

17. ACCOUNTANTS' REPORT (Cont'd)



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5.20 Bonus Indah

	Financial year ended 29 February 1996 RM'000	Financial year ended 28 February 1997 RM'000	10 months ended 31 December 1997 RM'000	Financial year ended 31 December			9 months ended 30 September 2001 RM'000
				1998 RM'000	1999 RM'000	2000 RM'000	
Revenue	394	361	-	50+	-	-	397
(Loss)/profit before depreciation, finance cost and taxation	(174)	132	(10)	45	(6)	(7)	99
Depreciation	(4)	-	-	-	-	-	(160)
Finance cost	-	-	-	-	-	-	(62)
(Loss)/profit before taxation	(178)	132	(10)	45	(6)	(7)	(123)
Taxation	(7)	(14)	-	-	13	(38)	-
(Loss)/profit attributable to shareholders	(185)	118	(10)	45	7	(45)	(123)
Number of ordinary shares in issue	2,000,000#	2,000,000#	2,000,000#	2,000,000#	2,000,000#	2,000,000	2,000,000
Net (loss)/earnings per share (RM)	(0.09)	0.06	(<0.01*)	0.02	<0.01	(0.02)	(0.08*)
Gross dividend rate (%)	-	-	-	-	-	-	-

+ Revenue has been restated for consistency of presentation.

Adjusted for bonus issue implemented on 6 December 1999.

* Annualised

Notes:

- i) The revenue earned in the financial year ended 29 February 1996 and year ended 28 February 1997 were mainly derived from land lease and contract operations. For the financial year 1996, the loss incurred was due mainly to bad debts written off of an uncollectable debt. The company was liable to tax despite the loss incurred due to the different treatment of certain income for tax and accounting purposes.
- ii) The company commenced plantation development activities for the cultivation of oil palm during the financial year 1997. The effective tax rate for the financial year was lower than the statutory tax rate due to the different treatment of certain income for tax and accounting purposes and the availability of unabsorbed capital allowances and unutilised tax losses.
- iii) There was no revenue for the 10 months ended 31 December 1997 as the company ceased its contract operations.

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- iv) The revenue and profit before taxation recorded in the financial year ended 31 December 1998 was mainly in respect of land lease income generated in 1997 but recognised in 1998. The company was not liable for tax on its profit for the financial year due to the deductibility of the plantation development expenditure against taxable profits.
- v) No revenue was recorded in the financial years ended 31 December 1999 and 2000 as its oil palm trees were immature. The losses incurred for these years were in respect of expenses incurred in relation to statutory compliance obligations. The negative tax charge for the financial year ended 31 December 1999 represented overprovision of income tax in previous year. Taxation for the financial year ended 31 December 2000 represented deferred taxation provided.
- vi) For the financial period ended 30 September 2001, the company incurred a loss due to low FFB harvest from its newly-matured plantation.
- vii) There was no extraordinary or exceptional item in respect of the financial years and periods under review.
- viii) The net (loss)/earnings per share has been calculated based on the (loss)/profit attributable to shareholders and the number of ordinary shares in issue for each financial period/year under review.

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5.21 NKH

	Period from 9 March 1996 to 31 December	Financial year ended 31 December				9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	-	210	286	296	222
(Loss)/profit before depreciation, finance cost and taxation	-	(40)	(16)	965	312	634
Depreciation	-	(1)	(1)	(1)	(1)	(2)
Finance cost	-	-	-	-	-	(3)
(Loss)/profit before taxation	-	(41)	(17)	964	311	629
Taxation	-	-	-	(238)	(60)	(168)
(Loss)/profit attributable to shareholders	-	(41)	(17)	726	251	461
Weighted average number of ordinary shares in issue	53,357	1,036,544	1,116,436	5,570,200	5,570,200	5,570,200
Net (loss)/earnings per share (RM)	-	(0.04)	(0.02)	0.13	0.05	0.11*
Dividend rate (%)						
- Gross	-	-	-	16.11%	3.86%	10.81%
- Tax exempt	-	-	-	0.39%	1.71%	0.16%

* Annualised

Notes:

- i) The loss incurred for the financial year ended 31 December 1997 was in respect of professional fees incurred in connection with the advisory services.
- ii) The company commenced operations in the provision of management services in the financial year ended 31 December 1998. The loss incurred was due to high operating expenses.
- iii) The fluctuations in profits before taxation for the financial years ended 31 December 1999 to 2000 and period ended 30 September 2001 were attributed mainly to dividends received from subsidiaries and other investments.
- iv) The taxation for the financial years ended 31 December 1999 and 2000, and period ended 30 September 2001 were in respect of dividend income.
- v) There was no tax charge on the business profits for the financial year ended 31 December 2000 and period ended 30 September 2001 due mainly to availability of unabsorbed capital allowances and unutilised tax losses to set off against the financial year/period's taxable profit.
- vi) There was no extraordinary or exceptional item in respect of the financial periods and years under review.
- vii) The net (loss)/earnings per share has been calculated based on the (loss)/profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial year/period under review.

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5.22 Dat Soon

	14 months	Financial year ended 31 December				9 months
	ended 31 December					ended 30 September
	1996	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	9,463+	11,607	31,758	15,157	12,728	7,803
Profit before depreciation, finance cost and taxation	46	14	24	5	76	161
Depreciation	(15)	(23)	(27)	(30)	(36)	(31)
Finance cost	-	-	-	(10)	(11)	(6)
Profit/(loss) before taxation	31	(9)	(3)	(35)	29	124
Taxation	(10)	-	(1)	4	(7)	(23)
Profit/(loss) attributable to shareholders	21	(9)	(4)	(31)	22	101
Number of ordinary shares in issue	208,000	208,000	208,000	208,000	208,000	208,000
Net earnings/(loss) per share (RM)	0.09*	(0.04)	(0.02)	(0.15)	0.11	0.65*
Gross dividend rate (%)	-	-	-	-	-	-

+ Revenue has been restated for consistency of presentation.

* Annualised

Notes:

- i) For the two (2) financial years ended 31 December 1997 and 1998, the company recorded losses before taxation despite increase in revenue due to the minimal profit margin earned for the sales of FFB to its related companies.
- ii) The decrease in revenue for the financial year ended 31 December 1999 was due to reduction in FFB prices as well as reduction in FFB collected from surrounding estates.
- iii) For the financial year ended 31 December 2000, the decrease in revenue was due mainly to falling prices of FFB. However, the profit before taxation improved slightly as a result of the improvement in the profit margin.
- iv) For the financial period ended 30 September 2001, the reduction in revenue was due to lower FFB prices. However, profit before taxation improved due mainly to a legal claim receivable from the sales of FFB in previous years and machinery hire income received.
- v) The effective tax rates for the financial year ended 31 December 2000 and financial period ended 30 September 2001 were lower than the statutory tax rate due mainly to the availability of unabsorbed capital allowances to set off the financial year/ period's taxable profit.
- vi) There was no extraordinary or exceptional item in respect of the financial periods and years under review.
- vii) The net earnings/(loss) per share has been calculated based on the profit/(loss) attributable to shareholders and the number of ordinary shares in issue for each financial period/year under review.

