

70th ANNUAL REPORT

2001

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)
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FINANCIAL HIGHLIGHT AND FINANCIAL CALENDAR

FINANCIAL HIGHLIGHT - GROUP

	2001	2000
	RM'000	RM'000
Revenue	35,087	38,663
Operating profit	21,050	5,720
Share of results of associated companies	1,028	(115)
Profit before taxation	22,078	5,605
Taxation	(989)	(1,939)
Profit after taxation	21,089	3,666
Minority interests	(4,938)	186
Profit for the year attributable to shareholders	16,151	3,852
Dividends	3,676	3,360
Issued and paid-up share capital	64,180	29,173
Shareholders' funds	201,326	119,992
Earnings per stock unit		
- Basic	25.2 sen	6.0 sen*
Dividends		
- First interim dividend	6% tax exempt	8% less 28% taxation
- Second interim dividend	3% tax exempt	8% less 28% taxation
Dividend cover (times)	4.4	1.1
Net tangible assets per stock unit**	RM3.14	RM4.11

* Adjusted for the Bonus Issue of 6 for 5.

** Based on the issued and fully paid-up share capital as at end of financial year.

FINANCIAL CALENDAR

Financial year	1 January, 2001 to 31 December, 2001
Announcement of results	
First financial quarter ended 31 March, 2001	21 May, 2001
Second financial quarter ended 30 June, 2001	24 August, 2001
Third financial quarter ended 30 September, 2001	27 November, 2001
Fourth financial quarter ended 31 December, 2001	22 February, 2002
Dividends payment	
First interim	15 October, 2001
Second interim	29 December, 2001
Dispatch of Annual Report 2001	2 May, 2002
Seventieth Annual General Meeting	24 May, 2002

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventieth Annual General Meeting of the Company will be held at Corus 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 24 May, 2002 at 12.00 noon for the following purposes: -

1. To receive and adopt the Directors' Report and the Financial Statements for the financial year ended 31 December, 2001 and the Auditors' Report thereon.
2. To increase the directors' fees for the financial year ended 31 December, 2001 to RM197,000 and to authorise the directors to divide such fees in the proportions and manner to be determined by them.
3. To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company: -
 - (i) Mdm Goh Lei Eng
 - (ii) Mr Gho Lian Chin
 - (iii) Mr Goh Wei Lei
4. To re-elect the following director retiring under Article 97 of the Articles of Association of the Company: -
 - (i) Mr Keong Choon Keat
5. To consider and if thought fit, pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965: -
 - (i) "That Mr Goh Eng Chew, who retires pursuant to Section 129 of the Companies Act, 1965 be re-appointed a director of the Company to hold office until the next Annual General Meeting of the Company."
 - (ii) "That Mr Wong Aun Phui, who retires pursuant to Section 129 of the Companies Act, 1965 be re-appointed a director of the Company to hold office until the next Annual General Meeting of the Company."
 - (iii) "That Mr Goh Beng Hwa, who retires pursuant to Section 129 of the Companies Act, 1965 be re-appointed a director of the Company to hold office until the next Annual General Meeting of the Company."
6. To re-appoint auditors and authorise the directors to fix their remuneration.
7. As SPECIAL BUSINESS, to consider and if thought fit, pass the following resolution: -

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR NSOP AND ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES ("PROPOSED RENEWAL OF RECURRENT RPT MANDATE")

"THAT, pursuant to paragraph 10.09 of the Listing Requirements of Kuala Lumpur Stock Exchange, a mandate be and is hereby granted to allow the Company and its subsidiaries ("NSOP Group") to enter into any of the category of recurrent transactions of a revenue or trading nature as set out in Section 2.1 of the Circular to Shareholders dated 2 May, 2002 with the related parties mentioned therein which are necessary for the NSOP Group's day-to-day operations, subject further to the following:

- (i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company;
- (ii) the breakdown of the aggregate value of the recurrent related parties transactions conducted during a financial year based on information, such as the type of the recurrent related parties transactions made, and the names of the related parties involved in each type of the recurrent related parties transactions made and their relationship with the Company will be disclosed in the annual report for the said financial year;

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NOTICE OF ANNUAL GENERAL MEETING

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

- (i) the conclusion of the next AGM of the Company in 2003 (and will be subject to annual renewal) at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of NSOP after the date it is required to be held pursuant to Section 143(1) of the Companies Act 1965 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in an AGM or Extraordinary General Meeting; or
- (iv) the timeframe in accordance with any guidelines, rules and regulations of the relevant authorities governing the shareholders’ mandate for the NSOP Group to enter into recurrent related party transactions of a revenue or trading nature with related parties;

whichever is earlier;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Proposed Renewal of Recurrent RPT Mandate.”

- 8. 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
2 May, 2002

NOTES:

- 1. A member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- 2. If the member is a corporation, the Form of Proxy must be executed under its common seal or under the hand of a person duly authorised in writing.
- 3. The Form of Proxy must be deposited at the Registered Office, No. 107-1 Changkat Tambi Dollah, 55100 Kuala Lumpur not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.
- 4. For Item 7, further information on the Proposed Renewal of Recurrent RPT Mandate are set out in the Circular to Shareholders dated 2 May, 2002 which is dispatched together with the Annual Report.

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

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

2. Details of attendance of Directors at Board Meeting.

Four (4) Board Meetings were held during the financial year from 1 January, 2001 to 31 December, 2001.

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

<u>Name</u>	<u>Number of Meetings Attended</u>
Goh Eng Chew	4
Wong Aun Phui	4
Goh Pock Ai	4
Goh Beng Hwa	4
Sio Sit Po	3
Dato' Ong Bok Lim	4
Keong Choon Keat	2*
Goh Yeok Beng	3
Goh Lei Eng	1**
Dr Goh Han Teng	3
Gho Lian Chin	4
Goh Wei Lei	4

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

** Attended by her alternate.

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

Corus 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur.
24 May, 2002 (Friday)
12.00 noon.

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

- (a) Goh Lei Eng, 50 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 8 March, 1984. She is a Chartered Accountant, Canada and holds a Bachelor of Business Administration (Hons). She has vast experience in banking and finance. Other public companies in which she is a director are Chin Teck Plantations Berhad and Tiong Thye Company Berhad (alternate director), the major shareholder of the Company. She does not have any shareholdings in the Company and the subsidiaries, Timor Oil Palm Plantation Berhad and Eng Thye Plantations Berhad. She is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. She has had no convictions for any offences within the past ten years. She is the sister of Goh Seh Kiat.

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- (b) Gho Lian Chin, 54 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 13 July, 1995. Holds a Bachelor of Science from the University of Melbourne, Australia. He is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Employee Share Option Scheme Committee. He worked in a licensed commercial bank listed in Singapore as its representative in a foreign country. Subsequently, he was engaged to manage the property division of the bank. He was also formerly a director of a licensed finance company and a real estate company both of which were listed in Singapore. He has extensive experience and knowledge in the rubber industry. Other public companies in which he is a director are Chin Teck Plantations Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Sin Thye Oil Mills Sdn Bhd. His shareholdings in the Company and the subsidiaries, Timor Oil Palm Plantation Berhad and Eng Thye Plantations Berhad, as at 22 April, 2002, are as follows: -

- (i) The Company:-

Ordinary Stock Units of RM 1 each

Direct		Indirect	
No.	%	No.	%
2,200	*	38,852,673	60.54**

- (ii) The subsidiaries:-

Ordinary Shares of RM1 each

	Direct		Indirect	
	No.	%	No.	%
Timor Oil Palm Plantation Berhad	10,000	0.10	6,112,300	58.21**
Eng Thye Plantations Berhad	-	-	15,783,250	83.51**

* Shareholding is less than 0.01%

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

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Gho Bun Tjin.

- (c) Goh Wei Lei, 33 years of age, Singaporean. Non-Independent Non-Executive Director. He was first appointed as an alternate director on 29 March, 1994. He ceased as alternate director on 12 March, 1996 and was appointed as a director on that date. He is a member of the Nomination Committee and Remuneration Committee. Holds a Bachelor of Science from the Oregon State University, USA. He has vast experience and extensive knowledge in oil palm plantation and property development. Other public companies in which he is a director are Chin Teck Plantations Berhad (alternate director), Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad (alternate director) and Tiong Thye Company Berhad (alternate director), the major shareholder of the Company. He does not have any shareholdings in the Company and the subsidiaries, Timor Oil Palm Plantation Berhad and Eng thye Plantations Berhad. He is also a director of Huay Guan Investment Pte Ltd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the son of Goh Eng Chew.

