

68th ANNUAL REPORT

1999

NEGRI SEMBILAN OIL PALMS BERHAD 592-D
(Incorporated in Malaysia)

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

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NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

FINANCIAL HIGHLIGHT / CALENDAR

FINANCIAL HIGHLIGHT - GROUP

	1999	1998
	RM'000	RM'000
Turnover	59,712	75,587
Operating profit	16,224	23,569
Exceptional item	1,846	4,170
Share of results in associated companies	(15)	(311)
Profit before taxation	18,055	27,428
Taxation	(121)	(6,732)
Profit after taxation	17,934	20,696
Minority interests	(782)	(1,655)
Profit for the year attributable to shareholders	17,152	19,041
Dividends	3,360	3,360
Issued and paid-up share capital	29,173	29,173
Shareholders' funds	119,640	105,926
Earnings per stock unit	58.8 sen	65.3 sen
Gross dividends	16%	16%
Dividend cover (times)	5.1	5.7
Net tangible assets per stock unit	RM4.10	RM3.63

FINANCIAL CALENDAR

Financial year	1 January to 31 December, 1999
Announcement of results	
First financial quarter ended 31 March, 1999	15 May, 1999
Second financial quarter ended 30 June, 1999	21 August, 1999
Third financial quarter ended 30 September, 1999	16 November, 1999
Fourth financial quarter ended 31 December, 1999	25 February, 2000
Dividend payment	
First interim	12 July, 1999
Second interim	15 October, 1999
Third interim	24 April, 2000
Issue of 1999 Annual Report	29 April, 2000
Sixty Eighth Annual General Meeting	26 May, 2000

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty Eighth Annual General Meeting of the Company will be held at its Registered Office, No. 107-1 Changkat Tambi Dollah, 55100 Kuala Lumpur on Friday, 26 May, 2000 at 12.00 noon for the following purposes: -

1. To receive and adopt the audited accounts for the year ended 31 December, 1999 and reports of the directors and auditors thereon.
2. To approve the directors' remuneration for the year ended 31 December, 1999.
3. To re-elect the following directors retiring under the provisions of the Articles of Association of the Company: -
 - (i) Mr Goh Eng Chew
 - (ii) Dr Goh Han Teng
 - (iii) Mr Sio Sit Po
4. To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: -

"That Mr Wong Aun Phui, who retires pursuant to Section 129 of the Companies Act, 1965 be re-appointed a director of the Company to hold office until the next Annual General Meeting of the Company."
5. To re-appoint auditors and to authorise the directors to fix their remuneration.
6. To transact any other ordinary business of the Company of which proper notice shall have been given to the Company.

By order of the Board

Gan Kok Tiong
Company Secretary

Kuala Lumpur
29 April, 2000

NOTES:

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

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN Goh Eng Chew

EXECUTIVE DIRECTORS Wong Aun Phui
Goh Pock Ai

DIRECTORS Goh Beng Hwa
Goh Yeok Beng
Goh Lei Eng
Dr Goh Han Teng P.B.M., O.ST.J., F.I.M.G.T., D.DG., M.O.I.F.,
A.I.M.(P.C.), L.F.A.B.I.
Gho Lian Chin
Goh Wei Lei
Sio Sit Po
Dato' Ong Bok Lim

ALTERNATE DIRECTORS Goh Seh Kiat (alternate to Goh Lei Eng)
Gho Bun Tjin (alternate to Gho Lian Chin)

AUDIT COMMITTEE

CHAIRMAN Goh Beng Hwa (Independent Non-Executive Director)
MEMBERS Dato' Ong Bok Lim (Independent Non-Executive Director)
Wong Aun Phui (Executive Director)

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

REGISTERED OFFICE 107-1, Changkat Tambi Dollah
55100 Kuala Lumpur
Telephone: 03-2488901
Fax: 03-2428195

AUDITORS Arthur Andersen & Co.
Public Accountants

PRINCIPAL BANKERS Malayan Banking Berhad
Bumiputra-Commerce Bank Berhad
Hong Leong Bank Berhad

REGISTRAR AND MANAGING AGENT Sin Thye Management Sdn Bhd
107-1, Changkat Tambi Dollah
55100 Kuala Lumpur
Telephone: 03-2488901
Fax: 03-2428195

STOCK EXCHANGE LISTING Kuala Lumpur Stock Exchange

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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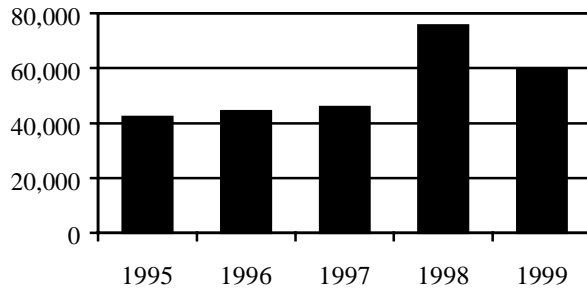
GROUP FINANCIAL PROFILE

	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit and Loss Account					
Turnover	42,213	44,315	45,894	75,587	59,712
Operating profit	16,974	12,607	11,196	23,569	16,224
Exceptional items	852	653	1,005	4,170	1,846
Share of results in associated companies	124	(18)	(150)	(311)	(15)
Profit before taxation	17,950	13,242	12,051	27,428	18,055
Taxation	(5,288)	(3,778)	(3,077)	(6,732)	(121)
Profit after taxation	12,662	9,464	8,974	20,696	17,934
Minority interests	(1,871)	(1,284)	(873)	(1,655)	(782)
Profit for the year attributable to shareholders	10,791	8,180	8,101	19,041	17,152
Transfer to capital reserve	(557)	(246)	(505)	(2,995)	(1,352)
Retained profits brought forward	10,234	7,934	7,596	16,046	15,800
Profits available for appropriation	33,392	40,971	46,250	51,145	63,831
Dividend	43,626	48,905	53,846	67,191	79,631
Retained profits carried forward	(2,655)	(2,655)	(2,701)	(3,360)	(3,360)
	40,971	46,250	51,145	63,831	76,271
Balance Sheet					
Assets Employed					
Fixed assets	53,584	54,204	53,875	53,963	53,618
Investments	28,204	27,902	31,553	25,240	23,062
Net current assets	13,715	19,649	22,276	46,593	63,285
	95,503	101,755	107,704	125,796	139,965
Financed by					
Share capital	29,173	29,173	29,173	29,173	29,173
Reserves	48,255	53,780	59,785	76,753	90,467
Shareholders' funds	77,428	82,953	88,958	105,926	119,640
Long term liabilities	2,498	2,625	2,292	2,346	2,456
Minority interests	15,577	16,177	16,454	17,524	17,869
	95,503	101,755	107,704	125,796	139,965
Earnings per stock unit (sen)	37.0	28.0	27.8	65.3	58.8
Net tangible assets per stock unit (RM)	2.65	2.84	3.05	3.63	4.10
Gross dividend (%)	13	13	13	16	16
Dividend cover (times)	4.1	3.1	3.0	5.7	5.1

