	1,600,000	0.30
24.	Law Chin Wat	1,500,000	0.28
25.	Cygal Berhad	1,482,000	0.28
26.	Kenneison Brothers Construction Sdn Bhd	1,400,000	0.26
27.	Mayban Nominees (Tempatan) Sdn Bhd (Mayban Trustees Berhad For RHB Dynamic Fund)	1,325,000	0.25
28.	Lembaga Tabung Angkatan Tentera	1,120,000	0.21
29.	Wee Sit Ling	1,099,845	0.20
30.	Hang Sun Holdings Sdn Bhd	1,070,000	0.20
	Total	177,874,586	33.09

Share Prices

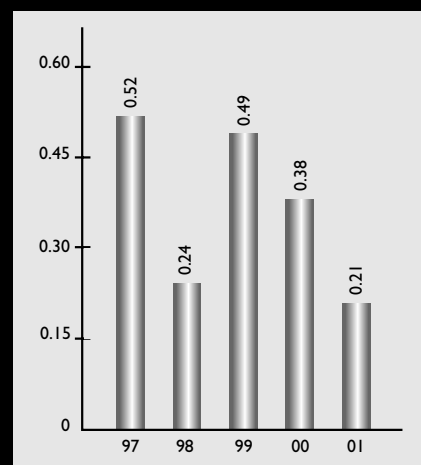
	2001	2000	1999	1998	1997
Last transacted prices (RM)	0.31	0.40	1.68	0.89	0.72
Calender – high (RM)	0.53	2.23	2.53	1.64	6.05
Calender – low (RM)	0.21	0.38	0.49	0.24	0.52
Market Capitalisation (RM'000)	166,627	214,063	841,541	443,279	358,607



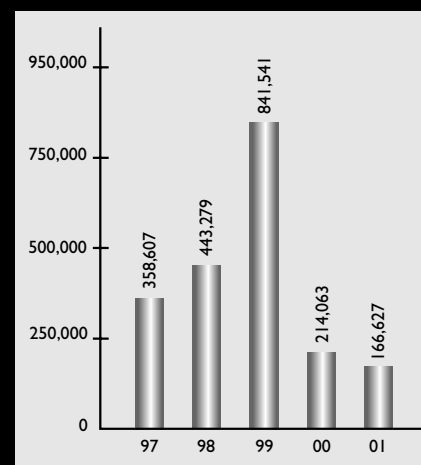
Last Transacted Prices
RM



Calender-High
RM



Calender-Low
RM



Market Capitalisation
RM'000

List of Properties As At 31 December 2001

Location	Hectares/ Square Ft	Description	Net Book Value RM'000
PT.8, Section 59, District of Federal Territory Town of Kuala Lumpur Federal Territory.	4.00	Underground carpark and commercial complex situated on leasehold land expiring in 2031 Age of buildings: 13 years	22,415
Lot 33, Jalan Tun Ismail Kuala Lumpur (Villa Putera)	0.10	Residential and commercial units on freehold land Age of buildings: 9 years	2,846
Lot No. P.T. 19, Section 51, Bandar Kuala Lumpur	1.02	Vacant parcel of freehold land for commercial development - sector 3	971
Lot 33, Villa Putera Condominium, Jalan Sultan Ismail, Kuala Lumpur	0.014	Freehold commercial lot Age of buildings: 10 years	286
Ladang Kerling & Ladang Sungai Jernih Mukim of Kerling, District of Ulu Selangor	1,629.31	Freehold rubber and oil palm estate land	77,661
Bandar Sri Damansara Housing Development Project, Balance of development land in Mukim of Sungai Buloh/Batu, District of Petaling, Gombak, Selangor	47.62	Freehold property development land	61,369
Bandar Sungai Buaya Housing Development Project, Balance of development land in Ladang Sungai Buaya, District of Ulu Selangor, Mukim of Serendah, Selangor	1,119.48	Leasehold rubber land expiring in 2095	110,622
Lembah Beringin Housing Development Project, Balance of development land in Ladang Sungai Belata, Lot No. 602, 610, 863, 864, 1501 & 1503, Mukim of Kuala Kalumpang/Gumut, Selangor	620.69	Freehold property development land	57,921
Lembah Beingin, Ladang Sungai Belata Mukim of Kuala Kalumpang/Gumut Selangor	56.65	18 hole golf course	5,116
No.3, Jalan Kenari 1, Lembah Beringin 44110 Kuala Kubu Bahru Selangor	5,709 sq ft	Site office - double storey bungalow	208
Sekolah Sri Bestari, Persiaran Margosa, Bandar Sri Damansara	-	Private school building complex Age of buildings: 4 - 6 years	18,816
HS(D) 14975, P.T. No.3389, Mukim of Semantan, District of Termerloh, Pahang	4.86	Vacant leasehold land expiring in 2055	68
Lot No. 1829, 1830 & 3399, Mukim of Klang, District of Klang, Selangor	5.80	Office and factory buildings situated on freehold land Age of buildings: 13 years	13,999
Lot No. 21533, Mukim of Sungai Buloh, District of Petaling, Gombak, Selangor	14.48	Sri Damansara Club house & hawker center situated on freehold land Age of buildings: 7 years	7,414