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- (d) Keong Choon Keat, 57 years of age, Malaysian. Independent Non-Executive Director. Appointed to the Board on 21 May, 2001. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. He is a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales. Attached to Bristol Myers & Company Ltd, England as an Accountant in 1968 and left to join Malaysian Tobacco Company Bhd as an Accountant in 1969. From 1974 to 1999, he was attached to UMW Holdings Bhd where he held various management positions from General Manager to Director, Group Accounts before being promoted to the position of an Executive Director in 1988. Upon retirement in 1999, he joined a consultancy firm providing outplacement and career management consultancy services in Malaysia. Other public companies in which he is a director are JT International Berhad, Malaysian Airline System Berhad, Chin Teck Plantations Berhad, PacificMas Bhd and The Pacific Insurance Bhd. He does not have any shareholdings in the Company and the subsidiaries, Timor Oil Palm Plantation Berhad and Eng Thye Plantations Berhad. He does not have any family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten years.
- (e) Goh Eng Chew. Executive Chairman. 70-year-old Mr Goh, a Singaporean, has more than thirty years of plantation and financial experience. Appointed to the Board on 17 July, 1968. He later served as Chairman from 17 December, 1994. He was appointed as the Executive Chairman on 20 December, 2000. He is also a member of the Employee Share Option Scheme Committee. He had been Chairman of a licensed commercial bank, a licensed finance company and a real estate company, all of which were formerly listed in Singapore. He is also the Executive Chairman of Chin Teck Plantations Berhad. Other public companies in which he heads the Board are Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Sin Thye Management Sdn Bhd, Sin Thye Oil Mills Sdn Bhd and Huay Guan Investment Pte Ltd. His shareholdings in the Company and the subsidiaries, Timor Oil Palm Plantation Berhad and Eng Thye Plantations Berhad, as at 22 April, 2002, are as follows: -

(ii) The Company:-

Ordinary Stock Units of RM 1 each

Direct		Indirect	
No.	%	No.	%
-	-	38,701,009	60.30*

Employee Share Option Scheme

Options to subscribe shares at RM1.72 per share

No.	%
400,000	6.49

(ii) The subsidiaries:-

Ordinary Shares of RM1 each

	Direct		Indirect	
	No.	%	No.	%
Timor Oil Palm Plantation Berhad	10,000	0.10	6,112,300	58.21*
Eng Thye Plantations Berhad	-	-	15,783,250	83.51*

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

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Dr Goh Han Teng and Goh Pock Ai and the father of Goh Wei Lei.

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- (f) Wong Aun Phui, 80 years of age, Malaysian. Executive Director. He has more than forty years of plantation and banking experience. Appointed to the Board on 15 July, 1968. He is a member of the Audit Committee and Employee Share Option Scheme Committee. He was conferred Senior Cambridge Certificate by Cambridge University. He had served as Assistant Managing Director of Malayan Banking Berhad, Managing Director of Pan Malayan Finance Limited and Adviser of Bank Bumiputra Malaysia Berhad (now known as Bumiputra-Commerce Bank Berhad). Formerly, Chairman of Bandar Raya Development Berhad. Other public companies in which he is a director are Chin Teck Plantations Berhad, Pan Malaysian Industries Berhad, Eng Thye Plantations Berhad and Timor Oil Palm Plantation Berhad. He is also a director of Sin Thye Management Sdn Bhd. His shareholdings in the Company and the subsidiaries, Timor Oil Palm Plantation Berhad and Eng Thye Plantations Berhad, as at 22 April, 2002, are as follows: -

- (i) The Company:-

Ordinary Stock Units of RM 1 each

Direct		Indirect	
No.	%	No.	%
245,850	0.38	-	-

Employee Share Option Scheme
Options to subscribe shares at RM1.72 per share

No.	%
400,000	6.49

- (ii) The subsidiaries:-

Ordinary Shares of RM1 each

	Direct		Indirect	
	No.	%	No.	%
Timor Oil Palm Plantation Berhad	1,000	0.01	-	-
Eng Thye Plantations Berhad	3,500	0.02	-	-

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

- (g) Goh Beng Hwa, 70 years of age, Singaporean. Independent Non-Executive Director. Appointed to the Board on 1 November, 1969. Completed High School Certificate. He is a member of the Nomination Committee and Remuneration Committee. He had worked for several years in a listed licensed commercial bank in Singapore and was formerly the Managing Director of a licensed finance company listed in Singapore. Other public companies in which he is a director are Chin Teck Plantations Berhad and Eng Thye Plantations Berhad. His shareholdings in the Company and the subsidiaries, Timor Oil Palm Plantation Berhad and Eng Thye Plantations Berhad, as at 22 April, 2002, are as follows: -

- (i) The Company:-

Ordinary Stock Units of RM 1 each

Direct		Indirect	
No.	%	No.	%
1,010,513	1.57	1,991,689	3.10*

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STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(ii) The subsidiaries:-

Ordinary Shares of RM1

	Direct		Indirect	
	No.	%	No.	%
Timor Oil Palm Plantation Berhad	-	-	-	-
Eng Thye Plantations Berhad	3,500	0.02	-	-

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

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman (Non-Independent)	Goh Eng Chew
Executive Directors (Non-Independent)	Wong Aun Phui Goh Pock Ai
Non-Executive Directors (Independent)	Goh Beng Hwa Sio Sit Po Dato' Ong Bok Lim Keong Choon Keat
Non-Executive Directors (Non-Independent)	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
Alternate Directors	Goh Seh Kiat (alternate to Goh Lei Eng) Gho Bun Tjin (alternate to Gho Lian Chin)

AUDIT COMMITTEE

Chairman	Keong Choon Keat
Members	Dato' Ong Bok Lim Sio Sit Po Wong Aun Phui Goh Pock Ai

**NOMINATION COMMITTEE &
REMUNERATION COMMITTEE**

Chairman	Gho Lian Chin
Members	Goh Beng Hwa Dato' Ong Bok Lim Keong Choon Keat Goh Wei Lei

COMPANY SECRETARY

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

REGISTERED OFFICE

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

AUDITORS

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

**SHARE REGISTRAR AND
MANAGING AGENT**

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

LEGAL FORM AND DOMICILE

Public Limited Liability Company
Incorporated and Domiciled in Malaysia

STOCK EXCHANGE LISTING

Main Board of the Kuala Lumpur Stock Exchange

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PROFILE OF DIRECTORS

Goh Eng Chew

Executive Chairman. 70-year-old Mr Goh, a Singaporean, has more than thirty years of plantation and financial experience. Appointed to the Board on 17 July, 1968. He later served as Chairman from 17 December, 1994. He was appointed as the Executive Chairman on 20 December, 2000. He is also a member of the Employee Share Option Scheme Committee. He had been Chairman of a licensed commercial bank, a licensed finance company and a real estate company, all of which were formerly listed in Singapore. He is also the Executive Chairman of Chin Teck Plantations Berhad. Other public companies in which he heads the Board are Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Sin Thye Management Sdn Bhd, Sin Thye Oil Mills Sdn Bhd and Huay Guan Investment Pte Ltd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Dr Goh Han Teng and Goh Pock Ai and the father of Goh Wei Lei.

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

Wong Aun Phui

80 years of age, Malaysian. Executive Director. Has more than forty years of plantation and banking experience. Appointed to the Board on 15 July, 1968. He is a member of the Audit Committee and Employee Share Option Scheme Committee. He was conferred Senior Cambridge Certificate by Cambridge University. He had served as Assistant Managing Director of Malayan Banking Berhad, Managing Director of Pan Malayan Finance Limited and Adviser of Bank Bumiputra Malaysia Berhad (now known as Bumiputra-Commerce Bank Berhad). Formerly, Chairman of Bandar Raya Development Berhad. Other public companies in which he is a director are Chin Teck Plantations Berhad, Pan Malaysian Industries Berhad, Eng Thye Plantations Berhad and Timor Oil Palm Plantation Berhad. He is also a director of Sin Thye Management Sdn Bhd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

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

Goh Pock Ai

61 years of age, Singaporean. Executive Director. Appointed to the Board on 15 May, 1971. He is a member of the Audit Committee. He has vast experience and extensive knowledge in the oil palm plantation industry. Other public companies in which he is a director are Chin Teck Plantations Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Sin Thye Management Sdn Bhd, Sin Thye Oil Mills Sdn Bhd and Huay Guan Investment Pte Ltd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Goh Eng Chew and Dr Goh Han Teng.

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

Goh Beng Hwa

70 years of age, Singaporean. Independent Non-Executive Director. Appointed to the Board on 1 November, 1969. Completed High School Certificate. He is a member of the Nomination Committee and Remuneration Committee. He had worked for several years in a listed licensed commercial bank in Singapore and was formerly the Managing Director of a licensed finance company listed in Singapore. Other public companies in which he is a director are Chin Teck Plantations Berhad and Eng Thye Plantations Berhad. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

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

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PROFILE OF DIRECTORS

Sio Sit Po

53 years of age, Singaporean. Independent Non-Executive Director. He was first appointed as an alternate director on 16 June, 1995 and ceased as alternate director on 10 January, 1997. Subsequently, he was appointed as a director on 3 February, 1997. He is a member of the Audit Committee. Holds a Bachelor of Science (Hons) from the Nanyang University, Singapore. Worked in a licensed commercial bank listed in Singapore since graduation till 1999. Other public companies in which he is a director are Chin Teck Plantations Berhad and Eng Thye Plantations Berhad. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 December, 2001: 3 out of 4

Dato' Ong Bok Lim

64 years of age, Malaysian. Independent Non-Executive Director. Appointed to the Board on 31 May, 1997. He is a member of the Audit Committee, Employee Share Option Scheme Committee, Nomination Committee and Remuneration Committee. He has vast experience and knowledge in the oil palm plantation industry. He is a director of Eng Thye Plantations Berhad and Sin Thye Management Sdn Bhd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He does not have any family relationship with any director and/or major shareholder of the Company. He has had no convictions for any offences within the past ten years.