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5.23 SROPP

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	1,623	15,986	79,288	47,569	42,106	27,715
Profit before depreciation, finance cost and taxation	854	2,662	6,475	8,033	6,320	4,096
Depreciation	(521)	(643)	(1,625)	(1,683)	(1,784)	(1,465)
Finance cost	(146)	(645)	(2,334)	(1,593)	(1,241)	(657)
Profit before taxation	187	1,374	2,516	4,757	3,295	1,974
Taxation	-	-	-	(154)	(76)	(210)
Profit attributable to shareholders	187	1,374	2,516	4,603	3,219	1,764
Weighted average number of ordinary shares in issue	2,997,927#	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Net earnings per share (RM)	0.06	0.46	0.84	1.53	1.07	0.78*
Dividend rate (%)						
- Gross	-	-	-	19.35%	9.12%	5.37%
- Tax exempt	-	-	-	-	3.17%	-

Adjusted for bonus issue implemented on 13 September 1996.

* Annualised

Notes:

- i) The significant increase in revenue and profit before taxation for the financial year ended 31 December 1997 was due mainly to the commencement of the company's mill operations in October 1997.
- ii) For the financial year ended 31 December 1998, revenue and profit before taxation recorded significant increases as a result of improvement in CPO prices and higher contribution from the mill's full year's operations.
- iii) No tax was provided on the profits for financial years ended 31 December 1996 to 1998 due to the availability of unutilised tax losses and unabsorbed capital allowances to set off against the respective financial years' taxable profit.
- iv) The decrease in revenue in the financial year ended 31 December 1999 was mainly due to the drop in CPO prices. The increase in profit before taxation was as a result of the improvement in the oil extraction rate of CPO, decrease in the finance costs and dividend income received. Taxation charged was in respect of under provision in prior years and taxation on dividends received.

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- v) For the financial year ended 31 December 2000, the decrease in revenue and profit before taxation was mainly due to falling prices of CPO and PK. The decrease in profit before taxation was also attributed to the increase in mill operating cost.
- vi) For the financial period ended 30 September 2001, the reduction in revenue and profit before taxation was due mainly to falling prices of CPO and PK.
- vii) The effective tax rates for the financial year/period ended 31 December 2000 and 30 September 2001 were lower than the statutory tax rate due mainly to the availability of unabsorbed capital allowances to set off against the respective financial year/period's taxable profit.
- viii) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- ix) The net earnings per share has been calculated based on the profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial period/year under review.

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5.24 Deltafort

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	127	110	100	100	100	75
Profit before depreciation, finance cost and taxation	101	99	97	96	97	64
Depreciation	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Profit before taxation	101	99	97	96	97	64
Taxation	(32)	(29)	(27)	(1)	(27)	(21)
Profit attributable to shareholders	69	70	70	95	70	43
Weighted average number of ordinary shares in issue	14,346	250,000	250,000	250,000	250,000	250,000
Net earnings per share (RM)	4.81	0.28	0.28	0.38	0.28	0.23*
Gross dividend rate (%)	6.00%	-	-	116.67%	42.78%	-

* Annualised

Notes:

- i) Other than the financial years ended 31 December 1996 and 1997 which included transportation income, the revenue and profit before taxation for the five financial years ended 31 December 1996 to 2000 and the financial period ended 30 September 2001 remained relatively constant as the company received fixed annual land lease rental income with minimum operating expenses being incurred.
- ii) For the financial period ended 30 September 2001, the effective tax rate was higher than the statutory tax rate due to certain expenses incurred not being allowable for tax purpose.
- iii) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- iv) The net earnings per share has been calculated based on the profit attributable to shareholders and the number of ordinary shares in issue for each financial period/year under review.

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5.25 Mature Land

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	50	50	50	50	37
(Loss)/profit before depreciation, finance cost and taxation	(18)	47	33	45	47	34
Depreciation	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
(Loss)/profit before taxation	(18)	47	33	45	47	34
Taxation	-	(14)	(14)	-	(14)	(10)
(Loss)/profit attributable to shareholders	(18)	33	19	45	33	24
Weighted average number of ordinary shares in issue	6,021	25,000	206,849	250,000	250,000	250,000
Net (loss)/earnings per share (RM)	(2.99)	1.32	0.09	0.18	0.13	0.13*
Dividend rate (%)						
- Gross	-	-	-	37.78%	21.67%	-
- Tax exempt	-	-	-	-	-	-

* Annualised

Notes:

- i) With effect from the financial year ended 31 December 1997, the company received fixed annual land lease rental income with minimum operating expenses.
- ii) The effective tax rates for financial years ended 31 December 1997 and 1998 and period ended 30 September 2001 were higher than the statutory tax rate due to the different treatment of certain income and expenses for tax and accounting purposes.
- iii) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- iv) The net (loss)/earnings per share has been calculated based on the (loss)/profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial period/year under review.

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5.26 Emashijau

	Financial year ended 31 May			7 months ended 31 December	Financial year ended 31 December		9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	-	-	62	153	115	89
(Loss)/profit before depreciation, finance cost and taxation	(1)	(1)	(2)	44	26	1	7
Depreciation	-	-	-	(1)	(1)	(1)	(1)
Finance cost	-	-	-	-	-	-	-
(Loss)/profit before taxation	(1)	(1)	(2)	43	25	-	6
Taxation	-	-	-	(10)	-	(2)	(2)
(Loss)/profit attributable to shareholders	(1)	(1)	(2)	33	25	(2)	4
Number of ordinary shares in issue	2	2	2	2	2	2	2
Net (loss)/earnings per share (RM)	(500.00)	(500.00)	(1,000.00)	28,285.71*	12,500.00	(1,000.00)	2,666.67*
Gross dividend rate (%)	-	-	-	-	3,819,444.44%	-	-

* Annualised

Notes:

- i) The company commenced operations in the financial period ended 31 December 1998. The effective tax rate was lower than the statutory tax rate due to the realisation of unutilised tax losses to set off against the financial year's taxable profit.
- ii) The lower profit before taxation margin recorded for the financial year ended 31 December 1999 was due mainly to increase in administrative expenses as more staff were recruited.
- iii) For the financial year ended 31 December 2000, the decrease in revenue and profit before taxation was due mainly to lower management fees received. The tax charge for the year was in respect of under provision in prior years.
- iv) For the financial period ended 30 September 2001, profit before taxation improved due to lower administrative expenses.
- v) There was no extraordinary or exceptional item in respect of the financial years and periods under review.
- vi) The net (loss)/earnings per share has been calculated based on the (loss)/profit attributable to shareholders and the number of ordinary shares in issue for each financial year/period under review.