List of Properties As At 31 December 2001 (Continued)

Location Square Ft	Hectares/	Description RM'000	Net Book Value
Lot Nos. 5, 7 & 9, MIEL Industrial Estate Phase IV, Bandar Baru Bangi, Selangor	0.52	Factory buildings situated on leasehold land Age of buildings: 8 years	3,439
H.S.(D) 92218 P.T. 30641, Mukim of Sungai Buloh, District of Petaling, Gombak, Selangor	0.40	Hawker centre situated on freehold land Age of buildings: 4 years	5,246
P.T. No. 3627-3633, Mukim Nenggeri Kelantan	1,502.57	60 years leasehold land for development expiring in 2049	32,494
P.T. 1112, P.T. 2415 - 2420, P.T. 924A Mukim of Chuping, Keteri, Perlis	11.89	Factory building complex on leasehold land expiring between 2046 - 2052 Age of buildings: 9 - 15 years	15,053
Lot Nos. 2058, 2059, 2064 & 2065, Mukim of Tebrau, District of Johor Bahru, Johor	11.00	Office and factory buildings situated on freehold land Age of buildings: 13 years	8,558
H.S. (D) 1349 P.T. 269, Lot No. 40, Mukim of Songsang, District of Temerloh, Pahang	6.07	Office and factory buildings situated on leasehold land expiring in 2040 Age of buildings: 14 years	9,570
Lot Nos. 659, 663, 664 & 665 Mukim of Sungai Petani, District of Kuala Muda, Kedah	14.71	Factory property development land	6,859
H.S. (D). 7702 P.T. 16403 Mukim of Sungai Karang, Pahang	4.05	Office and factory buildings situated on leasehold land expiring in 2056 Age of buildings: 3 years	5,839
H.S.(D) 2220 P.T. 378 & 481, Lot Nos. 43 & 82, Mukim of Songsang, District of Temerloh, Pahang	1.21	Office and factory buildings situated on leasehold land expiring in 2044 and 2050 Age of buildings: 7 years	4,096
Wisma Sweetco- Lot No. 936 & 937 Sec. 69, Town of Kuala Lumpur	3,228 sq ft.	4 storey shop/ office building on two freehold land. Age of building: 1 year	1,560
Overseas World Trade Center, Melbourne, Australia	2.77	5-interlinked buildings situated on freehold land Age of buildings: 18 years	100,902
Biak, Irian Jaya, Indonesia	61.60	Factory building complex on leasehold land expiring in 2009 Age of buildings: 11 years	7,254
Lot 2, CT 13734 Navutu Industrial Sub-Division, Lautoka, Navutu, Fiji	3.29	Factory building complex on leasehold land expiring in 2070 Age of buildings: 27 years	3,945
Galoa, Navua Waivunu, Fiji	36.32	Factory building complex on leasehold land expiring in 2086 Age of buildings: 7 years	2,624

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 39th Annual General Meeting of Land & General Berhad will be held at Corus Hotel, Ballroom 1, Level 1, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 27 June 2002 at 2.30 p.m. for the following purposes:-

1. To receive and adopt the Audited Accounts for the financial year ended 31 December 2001 and the Reports of the Directors and Auditors thereon **(Resolution 1)**
2. To approve the payment of Directors' fees **(Resolution 2)**
3. To elect/re-elect the following directors:

G. Krishnan **(Resolution 3)**
Rita A/P Benoy Bushon **(Resolution 4)**
Md Tarmuzi Md Salleh **(Resolution 5)**
Oh Chong Peng **(Resolution 6)**
Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor **(Resolution 7)**
4. To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration **(Resolution 8)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution :-

5. Allotment of shares pursuant to Section 132D of the Companies Act, 1965 **(Resolution 9)**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotments and issues."