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

Keong Choon Keat

57 years of age, Malaysian. Independent Non-Executive Director. Appointed to the Board on 21 May, 2001. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. He is a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales. Attached to Bristol Myers & Company Ltd, England as an Accountant in 1968 and left to join Malaysian Tobacco Company Bhd as an Accountant in 1969. From 1974 to 1999, he was attached to UMW Holdings Bhd where he held various management positions from General Manager to Director, Group Accounts before being promoted to the position of an Executive Director in 1988. Upon retirement in 1999, he joined a consultancy firm providing outplacement and career management consultancy services in Malaysia. Other public companies in which he is a director are JT International Berhad, Malaysian Airline System Berhad, Chin Teck Plantations Berhad, PacificMas Bhd and The Pacific Insurance Bhd. He does not have any family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has had no convictions for any offences within the past ten years.

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

Goh Yeok Beng

53 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 4 August, 1982. He has vast experience and extensive knowledge in the oil palm plantation industry and rubber industry. Other public companies in which he is a director are Chin Teck Plantations Berhad, Timor Oil Palm Plantation Berhad (Executive Director) and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years.

Number of Board meetings attended during the financial year ended 31 December, 2001: 3 out of 4

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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PROFILE OF DIRECTORS

Goh Lei Eng

50 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 8 March, 1984. She is a Chartered Accountant, Canada and holds a Bachelor of Business Administration (Hons). She has vast experience in banking and finance. Other public companies in which she is a director are Chin Teck Plantations Berhad and Tiong Thye Company Berhad (alternate director), the major shareholder of the Company. She is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. She has had no convictions for any offences within the past ten years. She is the sister of Goh Seh Kiat.

Number of Board meetings attended during the financial year ended 31 December, 2001: 1 out of 4 (Attended by her alternate)

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

62 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 23 June, 1984. He was formerly the Managing Director of a real estate company listed in Singapore. He was also formerly a director of a licensed commercial bank and a licensed finance company both of which were listed in Singapore. Other public companies in which he is a director are Chin Teck Plantations Berhad, Eng Thye Plantations Berhad (alternate director), Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Goh Eng Chew and Goh Pock Ai.

Number of Board meetings attended during the financial year ended 31 December, 2001: 3 out of 4

Gho Lian Chin

54 years of age, Singaporean. Non-Independent Non-Executive Director. Appointed to the Board on 13 July, 1995. Holds a Bachelor of Science from the University of Melbourne, Australia. He is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Employee Share Option Scheme Committee. He worked in a licensed commercial bank listed in Singapore as its representative in a foreign country. Subsequently, he was engaged to manage the property division of the bank. He was also formerly a director of a licensed finance company and a real estate company both of which were listed in Singapore. He has extensive experience and knowledge in the rubber industry. Other public companies in which he is a director are Chin Teck Plantations Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is also a director of Sin Thye Oil Mills Sdn Bhd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Gho Bun Tjin.

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

Goh Wei Lei

33 years of age, Singaporean. Non-Independent Non-Executive Director. He was first appointed as an alternate director on 29 March, 1994. He ceased as alternate director on 12 March, 1996 and was appointed as a director on that date. He is a member of the Nomination Committee and Remuneration Committee. Holds a Bachelor of Science from the Oregon State University, USA. He has vast experience and extensive knowledge in oil palm plantation and property development. Other public companies in which he is a director are Chin Teck Plantations Berhad (alternate director), Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad (alternate director) and Tiong Thye Company Berhad (alternate director), the major shareholder of the Company. He is also a director of Huay Guan Investment Pte Ltd. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the son of Goh Eng Chew.

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

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PROFILE OF DIRECTORS

Goh Seh Kiat

43 years of age, Singaporean. Appointed as alternate director of Goh Lei Eng on 17 August, 1988. A businessman with more than twenty years of experience and knowledge in property development, plantation and corporate advisory. Holds a Bachelor of Arts from the York University, Canada. Other public companies in which he is a director are Chin Teck Plantations Berhad (alternate director), Eng Thye Plantations Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Goh Lei Eng.

Gho Bun Tjin

52 years of age, Singaporean. He was first appointed as an alternate director on 29 June, 1979 and ceased as alternate director on 21 June, 1995. Subsequently, he was appointed as alternate director of Gho Lian Chin on 8 September, 1995. Holds a Bachelor of Science from the University of Waterloo, Canada. He worked for a short period in a licensed commercial bank listed in Singapore. He is now working in a commercial company overseeing the general management. Other public companies in which he is an alternate director are Chin Teck Plantations Berhad, Eng Thye Plantations Berhad, Timor Oil Palm Plantation Berhad and Tiong Thye Company Berhad, the major shareholder of the Company. He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as disclosed on page 75 of the Annual Report. He has had no convictions for any offences within the past ten years. He is the brother of Gho Lian Chin.

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CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Negri Sembilan Oil Palms Berhad, I take great pleasure in presenting the Annual Report and the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December, 2001.

The Group experienced difficult plantation operating conditions for the financial year under review. The Malaysian palm oil industry faced huge carryover stock at the beginning of the year and the glut in the world oils and fats market had depressed prices. Aggressive marketing efforts by the industry together with appropriate policies initiated by the Government have helped stimulate an increase in export and reduce the build up in stocks, resulting in a curtailment of decline in prices. In order to encourage the industry embark on sustainable replanting, the Government introduced the Oil Palm Replanting Incentive Scheme and this has somewhat checked the increase in production. The liberalisation of export duties, encouragement of counter-trades and provision of palm oil credit payment arrangement facilities by Government have contributed to higher exports. These measures should further assist in the recovery of palm oil price.

FINANCIAL PERFORMANCE

During the financial year under review, revenue of the Group decreased by 9.25% to RM35,086,943 due to lower average selling prices of fresh fruit bunches, crude palm oil and palm kernel.

Operating profit increased by 268.04% to RM21,050,324, due to the gain arising from the acceptance of the cash offers made by UBS AG, Singapore Branch, acting through its business group UBS Warburg for and on behalf of Oversea-Chinese Banking Corporation Limited for the shares in Keppel Capital Holdings Ltd.

After taking into account the results of associated companies, mainly due to increased profit from Huay Guan Investment Pte Ltd, an associated company engaged in trading in stocks and shares, profit before taxation increased by 293.91% to RM22,078,217.

Profit after taxation increased by 475.24% to RM21,089,032. The increase in profit after taxation is higher than the increase in profit before taxation as the gain on disposal of investments is not assessable for tax purposes. After deducting minority interests, net profit for the year increased by 319.27% to RM16,150,975.

Shareholders' funds increased by 67.78% to RM201,326,056 mainly due to the incorporation of the revaluation surplus of estate land.

At Company level, revenue decreased by 5.78% to RM10,701,944 and net profit for the year decreased by 48.89% to RM2,779,710.

DIVIDENDS

A total dividend of 9% tax exempt or RM3,675,762 in respect of the financial year ended 31 December, 2001 was paid during the financial year, i.e. a first interim dividend of 6% tax exempt was paid on 15 October, 2001 and a second interim dividend of 3% tax exempt was paid on 29 December, 2001. In view of the payment of the interim dividends, the Board has not recommended any final dividend in respect of the financial year ended 31 December, 2001.

OPERATION REVIEW

Senama Estate

Production of ffb increased by 24.82% to 24,032 m/t.

Ibam Estate

Production of ffb decreased by 2.96% to 47,619 m/t.

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

Gula Estate (Eng Thye Plantations Berhad)

Production of ffb increased by 29.74% to 40,451 m/t. Purchases of ffb increased by 4.01% to 54,826 m/t. Correspondingly, production of crude palm oil increased by 10.58% to 16,495 m/t and production of palm kernel increased by 11.81% to 5,737 m/t.

During the year, a total area of 1,169 acres were replanted. The estate plans to replant another 1,280 acres in Year 2002.

Maran Estate (Timor Oil Palm Plantation Berhad)

Production of ffb increased by 56.32% to 22,066 m/t. However, purchases of ffb decreased by 13.59% to 19,617 m/t. Overall, production of crude palm oil increased by 12.47% to 7,565 m/t and production of palm kernel increased by 11.93% to 2,111 m/t.

As at 31 December, 2001, total immature area was 476 acres and the young palms are expected to attain maturity in Year 2002.

CORPORATE DEVELOPMENT

During the financial year,

- (a) the Company allotted and issued 35,007,252 new shares RM1.00 each, which were immediately converted into ordinary stock units of RM1.00 each, credited as fully paid-up pursuant to the bonus issue of six new share for every five existing ordinary stock units of RM1.00 each held in the Company via the capitalisation of: -
- (i) RM20,992,081 from the asset revaluation surplus of RM42,035,944 arising from the revaluation of the Company's freehold and leasehold estates; and
 - (ii) RM14,015,171 from the investment revaluation surplus of RM55,925,820 arising from the revaluation of the Company's cost of investment in its subsidiaries.