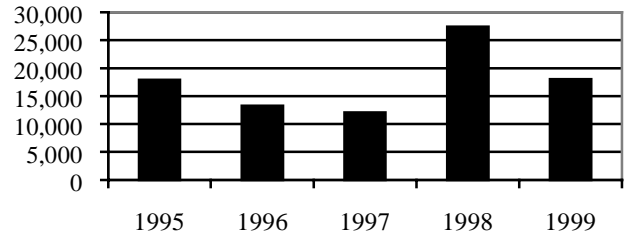
NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

GROUP FINANCIAL PROFILE

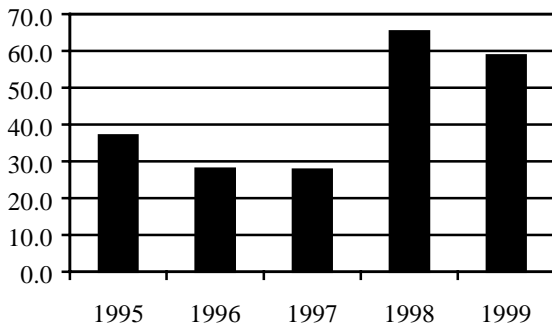
TURNOVER
RM'000



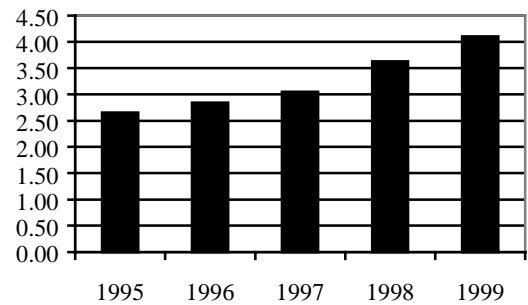
PROFIT BEFORE TAXATION
RM'000



EARNINGS PER STOCK UNIT
SEN



NET TANGIBLE ASSETS
PER STOCK UNIT
RM



NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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PLANTATION STATISTICS

	1995	1996	1997	1998	1999
PLANTED AREA (HECTARES)					
As at 31, December					
Mature	6,723	6,568	6,104	6,159	6,152
Replanting and immature	1,014	771	1,429	1,416	1,423
	<u>7,737</u>	<u>7,339</u>	<u>7,533</u>	<u>7,575</u>	<u>7,575</u>
PRODUCTION (M/T)					
ffb - own estates	117,489	115,190	109,236	93,314	117,944
- purchased	29,699	60,589	61,651	69,661	80,693
	<u>147,188</u>	<u>175,779</u>	<u>170,887</u>	<u>162,975</u>	<u>198,637</u>
Crude palm oil	16,805	22,427	20,638	19,123	21,790
Palm kernel	6,220	7,351	6,924	6,266	7,256
EXTRACTION RATE (%)					
Crude palm oil	17.30	17.99	18.10	17.76	17.49
Palm kernel	6.40	5.90	6.07	5.82	5.83

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Accounts of the Company and of the Group for the financial year ended 31 December, 1999.

FINANCIAL RESULTS

For the financial year ended 31 December, 1999, turnover of the Group decreased by 21.00% from RM75,587,032 to RM59,711,925 and operating profit decreased by 31.17% from RM23,569,297 to RM16,223,737. After taking into account the gain on sale of quoted investments and share of results in associated companies, the Group recorded a profit before taxation of RM18,055,359 (1998: RM27,427,643) i.e a decrease of 34.17%.

The reduction in the turnover and profit was due to lower average selling prices of fresh fruit bunches ('ffb'), crude palm oil and palm kernel recorded even though sales volume improved.

Profit after taxation decreased by 13.34% from RM20,695,787 to RM17,934,307. The decrease in profit after taxation is lower than the decrease in the profit before taxation as 1999 is a tax waiver year. After deduction of minority interests, the profit of the Group attributable to shareholders decreased by 9.92% from RM19,040,732 to RM17,152,108.

At Company level, the turnover for the financial year ended 31 December, 1999 decreased by 20.59% from RM24,406,903 to RM19,382,282 and profit decreased by 28.92% from RM22,636,957 to RM16,090,109.

DIVIDENDS

The Board has declared a third interim dividend of 6% less 28% taxation payable on 24 April, 2000. Together with the first and second interim dividend of 5% less 28% taxation each paid on 12 July, 1999 and 15 October, 1999 respectively, the total dividends in respect of the financial year ended 31 December, 1999 are 16% less 28% taxation. (1998: 16% less 28% taxation) In view of the declaration of the third interim dividend, the Board does not recommend a final dividend in respect of the financial year ended 31 December, 1999.

OPERATIONS REVIEW

Senama Estate

Production of ffb increased from 17,138 m/t to 23,869 m/t.

Ibam Estate

Production of ffb increased from 38,135 m/t to 50,218 m/t.

Gula Estate (Eng Thye Plantations Berhad)

Production of ffb increased from 28,395 m/t to 31,323 m/t. Purchase of ffb also increased from 41,191 m/t to 46,876m/t. Accordingly, crude palm oil production increased from 11,999 m/t to 13,387 m/t and palm kernel production increased from 4,158 m/t to 4,868 m/t. As at 31 December, 1999, total area replanted was 1,142 acres.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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CHAIRMAN'S STATEMENT

Maran Estate (Timor Oil Palm Plantation Berhad)

Production of ffb increased from 9,646 m/t to 12,534 m/t. Purchase of ffb increased from 28,470 m/t to 33,817 m/t. Accordingly, crude palm oil production increased from 7,124 m/t to 8,403 m/t and palm kernel production increased from 2,108 m/t to 2,388 m/t. As at 31 December, 1999, total area replanted was 2,374 acres. It is expected that approximately 418 acres of young palm in the replanted field will attain maturity in Year 2000.

CORPORATE DEVELOPMENT

As reported in the previous year, the Company entered into a Conditional Agreement with a third party for the sale of 1,147,500 ordinary shares of RM1 each in Soctek Sdn Bhd for a consideration of approximately RM5,223,000. Although the approval from the relevant authorities has been obtained, the final determination of the consideration will be on the basis of the net assets value of Soctek Sdn Bhd at completion date. The finalisation of the Completion Accounts is still in progress.

OUTLOOK FOR 2000

The selling price of crude palm oil is expected to be lower than that in the previous financial year and correspondingly, the results for the financial year ending 31 December, 2000 is expected to decline.

APPRECIATION

On behalf of the Board of Directors, I would like to thank the management and staff for their contribution. I must also thank our suppliers and customers for their co-operation and support.

Goh Eng Chew
Chairman

Dated: 25 February, 2000

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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DIRECTORS' REPORT

The directors hereby submit their report together with the audited accounts of the Company and of the Group for the financial year ended 31 December, 1999.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the cultivation, processing and sale of fresh fruit bunches, crude palm oil and palm kernel.

The principal activities of the Company are the cultivation and sale of fresh fruit bunches and investment holding.