6. To transact any other business for which due notice shall have been given

By Order of the Board

LIM FONG EEN
Company Secretary
(MAICSA 0785833)
Kuala Lumpur
5 June 2002

Notes:

1. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
3. The Proxy Form, duly completed, must be deposited at the Registered Office of the Company, 2nd Floor, 7 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.
4. Explanatory Notes on Special Business:-
Resolution pursuant to Section 132D of the Companies Act, 1965
The Ordinary Resolution proposed under item 5, if passed will give the Directors of the Company, from the date of the above Meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expires at the next Annual General Meeting.

Statement Accompanying Notice Of Annual General Meeting

- 1) Directors who are standing for election pursuant to Article 98 of the Company's Articles of Association
The Directors who are standing for election at the 39th Annual General Meeting of the Company are as follows:-
- i) G. Krishnan
 - ii) Rita A/P Benoy Bushon
 - iii) Md Tarmuzi Md Salleh
- 2) Directors who are standing for re-election pursuant to Article 93 of the Company's Articles of Association
The Directors who are standing for re-election at the 39th Annual General Meeting of the Company are as follows:-
- i) Oh Chong Peng
 - ii) Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor
- 3) Details of attendance of Directors at Board Meetings
A total of 8 Board Meetings were held during the financial year ended 31 December 2001, details of which are as follows:-

Directors	No. Of Meetings Attended
Oh Chong Peng	8/8
G. Krishnan (appointed w.e.f. 1 September 2001)	2/2
Mohamed Razeek Hussain	7/8
General (Rtd) Tan Sri Borhan Hj Ahmad	6/8
Dato' Dr Salleh Mohd Nor	4/8
Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor	7/8
Dato' Dr A Bakar Jaafar	7/8
Rita A/P Benoy Bushon (appointed w.e.f. 14 March 2002)	Not Applicable
Md Tarmuzi Md Salleh (appointed w.e.f. 14 March 2002)	Not Applicable

- 4) Place, date and time of Board Meetings

No.	Date	Time	Place
260 th *	8 March 2001	10.00 a.m.	3 rd Floor, 7 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur
261 st *	27 March 2001	10.00 a.m.	3 rd Floor, 7 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur
262 nd	19 April 2001	3.00 p.m.	3 rd Floor, 7 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur
263 rd *	27 June 2001	11.15 a.m.	The Ming Court Vista Hotel, Jalan Ampang, 50450 Kuala Lumpur
264 th *	7 August 2001	3.30 p.m.	3 rd Floor, 7 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur
265 th *	30 August 2001	10.30 a.m.	3 rd Floor, 7 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur
266 th *	20 September 2001	2.00 p.m.	3 rd Floor, 7 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur
267 th	21 November 2001	10.00 a.m.	3 rd Floor, 7 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur

* Special Board Meeting

Statement Accompanying Notice Of Annual General Meeting (Continued)

5) Profile of Directors who are standing for election/re-election

G. Krishnan

Managing Director

Non-Independent Executive Director

G. Krishnan, a Malaysian aged 62, was appointed Managing Director of Land & General on 1 September 2001. He is a graduate of the Advanced Management Programme, Harvard Business School, an Associate member of the Australian Society of Accountants and also a Certified Practising Accountant. He served as an Executive Director of Antah Holdings Berhad ("Antah") from April 1990 until his retirement from Antah on 31 October 2000. Prior to that, he was with ICI Malaysia Sdn Bhd which he joined in 1963 and was appointed a director of ICI Malaysia Sdn Bhd and Chemical Company of Malaysia Berhad in 1984. His last position in the ICI Group of Companies was Managing Director of ICI Fertilizers Malaysia Sdn Bhd and ICI Industrial Chemicals Malaysia Sdn Bhd, and Executive Director of Chemical Company of Malaysia Berhad. Currently, he is a Council member of the Federation of Malaysian Manufacturers and the Malaysian International Chamber of Commerce and Industry ("MICCI"). In MICCI, he is the Convenor of the Environment Committee. He was also the founding Council member of the Malaysia Australia Business Council. In addition, he is the Chairman of Bains Harding Limited, a company listed on the Australian Stock Exchange and the Deputy Chairman of Oiltools International Limited. He also holds directorships in other Malaysian companies including Bumi Armada Berhad.