In conjunction with the bonus issue, an independent firm of professional registered valuers, Messrs. United Pacific Property Consultants Sdn Bhd had carried out valuations of the Group's freehold and leasehold estates resulting in the asset and investment revaluation surplus as stated in (i) and (ii) above. The bonus issue was approved by the Securities Commission, the Kuala Lumpur Stock Exchange and the shareholders at an Extraordinary General Meeting held on 24 August, 2001.

The asset and investment revaluation surplus were incorporated in the financial statements of the Group and the Company during the financial year.

- (b) the Employee Share Option Scheme for eligible employees and executive directors of the Group became effective and shall be in force for a period of five years from 23 October, 2001 to 22 October, 2006. No options have been granted during the financial year.
- (c) the Company increased its authorised share capital from RM50,000,000 comprising 50,000,000 shares of RM1 each to RM150,000,000 comprising 150,000,000 shares of RM1 each.
- (d) the Company obtained the approval of the shareholders at the Extraordinary General Meeting held on 24 August, 2001: -
- (i) to amend the Company's Articles of Association to comply with the provisions of the Listing Requirements of the Kuala Lumpur Stock Exchange as well as other relevant regulatory and statutory requirements.

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CHAIRMAN'S STATEMENT

- (ii) for the Group to enter into recurrent related party transactions of a revenue or trading nature which are or have been entered into by the Group with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations based on commercial terms which are not more favourable to the related parties than those generally available to the public. ('Recurrent Related Party Transactions')

On 22 February, 2002, the Company announced that it proposes to seek the approval of its shareholders for the proposed renewal of the shareholders' mandate for the Group to enter into Recurrent Related Party Transactions at the forthcoming Annual General Meeting. A separate Circular to Shareholders, the purpose of which is to provide information on the Proposed Renewal of Recurrent Related Party Transactions Mandate and to seek the approvals of the shareholders for the ordinary resolution pertaining to the Proposed Renewal of Recurrent Related Party Transactions Mandate is enclosed together with the Annual Report.

Subsequent to the financial year end, a total of 6,159,000 options to subscribe equivalent number of new shares in the Company at RM1.72 per share were granted and accepted by eligible employees and executive directors of the Group.

Board of Directors

I would like to take this opportunity to welcome Mr Keong Choon Keat who joined the Board on 21 May, 2001. Mr Keong has also been appointed as a member and the Chairman of the Audit Committee and as member of the Nomination Committee and Remuneration Committee.

OUTLOOK FOR YEAR 2002

The selling price of crude palm oil in 2002 looks promising as a consequence of much lower carryover stock coupled with the anticipated lower production due to the biological and cyclical stress effects on the palms. With the entry into World Trade Organisation, China is expected to fulfil the requirements for a gradual elimination of trade tariffs and quota for the imports of various products and commodities including palm oil. Consequently, this will brighten the demand outlook for palm oil and this should improve palm oil price. World carryover stocks of oils and fats and growth in their production are expected to be lower and this would tighten global supply of vegetable oils and support an upward trend for vegetable oil prices.

Barring any unforeseen circumstances, the anticipated strong market fundamentals would create a positive impact on the financial performance of the Group for the financial year ending 31 December, 2002.

APPRECIATION

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

Goh Eng Chew
Executive Chairman

Dated: 22 April, 2002

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

The Board of Directors is committed to ensure that a high standard of corporate governance is practised throughout the Group in discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

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

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

1. Directors

Board Responsibilities

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

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

Composition of the Board

The Board currently consists of twelve directors: -

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

There are two alternate directors on the Board.

The Executive Chairman and Executive Directors have many years of experience in managing the Group's core business, plantations. The Non-Executive Directors have broad business and commercial experience. The Independent Directors are actively involved in various Board Committees and they provide independent assessment and opinion. The biographical details of the Board members are set out on pages 10 to 13 of the Annual Report.

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

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The Executive Chairman, Goh Eng Chew, the Executive Director, Goh Pock Ai and the five Non-Independent Non-Executive Directors, Goh Yeok Beng, Goh Lei Eng, Dr Goh Han Teng, Gho Lian Chin and Goh Wei Lei are directors or alternate directors and/or shareholders of Tiong Thye Company Berhad, the largest shareholder of the Company holding 60.30% of the issued and paid-up share capital of the Company as at 29 March, 2002.

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

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

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

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

The Report on Audit Committee for the financial year ended 31 December, 2001 is set out on pages 23 to 26 of the Annual Report.

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

The Employee Share Option Scheme Committee or the Option Committee was established to administer the Negri Sembilan Oil Palms Berhad Employee Share Option Scheme, which became effective on 23 October, 2001. The directors who serve on the Option Committee are Goh Eng Chew, Wong Aun Phui, Dato' Ong Bok Lim and Gho Lian Chin. The Company Secretary also serves on the Option Committee.

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

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

<u>Name</u>	<u>Number of Meetings Attended</u>
Goh Eng Chew	4
Wong Aun Phui	4
Goh Pock Ai	4
Goh Beng Hwa	4
Sio Sit Po	3
Dato' Ong Bok Lim	4
Keong Choon Keat	2*
Goh Yeok Beng	3
Goh Lei Eng	1**
Dr Goh Han Teng	3
Gho Lian Chin	4
Goh Wei Lei	4

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

** Attended by her alternate.

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Supply of Information

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

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

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

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

Appointments to the Board

On 21 May, 2001, the Board established the Nomination Committee. The members of the Nomination Committee are as follows: -

Chairman	Gho Lian Chin	- Non-Independent Non-Executive Director
Members	Goh Beng Hwa	- Independent Non-Executive Director
	Dato' Ong Bok Lim	- Independent Non-Executive Director
	Keong Choon Keat	- Independent Non-Executive Director
	Goh Wei Lei	- Non-Independent Non-Executive Director

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

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

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

The Nomination Committee held its first meeting on 27 November, 2001. All members of the Nomination Committee attended the meeting.

Directors' Training

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

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

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

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Re-election of Directors

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

The Articles of Association of the Company provides that one-third of the Directors, or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office once at least three years but shall be eligible for re-election.

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

2. Directors' Remuneration

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

On 21 May, 2001, the Board established the Remuneration Committee. The members of the Remuneration Committee are as follows: -

Chairman	Gho Lian Chin	- Non-Independent Non-Executive Director
Members	Goh Beng Hwa	- Independent Non-Executive Director
	Dato' Ong Bok Lim	- Independent Non-Executive Director
	Keong Choon Keat	- Independent Non-Executive Director
	Goh Wei Lei	- Non-Independent Non-Executive Director

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

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

To commensurate with the experience and level of responsibilities undertaken by the Directors, the Directors have recommended that their total fees for the financial year ended 31 December, 2001 be increased to RM197,000 with authority to Directors to divide such fees in the proportions and manner to be determined by them.

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

	No. of Directors	Fees RM	Salaries RM	Commission RM	Other RM	Total RM
Executive Directors						
	1	48,000	168,000	75,749	-	291,749
	1	32,233	120,000	57,986	2,000	212,219
	1	35,000	120,000	34,793	2,000	191,793
	3	115,233	408,000	168,528	4,000	695,761
Non-Executive Directors						
	1	23,000	72,000	42,293	-	137,293
	1	33,930	-	-	2,000	35,930
	1	25,466	-	-	4,000	29,466
	1	23,466	-	-	2,000	25,466
	1	23,466	-	-	2,000	25,466
	1	22,233	-	-	2,000	24,233
	1	21,000	-	-	-	21,000
	1	12,946	-	-	4,000	16,946
	1	13,000	-	-	-	13,000
	9	198,507	72,000	42,293	16,000	328,800
Alternate Director	1	8,000	-	-	-	8,000
		321,740	480,000	210,821	20,000	1,032,561

The Remuneration Committee held its first meeting on 27 November, 2001. All members of the Remuneration Committee attended the meeting.

3. Shareholders

Dialogue between the Company and Investors

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

The annual and quarterly reports are sent to shareholders.

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

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

Annual General Meeting

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

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

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4. Accountability and Audit

Financial Reporting

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

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 38 of the Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited accounts pursuant to paragraph 15.27 (a) of the Listing Requirements of the Kuala Lumpur Stock Exchange is set out on page 27 of the Annual Report.

Internal Control

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

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

Internal Audit

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

Relationship with the Auditors

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

The role of the Audit Committee in relation to the external auditors is set out in the Report on Audit Committee on pages 23 to 26 of the Annual Report.

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REPORT ON AUDIT COMMITTEE

The Board of Directors of Negri Sembilan Oil Palms Berhad is pleased to present the report of the Audit Committee for the financial year ended 31 December, 2001.

MEMBERS OF THE AUDIT COMMITTEE

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

Chairman	Keong Choon Keat (Appointed on 21 May, 2001)	- Independent Non-Executive Director
	Goh Beng Hwa (Resigned on 10 May, 2001)	- Independent Non-Executive Director
Members	Dato' Ong Bok Lim (Appointed on 21 May, 2001)	- Independent Non-Executive Director
	Sio Sit Po (Appointed on 21 May, 2001)	- Independent Non-Executive Director
	Wong Aun Phui	- Non-Independent Executive Director
	Goh Pock Ai (Appointed on 21 May, 2001)	- Non-Independent Executive Director

TERMS OF REFERENCE

During the financial year ended 31 December, 2001, the Terms of Reference of the Audit Committee were amended and approved by the Board of Directors on 24 August, 2001.