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5.27 Wenow

	Financial year ended 31 December				9 months ended 30 September	
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	414	-	-	2,343	8,095	4,922
Profit/(loss) before depreciation, finance cost and taxation	14	(1)	-	8	77	52
Depreciation	(4)	(4)	(4)	(7)	(18)	(35)
Finance cost	-	-	-	(6)	(4)	(7)
Profit/(loss) before taxation	10	(5)	(4)	(5)	55	10
Taxation	(3)	(3)	-	-	-	-
Profit/(loss) attributable to shareholders	7	(8)	(4)	(5)	55	10
Number of ordinary shares in issue	3	3	3	3	3	3
Net earnings/(loss) per share (RM)	2,333.33	(2,666.67)	(1,333.33)	(1,666.67)	18,333.33	4,444.44*
Gross dividend rate (%)	-	-	-	-	1,250,000.00%	-

* Annualised

Notes:

- i) The company temporarily ceased operations for the financial years ended 31 December 1997 and 1998 but resumed operations in the trading of FFB in November 1999. The tax charge for the financial year ended 31 December 1997 was in respect of taxation under provided in prior years.
- ii) For the financial year ended 31 December 1999, the company recorded a loss as FFB was sold at minimal profit margin to related companies.
- iii) For the financial year ended 31 December 2000, revenue increased due to contribution from a full year of operations. However, the company earned a marginal profit before taxation as it continued to sell FFB at minimal profit margin to related companies. There was no tax charge for the profit for the financial year due to the utilisation of unabsorbed capital allowances to set off against the financial year's taxable profit.
- iv) For the financial period ended 30 September 2001, the reduction in revenue and profit before taxation was due to lower FFB prices and trading volume. There was no tax charge on the profit for the financial period due to the utilisation of unabsorbed capital allowances to set off against the financial period's taxable profit.
- v) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- vi) The net earnings/(loss) per share has been calculated based on the profit/(loss) attributable to shareholders and the number of ordinary shares in issue for each financial year/period under review.

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5.28 Summer Focus

	Period from	Financial year ended 31		9 months
	24 April 1998 to 31 December 1998 RM'000	1999 RM'000	2000 RM'000	ended 30 September 2001 RM'000
Revenue	289	576	523	183
Profit before depreciation, finance cost and taxation	6	20	6	2
Depreciation	-	-	-	-
Finance cost	-	-	-	-
Profit before taxation	6	20	6	2
Taxation	(2)	-	(2)	(1)
Profit attributable to shareholders	4	20	4	1
Weighted average number of ordinary shares in issue	208	1,000	1,000	1,000
Net earnings per share (RM)	27.85*	20.00	4.00	1.33*
Gross dividend rate (%)	-	-	-	-

* Annualised

Notes:

- i) The increase in revenue and profit before taxation for the financial year ended 31 December 1999 was due mainly to higher contract income received from related companies.
- ii) For the financial year ended 31 December 2000, the decrease in profit before taxation was due mainly to lower margin from contract income.
- iii) For the financial period ended 30 September 2001, the reduction in revenue and profit before taxation was due to less plantation development contracts being carried out.
- iv) There was no extraordinary or exceptional item in respect of the financial periods and years under review.
- v) The net earnings per share has been calculated based on the profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial period/year under review.

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5.29 Zupakeja

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	-	-	-	-	68
(Loss)/profit before depreciation, finance cost and taxation	(2)	(3)	(2)	(7)	(4)	13
Depreciation	-	(4)	(4)	-	-	(1)
Finance cost	-	-	-	-	-	(20)
Loss before taxation	(2)	(7)	(6)	(7)	(4)	(8)
Taxation	-	-	-	-	-	-
Loss attributable to shareholders	(2)	(7)	(6)	(7)	(4)	(8)
Number of ordinary shares in issue	8,000	8,000	8,000	8,000	8,000	8,000
Net loss per share (RM)	(0.25)	(0.88)	(0.75)	(0.88)	(0.50)	(1.33*)
Gross dividend rate (%)	-	-	-	-	-	-

* Annualised

Notes:

- i) During the financial year ended 31 December 1996, the company had temporarily suspended development of its plantation and resumed planting during the financial year ended 31 December 1997.
- ii) The losses incurred for the 5 financial years ended 31 December 1996 to 2000 were in respect of administrative expenses.
- iii) For the financial period ended 30 September 2001, the company incurred a loss due mainly to low FFB harvest from its newly-matured plantation.
- iv) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- v) The net loss per share has been calculated based on the loss attributable to shareholders and number of ordinary shares in issue for each financial year/period under review.

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6. SUMMARISED BALANCE SHEETS

The summarised balance sheets of NPC and its subsidiary companies for the relevant years/periods covered in this report are as follows:

6.1 NPC

	As at	
	31.12.2000 RM'000	30.9.2001 RM'000
Current assets	1,075	1,164
Current liabilities	(1,084)	(1,175)
Net current liabilities	(9)	(11)
	(9)	(11)
Share capital	*	*
Accumulated losses	(9)	(11)
	(9)	(11)
Net liabilities per share (RM)	(176.47)	(215.68)
Shareholders' fund	(9)	(11)

*RM51

6.2 Natural

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	1,301	1,355	1,315	1,268	1,218	1,235
Subsidiary companies	-	-	3,233	2,374	5,425	3,428
Expenditure carried forward	2	2	-	-	-	-
Current assets	598	773	242	297	4,296	6,784
Current liabilities	(1,734)	(1,544)	(4,049)	(3,483)	(7,487)	(8,615)
Net current liabilities	(1,136)	(771)	(3,807)	(3,186)	(3,191)	(1,831)
Long term liabilities	-	(408)	(308)	(221)	(3,215)	(2,589)
	167	178	433	235	237	243
Share capital	100	100	100	100	100	100
Revaluation reserve	135	135	135	135	135	135
(Accumulated losses) / retained profits	(68)	(57)	198	-	2	8
	167	178	433	235	237	243
Net tangible assets ("NTA") per share (RM)	1.67	1.78	4.33	2.35	2.37	2.43
Shareholders' fund	167	178	433	235	237	243

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*Accountants' Report***6.3 Growth**

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	2,307	4,809	4,876	5,452	6,213	6,704
Subsidiary companies	2,125	21,434	21,175	24,977	20,871	16,317
Associated company	139	1,711	-	-	-	-
Investment	97	-	-	-	-	-
Current assets	5,540	1,924	3,649	4,350	5,286	7,260
Current liabilities	(9,227)	(8,840)	(6,250)	(11,935)	(9,211)	(7,088)
Net current (liabilities) / assets	(3,687)	(6,916)	(2,601)	(7,585)	(3,925)	172
Long term liabilities	(633)	(1,509)	(1,405)	(1,251)	(1,163)	(944)
	348	19,529	22,045	21,593	21,996	22,249
Share capital	25	170	1,704	1,704	1,704	1,704
Share premium	-	18,450	18,450	18,450	18,450	18,450
Capital reserve	-	-	313	313	313	313
Retained profits	323	909	1,578	1,126	1,529	1,782
	348	19,529	22,045	21,593	21,996	22,249
NTA per share (RM)	13.92	114.88	12.94	12.67	12.91	13.06
Shareholders' fund	348	19,529	22,045	21,593	21,996	22,249

6.4 Ballerina

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	2,435	2,830	3,458	2,093	2,044	1,932
Current assets	354	346	736	1,144	1,272	1,593
Current liabilities	(1,844)	(1,319)	(1,966)	(1,417)	(1,487)	(1,541)
Net current (liabilities) / assets	(1,490)	(973)	(1,230)	(273)	(215)	52
Long term liabilities	(506)	(1,067)	(788)	(23)	(75)	(78)
	439	790	1,440	1,797	1,754	1,906
Share capital	100	250	250	250	250	250
Retained profits	339	540	1,190	1,547	1,504	1,656
	439	790	1,440	1,797	1,754	1,906
NTA per share (RM)	4.39	3.16	5.76	7.19	7.02	7.62
Shareholders' fund	439	790	1,440	1,797	1,754	1,906

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*Accountants' Report***6.5 Bintang**