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

RESULTS

	<u>Group</u> RM	<u>Company</u> RM
Profit after taxation	17,934,307	15,292,750
Minority interests	(782,199)	-
Profit for the year attributable to the shareholders of the Company	<u>17,152,108</u>	<u>15,292,750</u>
Transfer to capital reserve	(1,351,605)	-
Retained profits brought forward	<u>15,800,503</u>	<u>15,292,750</u>
Profits available for appropriation	<u>63,830,589</u>	<u>44,035,842</u>
Dividends	79,631,092	59,328,592
Retained profits carried forward	<u>(3,360,696)</u>	<u>(3,360,696)</u>
	<u>76,270,396</u>	<u>55,967,896</u>

DIVIDENDS

The amount of dividends paid or declared by the Company since 31 December, 1998 were as follows:

	RM
In respect of the financial year ended 31 December, 1998	
Second interim dividend of 8% less 28% taxation paid on 15 January, 1999	<u>1,680,348</u>
In respect of the financial year ended 31 December, 1999	
First interim dividend of 5% less 28% taxation paid on 12 July, 1999	1,050,218
Second interim dividend of 5% less 28% taxation paid on 15 October, 1999	1,050,217
Third interim dividend of 6% less 28% taxation payable on 24 April, 2000	<u>1,260,261</u>
	<u>3,360,696</u>

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 12 to the accounts.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the profit and loss accounts and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that no provision for doubtful debts is required.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company or of the Group to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company and of the Group during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than that disclosed in Note 15 to the accounts.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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DIRECTORS' REPORT

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

SIGNIFICANT EVENTS

The significant events are disclosed in Note 21 to the accounts.

DIRECTORS

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

Goh Eng Chew
Wong Aun Phui
Goh Pock Ai
Goh Han Teng
Goh Beng Hwa @ Gho Bin Hoa
Goh Yeok Beng
Goh Lei Eng
Gho Lian Chin
Goh Wei Lei
Sio Sit Po
Dato' Ong Bok Lim
Goh Seh Kiat (alternate to Goh Lei Eng)
Gho Bun Tjin (alternate to Gho Lian Chin)

In accordance with the Company's Articles of Association, Goh Eng Chew, Goh Han Teng and Sio Sit Po retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Wong Aun Phui retires pursuant to Section 129 of the Companies Act, 1965 and a resolution is being proposed for his re-appointment as director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the accounts) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business between the Company and certain companies in which certain directors have interests as disclosed in Note 23 to the accounts.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

<u>The Company</u>	<u>Number of Stock Units of RM1 Each</u>			
	1 January, <u>1999</u>	<u>Bought</u>	<u>Sold</u>	31 December, <u>1999</u>
Direct Interests:				
Wong Aun Phui	13,750	72,000	-	85,750
Goh Pock Ai	500	-	-	500
Goh Han Teng	17,000	-	-	17,000
Goh Beng Hwa @ Gho Bin Hoa	459,324	-	-	459,324
Gho Lian Chin	1,000	-	-	1,000
Gho Bun Tjin	1,000	-	-	1,000
Sio Sit Po	115,188	-	-	115,188
Indirect Interests:				
Goh Eng Chew	17,739,368	-	-	17,739,368
Goh Beng Hwa @ Gho Bin Hoa	905,313	-	-	905,313
Gho Lian Chin	17,660,306	-	-	17,660,306
Goh Seh Kiat	17,607,773	-	-	17,607,773

<u>Eng Thye Plantations Berhad</u> <u>- Subsidiary</u>	<u>Number of Ordinary Shares of RM1 Each</u>			
	1 January, <u>1999</u>	<u>Bought</u>	<u>Sold</u>	31 December, <u>1999</u>
Direct Interests:				
Wong Aun Phui	3,500	-	-	3,500
Goh Beng Hwa @ Gho Bin Hoa	3,500	-	-	3,500
Dato' Ong Bok Lim	35,000	-	-	35,000
Indirect Interests:				
Goh Eng Chew	35,525	-	-	35,525
Gho Lian Chin	35,525	-	-	35,525
Goh Seh Kiat	35,525	-	-	35,525

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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DIRECTORS' REPORT

Number of Ordinary Shares of RM1 Each

	1 January, <u>1999</u>	<u>Bought</u>	<u>Sold</u>	31 December, <u>1999</u>
<u>Timor Oil Palm Plantation</u>				
<u>Berhad - Subsidiary</u>				
Direct Interests:				
Goh Eng Chew	10,000	-	-	10,000
Wong Aun Phui	1,000	-	-	1,000
Goh Pock Ai	10,000	-	-	10,000
Goh Yeok Beng	10,000	-	-	10,000
Goh Han Teng	10,000	-	-	10,000
Gho Lian Chin	10,000	-	-	10,000
Indirect Interests:				
Goh Eng Chew	22,000	-	-	22,000
Gho Lian Chin	22,000	-	-	22,000
<u>Tiong Thye Company Berhad</u>				
<u>- Holding Company</u>				
Direct Interests:				
Goh Eng Chew	105,000	-	-	105,000
Goh Han Teng	1,000	-	-	1,000
Goh Pock Ai	1,000	-	-	1,000
Gho Lian Chin	1,000	-	-	1,000
Gho Bun Tjin	1,000	-	-	1,000
Indirect Interests:				
Goh Eng Chew	10,038,000	-	-	10,038,000
Gho Lian Chin	5,670,000	-	-	5,670,000
Goh Seh Kiat	3,500,000	-	-	3,500,000

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

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

ULTIMATE HOLDING COMPANY

The directors regard Tiong Thye Company Berhad, a company incorporated in Malaysia as the ultimate holding company.

**NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)**

DIRECTORS' REPORT

AUDITORS

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

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

GOH ENG CHEW

WONG AUN PHUI

Kuala Lumpur
Dated: 25 February, 2000

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

AUDITORS' REPORT

To the Shareholders of
NEGRI SEMBILAN OIL PALMS BERHAD

We have audited the accounts of NEGRI SEMBILAN OIL PALMS BERHAD (the Company) and the consolidated accounts of NEGRI SEMBILAN OIL PALMS BERHAD AND ITS SUBSIDIARIES (the Group) as at 31 December, 1999. These accounts are the responsibility of the Company's directors. Our responsibility is to express an opinion on these accounts based on our audit.

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

In our opinion,

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

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

The audit reports on the accounts of the subsidiaries were not subject to any qualification or any adverse comment made under subsection (3) of Section 174 of the Act.