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

1. Formation

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

2. Membership

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

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

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

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

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

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

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

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REPORT ON AUDIT COMMITTEE

3. Meeting

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

4. Authority

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

5. Duties and functions

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

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REPORT ON AUDIT COMMITTEE

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

5.2 To consider other topics as defined by the Board.

6. Minutes

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

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

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

7. Reporting of breaches to Kuala Lumpur Stock Exchange.

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

8. Review of the Audit Committee

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

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

During the financial year ended 31 December, 2001, a total of four meetings were held.

The attendance of each member is as follows: -

<u>Audit Committee Member</u>	<u>Number of Meetings Attended</u>
Keong Choon Keat	*2
Goh Beng Hwa	**0
Dato' Ong Bok Lim	4
Sio Sit Po	*2
Wong Aun Phui	4
Goh Pock Ai	*2

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

** One meeting was held during the period since 1 January, 2001 to the date of his resignation.

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REPORT ON AUDIT COMMITTEE

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

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

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

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

INTERNAL AUDIT FUNCTIONS

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

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

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

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

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**STATEMENT ON DIRECTORS' RESPONSIBILITY
FOR THE PREPARATION OF ANNUAL AUDITED ACCOUNTS**

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

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

The Directors consider that the financial statements set out on pages 40 to 67 have been prepared using appropriate accounting policies, which are consistently applied and are in accordance with the provisions of the Act and applicable approved accounting standards in Malaysia.

The Directors have engaged auditors who are required to undertake inspection and make enquiries they consider to be appropriate for the purpose of enabling them to give their audit report set out on page 39.

This statement is made in accordance with a resolution of the Board of Directors dated 22 February, 2002.

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GROUP FINANCIAL PROFILE

	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	53,875	53,963	53,618	53,458	133,409
Investments	31,553	25,240	23,062	20,248	5,800
	<u>85,428</u>	<u>79,203</u>	<u>76,680</u>	<u>73,706</u>	<u>139,209</u>
Current assets					
Inventories	920	1,432	1,417	1,327	885
Trade receivables	2,227	2,942	2,337	1,191	2,046
Other receivables	819	1,263	1,614	7,123	9,174
Deposits with financial institutions	23,375	49,620	60,081	54,033	85,198
Cash and bank balances	3,350	4,446	4,272	8,176	6,004
	<u>30,691</u>	<u>59,703</u>	<u>69,721</u>	<u>71,850</u>	<u>103,307</u>
Current liabilities					
Trade payables	1,363	1,644	1,730	1,082	1,102
Other payables	2,551	3,253	3,446	3,061	4,780
Taxation	2,821	6,533	-	33	-
Dividend	1,680	1,680	1,260	1,680	-
	<u>8,415</u>	<u>13,110</u>	<u>6,436</u>	<u>5,856</u>	<u>5,882</u>
Net current assets	<u>22,276</u>	<u>46,593</u>	<u>63,285</u>	<u>65,994</u>	<u>97,425</u>
	<u>107,704</u>	<u>125,796</u>	<u>139,965</u>	<u>139,700</u>	<u>236,634</u>
Share capital					
Share capital	29,173	29,173	29,173	29,173	64,180
Reserves	59,785	76,753	90,467	90,819	137,146
Shareholders equity	88,958	105,926	119,640	119,992	201,326
Minority interests	16,454	17,524	17,869	17,230	33,446
	<u>105,412</u>	<u>123,450</u>	<u>137,509</u>	<u>137,222</u>	<u>234,772</u>
Retirement benefits					
Retirement benefits	606	660	691	713	754
Deferred taxation	1,686	1,686	1,765	1,765	1,108
Non-current liabilities	2,292	2,346	2,456	2,478	1,862
	<u>107,704</u>	<u>125,796</u>	<u>139,965</u>	<u>139,700</u>	<u>236,634</u>

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

	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	45,894	75,587	59,712	38,663	35,087
Operating profit	12,201	27,739	18,070	5,720	21,050
Share of results of associated companies	(150)	(311)	(15)	(115)	1,028
Profit before taxation	12,051	27,428	18,055	5,605	22,078
Taxation	(3,077)	(6,732)	(121)	(1,939)	(989)
Profit after taxation	8,974	20,696	17,934	3,666	21,089
Minority interests	(873)	(1,655)	(782)	186	(4,938)
Profit for the year attributable to shareholders	8,101	19,041	17,152	3,852	16,151
Transfer to capital reserve	(505)	(2,995)	(1,352)	(828)	(15,203)
Retained profits brought forward	7,596	16,046	15,800	3,024	948
Profits available for appropriation	46,250	51,145	63,831	76,271	75,935
Dividends	53,846	67,191	79,631	79,295	76,883
Retained profits carried forward	(2,701)	(3,360)	(3,360)	(3,360)	(3,676)
	51,145	63,831	76,271	75,935	73,207
Earnings per stock unit (sen)*	12.6	29.7	26.7	6.0	25.2
Net tangible assets per stock unit (RM)**	3.05	3.63	4.10	4.11	3.14
Gross Dividend (%)					
First Interim	5	8	5	8	6
Second interim	8	8	5	8	3
Third interim	-	-	6	-	-
	13	16	16	16	9
Dividend cover (times)	3.0	5.7	5.1	1.1	4.4

* Earnings per stock unit for financial years 1997 to 2000 have been adjusted for the Bonus Issue of 6 for 5.

** Based on the issued and paid-up share capital as at end of the financial year.

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PLANTATIONS STATISTICS

	1997	1998	1999	2000	2001
Planted area (hectares)					
As at 31, December					
Mature	6,104	6,159	6,152	6,801	6,896
Replanting and immature	1,429	1,416	1,423	761	666
	<u>7,533</u>	<u>7,575</u>	<u>7,575</u>	<u>7,562</u>	<u>7,562</u>
Production (M/T)					
ffb					
own estates	109,236	93,314	117,944	113,621	134,168
purchased	61,651	69,661	80,693	75,413	74,443
	<u>170,887</u>	<u>162,975</u>	<u>198,637</u>	<u>189,034</u>	<u>208,611</u>
crude palm oil	20,638	19,123	21,790	21,643	24,060
palm kernel	6,924	6,266	7,256	7,017	7,848
Extraction rate (%)					
crude palm oil	18.10	17.76	17.49	17.93	17.57
palm kernel	6.07	5.82	5.83	5.81	5.73

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

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are the cultivation and sale of fresh fruit bunches and investment holding. The principal activities of the subsidiaries are described in Note 4 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit after taxation	21,089,032	2,779,710
Minority interests	(4,938,057)	-
Profit for the year attributable to the shareholders of the Company	16,150,975	2,779,710
Transfer to capital reserve	(15,206,779)	-
Transfer from revaluation surplus	4,687	-
	948,883	2,779,710
Retained profits brought forward	75,934,205	58,045,763
Profits available for appropriation	76,883,088	60,825,473
Dividends	(3,675,762)	(3,675,762)
Retained profits carried forward	73,207,326	57,149,711

DIVIDENDS

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

	RM
In respect of the financial year ended 31 December, 2000:	
Second interim dividend of 8% less 28% taxation paid on 20 April, 2001	1,680,348
In respect of the financial year ended 31 December, 2001:	
First interim dividend of 6% tax exempt paid on 15 October, 2001	1,750,363
Second interim dividend of 3% tax exempt paid on 29 December, 2001	1,925,399
	3,675,762

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity and Note 12 to the financial statements.

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DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

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DIRECTORS' REPORT

SIGNIFICANT EVENTS

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

EMPLOYEE SHARE OPTION SCHEME

The Negri Sembilan Oil Palms Berhad Employee Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 24 August, 2001 and became effective on 23 October, 2001. The new shares to be issued pursuant to the ESOS will be immediately converted into new ordinary stock units of RM1.00 each in the Company upon allotment and issue.

The main features of the ESOS are as follows:

- (a) Eligible employees (including executive directors) of the Group must have been confirmed and served at least twelve months in the employment of the Group on or prior to the date of the offer. The Option Committee appointed by the Board of Directors may at its discretion at any time and from time to time as it shall deem fit make an offer, to any eligible employee (including executive directors) whom the Option Committee may at its discretion select, to subscribe for new shares in the Company in accordance with the terms of the ESOS.
- (b) The maximum number of ordinary shares to be issued under the ESOS shall not be more than 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS, which shall be in force for a period of five years from 23 October, 2001 to 22 October, 2006.
- (c) The subscription price at which eligible employees (including executive directors) are entitled to exercise the option shall be the weighted average market price of the ordinary stock units as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five preceding market days immediately prior to the date of offer provided that:
 - (i) a discount, if any, of not more than 10% from the weighted average market price of the ordinary stock units for the five market days immediately preceding the date of offer is allowed; and
 - (ii) the price so determined shall not be less than the par value of the ordinary stock units of RM1.00 each.
- (d) No offer shall be made for less than 1,000 shares nor more than 400,000 shares to any eligible employee (including executive directors).
- (e) The number of shares under the ESOS or the subscription price or both, so far as the option remain unexercised, may be adjusted following any alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, rights issue, reduction of capital, subdivision and/or consolidation of the Company's ordinary stock units.
- (f) The shares under the ESOS shall remain unissued until the option is exercised and shall upon allotment and issue rank pari passu in all respects with the existing ordinary stock units of the Company provided always that the shares so issued shall not be entitled to any dividends, rights, allotments and/or distributions, the entitlement date of which precedes the relevant dates of the allotment of the aforesaid shares.