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	1,891	4,207	5,093	5,613	4,783	5,024
Subsidiary companies	-	-	900	900	914	938
Current assets	877	423	411	985	1,811	1,975
Current liabilities	(1,604)	(2,882)	(3,870)	(4,089)	(4,460)	(4,702)
Net current liabilities	(727)	(2,459)	(3,459)	(3,104)	(2,649)	(2,727)
Long term liabilities	(355)	(227)	-	-	(77)	(77)
	809	1,521	2,534	3,409	2,971	3,158
Share capital	361	361	361	361	361	361
Retained profits	448	1,160	2,173	3,048	2,610	2,797
	809	1,521	2,534	3,409	2,971	3,158
NTA per share (RM)	2.24	4.21	7.02	9.44	8.23	8.75
Shareholders' fund	809	1,521	2,534	3,409	2,971	3,158

6.6 Intan Ramai

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	25	36	37	66	79	79
Expenditure carried forward	22	-	-	-	-	-
Current assets	18	25	4	241	420	406
Current liabilities	(40)	(36)	(18)	(44)	(5)	(9)
Net current (liabilities) / assets	(22)	(11)	(14)	197	415	397
Long term liabilities	-	-	-	-	(235)	(231)
	25	25	23	263	259	245
Share capital	25	25	25	250	250	250
(Accumulated losses) / retained profits	-	-	(2)	13	9	(5)
	25	25	23	263	259	245
NTA per share (RM)	1.00	1.00	0.92	1.05	1.04	0.98
Shareholders' fund	25	25	23	263	259	245

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6.7 Miasa

	As at						
	30.6.1996 RM'000	30.6.1997 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	2,160	2,491	2,463	2,358	2,305	2,243	2,233
Current assets	508	962	662	744	1,367	1,845	1,589
Current liabilities	(1,402)	(2,000)	(1,295)	(1,049)	(1,413)	(1,998)	(1,647)
Net current liabilities	(894)	(1,038)	(633)	(305)	(46)	(153)	(58)
Long term liabilities	-	-	(437)	(338)	(100)	(51)	(49)
	1,266	1,453	1,393	1,715	2,159	2,039	2,126
Share capital	1,153	1,153	1,153	1,153	1,153	1,153	1,153
Revaluation reserve	51	51	51	51	51	51	51
Retained profits	62	249	189	511	955	835	922
	1,266	1,453	1,393	1,715	2,159	2,039	2,126
NTA per share (RM)	1.10	1.26	1.21	1.49	1.87	1.77	1.84
Shareholders' fund	1,266	1,453	1,393	1,715	2,159	2,039	2,126

6.8 Sinar Ramai

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	40	40	41	69	72	72
Expenditure carried forward	21	26	-	-	-	-
Current assets	-	-	-	215	231	228
Current liabilities	(61)	(66)	(68)	(45)	(6)	(9)
Net current (liabilities) / assets	(61)	(66)	(68)	170	225	219
Long term liabilities	-	-	-	-	(60)	(60)
	*	*	(27)	239	237	231
Share capital	*	*	*	250	250	250
Accumulated losses	-	-	(27)	(11)	(13)	(19)
	*	*	(27)	239	237	231
NTA/(net liabilities) per share (RM)	1.00	1.00	(270.00)	0.96	0.95	0.92
Shareholders' fund	*	*	(27)	239	237	231

* RM100

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Accountants' Report

6.9 Soon Tai

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	114	95	91	87	84	82
Associated company	121	97	97	121	121	121
Current assets	436	581	494	554	336	335
Current liabilities	(448)	(554)	(352)	(399)	(183)	(160)
Net current (liabilities) / assets	(12)	27	142	155	153	175
Long term liabilities	(10)	-	-	-	(2)	(2)
	213	219	330	363	356	376
Share capital	*	*	1	1	1	1
Retained profits	213	219	329	362	355	375
	213	219	330	363	356	376
NTA per share (RM)	106,500.00	109,500.00	330.00	363.00	356.00	376.00
Shareholders' fund	213	219	330	363	356	376

* RM2

6.10 Sofrah

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	122	405	686	818	1,155	1,278
Expenditure carried forward	29	29	-	-	-	-
Current assets	2	-	726	801	104	160
Current liabilities	(155)	(448)	(1,165)	(1,374)	(1,018)	(1,177)
Net current liabilities	(153)	(448)	(439)	(573)	(914)	(1,017)
	(2)	(14)	247	245	241	261
Share capital	9	9	300	300	300	300
Accumulated losses	(11)	(23)	(53)	(55)	(59)	(39)
	(2)	(14)	247	245	241	261
(Net liabilities)/NTA per share (RM)	(0.22)	(1.56)	0.82	0.82	0.80	0.87
Shareholders' fund	(2)	(14)	247	245	241	261

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Accountants' Report

6.11 Transglobe

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	218	800	1,259	1,569	2,066	2,205
Expenditure carried forward	15	-	-	-	-	-
Current assets	8	957	1,492	1,480	272	272
Current liabilities	(248)	(1,538)	(2,535)	(2,847)	(2,149)	(2,366)
Net current liabilities	(240)	(581)	(1,043)	(1,367)	(1,877)	(2,094)
	(7)	219	216	202	189	111
Share capital	*	250	250	250	250	250
Accumulated losses	(7)	(31)	(34)	(48)	(61)	(139)
	(7)	219	216	202	189	111
(Net liabilities)/NTA per share (RM)	(1750.00)	0.88	0.87	0.81	0.76	0.44
Shareholders' fund	(7)	219	216	202	189	111

* RM4

6.12 Kidat

	As at					
	31.7.1996 RM'000	31.7.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	1	-	71	168	533	484
Expenditure carried forward	4	3	-	-	-	-
Current assets	649	664	1,974	4,801	5,953	8,104
Current liabilities	(445)	(444)	(1,270)	(3,986)	(5,270)	(7,255)
Net current assets	204	220	704	815	683	849
Long term liabilities	-	-	-	(27)	(161)	(106)
	209	223	775	956	1,055	1,227
Share capital	720	720	720	720	720	720
Capital reserve	415	415	-	-	-	-
(Accumulated losses) / retained profits	(926)	(912)	55	236	335	507
	209	223	775	956	1,055	1,227
NTA per share (RM)	0.29	0.31	1.08	1.33	1.47	1.70
Shareholders' fund	209	223	775	956	1,055	1,227

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Accountants' Report

6.13 Telupid

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	5,621	6,795	7,790	8,188	8,171	7,956
Subsidiary companies investment	1,704	1,703	1,704	1,704	1,704	1,704
	700	700	700	700	700	700
Current assets	1,360	980	2,889	4,728	3,446	5,386
Current liabilities	(5,269)	(5,528)	(6,649)	(5,590)	(5,616)	(7,549)
Net current liabilities	(3,909)	(4,548)	(3,760)	(862)	(2,170)	(2,163)
Long term liabilities	(3,553)	(3,210)	(2,814)	(2,870)	(1,012)	(965)
	563	1,440	3,620	6,860	7,393	7,232
Share capital	693	693	693	2,675	2,675	2,675
(Accumulated losses)/ retained profits	(130)	747	2,927	4,185	4,718	4,557
	563	1,440	3,620	6,860	7,393	7,232
NTA per share (RM)	0.81	2.08	5.22	2.56	2.76	2.70
Shareholders' fund	563	1,440	3,620	6,860	7,393	7,232