Arthur Andersen & Co.
No. AF 0103
Public Accountants

Pushpanathan a/l S.A. Kanagarayar
No. 1056/3/01(J/PH)
Partner of the Firm

Dated: 25 February, 2000

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

CONSOLIDATED BALANCE SHEET - 31 DECEMBER, 1999

	<u>Note</u>	<u>1999</u> RM	<u>1998</u> RM
CURRENT ASSETS			
Cash and bank balances		4,271,779	4,446,316
Deposits with financial institutions	3	60,080,980	49,619,500
Trade debtors	4	2,337,437	2,942,321
Other debtors		1,614,439	1,262,744
Stocks	5	1,417,448	1,431,799
		<u>69,722,083</u>	<u>59,702,680</u>
CURRENT LIABILITIES			
Trade creditors		1,729,904	1,643,524
Other creditors		3,446,253	3,252,494
Taxation		-	6,533,193
Dividend payable		1,260,261	1,680,348
		<u>6,436,418</u>	<u>13,109,559</u>
NET CURRENT ASSETS		63,285,665	46,593,121
INVESTMENT IN ASSOCIATED COMPANIES	7	3,343,822	3,477,773
OTHER INVESTMENTS	8	19,717,767	21,761,889
FIXED ASSETS	9	53,617,716	53,963,284
DEFERRED TAXATION	10	(1,765,000)	(1,686,000)
RETIREMENT BENEFITS		(691,726)	(660,103)
MINORITY INTERESTS		(17,869,045)	(17,524,203)
		<u>119,639,199</u>	<u>105,925,761</u>
SHAREHOLDERS' FUNDS			
Share capital	11	29,172,710	29,172,710
Reserves	12	90,466,489	76,753,051
		<u>119,639,199</u>	<u>105,925,761</u>

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

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 1999

	<u>Note</u>	<u>1999</u> RM	<u>1998</u> RM
Turnover	13	<u>59,711,925</u>	<u>75,587,032</u>
Operating profit	14	16,223,737	23,569,297
Exceptional item	15	1,846,167	4,169,959
Share of results in associated companies		<u>(14,545)</u>	<u>(311,613)</u>
Profit before taxation		18,055,359	27,427,643
Taxation	16	<u>(121,052)</u>	<u>(6,731,856)</u>
Profit after taxation		17,934,307	20,695,787
Minority interests		<u>(782,199)</u>	<u>(1,655,055)</u>
Profit after taxation and minority interests		17,152,108	19,040,732
Transfer to capital reserve	12	<u>(1,351,605)</u>	<u>(2,994,558)</u>
		15,800,503	16,046,174
Retained profits brought forward		<u>63,830,589</u>	<u>51,145,111</u>
Profits available for appropriation		79,631,092	67,191,285
Dividends	17	<u>(3,360,696)</u>	<u>(3,360,696)</u>
Retained profits carried forward		<u>76,270,396</u>	<u>63,830,589</u>
Earnings per stock unit	18	<u>58.8 sen</u>	<u>65.3 sen</u>

The accompanying notes are an integral part of this account.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 1999

	<u>1999</u>	<u>1998</u>
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	18,055,359	27,427,643
Adjustment for:		
Share of results retained in associated companies	54,698	351,912
Depreciation	862,807	910,531
Bad debts written off	22,481	-
Fixed assets written off	6,652	-
Loss on sale of fixed assets	-	275
Retirement benefits	53,359	73,239
Interest income	(2,328,916)	(2,366,129)
Dividend income	(301,365)	(98,699)
Exceptional item	(1,846,167)	(4,169,959)
Unexercised quoted warrants written off	-	282,639
Operating profit before working capital changes	<u>14,578,908</u>	<u>22,411,452</u>
Decrease/(increase) in debtors	335,232	(1,185,455)
Decrease/(increase) in stocks	14,351	(511,606)
Increase in creditors	<u>280,139</u>	<u>982,522</u>
Cash generated from operations	15,208,630	21,696,913
Retirement benefit paid	(21,736)	(19,234)
Taxes paid	<u>(6,497,273)</u>	<u>(2,963,908)</u>
Net cash generated from operating activities	<u>8,689,621</u>	<u>18,713,771</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of other investments	(21,551)	-
Proceeds from sale of other investments	3,911,840	11,151,238
Purchase of fixed assets	(523,891)	(998,987)
Proceeds from sale of fixed assets	-	250
Interest received	2,224,392	2,375,544
Dividend received	223,011	73,039
Net cash generated from investing activities	<u>5,813,801</u>	<u>12,601,084</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid to shareholders of the Company	(3,780,783)	(3,360,696)
Dividends paid to minority interests	(435,696)	(612,678)
Net cash used in financing activities	<u>(4,216,479)</u>	<u>(3,973,374)</u>
Net increase in cash and cash equivalents	10,286,943	27,341,481
Cash and cash equivalents at beginning of year	<u>54,065,816</u>	<u>26,724,335</u>
Cash and cash equivalents at end of year	<u>64,352,759</u>	<u>54,065,816</u>
Cash and cash equivalents comprise:		
Cash and bank balances	4,271,779	4,446,316
Deposits with financial institutions	<u>60,080,980</u>	<u>49,619,500</u>
	<u>64,352,759</u>	<u>54,065,816</u>

The accompanying notes are an integral part of this statement.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

BALANCE SHEET - 31 DECEMBER, 1999

	<u>Note</u>	<u>1999</u> RM	<u>1998</u> RM
CURRENT ASSETS			
Cash and bank balances		458,012	582,018
Deposits with financial institutions	3	40,608,028	33,206,000
Trade debtors	4	1,398,640	1,788,582
Other debtors		204,059	151,998
Stocks	5	28,564	33,533
		<u>42,697,303</u>	<u>35,762,131</u>
CURRENT LIABILITIES			
Trade creditors		9,525	10,820
Other creditors		1,566,711	977,253
Taxation		-	5,365,914
Dividend payable		1,260,261	1,680,348
		<u>2,836,497</u>	<u>8,034,335</u>
NET CURRENT ASSETS		39,860,806	27,727,796
INVESTMENT IN SUBSIDIARIES	6	21,837,480	21,837,480
INVESTMENT IN ASSOCIATED COMPANIES	7	1,795,325	1,795,325
OTHER INVESTMENTS	8	1,154,170	1,154,170
FIXED ASSETS	9	24,263,365	24,374,271
DEFERRED TAXATION	10	(947,000)	(868,000)
RETIREMENT BENEFITS		(173,430)	(162,380)
		<u>87,790,716</u>	<u>75,858,662</u>
SHAREHOLDERS' FUNDS			
Share capital	11	29,172,710	29,172,710
Reserves	12	58,618,006	46,685,952
		<u>87,790,716</u>	<u>75,858,662</u>

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

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 1999

	<u>Note</u>	<u>1999</u> RM	<u>1998</u> RM
Turnover	13	<u>19,382,282</u>	<u>24,406,903</u>
Operating profit	14	16,090,109	22,636,957
Taxation	16	<u>(797,359)</u>	<u>(6,402,803)</u>
Profit after taxation		15,292,750	16,234,154
Retained profits brought forward		<u>44,035,842</u>	<u>31,162,384</u>
Profits available for appropriation		59,328,592	47,396,538
Dividends	17	<u>(3,360,696)</u>	<u>(3,360,696)</u>
Retained profits carried forward		<u>55,967,896</u>	<u>44,035,842</u>

The accompanying notes are an integral part of this account.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

1. PRINCIPAL ACTIVITIES

The principal activities of the Group are the cultivation, processing and sale of fresh fruit bunches, crude palm oil and palm kernel.

The principal activities of the Company are the cultivation and sale of fresh fruit bunches and investment holding.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention modified by the revaluation of freehold and certain long term leasehold estates and the investments in subsidiaries and comply with applicable approved accounting standards in Malaysia.

(b) Basis of Consolidation

The consolidated accounts include the accounts of the Company and all its subsidiaries made up to the end of the financial year. Inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

The difference between the purchase price and the fair value of the net assets of the subsidiaries at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation.

(c) Associated Companies

The Group treats associated companies as those companies in which a long term equity interest of between 20 and 50 percent is held and where it exercises significant influence through management participation.