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

No options have been granted during the financial year and during the period since the end of the financial year to the date of this report.

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DIRECTORS' REPORT

SHARE CAPITAL

During the financial year, the Company increased its:

- (a) authorised share capital from RM50,000,000 to RM150,000,000 through the creation of 100,000,000 shares of RM1 each; and
- (b) issued and paid-up share capital from RM29,172,710 to RM64,179,962 by way of a bonus issue of 35,007,252 ordinary stock units of RM1 each on the basis of six new shares for every five existing ordinary stock units of RM1 each held via the capitalisation of RM20,992,081 from the asset revaluation surplus account and RM14,015,171 from the investment revaluation reserve account.

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
Keong Choon Keat (appointed on 21 May, 2001)
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 Lei Eng, Gho Lian Chin, Goh Wei Lei and Keong Choon Keat retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Goh Eng Chew, Wong Aun Phui and Goh Beng Hwa @ Gho Bin Hoa retire pursuant to Section 129 of the Companies Act, 1965 and resolutions are being proposed for their re-appointment as directors under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or its 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 other than the options to be granted pursuant to the ESOS of the Company.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 17 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business between the Company and certain companies in which certain directors have interests as disclosed in Note 23 to the financial statements.

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DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

	Number of Ordinary Stock Units of RM1 Each			
The Company	1 January, 2001	Bought/ Bonus Issue	Sold	31 December, 2001
Direct Interests:				
Wong Aun Phui	111,750	134,100*	-	245,850
Goh Pock Ai	500	600*	-	1,100
Goh Han Teng	17,000	20,400*	-	37,400
Goh Beng Hwa @ Gho Bin Hoa	459,324	551,189*	-	1,010,513
Gho Lian Chin	1,000	1,200*	-	2,200
Gho Bun Tjin	1,000	1,200*	-	2,200
Sio Sit Po	115,188	138,226*	-	253,414
Indirect Interests:				
Goh Eng Chew	17,591,368	21,109,641*	-	38,701,009
Goh Beng Hwa @ Gho Bin Hoa	905,313	1,086,376*	-	1,991,689
Gho Lian Chin	17,660,306	21,192,367*	-	38,852,673
Goh Seh Kiat	17,607,773	21,129,327*	-	38,737,100

* Bonus issue

	Number of Ordinary Shares of RM1 Each			
Eng Thye Plantations Berhad - Subsidiary	1 January, 2001	Bought	Sold	31 December, 2001
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	15,783,250	-	-	15,783,250
Gho Lian Chin	15,783,250	-	-	15,783,250
Goh Seh Kiat	15,783,250	-	-	15,783,250

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DIRECTORS' REPORT

Number of Ordinary Shares of RM1 Each

	1 January, 2001	Bought	Sold	31 December, 2001
Timor Oil Palm Plantation Berhad - Subsidiary				
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	6,112,300	-	-	6,112,300
Gho Lian Chin	6,112,300	-	-	6,112,300
Goh Seh Kiat	6,090,300	-	-	6,090,300
 Tiong Thye Company Berhad - Holding Company				
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 of the Company and shares of its related corporations during the financial year.

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 in the name of Hanafiah Raslan & Mohamad.

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

GOH ENG CHEW

WONG AUN PHUI

Kuala Lumpur
Dated: 22 February, 2002

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

AUDITORS' REPORT

To the Shareholders of
NEGRI SEMBILAN OIL PALMS BERHAD

We have audited the financial statements set out on pages 40 to 67. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

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

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

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

Arthur Andersen & Co.
No. AF 0103
Chartered Accountants

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

Dated: 22 February, 2002

NEGRI SEMBILAN OIL PALMS BERHAD (582D)
(Incorporated in Malaysia)

CONSOLIDATED BALANCE SHEET – 31 DECEMBER, 2001

	Note	2001 RM	2000 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	133,409,130	53,458,217
Associated companies	5	3,795,349	3,059,894
Other investments	6	2,005,119	17,187,735
		<u>139,209,598</u>	<u>73,705,846</u>
CURRENT ASSETS			
Inventories	7	884,738	1,327,020
Trade receivables	8	2,046,320	1,191,374
Other receivables	9	9,174,135	7,122,708
Deposits with financial institutions	10	85,197,535	54,033,214
Cash and bank balances		6,004,126	8,176,368
		<u>103,306,854</u>	<u>71,850,684</u>
CURRENT LIABILITIES			
Trade payables		1,102,049	1,082,070
Other payables		4,780,622	3,060,503
Taxation		-	33,078
Dividend payable		-	1,680,348
		<u>5,882,671</u>	<u>5,855,999</u>
NET CURRENT ASSETS		<u>97,424,183</u>	<u>65,994,685</u>
		<u>236,633,781</u>	<u>139,700,531</u>
FINANCED BY:			
Share capital	11	64,179,962	29,172,710
Reserves	12	137,146,094	90,819,132
Shareholders' equity		<u>201,326,056</u>	<u>119,991,842</u>
Minority interests		33,446,195	17,230,417
		<u>234,772,251</u>	<u>137,222,259</u>
Provision for retirement benefits	13	753,530	713,272
Deferred taxation	14	1,108,000	1,765,000
Non-current liabilities		<u>1,861,530</u>	<u>2,478,272</u>
		<u>236,633,781</u>	<u>139,700,531</u>

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

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2001

	Note	2001 RM	2000 RM
Revenue	15	35,086,943	38,663,266
Cost of sales	15	<u>(26,700,163)</u>	<u>(29,814,418)</u>
Gross profit		8,386,780	8,848,848
Other operating income		21,507,018	4,766,710
Selling expenses		(1,231,236)	(1,045,572)
Administrative expenses		(6,435,626)	(5,478,892)
Replanting expenditure		<u>(1,176,612)</u>	<u>(1,371,449)</u>
Operating profit	16	21,050,324	5,719,645
Share of results of associated companies		<u>1,027,893</u>	<u>(114,819)</u>
Profit before taxation		22,078,217	5,604,826
Taxation	18	<u>(989,185)</u>	<u>(1,938,684)</u>
Profit after taxation		21,089,032	3,666,142
Minority interests		<u>(4,938,057)</u>	<u>185,992</u>
Net profit for the year		<u>16,150,975</u>	<u>3,852,134</u>
Basic earnings per stock unit	20	<u>25.2 sen</u>	<u>6.0 sen</u>

The accompanying notes are an integral part of this statement.

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

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

	Share capital RM	Non- distributable reserves RM	Distributable reserves RM	Total RM
At 1 January, 2000	29,172,710	3,699,089	86,767,400	119,639,199
Net profit for the year	-	-	3,852,134	3,852,134
Transfer to capital reserve relating to gain on sale of investments	-	-	(827,629)	(827,629)
Dividends (Note 19)	-	-	(3,360,696)	(3,360,696)
Transfer from income statement	-	-	827,629	827,629
Currency translation difference, representing loss not recognised in income statement	-	(138,795)	-	(138,795)
At 31 December, 2000	<u>29,172,710</u>	<u>3,560,294</u>	<u>87,258,838</u>	<u>119,991,842</u>
At 1 January, 2001	29,172,710	3,560,294	87,258,838	119,991,842
Net profit for the year	-	-	16,150,975	16,150,975
Transfer to capital reserve relating to gain on sale of investments	-	-	(15,206,779)	(15,206,779)
Transfer to retained profits	-	-	(4,687)	(4,687)
Dividends (Note 19)	-	-	(3,675,762)	(3,675,762)
Transfer from income statement	-	-	15,206,779	15,206,779
Transfer from revaluation surplus	-	-	4,687	4,687
Revaluation surplus of estate land	-	68,977,029	-	68,977,029
Bonus issue	35,007,252	(35,007,252)	-	-
Losses not recognised in income statement	-	(118,028)	-	(118,028)
Currency translation difference	-	(42,500)	-	(42,500)
Expenses in connection with issue of shares	-	(75,528)	-	(75,528)
At 31 December, 2001	<u>64,179,962</u>	<u>37,412,043</u>	<u>99,734,051</u>	<u>201,326,056</u>

An analysis of the movement in each category within reserves is set out in Note 12 to the financial statements.

The accompanying notes are an integral part of this statement.