6.14 Berkat

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	13,766	14,683	19,172	20,416	24,090	26,509
Subsidiary companies investment	1,480	1,512	2,049	1,174	1,597	3,111
	-	3,063	3,063	3,063	3,063	3,063
Current assets	11,211	12,655	8,919	10,905	20,939	31,159
Current liabilities	(10,851)	(10,756)	(8,905)	(8,030)	(21,831)	(34,095)
Net current assets / (liabilities)	360	1,899	14	2,875	(892)	(2,936)
Long term liabilities	(2,357)	(2,490)	(731)	(2,810)	(2,748)	(2,382)
	13,249	18,667	23,567	24,718	25,110	27,365
Share capital	2,000	2,000	2,000	2,000	2,000	2,000
Retained profits	11,249	16,667	21,567	22,718	23,110	25,365
	13,249	18,667	23,567	24,718	25,110	27,365
NTA per share (RM)	6.62	9.33	11.78	12.36	12.55	13.68
Shareholders' fund	13,249	18,667	23,567	24,718	25,110	27,365

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*Accountants' Report***6.15 Seraya**

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	192	392	722	905	1,155	1,263
Current assets	3	-	-	4	57	151
Current liabilities	(200)	(402)	(733)	(923)	(1,229)	(1,483)
Net current liabilities	(197)	(402)	(733)	(919)	(1,172)	(1,332)
	(5)	(10)	(11)	(14)	(17)	(69)
Share capital	10	10	10	10	10	10
Accumulated losses	(15)	(20)	(21)	(24)	(27)	(79)
	(5)	(10)	(11)	(14)	(17)	(69)
Net liabilities per share (RM)	(0.50)	(1.00)	(1.10)	(1.40)	(1.70)	(6.90)
Shareholders' fund	(5)	(10)	(11)	(14)	(17)	(69)

6.16 Sebuda

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	956	885	877	939	1,079	1,096
Current assets	992	2,738	3,124	4,585	4,223	4,380
Current liabilities	(2,348)	(2,878)	(2,345)	(2,960)	(3,028)	(3,104)
Net current (liabilities)/ assets	(1,356)	(140)	779	1,625	1,195	1,276
Long term liabilities	-	-	-	-	(2)	(1)
	(400)	745	1,656	2,564	2,272	2,371
Share capital	745	1,500	1,500	1,500	1,500	1,500
(Accumulated losses) / retained profits	(1,145)	(755)	156	1,064	772	871
	(400)	745	1,656	2,564	2,272	2,371
(Net liabilities)/NTA per share (RM)	(0.54)	0.50	1.10	1.71	1.51	1.58
Shareholders' fund	(400)	745	1,656	2,564	2,272	2,371

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6.17 Jejco

	As at					
	30.9.1996 RM'000	30.9.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	163	177	122	75	99	106
Current assets	219	214	174	311	241	262
Current liabilities	(282)	(109)	(219)	(200)	(169)	(160)
Net current (liabilities)/ assets	(63)	105	(45)	111	72	102
Long term liabilities	(141)	(352)	(27)	-	(5)	(5)
	(41)	(70)	50	186	166	203
Share capital	*	*	*	*	*	*
(Accumulated losses) / retained profits	(41)	(70)	50	186	166	203
	(41)	(70)	50	186	166	203
(Net liabilities)/NTA per share (RM)	(13,666.67)	(23,333.33)	16,666.67	62,000.00	55,333.33	67,666.67
Shareholders' fund	(41)	(70)	50	186	166	203

*RM3

6.18 Agrisa

	As at						
	30.6.1996 RM'000	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	1,462	1,462	1,477	2,326	3,113	3,689	4,028
Expenditure carried forward	9	9	9	-	-	-	-
Current assets	-	-	16	17	517	4	1,265
Current liabilities	(29)	(34)	(67)	(918)	(808)	(875)	(2,477)
Net current liabilities	(29)	(34)	(51)	(901)	(291)	(871)	(1,212)
Long term liabilities	-	-	-	-	(1,400)	(1,400)	(1,400)
	1,442	1,437	1,435	1,425	1,422	1,418	1,416
Share capital	1470	1,470	1,470	1,470	1,470	1,470	1,470
Revaluation reserve	13	13	13	13	13	13	13
Accumulated losses	(41)	(46)	(48)	(58)	(61)	(65)	(67)
	1,442	1,437	1,435	1,425	1,422	1,418	1,416
NTA per share (RM)	0.98	0.98	0.98	0.97	0.97	0.96	0.96
Shareholders' fund	1,442	1,437	1,435	1,425	1,422	1,418	1,416

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*Accountants' Report***6.19 Bonus Indah**

	As at						
	28.2.1996 RM'000	28.2.1997 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	1,340	2,480	3,938	5,297	20,753	22,346	21,008
Current assets	491	4	2,299	2,358	2,381	3,572	2,936
Current liabilities	(541)	(1,075)	(2,133)	(3,211)	(3,075)	(6,766)	(7,708)
Net current (liabilities) / assets	(50)	(1,071)	166	(853)	(694)	(3,194)	(4,772)
Long term liabilities	-	-	(2,705)	(3,000)	(4,500)	(3,638)	(2,963)
	1,290	1,409	1,399	1,444	15,559	15,514	13,273
Share capital	1,500	1,500	1,500	1,500	2,000	2,000	2,000
Revaluation reserve	-	-	-	-	13,607	13,607	11,489
Accumulated losses	(210)	(91)	(101)	(56)	(48)	(93)	(216)
	1,290	1,409	1,399	1,444	15,559	15,514	13,273
NTA per share (RM)	0.86	0.94	0.93	0.96	7.78	7.76	6.64
Shareholders' fund	1,290	1,409	1,399	1,444	15,559	15,514	13,273

6.20 NKH

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Plant and equipment	-	8	7	7	11	18
Subsidiary companies	-	25,148	4,750	4,007	2,842	2,320
Investments	-	-	21,882	21,882	21,882	21,882
Expenditure carried forward	3	-	-	-	-	-
Current assets	100	4,297	4,119	4,847	7,755	7,571
Current liabilities	(3)	(3,910)	(766)	(693)	(2,440)	(1,723)
Net current assets	97	387	3,353	4,154	5,315	5,848
	100	25,543	29,992	30,050	30,050	30,068
Share capital	100	1,104	5,570	5,570	5,570	5,570
Share premium	-	24,479	24,479	24,479	24,479	24,479
(Accumulated losses) / retained profits	-	(40)	(57)	1	1	19
	100	25,543	29,992	30,050	30,050	30,068
NTA per share (RM)	1.00	23.14	5.38	5.39	5.39	5.40
Shareholders' fund	100	25,543	29,992	30,050	30,050	30,068

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Accountants' Report

6.21 Dat Soon

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	60	77	88	188	205	337
Current assets	1,191	2,383	3,225	5,314	3,766	4,070
Current liabilities	(1,027)	(2,246)	(3,102)	(5,278)	(3,751)	(4,094)
Net current assets	164	137	123	36	15	(24)
Long term liabilities	(3)	(3)	(4)	(49)	(23)	(14)
	221	211	207	175	197	299
Share capital	208	208	208	208	208	208
Retained profits/ (Accumulated losses)	13	3	(1)	(33)	(11)	91
	221	211	207	175	197	299
NTA per share (RM)	1.06	1.01	1.00	0.84	0.95	1.44
Shareholders' fund	221	211	207	175	197	299