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

(d) Fixed Assets and Depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation. Freehold estates are not depreciated.

Depreciation of other fixed assets is provided on a straight-line basis calculated to write off the cost of each asset over its estimated useful life. The principal annual rates of depreciation are:

Long term leasehold estates	88 - 94 years
Buildings	4% - 20%
Motor vehicles and estate equipment	20%
Plant and machinery, office equipment, furniture and fittings	10% - 20%

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

(e) New Planting Expenditure

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

Interest expenses incurred on borrowings utilised to finance the development of the estates are capitalised up to the point of maturity of the trees.

(f) Replanting Expenditure

Replanting expenditure incurred in the year is charged to the profit and loss account. Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

(g) Stocks

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

(h) Currency Conversion and Translation

Transactions in foreign currencies during the financial year are converted into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling at that date. All exchange gains or losses are dealt with in the profit and loss accounts.

The Group's share of net assets of a foreign associated company are translated into Ringgit Malaysia at the rates of exchange approximating those ruling at the balance sheet date. All exchange differences due to such currency translation are recognised via an exchange fluctuation reserve.

(i) Retirement Benefits

The Group provides for staff retirement benefits covering all eligible employees at rates determined by the directors.

(j) Investments

Investments in subsidiaries are stated at directors' valuation in 1979 based on the net tangible assets of the subsidiaries less provision for any permanent diminution in value.

Investments in associated companies and other quoted and unquoted investments held on a long term basis are stated at cost less provision for any permanent diminution in value.

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

(k) Deferred Taxation

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

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

3. DEPOSITS WITH FINANCIAL INSTITUTIONS

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Deposits with licensed banks	54,880,980	42,619,500	37,408,028	28,206,000
Deposits with licensed finance companies	5,200,000	7,000,000	3,200,000	5,000,000
	<u>60,080,980</u>	<u>49,619,500</u>	<u>40,608,028</u>	<u>33,206,000</u>

The Group's and Company's fixed deposits with licensed banks amounting to RM199,789 (1998 : RM119,500) and RM136,289 (1998 : RM56,000) respectively have been pledged to the banks for banker's guarantees issued to third parties.

4. TRADE DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Due from related corporations in which certain directors have interests	1,108,319	1,211,533	1,108,319	1,211,533
Due from a subsidiary	-	-	-	197,736
Due from a company in which certain directors have interests	290,321	379,313	290,321	379,313
Other trade debtors	938,797	1,351,475	-	-
	<u>2,337,437</u>	<u>2,942,321</u>	<u>1,398,640</u>	<u>1,788,582</u>

5. STOCKS

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Oil palm produce	691,478	718,555	-	-
Estate stores	725,970	713,244	28,564	33,533
	<u>1,417,448</u>	<u>1,431,799</u>	<u>28,564</u>	<u>33,533</u>

6. INVESTMENT IN SUBSIDIARIES

	<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM
Unquoted shares, at valuation	<u>21,837,480</u>	<u>21,837,480</u>

Unquoted shares in subsidiaries were valued in 1979 by the directors based on the net tangible assets of the subsidiaries.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

The subsidiaries are:

<u>Name of Company</u>	<u>Place of Incorporation</u>	<u>Paid-up Capital</u> RM	<u>Effective Interest</u>		<u>Principal Activities</u>
			<u>1999</u> %	<u>1998</u> %	
Eng Thye Plantations Berhad	Malaysia	18,900,000	83.3	83.3))) To cultivate,) process and
Timor Oil Palm Plantation Berhad	Malaysia	10,500,000	58.0	58.0) sell crude) palm oil and) palm kernel

7. INVESTMENT IN ASSOCIATED COMPANIES

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Unquoted shares, at cost	1,817,173	1,817,173	1,795,325	1,795,325
Share of post acquisition reserves	290,473	344,789	-	-
Foreign exchange differences	1,236,176	1,315,811	-	-
	<u>3,343,822</u>	<u>3,477,773</u>	<u>1,795,325</u>	<u>1,795,325</u>

The associated companies are:

<u>Name of Company</u>	<u>Place of Incorporation</u>	<u>Effective Interest</u>		<u>Financial Year End</u>	<u>Principal Activities</u>
		<u>1999</u> %	<u>1998</u> %		
Sin Thye Oil Mills Sdn. Bhd.	Malaysia	50.0	50.0	31 December	To process and sell crude palm oil and palm kernel. The company has not commenced operations
Sin Thye Management Sdn. Bhd.	Malaysia	30.0	30.0	31 December	Provision of management and advisory services and acting as an insurance agent
Huay Guan Investment Pte. Ltd.**	Singapore	37.5*	37.5*	31 December	Trading in stocks and shares

* Includes interest held by a subsidiary

** Associated company not audited by Arthur Andersen & Co.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

8. OTHER INVESTMENTS

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Quoted shares, at cost:				
In Malaysia	95	95	-	-
Outside Malaysia	18,563,502	20,607,624	-	-
	<u>18,563,597</u>	<u>20,607,719</u>	<u>-</u>	<u>-</u>
Unquoted shares, at cost:				
In Malaysia	1,147,500	1,147,500	1,147,500	1,147,500
Outside Malaysia	6,670	6,670	6,670	6,670
	<u>1,154,170</u>	<u>1,154,170</u>	<u>1,154,170</u>	<u>1,154,170</u>
Total other investments	<u>19,717,767</u>	<u>21,761,889</u>	<u>1,154,170</u>	<u>1,154,170</u>
Market value of quoted shares:				
In Malaysia	30,727	212	-	-
Outside Malaysia	<u>37,536,114</u>	<u>32,558,116</u>	<u>-</u>	<u>-</u>

9. FIXED ASSETS

<u>Group</u>	Valuation <----- Cost ----->				<u>Total</u> RM
	<u>Freehold and long term leasehold estates</u> RM	<u>Long term leasehold estate and buildings</u> RM	<u>Motor vehicles and estate equipment</u> RM	<u>Plant and machinery, office equipment, furniture and fittings</u> RM	
<u>1999</u>					
<u>Valuation/cost</u>					
Beginning of year	35,848,033	21,613,102	3,569,216	9,702,005	70,732,356
Additions	-	4,650	205,443	313,798	523,891
Write-offs	-	(1,651)	(307,878)	(1,019,205)	(1,328,734)
End of year	<u>35,848,033</u>	<u>21,616,101</u>	<u>3,466,781</u>	<u>8,996,598</u>	<u>69,927,513</u>
<u>Accumulated Depreciation</u>					
Beginning of year	2,143,151	3,831,723	3,051,478	7,742,720	16,769,072
Charge	78,520	235,919	209,705	338,663	862,807
Write-offs	-	(1,651)	(307,878)	(1,012,553)	(1,322,082)
End of year	<u>2,221,671</u>	<u>4,065,991</u>	<u>2,953,305</u>	<u>7,068,830</u>	<u>16,309,797</u>
Net Book Value	<u>33,626,362</u>	<u>17,550,110</u>	<u>513,476</u>	<u>1,927,768</u>	<u>53,617,716</u>