NEGRI SEMBILAN OIL PALMS BERHAD (S92D)
(Incorporated in Malaysia)

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

	2001	2000
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,078,217	5,604,826
Adjustment for:		
Provision for doubtful debts	317,281	-
Share of results retained in associated companies	(990,765)	153,422
Depreciation	1,043,027	927,460
Gain on sale of property, plant and equipment	-	(3,500)
Provision for retirement benefits	41,781	41,555
Interest income	(1,932,921)	(1,856,585)
Dividend income	(597,856)	(1,482,408)
Gain on sale of investments	(20,678,209)	(1,137,709)
Surplus arising from compulsory acquisition of estate land	(230,016)	(256,732)
Provision for diminution in value of investments	265,434	-
Expenses in connection with issue of shares	256,091	-
Unrealised loss on foreign exchange	2,139,354	32,125
Operating profit before working capital changes	1,711,418	2,022,454
(Increase)/decrease in receivables	(2,381,918)	423,212
Decrease in inventories	442,282	90,428
Increase/(decrease) in payables	1,740,098	(196,774)
Cash generated from operations	1,511,880	2,339,320
Retirement benefit paid	(1,523)	(20,009)
Taxes paid	(2,305,096)	(6,008,184)
Net cash used in operating activities	(794,739)	(3,688,873)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,249,985)	(1,793,042)
Proceeds from sale of investments	37,665,546	4,313,283
Purchase of property, plant and equipment	(162,864)	(800,154)
Proceeds from sale of property, plant and equipment	103,776	3,500
Compensation received from compulsory acquisition of estate land	249,696	288,925
Distribution from capital reduction in a quoted investment	179,830	-
Interest received	1,963,916	1,878,112
Dividend received	451,900	1,104,306
Net cash generated from investing activities	38,201,815	4,994,930
CASH FLOWS FROM FINANCING ACTIVITIES		
Expenses in connection with issue of shares	(331,619)	-
Dividends paid to shareholders of the Company	(5,356,110)	(2,940,609)
Dividends paid to minority interests	(587,914)	(476,500)
Net cash used in financing activities	(6,275,643)	(3,417,109)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	31,131,433	(2,111,052)
EFFECTS OF EXCHANGE RATE CHANGES	(2,139,354)	(32,125)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	62,209,582	64,352,759
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	91,201,661	62,209,582
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	6,004,126	8,176,368
Deposits with financial institutions	85,197,535	54,033,214
	91,201,661	62,209,582

The accompanying notes are an integral part of this statement.

NEGRI SEMBILAN OIL PALMS BERHAD (582D)
(Incorporated in Malaysia)

BALANCE SHEET – 31 DECEMBER

	Note	2001 RM	2000 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	65,840,248	24,173,249
Subsidiaries	4	76,284,232	21,837,480
Associated companies	5	1,795,325	1,795,325
Other investments	6	754,901	556,705
		<u>144,674,706</u>	<u>48,362,759</u>
CURRENT ASSETS			
Inventories	7	28,369	15,108
Trade receivables	8	1,025,633	753,147
Other receivables	9	4,828,040	4,058,366
Deposits with financial institutions	10	36,693,840	39,456,524
Cash and bank balances		1,560,146	741,133
		<u>44,136,028</u>	<u>45,024,278</u>
CURRENT LIABILITIES			
Trade payables		117,193	110,110
Other payables		688,006	596,711
Dividend payable		-	1,680,348
		<u>805,199</u>	<u>2,387,169</u>
NET CURRENT ASSETS		<u>43,330,829</u>	<u>42,637,109</u>
		<u>188,005,535</u>	<u>90,999,868</u>
FINANCED BY:			
Share capital	11	64,179,962	29,172,710
Reserves	12	122,678,805	60,695,873
Shareholders' equity		<u>186,858,767</u>	<u>89,868,583</u>
Provision for retirement benefits	13	199,768	184,285
Deferred taxation	14	947,000	947,000
Non-current liabilities		<u>1,146,768</u>	<u>1,131,285</u>
		<u>188,005,535</u>	<u>90,999,868</u>

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

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

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2001

	Note	2001 RM	2000 RM
Revenue	15	10,701,944	11,358,859
Cost of sales	15	<u>(4,929,606)</u>	<u>(5,233,814)</u>
Gross profit		5,772,338	6,125,045
Other operating income		1,853,776	3,869,284
Selling expenses		(553,371)	(391,763)
Administrative expenses		<u>(2,472,412)</u>	<u>(2,066,534)</u>
Operating profit	16	4,600,331	7,536,032
Taxation	18	<u>(1,820,621)</u>	<u>(2,097,469)</u>
Net profit for the year		<u><u>2,779,710</u></u>	<u><u>5,438,563</u></u>

The accompanying notes are an integral part of this statement.

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

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

	Share capital RM	Non- distributable reserves RM	Distributable reserve RM	Total RM
At 1 January, 2000	29,172,710	75,528	58,542,478	87,790,716
Net profit for the year	-	-	5,438,563	5,438,563
Dividends (Note 19)	-	-	(3,360,696)	(3,360,696)
At 31 December, 2000	<u>29,172,710</u>	<u>75,528</u>	<u>60,620,345</u>	<u>89,868,583</u>
At 1 January, 2001	29,172,710	75,528	60,620,345	89,868,583
Net profit for the year	-	-	2,779,710	2,779,710
Dividends (Note 19)	-	-	(3,675,762)	(3,675,762)
Revaluation surplus of estate land and subsidiaries	-	97,961,764	-	97,961,764
Bonus issue	35,007,252	(35,007,252)	-	-
Expenses in connection with issue of shares, representing loss not recognised in income statement	-	(75,528)	-	(75,528)
At 31 December, 2001	<u>64,179,962</u>	<u>62,954,512</u>	<u>59,724,293</u>	<u>186,858,767</u>

An analysis of the movement in each category within reserves is set out in Note 12 to the financial statements.

The accompanying notes are an integral part of this statement.

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2001

	2001	2000
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,600,331	7,536,032
Adjustments for:		
Expenses in connection with issue of shares	256,091	-
Provision for doubtful debts	317,281	-
Depreciation	267,659	231,532
Provision for retirement benefits	15,483	17,924
Interest income	(1,231,233)	(1,314,617)
Dividend income	(961,451)	(2,547,341)
Gain on sale of property, plant and equipment	-	(3,500)
Loss on sale of investments	5,560	-
Unrealised loss on foreign exchange	9,549	2,160
Operating profit before working capital changes	3,279,270	3,922,190
(Increase)/decrease in receivables	(264,671)	639,872
(Increase)/decrease in inventories	(13,261)	13,456
Increase/(decrease) in payables	98,378	(32,604)
Cash generated from operations	3,099,716	4,542,914
Retirement benefits paid	-	(7,069)
Taxes paid	(2,681,153)	(4,915,447)
Net cash generated from/(used in) operating activities	418,563	(379,602)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	109,722	-
Purchase of investment	(313,478)	(550,035)
Purchase of property, plant and equipment	(2,490)	(141,416)
Proceeds from sale of property, plant and equipment	103,776	3,500
Interest received	1,263,828	1,306,990
Dividend received	2,173,686	1,834,949
Net cash generated from investing activities	3,335,044	2,453,988
CASH FLOWS FROM FINANCING ACTIVITIES		
Expenses in connection with issue of shares	(331,619)	-
Dividends paid	(5,356,110)	(2,940,609)
Net cash used in financing activities	(5,687,729)	(2,940,609)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,934,122)	(866,223)
EFFECTS OF EXCHANGE RATE CHANGES	(9,549)	(2,160)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	40,197,657	41,066,040
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	38,253,986	40,197,657
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,560,146	741,133
Deposits with financial institutions	36,693,840	39,456,524
	38,253,986	40,197,657

The accompanying notes are an integral part of this statement.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2001

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company are the cultivation and sale of fresh fruit bunches and investment holding. The principal activities of the subsidiaries are described in Note 4.

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

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

The number of employees in the Group and the Company at the end of the financial year were 315 (2000 : 274) and 68 (2000 : 53) respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

(b) Revenue Recognition

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

(c) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. Subsidiaries are consolidated using the acquisition method of accounting.

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

The difference between the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation.

(d) Associated Companies

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2001

(e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses.

The freehold and long term leasehold estates of the Group were revalued during the financial year as detailed in Note 3(a). Subsequent revaluations will be made at least once every five years by an independent firm of professional registered valuers. Any increase arising from the valuation is credited to equity as a revaluation surplus. Subsequent decrease, if any, is first offset against the revaluation surplus in respect of the same property and is thereafter charged to income statement. Upon the disposal of the revalued estate, the amount in revaluation surplus relating to that estate is transferred directly to retained profits.

Freehold estate is not depreciated. Long term leasehold land is depreciated over the period of the respective leases of 88 years and 94 years.

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

Buildings	4% - 20%
Motor vehicles and estate equipment	20%
Plant and machinery, office equipment, furniture and fittings	10% - 20%

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

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

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

(f) New Planting Expenditure

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

Interest expenses incurred on borrowings utilised to finance the development of the estate are capitalised up to the point of maturity of the oil palms.

(g) Replanting Expenditure

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

(h) Inventories

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2001

(i) Currency Conversion and Translation

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

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

The principal exchange rate for every unit of foreign currency ruling at balance date used are as follow:

	2001	2000
	RM	RM
Singapore Dollar	2.03	2.16

(j) Retirement Benefits

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

(k) Investments

Investments in subsidiaries are stated at valuation less provision for any permanent diminution in value.

The investments in subsidiaries were revalued by the directors during the financial year based on the net tangible assets of the subsidiaries, with the approval of the relevant authorities and after incorporating the revaluation surplus arising from the revaluation of the freehold estate and long term leasehold estate of the subsidiaries. The increase arising from the valuation was credited to equity as a revaluation surplus. Subsequent decrease, if any, is first offset against the revaluation surplus and thereafter charged to income statement. Upon the disposal of subsidiary, the amount in revaluation surplus relating to that subsidiary will be transferred directly to retained profits. Revaluation of the investment in subsidiaries will be made at least once every five years.