6.22 SROPP

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	10,558	24,440	24,867	23,877	24,772	25,046
Subsidiary companies	750	3,552	3,865	4,351	4,802	5,128
Investments	-	-	1	1	1	1
Current assets	2,314	4,523	5,000	12,107	7,965	9,257
Current liabilities	(5,179)	(12,253)	(15,771)	(18,814)	(15,085)	(16,438)
Net current liabilities	(2,865)	(7,730)	(10,771)	(6,707)	(7,120)	(7,181)
Long term liabilities	(5,306)	(15,751)	(10,935)	(10,311)	(8,316)	(7,656)
	3,137	4,511	7,027	11,211	14,139	15,338
Share capital	3,000	3,000	3,000	3,000	3,000	3,000
Retained profits	137	1,511	4,027	8,211	11,139	12,338
	3,137	4,511	7,027	11,211	14,139	15,338
NTA per share (RM)	1.05	1.50	2.34	3.74	4.71	5.11
Shareholders' fund	3,137	4,511	7,027	11,211	14,139	15,338

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Accountants' Report

6.23 Deltafort

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	127	127	127	127	127	127
Current assets	722	1,570	2,386	2,677	2,508	2,768
Current liabilities	(547)	(898)	(1,371)	(1,877)	(2,315)	(2,532)
Net current assets	175	672	1,015	800	193	236
Long term liabilities	-	(427)	(700)	(600)	-	-
	302	372	442	327	320	363
Share capital	250	250	250	250	250	250
Retained profits	52	122	192	77	70	113
	302	372	442	327	320	363
NTA per share (RM)	1.21	1.49	1.77	1.31	1.28	1.45
Shareholders' fund	302	372	442	327	320	363

6.24 Mature Land

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	88	91	116	116	116	116
Current assets	2	374	1,598	1,745	1,774	1,912
Current liabilities	(83)	(425)	(1,430)	(1,601)	(1,635)	(1,750)
Net current (liabilities) / assets	(81)	(51)	168	144	139	162
	7	40	284	260	255	278
Share capital	25	25	250	250	250	250
(Accumulated losses) / retained profits	(18)	15	34	10	5	28
	7	40	284	260	255	278
NTA per share (RM)	0.28	1.60	1.14	1.04	1.02	1.11
Shareholders' fund	7	40	284	260	255	278

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Accountants' Report

6.25 Emashijau

	As at						
	31.5.1996 RM'000	31.5.1997 RM'000	31.5.1998 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Plant and equipment	2	2	2	8	6	6	5
Current assets	204	204	188	3,364	6,389	6,168	8,867
Current liabilities	(202)	(203)	(189)	(3,338)	(6,392)	(6,171)	(8,865)
Net current assets / (liabilities)	2	1	(1)	26	(3)	(3)	2
Long term liabilities	-	-	-	-	-	(1)	(1)
	4	3	1	34	3	2	6
Share capital	*	*	*	*	*	*	*
Retained profits	4	3	1	34	3	2	6
	4	3	1	34	3	2	6
NTA per share (RM)	2,000.00	1,500.00	500.00	17,000.00	1,500.00	1,000.00	3,000.00
Shareholders' fund	4	3	1	34	3	2	6

* RM2

6.26 Wenow

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	12	8	4	213	218	797
Current assets	255	261	324	1,013	668	2,451
Current liabilities	(248)	(257)	(320)	(1,206)	(855)	(3,125)
Net current assets / (liabilities)	7	4	4	(193)	(187)	(674)
Long term liabilities	-	-	-	(17)	-	(83)
	19	12	8	3	31	40
Share capital	*	*	*	*	*	*
Retained profits	19	12	8	3	31	40
	19	12	8	3	31	40
NTA per share (RM)	6,333.33	4,000.00	2,666.67	1,000.00	10,333.33	13,333.33
Shareholders' fund	19	12	8	3	31	40

* RM3

17. ACCOUNTANTS' REPORT (Cont'd)



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Accountants' Report

6.27 Summer Focus

	As at			
	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Current assets	166	421	609	482
Current liabilities	(161)	(395)	(579)	(451)
Net current assets	5	26	30	31
Share capital	1	1	1	1
Retained profits	4	25	29	30
	5	26	30	31
NTA per share (RM)	5.00	26.00	30.00	31.00
Shareholders' fund	5	26	30	31

6.28 Zupakeja

	As at					
	31.12.1996 RM'000	31.12.1997 RM'000	31.12.1998 RM'000	31.12.1999 RM'000	31.12.2000 RM'000	30.9.2001 RM'000
Property, plant and equipment	84	482	874	1,203	1,539	1,717
Current assets	120	3	6	6	6	4
Current liabilities	(180)	(467)	(868)	(1,204)	(1,543)	(1,728)
Net current liabilities	(60)	(464)	(862)	(1,198)	(1,537)	(1,724)
	24	18	12	5	2	(7)
Share capital	8	8	8	8	8	8
Retained profits / (accumulated losses)	16	10	4	(3)	(6)	(15)
	24	18	12	5	2	(7)
NTA/(net liabilities) per share (RM)	3.00	2.25	1.50	0.63	0.25	(0.88)
Shareholders' fund	24	18	12	5	2	(7)

17. ACCOUNTANTS' REPORT (Cont'd)



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Accountants' Report

7. PROFORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

The following proforma consolidated statement of assets and liabilities has been prepared for illustrative purposes only, based on the audited balance sheets of NPC and Zupakeja, and the audited consolidated balance sheet of Natural as at 30 September 2001, to show the effects of the Acquisitions, Disposal of Non-Operating Assets and Public Issue mentioned in Section 1 earlier.

	<i>Note</i>	Proforma Group RM'000
Property, Plant and Equipment	7.2	172,644
Current Assets		
Inventories	7.3	6,392
Trade receivables		3,338
Other receivables	7.4	11,358
Tax refundable		324
Fixed deposits placed with licensed banks	7.5	82
Cash and bank balances		5,291
		<u>26,785</u>
Current Liabilities		
Amount due to bankers	7.6	17,363
Amount due to directors	7.7	91
Amount due to a shareholder	7.8	150
Trade payables		9,816
Other payables		4,571
Hire purchase creditors	7.9	749
Leasing creditors	7.10	256
Provision for taxation		535
		<u>33,531</u>
Net Current Liabilities		(6,746)
Long Term Liabilities		
Amount due to bankers	7.6	28,676
Hire purchase creditors	7.9	1,136
Leasing creditors	7.10	50
Deferred taxation	7.11	502
		<u>(30,364)</u>
		<u>135,534</u>
Share Capital	7.12	80,000
Share Premium	7.13	29,220
Reserve on Consolidation		12,440
Accumulated losses		(11)
		<u>121,649</u>
Minority Interests		13,885
		<u>135,534</u>
<i>NTA per share (RM)</i>		<u>1.52</u>

17. ACCOUNTANTS' REPORT (Cont'd)

*Accountants' Report***7.1 Significant Accounting Policies****(a) Basis of Accounting**

The proforma consolidated statement of assets and liabilities of the NPC Group has been prepared in accordance with the historical cost convention, modified to include the revaluation of leasehold lands, buildings and plantations, and comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board (MASB). Since the financial year ended 31 December 1998, NPC Group had applied certain transitional provisions of the International Accounting Standard 16 (Revised), *Property, Plant and Equipment*, by virtue of which a reporting enterprise is allowed to retain revalued property, plant and equipment on the basis of their previous revaluations (subject to continuity in depreciation policy and the requirement to write property, plant and equipment down to its recoverable amount) if it does not further revalue its property, plant and equipment.