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

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

<u>Group</u>	Freehold estates RM	Long term leasehold estate RM	<u>Total</u> RM
<u>1999</u>			
<u>Valuation</u>			
Beginning and end of year	26,522,033	9,326,000	35,848,033
<u>Accumulated Depreciation</u>			
Beginning of year	-	2,143,151	2,143,151
Charge	-	78,520	78,520
End of year	-	2,221,671	2,221,671
Net Book Value	26,522,033	7,104,329	33,626,362

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

<u>Group</u>	Long term leasehold estate RM	<u>Buildings</u> RM	<u>Total</u> RM
<u>Cost</u>			
Beginning of year	15,757,745	5,855,357	21,613,102
Additions	-	4,650	4,650
Write-offs	-	(1,651)	(1,651)
End of year	15,757,745	5,858,356	21,616,101
<u>Accumulated Depreciation</u>			
Beginning of year	369,910	3,461,813	3,831,723
Charge	51,782	184,137	235,919
Write-offs	-	(1,651)	(1,651)
End of year	421,692	3,644,299	4,065,991
Net Book Value	15,336,053	2,214,057	17,550,110

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

	Valuation	<----- Cost ----->			
<u>1998</u>	<u>Freehold and long term leasehold estates</u> RM	<u>Long term leasehold estate and buildings</u> RM	<u>Motor vehicles and estate equipment</u> RM	<u>Plant and machinery, office equipment, furniture and fittings</u> RM	<u>Total</u> RM
<u>Valuation/cost</u>					
Beginning of year	35,848,033	21,488,552	3,318,664	9,083,370	69,738,619
Additions	-	124,550	250,552	623,885	998,987
Disposals	-	-	-	(5,250)	(5,250)
End of year	35,848,033	21,613,102	3,569,216	9,702,005	70,732,356
<u>Accumulated Depreciation</u>					
Beginning of year	2,064,631	3,559,295	2,840,349	7,398,991	15,863,266
Charge	78,520	272,428	211,129	348,454	910,531
Disposals	-	-	-	(4,725)	(4,725)
End of year	2,143,151	3,831,723	3,051,478	7,742,720	16,769,072
Net Book Value	33,704,882	17,781,379	517,738	1,959,285	53,963,284

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

<u>Group</u>		<u>Freehold estates</u> RM	<u>Long term leasehold estate</u> RM	<u>Total</u> RM
<u>1998</u>				
<u>Valuation</u>				
Beginning and end of year		26,522,033	9,326,000	35,848,033
<u>Accumulated Depreciation</u>				
Beginning of year		-	2,064,631	2,064,631
Charge		-	78,520	78,520
End of year		-	2,143,151	2,143,151
Net Book Value		26,522,033	7,182,849	33,704,882

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

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

<u>Cost</u>	Long term leasehold <u>estate</u> RM	<u>Buildings</u> RM	<u>Total</u> RM
Beginning of year	15,757,745	5,730,807	21,488,552
Additions	-	124,550	124,550
End of year	<u>15,757,745</u>	<u>5,855,357</u>	<u>21,613,102</u>
 <u>Accumulated Depreciation</u>			
Beginning of year	318,128	3,241,167	3,559,295
Charge	51,782	220,646	272,428
End of year	<u>369,910</u>	<u>3,461,813</u>	<u>3,831,723</u>
Net Book Value	<u>15,387,835</u>	<u>2,393,544</u>	<u>17,781,379</u>

<u>Company</u>	Valuation	<----- Cost ----->				
1999	<u>Freehold estate</u> RM	<u>Long term leasehold estate and buildings</u> RM	<u>Motor vehicles and estate equipment</u> RM	<u>Plant and machinery, office equipment, furniture and fittings</u> RM	<u>Total</u> RM	
<u>Valuation/cost</u>						
Beginning of year	6,942,000	18,326,752	1,066,495	1,135,170	27,470,417	
Additions	-	-	-	113,694	113,694	
Write-offs	-	-	-	(30,228)	(30,228)	
End of year	<u>6,942,000</u>	<u>18,326,752</u>	<u>1,066,495</u>	<u>1,218,636</u>	<u>27,553,883</u>	
 <u>Accumulated Depreciation</u>						
Beginning of year	-	1,245,372	950,401	900,373	3,096,146	
Charge	-	114,994	61,665	44,091	220,750	
Write-offs	-	-	-	(26,378)	(26,378)	
End of year	<u>-</u>	<u>1,360,366</u>	<u>1,012,066</u>	<u>918,086</u>	<u>3,290,518</u>	
Net Book Value	<u>6,942,000</u>	<u>16,966,386</u>	<u>54,429</u>	<u>300,550</u>	<u>24,263,365</u>	

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

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

<u>1999</u>	Long term leasehold estate RM	<u>Buildings</u> RM	<u>Total</u> RM
<u>Cost</u>			
Beginning and end of year	16,086,530	2,240,222	18,326,752
<u>Accumulated Depreciation</u>			
Beginning of year	369,910	875,462	1,245,372
Charge	51,782	63,212	114,994
End of year	421,692	938,674	1,360,366
Net Book Value	15,664,838	1,301,548	16,966,386

Valuation <----- Cost ----->

<u>Company</u>	<u>Freehold estate</u> RM	<u>Long term leasehold estate and buildings</u> RM	<u>Motor vehicles and estate equipment</u> RM	<u>Plant and machinery, office equipment, furniture and fittings</u> RM	<u>Total</u> RM
<u>1998</u>					
<u>Valuation/cost</u>					
Beginning of year	6,942,000	18,324,202	1,050,215	1,094,207	27,410,624
Additions	-	2,550	16,280	40,963	59,793
End of year	6,942,000	18,326,752	1,066,495	1,135,170	27,470,417
<u>Accumulated Depreciation</u>					
Beginning of year	-	1,108,289	851,409	856,381	2,816,079
Charge	-	137,083	98,992	43,992	280,067
End of year	-	1,245,372	950,401	900,373	3,096,146
Net Book Value	6,942,000	17,081,380	116,094	234,797	24,374,271

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

<u>1998</u>	Long term leasehold estate RM	<u>Buildings</u> RM	<u>Total</u> RM
<u>Cost</u>			
Beginning of year	16,086,530	2,237,672	18,324,202
Additions	-	2,550	2,550
End of year	16,086,530	2,240,222	18,326,752

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

Accumulated Depreciation

Beginning of year	318,128	790,161	1,108,289
Additions	51,782	85,301	137,083
End of year	369,910	875,462	1,245,372
Net Book Value	15,716,620	1,364,760	17,081,380

- (a) Freehold and certain long term leasehold estates of the Group were revalued by the directors in 1978 based on valuations by a firm of professional valuers using the return on investment basis.
- (b) Included in the above fixed assets of the Group and Company are fully depreciated assets at cost amounting to RM18,484,196 (1998 : RM11,271,652) and RM8,770,659 (1998 : RM2,070,698) respectively, which are still in use.

10. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
(a) At beginning of year	1,686,000	1,686,000	868,000	868,000
Transfer from profit and loss account	79,000	-	79,000	-
At end of year	1,765,000	1,686,000	947,000	868,000
(b) Timing differences between depreciation and corresponding capital allowances	6,909,770	6,627,630	3,531,140	3,249,000
Timing differences on provisions	(606,200)	(606,200)	(149,000)	(149,000)
	6,303,570	6,021,430	3,382,140	3,100,000

Deferred taxation is not provided on the surplus arising from the revaluation of freehold and certain long term leasehold estates as it is not the intention of the directors to dispose these properties.

11. SHARE CAPITAL

	<u>1999</u> RM	<u>1998</u> RM
Authorised:		
Shares of RM1 each	50,000,000	50,000,000
Issued and fully paid:		
Stock units of RM1 each	29,172,710	29,172,710

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

12. RESERVES

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Non distributable:				
Exchange fluctuation reserve				
At beginning of year	1,893,077	604,700	-	-
Foreign exchange difference	(77,974)	1,288,377	-	-
At end of year	<u>1,815,103</u>	<u>1,893,077</u>	-	-
Capital reserve	1,028,316	1,028,316	-	-
Share premium	75,528	75,528	75,528	75,528
Reserve on consolidation	780,142	780,142	-	-
	<u>3,699,089</u>	<u>3,777,063</u>	<u>75,528</u>	<u>75,528</u>
Distributable:				
Capital reserve relating to gain on sale of investments				
At beginning of year	9,140,712	6,146,154	2,574,582	2,574,582
Transfer from profit and loss account	1,351,605	2,994,558	-	-
At end of year	<u>10,492,317</u>	<u>9,140,712</u>	<u>2,574,582</u>	<u>2,574,582</u>
Revaluation surplus	4,687	4,687	-	-
Retained profits	<u>76,270,396</u>	<u>63,830,589</u>	<u>55,967,896</u>	<u>44,035,842</u>
	<u>86,767,400</u>	<u>72,975,988</u>	<u>58,542,478</u>	<u>46,610,424</u>
	<u>90,466,489</u>	<u>76,753,051</u>	<u>58,618,006</u>	<u>46,685,952</u>

13. TURNOVER

Turnover of the Group represents the invoiced value of sales of crude palm oil, palm kernel and fresh fruit bunches. Turnover of the Company represents the invoiced value of sales of fresh fruit bunches.

The cost of sales incurred in relation to the Group's turnover is RM44,625,613 (1998 : RM51,794,805). The cost of sales in relation to invoiced value of sales consist of cost of cultivation, raw materials and overheads.

The cost of sales incurred in relation to the Company's turnover is RM7,466,071 (1998 : RM7,055,106). The cost of sales in relation to invoiced value of sales consist of cost of cultivation and overheads.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

14. OPERATING PROFIT

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	RM	RM	RM	RM
Operating profit is stated after charging:				
Auditors' remuneration	60,000	50,000	21,600	18,000
Bad debts written off	22,481	-	-	-
Depreciation	862,807	910,531	220,750	280,067
Directors' remuneration				
- Fees	281,000	279,000	107,000	105,000
- Salaries and other emoluments	377,589	468,331	236,721	289,096
Fixed asset written off	6,652	-	3,850	-
Replanting expenditure	1,507,037	2,420,249	5,970	59,811
Retirement benefits	53,359	73,239	19,170	13,450
Loss on sale of fixed assets	-	275	-	-
Unexercised quoted warrants written off	-	282,639	-	-
Loss on foreign exchange	-	44,762	1,296	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
and crediting:				
Gross dividends received from subsidiaries	-	-	2,544,867	3,454,060
Quoted investments				
- in Malaysia	-	6	-	-
- outside Malaysia	301,365	98,693	-	-
Unquoted investments outside Malaysia	-	-	36,174	36,306
Interest income	2,328,916	2,366,129	1,587,970	1,844,415
Foreign exchange gain	17,979	-	-	591
Rental income	840	840	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15. EXCEPTIONAL ITEMS - Group

This relates to gain on sale of investments.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

16. TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Current year's provision:				
Malaysian	-	6,609,256	712,563	6,333,051
Foreign	78,354	25,661	9,405	9,440
	<u>78,354</u>	<u>6,634,917</u>	<u>721,968</u>	<u>6,342,491</u>
(Over)/under provision in prior year	(35,920)	83,760	(3,609)	60,312
Transfer to deferred taxation	79,000	-	79,000	-
Share of associated companies' taxation	(382)	13,179	-	-
	<u>121,052</u>	<u>6,731,856</u>	<u>797,359</u>	<u>6,402,803</u>

There is no tax charge for the current year as the amount payable is waived in accordance with the provisions of the Income Tax (Amendment) Act, 1999. The chargeable income of RM13,348,000 on which the tax is waived shall be credited to an exempt account from which tax exempt dividends can be declared, subject to agreement with the Inland Revenue Board.

The tax charge for the Company for the current year is in respect of dividend income from subsidiaries.

As at 31 December, 1999, the Company has tax exempt profits available for distribution of approximately RM13,820,000 (1998 : RM472,000) subject to agreement with the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account to frank the payment of dividend out of its entire distributable reserves without incurring additional tax liability.

17. DIVIDENDS

	<u>1999</u> RM	<u>1998</u> RM
First interim dividend of 5% less 28% taxation (1998 : 8% less 28% taxation)	1,050,218	1,680,348
Second interim dividend of 5% less 28% taxation (1998 : 8% less 28% taxation)	1,050,217	1,680,348
Third interim dividend of 6% less 28% taxation	1,260,261	-
	<u>3,360,696</u>	<u>3,360,696</u>

18. EARNINGS PER STOCK UNIT

The earnings per stock unit has been calculated based on the Group profit after taxation and minority interests of RM17,152,108 (1998 : RM19,040,732) and 29,172,710 (1998 : 29,172,710) stock units in issue.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

19. CONTINGENT LIABILITIES (UNSECURED)

	<u>Group and Company</u>	
	<u>1999</u>	<u>1998</u>
	RM	RM
Guarantee favouring a bank for banking facilities extended to a third party	-	2,006,000
	-	2,006,000

20. HOLDING AND ULTIMATE HOLDING COMPANY

The holding and ultimate holding company is Tiong Thye Company Berhad, a company incorporated in Malaysia.

21. SIGNIFICANT EVENTS

- (i) As reported in the prior financial year, the Company entered into a Conditional Agreement with a third party for the sale of shares in Soctek Sdn. Bhd., a company incorporated in Malaysia, wherein the Company is disposing 1,147,500 ordinary shares of RM1 each in Soctek Sdn. Bhd., at a consideration of approximately RM5,223,000. Although the approval from the relevant authorities has been obtained, the final determination of the consideration will be on the basis of the net assets value of Soctek Sdn. Bhd., at the completion date. The finalisation of the Completion Account is still in progress.
- (ii) During the financial year, the Group disposed of certain quoted investments held outside Malaysia through the open market for a total sale proceeds net of brokerage, commission and processing fees which amounted to approximately RM3,911,840.