Rita A/P Benoy Bushon

Director

Non-Independent Non-Executive Director

Rita A/P Benoy Bushon, a Malaysian aged 41, was appointed a Director of Land & General on 14 March 2002. She holds a Master in Business Administration, Brunel University, West London and an Honours Degree in Economic Statistics, Universiti Kebangsaan Malaysia. She joined the Employees Provident Fund Board ("EPF") in 1984 and has served in several departments in the EPF prior to her appointment as Senior Manager in the Investment Research and Supervision Department. Currently, she is also a Board member of the Badan Pengawas Pemegang Saham Minoriti Berhad.

Md Tarmuzi Md Salleh

Non-Independent Non-Executive Director

Md Tarmuzi Md Salleh, a Malaysian aged 45, was appointed a Director of Land & General on 14 March 2002. He holds a Master in Business Administration, University of Connecticut, Hartford, USA and a Bachelor in Business Administration, Ohio University, Athens, USA. He joined EPF in 1993 as Senior Manager in the Business Development Division. Currently, he serves in the Property Management and Development Division, EPF. Prior to joining the EPF, he was with the Puncak Group of Companies as well as several other private limited companies.

Oh Chong Peng

Chairman

Non-Independent Non-Executive Director

Oh Chong Peng, a Malaysian aged 57, was appointed a Director of Land & General on 18 October 1999. On 18 January 2002, Mr Oh was appointed Chairman of Land & General. Mr Oh is a Fellow of the Institute of Chartered Accountants, England and Wales. He was a Partner of Coopers & Lybrand, Malaysia from 1974 until his retirement in 1997. He sits on the Board of several public listed companies namely Star Publications (Malaysia) Berhad, Powertek Berhad, British American Tobacco (Malaysia) Berhad, Rashid Hussain Berhad, RHB Capital Berhad, Renong Berhad and IJM Corporation Berhad and is also the Chairman of Nanyang Press Holdings Berhad. In addition, he is a director of RHB Bank Berhad and RHB Insurance Berhad. He is a Council member of the Malaysian Association of Certified Public Accountants, a Committee member of the Labuan Offshore Financial Services Authority, a Trustee of the Huaren Education Foundation and an Advisor to the RHB Group.

Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor

Independent Non-Executive Director

Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor, a Malaysian aged 58, was appointed a Director of Land & General on 18 October 1999. He retired as the Chief of the Royal Malaysian Navy in January 1999. During his 35 years of service in the Navy, he received numerous awards, both local and international. Dato' Seri Ramli holds a Master in Public Administration degree from Harvard University, USA. He is a director of several private limited companies and is also a director of Muhibbah Engineering (M) Berhad.

Proxy Form

I/We _____
of _____
being a member/members of LAND & GENERAL BERHAD hereby appoint _____

or failing him The Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the 39th ANNUAL GENERAL MEETING OF THE COMPANY to be held at Corus Hotel, Ballroom 1, Level 1, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 27 June 2002 at 2.30 p.m. and at any adjournment thereof.

My/Our proxy/proxies shall vote as indicated below:-

	Resolutions	For	Against
No. 1	Adoption of Reports and Accounts		
No. 2	Payment of Directors' fees		
	Election/Re-election of Directors:		
No. 3	G. Krishnan		
No. 4	Rita A/P Benoy Bushon		
No. 5	Md Tarmuzi Md Salleh		
No. 6	Oh Chong Peng		
No. 7	Vice Admiral (Rtd) Dato' Seri Ahmad Ramli Hj Mohd Nor		
No. 8	Re-appointment of Auditors		
No. 9	Approval under Section 132D, Companies Act, 1965		

No. of Shares

Signature: _____

Date: _____

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast on the resolutions specified. If you do not do so, the proxy/proxies will vote or abstain from voting at his/her/their discretion.)

NOTES:

1. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
4. The Proxy Form, duly completed, must be deposited at the Registered Office of the Company, 2nd Floor, 7 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.



Fold this flap for sealing



2nd fold here

AFFIX STAMP



The Company Secretary
Land & General Berhad
2nd Floor
7 Persiaran Dagang
Bandar Sri Damansara
52200 Kuala Lumpur



1st fold here