(b) Basis of Consolidation

The proforma consolidated statement of assets and liabilities incorporates the audited financial statements of the NPC Group for the period ended 30 September 2001. Particulars of the subsidiary companies are set out in Section 2. All inter-company balances are eliminated on consolidation.

(c) Property, Plant and Equipment

- (i) Property, plant and equipment are stated at cost or valuation less accumulated depreciation.
- (ii) Long leasehold lands (with remaining lease period of more than 50 years) are not amortised. The non-amortisation of the long term leases has no material effect on the financial statements.
- (iii) Short leasehold land is amortised over the remaining period of the lease, which is 44 years.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

7.1 Significant Accounting Policies (Contd.)

(c) Property, Plant and Equipment (Contd.)

(iv) Plantation development expenditure is amortised over the estimated productive life of the plantations of 22 years.

(v) All other property, plant and equipment are depreciated over their estimated useful lives by equal annual instalments. The estimated useful lives are as follows:

Buildings	10 - 50 years
Plant and machinery, heavy equipment and motor vehicles	5 - 12 years
Furniture, fittings and equipment	5 - 10 years

(vi) Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(d) Plantation Development Expenditure

New planting expenditure incurred on land clearing and upkeep of trees to maturity is capitalised under plantation development expenditure. Indirect overheads which include administration expenses and finance cost incurred on immature plantation are also capitalised under plantation development expenditure until such time when the plantation attains maturity.

(e) Inventories

All categories of inventories are valued at the lower of cost and net realisable value. In arriving at the net realisable value, due allowance is made for all damaged, obsolete and slow moving items.

Costs of FFB, store and spare parts, fuel and lubricant, culverts and chemicals consist of purchase cost and are determined on the weighted average basis.

Costs of CPO and milled oil palm produce consist of direct material cost, direct labour, other direct charges and an appropriate proportion of factory overheads and are determined on the weighted average basis.

Cost of oil palm nurseries is computed using the weighted average cost method and includes the actual cost of seedlings and upkeep expenses.

17. ACCOUNTANTS' REPORT (Cont'd)

*Accountants' Report***7.1 Significant Accounting Policies (Contd.)****(f) Leased Plant and Equipment**

Plant and equipment held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the NPC Group are capitalised. The capital element of the related rental obligations is included in payables. The interest element of the rental obligations is written off in the income statements so as to produce a constant periodic rate of charge. These plant and equipment are depreciated over their expected useful lives on the basis outlined in note (c) above.

Rentals in respect of all other leases are written off in the income statements as incurred.

(g) Receivables

Bad debts are written off and specific provisions are made for those debts considered to be doubtful of collection.

(h) Deferred Taxation

Deferred taxation is provided using the liability method for the tax effects of all material timing differences other than differences which are not expected to reverse in the foreseeable future. In accounting for timing differences, deferred tax debits are not accounted for unless there is reasonable expectation of their realisation.

(i) Revenue Recognition

Revenue of the NPC group:

- (i) sales of FFB, culverts, CPO and PK, oil palm seedlings and earth and stones are recognised upon delivery of goods to customers; and
- (ii) management fees, contract income, transportation and equipment hire income are recognised upon rendering of services and on accrual basis.

Dividend from subsidiary companies and investments is recognised in the income statement as and when received.

Transactions between companies within the NPC Group are excluded in determining the revenue of the Group.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

7.2 Property, Plant And Equipment

Proforma Group
Net Book Value
RM'000

This comprises:

Property including leasehold lands, buildings and plantation development expenditure:

- At valuation 2001, as approved by SC	125,624
- At cost	27,246

Plant and equipment, at cost:

Plant and machinery, heavy equipment and motor vehicles	17,208
Furniture, fittings and equipment	1,544
Capital work-in-progress	1,022
	172,644

Certain long leasehold lands, buildings and plantation development expenditure are stated at valuation based on a valuation carried out by a professional valuer in 2001 which is approved by SC pursuant to the Listing Exercise.

Heavy equipment and motor vehicles acquired under hire purchase and leasing arrangements are as follows:

	Proforma Group	
	Hire purchase	Leasing
	RM'000	RM'000
Cost	2,563	852
Accumulated depreciation	(296)	(306)
Net book value	2,267	546

Certain leasehold lands, plantations and buildings of the subsidiary companies with a total net book value of RM81 million have been charged to the bank to secure banking facilities granted to the subsidiary companies. The details of the banking facilities are stated in Section 7.6 below.

17. ACCOUNTANTS' REPORT (Cont'd)



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Accountants' Report

7.3 Inventories

	Proforma Group RM'000
CPO and PK	4,881
FFB	42
Oil palm nurseries	261
Culverts	20
Consumables	1,223
	<u>6,427</u>
Less: Provision for obsolete inventories	(35)
	<u>6,392</u>

7.4 Other Receivables

(a) Other receivables are stated after making provision for doubtful debts, amounting to	<u>76</u>
(b) Other receivables include advances to a company in which certain directors of a subsidiary company are also directors, and in which interest is charged at the rate equal to the cost of funds of that subsidiary company, amounting to	<u>3,647</u>

7.5 Fixed Deposits Placed With Licensed Banks

Fixed deposits held under lien to secure bank guarantees issued in favour of third parties on behalf of the Group, amounting to	<u>77</u>
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7.6 Amount Due To Bankers

	Proforma Group			
	Bank overdraft RM'000	Term loan RM'000	Bankers' acceptance RM'000	Total RM'000
Balance before conversion	29,221	15,836	982	46,039
Bank overdraft facility converted to term loan facility	(17,791)	17,791	-	-
	<u>11,430</u>	<u>33,627</u>	982	46,039
Portion repayable within 12 months				(17,363)
Portion repayable after 12 months				<u>28,676</u>

17. ACCOUNTANTS' REPORT (Cont'd)



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Accountants' Report

7.6 Amount Due To Bankers (Contd.)

During the period, the bankers of the subsidiary companies, upon application, agreed to restructure overdraft facilities totaling RM17.8 million into term loans as follows:

	Proforma Group RM'000
Conversion into an 8-year term loan under the Bai Inah Principle offered at the bankers' sale price of RM9,593,288, with interest being serviceable monthly and repayment of principal by 72 monthly instalments commencing March 2004.	6,600
Conversion into two separate term loans of RM2.5 million and RM7.7 million respectively, bearing interest at 1.75% per annum above the respective bank's base lending rate and are repayable by 48 monthly instalments commencing January 2002 and February 2003 respectively.	10,200
Conversion into a 5-year term loan under the Al-Bai Bithaman Ajil Principle, offered at the bankers' sale price of RM1,252,794 and is repayable by 48 monthly instalments commencing February 2003.	1,000
	<u>17,800</u>

The bank overdrafts, which bear interests at the rates ranging from 1.75% to 3.00% per annum above the bank's base lending rate, are secured by:

- (a) legal charges over the Group's leasehold lands and plantations, and buildings together with the palm oil mill erected thereon;
- (b) debentures incorporating fixed and floating charges over all the assets of certain subsidiary companies; and
- (c) joint and several guarantees issued by certain directors of the Company and subsidiary companies and a third party.