22. SEGMENT REPORTING

No segment reporting has been prepared as the Group's principal activities involve predominantly the cultivation, processing and sale of fresh fruit bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

23. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	RM	RM	RM	RM
Sale of oil palm produce to related corporations in which certain directors have interests	13,066,483	16,841,840	13,066,483	17,057,988
	13,066,483	16,841,840	13,066,483	17,057,988
Sale of oil palm produce to a company in which certain directors have an interest	6,315,799	7,348,915	6,315,799	7,348,915
	6,315,799	7,348,915	6,315,799	7,348,915

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

NOTES TO THE ACCOUNTS - 31 DECEMBER, 1999

	<u>Group</u>		<u>Company</u>	
	<u>1999</u> RM	<u>1998</u> RM	<u>1999</u> RM	<u>1998</u> RM
Purchase of oil palm produce from a related corporation in which certain directors have an interest	<u>-</u>	<u>704,025</u>	<u>-</u>	<u>-</u>
Agency fee paid to a company in which certain directors have interests	<u>42,000</u>	<u>42,000</u>	<u>12,000</u>	<u>12,000</u>
Management fees paid to an associated company in which certain directors have interests	<u>112,410</u>	<u>112,236</u>	<u>45,936</u>	<u>45,546</u>

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with third parties.

24. CURRENCY

All amounts are stated in Ringgit Malaysia.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

SHAREHOLDING STATISTICS AS AT 31 MARCH, 2000

TWENTY LARGEST SHAREHOLDERS

Name	No. of Stock Units	% of Issued Capital
1. Tiong Thye Company Berhad	17,591,368	60.30
2. Ong Swee Heoh	905,313	3.10
3. Affin-UOB Nominees (Asing) Sdn Bhd	660,218	2.26
4. Arab-Malaysian Nominees (Tempatan) Sdn Bhd	563,000	1.93
5. Mayban Securities Nominees (Asing) Sdn Bhd	539,967	1.85
6. Goh Beng Hwa @ Gho Bin Hoa	459,324	1.57
7. Nam Heng Oil Mill Co. Sdn Bhd	300,000	1.03
8. TCL Nominees (Tempatan) Sdn Bhd	161,000	0.55
9. Citicorp Nominees (Asing) Sdn Bhd	159,500	0.55
10. HDM Nominees (Asing) Sdn Bhd	138,438	0.47
11. Satria Nominees (Asing) Sdn Bhd	132,455	0.46
12. Asia Life (M) Berhad	130,000	0.45
13. Mayban Securities Nominees (Tempatan) Sdn Bhd	113,000	0.39
14. Hup Lee Bakery Sdn Bhd	112,500	0.39
15. Wong Aun Phui	91,750	0.31
16. Yeo Khee Huat	76,000	0.26
17. Ke-Zan Nominees (Asing) Sdn Bhd	75,655	0.26
18. Botly Nominees (Tempatan) Sdn Bhd	72,000	0.25
19. Lim Kee Chiok Sendirian Berhad	70,500	0.24
20. Ong Choon Tee	70,500	0.24
	<u>22,422,488</u>	<u>76.86</u>

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

SHAREHOLDING STATISTICS AS AT 31 MARCH, 2000

SUBSTANTIAL SHAREHOLDERS

	No. of Stock Units Direct	%	No. of Stock Units Indirect	%
Tiong Thye Company Berhad	17,591,368	60.30	-	-
Goh Eng Chew	-	-	17,739,368	60.81
Gho Lian Chin	1,000	-	17,660,306	60.54
Goh Seh Kiat	-	-	17,607,773	60.35
Ong Swee Heoh	905,313	3.10	-	-
Affin-UOB Nominees (Asing) Sdn Bhd	660,218	# 2.26	-	-
Goh Beng Hwa @ Gho Bin Hoa	459,324	1.57	905,313	3.10

Held as bare trustee for various beneficial owners. None of the beneficial owners holds 2% or more in the stock units of the Company

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

SHAREHOLDING STATISTICS AS AT 31 MARCH, 2000

SHARE CAPITAL

Authorised : 50,000,000 shares of RM1 each
 Issued and fully paid : 29,172,710 stock units of RM1 each
 Class of stock units : Ordinary stock units of RM1 each
 Voting rights : One vote per stock unit

ANALYSIS BY SIZE OF STOCK UNITS

	No. of Shareholders	%	No. of Stock Units Held	%
Less than 500	18	0.80	3,605	0.01
500 - 5,000	1,990	87.90	3,483,680	11.94
5,001 - 10,000	140	6.18	1,136,045	3.89
10,001 - 100,000	102	4.51	2,583,297	8.86
100,001 - 1,000,000	13	0.57	4,374,715	15.00
1,000,001 and above	1	0.04	17,591,368	60.30
	2,264	100.00	29,172,710	100.00

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

LIST OF ALL PROPERTIES AS AT 31 DECEMBER, 1999

LOCATION	TENURE	SIZE (HECTARES)	DESCRIPTION	NET BOOK VALUE AS AT 31 DECEMBER, 1999 RM'000
Ladang Senama Lot 594, 607, 947 Mukim of Jelai Daerah of Jempol Negeri Sembilan	Freehold	950	Oil palm estate	6,993
Ladang Ibam PT 5419 Mukim of Bebar Daerah Pekan Pahang Darul Makmur	Leasehold (expires on 9.3.2087)	2,180	Oil palm estate	16,915
Ladang Gula Lot 2852, 2151, 2831, 2794, 2795, 2124, 2126, 2127, 2150, 4378, 4351, 8950 Mukim of Kuala Kurau and Bagan Serai Daerah Kerian Perak Darul Ridzuan	Freehold	2,590	Oil palm estate with mill (Approximate age of mill: 33 years)	20,114
Lot 1009-1012, Lot 1237 and Lot 1374 Mukim of Sungai Tinggi Daerah Laurus & Matang Perak Darul Ridzuan))))))Freehold	13.81	Agricultural land	239
Lot 2670-2671 Mukim of Batu Kurau Daerah Laurus & Matang Perak Darul Ridzuan))))			
Ladang Maran Lot 2/2273 Mukim of Luit Daerah Maran Pahang Darul Makmur	Leasehold (expires on 24.1.2066)	1,981	Oil palm estate with mill (Approximate age of mill: 26 years)	7,244

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
(Incorporated in Malaysia)

FORM OF PROXY

I / We
of
being a member / members of NEGRI SEMBILAN OIL PALMS BERHAD hereby appoint
.....
of
or failing him / her
of
as my / our proxy to attend and vote on my / our behalf at the Sixty Eighth Annual General Meeting
of the Company to be held at No. 107-1 Changkat Tambi Dollah, 55100 Kuala Lumpur on Friday, 26
May, 2000 at 12.00 noon and at any adjournment thereof.

ORDINARY RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the audited accounts for the year ended 31 December, 1999 and reports of the directors and auditors thereon.		
2. To approve the directors' remuneration for the year ended 31 December, 1999.		
3. To re-elect directors retiring under the provisions of the Articles of Association of the Company: -		
(i) Mr Goh Eng Chew		
(ii) Dr Goh Han Teng		
(iii) Mr Sio Sit Po		
4. To re-appoint Mr Wong Aun Phui as director pursuant to Section 129 of the Companies Act, 1965		
5. To re-appoint Messrs Arthur Andersen & Co. as auditors and to authorise directors to fix their remuneration.		

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

Signature(s).....

Date:

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

NOTES:

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