The term loans, which bear interest at the rates ranging from 0.50% to 2.50% per annum above the bank's base lending rate, are secured by:

- (a) legal charges over the Group leasehold lands and plantations and buildings;
- (b) debentures incorporating fixed and floating charges over all the assets of certain subsidiary companies;
- (c) joint and several guarantees issued by certain directors of the Company and subsidiary companies; and
- (d) corporate guarantee given by a third party.

The term loans are repayable by monthly instalments commencing April 1995.

On 27 August 2001, a subsidiary company accepted a term loan facility of RM2 million to finance the development and maintenance of its plantation. The term loan bears interest at 9.70% per annum and is repayable by 60 monthly instalments commencing one month after the disbursement of the loan. As at 30 September 2001, the facility has not been utilised.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

7.7 Amount Due To Directors

This represents interest-free advances from the directors and there is no fixed term of repayment.

7.8 Amount Due To A Shareholder

This represents dividends due to a shareholder, the amount of which has been paid in December 2001.

7.9 Hire Purchase Creditors

	Proforma Group RM'000
Portion repayable within twelve months	749
Portion repayable after twelve months	1,136
	<u>1,885</u>

7.10 Leasing Creditors

Portion repayable within twelve months	256
Portion repayable after twelve months	50
	<u>306</u>

The future lease payments under finance leases are as follows:

2001	10
2002	275
2003	50
2004	4
	<u>339</u>
Amount representing interest	(33)
	<u>306</u>

7.11 Deferred Taxation

(a) Balance at beginning of period	425
Transfer from income statements	77
Balance at end of period	<u>502</u>

Deferred taxation provided for is in respect of the excess of capital allowances over depreciation.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

7.11 Deferred Taxation (Contd.)

(b) Details of potential deferred taxation not provided for under the liability method, are as follows:

	Proforma Group
	RM'000
<i>Cumulative timing differences</i>	
Capital allowances in excess of depreciation of property, plant and equipment	58,255
Unabsorbed capital and agriculture allowance	(10,586)
Unutilised tax losses	(9,533)
	<u>38,136</u>
Potential deferred tax liability not taken up, calculated at 28% tax rate	<u>10,678</u>

Deferred taxation on the revalued properties is not provided for as it is not the intention of the directors to dispose of these properties.

7.12 Share Capital

	Proforma Group
	RM'000
Ordinary shares of RM1 each:	
Authorised	<u>500,000</u>
Issued and fully paid-up:	
- at the date of this prospectus	72,000
- Public Issue	8,000
	<u>80,000</u>

7.13 Share Premium

Arising from the Acquisitions	27,820
Arising from the Public Issue	2,400
	<u>30,220</u>
Less : Portion of the estimated listing expenses	<u>(1,000)</u>
	<u>29,220</u>

7.14 Unutilised Tax Losses And Unabsorbed Capital And Agriculture Allowances

Subject to agreement with the Inland Revenue Board, unutilised tax losses and unabsorbed capital and agriculture allowances available to the NPC Group to be carried forward and utilised to set-off against the future business profits.

20,648

7.15 Capital Commitments

Capital expenditure contracted but not provided for	<u>1,258</u>
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17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

8. PROFORMA CONSOLIDATED CASH FLOW STATEMENT

The following proforma consolidated cash flow statement has been prepared for illustrative purposes only, based on the audited financial statements of NPC and Zupakeja and the consolidated audited financial statements of Natural for the period ended 30 September 2001, to show the effects of the Acquisitions, Disposal of Non-Operating Assets and Public Issue mentioned in Section 1 earlier.

	<i>Note</i>	Proforma Group
		RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5.1	5,598
Adjustments for:		
Depreciation of property, plant and equipment	5.1	4,458
Finance cost	5.1	1,415
Profit from disposal of property, plant and equipment		(794)
Realisation of reserve on consolidation		(223)
Operating profit before working capital changes		<u>10,456</u>
Increase in inventories		(834)
Decrease in receivables		305
Decrease in payables		<u>(1,367)</u>
Cash generated from operations		8,558
Finance cost paid		(504)
Income tax paid		(221)
Income tax refunded		<u>56</u>
Net cash from operating activities		<u>7,889</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	8.1(c)	(6,261)
Finance cost paid capitalised under plantation development expenditure	8.1(c)	(1,856)
Proceeds from disposal of equipment		868
Proceeds from Disposal of Non-Operating Assets		9,187
Fixed deposit		(2)
Interest received		315
Decrease in amount due to directors		(745)
Increase in amount due to a shareholder		<u>150</u>
		<u>1,656</u>

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

	<i>Note</i>	Proforma Group RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of estimated listing expenses		(2,000)
Proceeds form Public Issue		10,400
Dividends paid		(6,474)
Dividends paid to minority interest of subsidiary companies		(714)
Bank overdraft converted to term loans		17,791
Repayment of term loans		(10,141)
Proceeds from drawdown of bankers' acceptance		3,934
Repayment of bankers' acceptance		(3,952)
Payment of finance lease and hire purchase liabilities		(533)
Interest paid on term loans		(1,068)
Interest paid on bankers' acceptance		(47)
Interest paid on hire purchase		(90)
Interest paid on leasing		(22)
		<u>7,084</u>
Net increase in cash and cash equivalents		16,629
Cash and cash equivalents at beginning of period		<u>(22,763)</u>
Cash and cash equivalents at end of period	8.1(b)	<u>(6,134)</u>

8.1 Notes on Proforma Consolidation Cash Flow Statement

(a) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are highly liquid investments which are readily convertible to cash with short periods to maturity and are subject to an insignificant risk of changes in value. They also include borrowings which are not subject to a term facility and are integral to the cash management function of the Group and of the Company.

(b) Cash and cash equivalents included in the proforma consolidated cash flow statements comprise the following amounts in the proforma consolidated statement of assets and liabilities:

	Proforma Group RM'000
Cash and bank balances	5,291
Fixed deposits	82
Bank overdrafts	(11,430)
	<u>(6,057)</u>
Less: Fixed deposits pledged with licensed banks	(77)
	<u>(6,134)</u>

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

8.1 Notes on Proforma Consolidation Cash Flow Statement (Contd.)

(c) Property, plant and equipment

During the period, NPC group acquired property, plant and equipment and incurred plantation development expenditure as follows:

	Proforma Group RM'000
Assets acquired under finance leases and hire purchase arrangement	1,469
Depreciation of property, plant and equipment capitalized	267
Cash payments made for acquisition of property, plant and equipment and plantation development expenditure incurred	6,261
Financial cost capitalised	<u>1,856</u>
	<u>9,853</u>

9. NTA COVER

Based on the proforma consolidated statement of assets and liabilities of NPC Group as at 30 September 2001 set out in Section 7, the proforma consolidated NTA per ordinary share is as follows:

NTA (RM'000)	<u>121,649</u>
Number of ordinary shares of RM1 each assumed in issue ('000)	<u>80,000</u>
NTA per ordinary share of RM1 each of NPC Group (RM)	<u>1.52</u>

17. ACCOUNTANTS' REPORT (*Cont'd*)



Accountants' Report

10. AUDITED FINANCIAL STATEMENTS

No audited financial statements of the NPC Group have been prepared in respect of any period subsequent to 30 September 2001.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Ernst & Young".

ERNST & YOUNG

AF: 0039

Chartered Accountants

A handwritten signature in black ink, appearing to read "Chong Yew Hoong".

CHONG YEW HOONG

1502/04/03 (J)

Partner