Any dividends received from a subsidiary after the revaluation, which are paid out of profits earned before the revaluation of the investment in that subsidiary, are offset against the carrying amount of the investments in the books of the Company.

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. Such provision is made when there is a decline other than temporary in the value of investments and is recognised as an expense in the financial period in which the decline occurred.

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

(l) Deferred Taxation

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.

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(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, and deposits with financial institutions.

(n) Trade and Other Receivables

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

3. PROPERTY, PLANT AND EQUIPMENT

	Valuation <----->	Cost ----->				
Group	**Freehold and leasehold estates RM	Buildings RM	Motor vehicles and estate equipment RM	Plant and machinery, office equipment, furniture and fittings RM	Total RM	
Valuation/Cost						
At 1 January, 2001	51,573,585	6,002,226	3,922,551	9,135,612	70,633,974	
Revaluation surplus	80,954,532	-	-	-	80,954,532	
Additions	-	22,459	122,630	17,775	162,864	
Disposals	(26,123)	-	(132,480)	-	(158,603)	
Adjustment*	(2,767,222)	-	-	-	(2,767,222)	
At 31 December, 2001	129,734,772	6,024,685	3,912,701	9,153,387	148,825,545	
Accumulated Depreciation						
At 1 January, 2001	2,773,665	3,827,514	3,142,800	7,431,778	17,175,757	
Charge	312,718	170,430	218,389	341,490	1,043,027	
Disposals	(6,443)	-	(28,704)	-	(35,147)	
Adjustment*	(2,767,222)	-	-	-	(2,767,222)	
At 31 December, 2001	312,718	3,997,944	3,332,485	7,773,268	15,416,415	
Net Book Value						
At 31 December, 2001	129,422,054	2,026,741	580,216	1,380,119	133,409,130	
At 31 December, 2000	48,799,920	2,174,712	779,751	1,703,834	53,458,217	
Depreciation charge						
31 December, 2000	130,302	183,215	250,995	362,948	927,460	

* Being adjustment arising on the elimination of accumulated depreciation against the gross carrying amount of leasehold land due to its revaluation in the current financial year.

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****Freehold and Leasehold Estates:**

Valuation/Cost	Freehold estates RM	Long term leasehold estate RM	Long term leasehold estate RM	Total RM
At 1 January, 2001				
Valuation	26,489,840	9,326,000	-	35,815,840
Cost	-	-	15,757,745	15,757,745
Revaluation surplus	25,825,160	21,904,643	33,224,729	80,954,532
Disposals	-	(26,123)	-	(26,123)
Adjustment*	-	(2,293,748)	(473,474)	(2,767,222)
At 31 December, 2001, at valuation	52,315,000	28,910,772	48,509,000	129,734,772
Accumulated Depreciation				
At 1 January, 2001	-	2,300,191	473,474	2,773,665
Charge	-	164,259	148,459	312,718
Disposals	-	(6,443)	-	(6,443)
Adjustment*	-	(2,293,748)	(473,474)	(2,767,222)
At 31 December, 2001	-	164,259	148,459	312,718
Net Book Value				
At 31 December, 2001	52,315,000	28,746,513	48,360,541	129,422,054
At 31 December, 2000	26,489,840	7,025,809	15,284,271	48,799,920
Depreciation Charge				
31 December, 2000	-	78,520	51,782	130,302

Company	Valuation	<----- Cost ----->			Total RM
	**Freehold and leasehold estates RM	Buildings RM	Motor vehicles and estate equipment RM	Plant and machinery, office equipment, furniture and fittings RM	
Valuation/Cost					
At 1 January, 2001	23,028,530	2,240,222	1,137,475	1,227,572	27,633,799
Revaluation surplus (Note 12)	42,035,944	-	-	-	42,035,944
Additions	-	-	-	2,490	2,490
Disposals	-	-	(132,480)	-	(132,480)
Adjustment*	(473,474)	-	-	-	(473,474)
At 31 December, 2001	64,591,000	2,240,222	1,004,995	1,230,062	69,066,279
Accumulated Depreciation					
At 1 January, 2001	473,474	1,001,631	1,018,589	966,856	3,460,550
Charge	148,459	62,957	8,287	47,956	267,659
Disposals	-	-	(28,704)	-	(28,704)
Adjustment*	(473,474)	-	-	-	(473,474)
At 31 December, 2001	148,459	1,064,588	998,172	1,014,812	3,226,031

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	Valuation	----- Cost ----->			
	**Freehold and leasehold estate RM	Buildings RM	Motor vehicles and estate equipment RM	Plant and machinery, office equipment, furniture and fittings RM	Total RM
Net Book Value					
At 31 December, 2001	64,442,541	1,175,634	6,823	215,250	65,840,248
At 31 December, 2000	22,555,056	1,238,591	118,886	260,716	24,173,249
Depreciation Charge					
31 December, 2000	51,782	62,957	68,023	48,770	231,532

* Being adjustment arising on the elimination of accumulated depreciation against the gross carrying amount of leasehold land due to its revaluation in the current financial year.

****Freehold and Leasehold Estates:**

	Freehold estate RM	Long term leasehold estate RM	Total RM
Valuation/Cost			
At 1 January, 2001			
Valuation	6,942,000	-	6,942,000
Cost	-	16,086,530	16,086,530
Revaluation surplus	9,140,000	32,895,944	42,035,944
Adjustment*	-	(473,474)	(473,474)
At 31 December, 2001, at valuation	16,082,000	48,509,000	64,591,000
Accumulated Depreciation			
At 1 January, 2001	-	473,474	473,474
Charge	-	148,459	148,459
Adjustment*	-	(473,474)	(473,474)
At 31 December, 2001	-	148,459	148,459
Net Book Value			
At 31 December, 2001	16,082,000	48,360,541	64,442,541
At 31 December, 2000	6,942,000	15,613,056	22,555,056
Depreciation Charge			
At 31 December, 2000	-	51,782	51,782

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- (a) Details of independent professional valuation of freehold and leasehold estates carried out by Cheah Teow Keat (Member of the Institution of Surveyors, Malaysia) of United Pacific Property Consultants Sdn. Bhd., a registered valuer, on 18 December 2000 are as stated below. The revaluation surplus was incorporated in the financial statements of the Group and the Company during the financial year in conjunction with the Company's bonus issue.

Year of valuation	Description of Property	Group RM	Company RM	Basis of valuation
2001	Freehold estates: Senama Estate, Negeri Sembilan	16,082,000	16,082,000	Investment and comparison method
2001	Gula Estate, Perak	34,990,000	-	Investment and comparison method
2001	Freehold agricultural land in Taiping, Perak	1,243,000	-	Comparison method
		<u>52,315,000</u>	<u>16,082,000</u>	
2001	Leasehold estates: Ibam Estate, Pahang	48,509,000	48,509,000	Investment and comparison method
2001	Maran Estate, Pahang	28,910,772	-	Investment and comparison method
		<u>77,419,772</u>	<u>48,509,000</u>	
		<u>129,734,772</u>	<u>64,591,000</u>	

Had Ibam Estate been carried at historical cost, its net book value that would have been included in the financial statements of the Group and the Company as at 31 December, 2001 would be RM15,232,489 (2000 : RM15,284,271) and RM15,561,274 (2000 : RM15,613,056) respectively.

The net book value of the other properties had these revalued properties been carried at historical cost has not been disclosed as such information relates to the periods prior to the last revaluation in 1978 and the records are no longer available for review.

- (b) Included in the above property, plant and equipment are fully depreciated assets of the Group and the Company costing RM11,594,260 (2000 : RM11,502,018) and RM2,464,191 (2000 : RM2,434,131) respectively, which are still in use.

4. SUBSIDIARIES

	Company	
	2001 RM	2000 RM
Unquoted shares		
At 1 January, at cost	21,837,480	21,837,480
Revaluation surplus (Note 12)	55,925,820	-
Set off of dividend income against investment	(1,479,068)	-
At 31 December, at valuation/cost	<u>76,284,232</u>	<u>21,837,480</u>

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The subsidiaries are:

Name of Company	Place of Incorporation	Paid-up Capital RM	Effective Interest		Principal Activities
			2001 %	2000 %	
Eng Thye Plantations Berhad	Malaysia	18,900,000	83.3	83.3)) To cultivate,) process and) sell crude
Timor Oil Palm Plantation Berhad	Malaysia	10,500,000	58.0	58.0) palm oil and) palm kernel)

5. ASSOCIATED COMPANIES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Unquoted shares, at cost	1,817,173	1,817,173	1,795,325	1,795,325
Share of post acquisition profits	932,713	42,894	-	-
Currency translation differences	1,045,463	1,199,827	-	-
	<u>3,795,349</u>	<u>3,059,894</u>	<u>1,795,325</u>	<u>1,795,325</u>

Represented by:

Share of net tangible assets	<u>3,795,349</u>	<u>3,059,894</u>
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The associated companies are:

Name of Company	Place of Incorporation	Effective Interest		Financial Year End	Principal Activities
		2001 %	2000 %		
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, Eng Thye Plantations Berhad

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

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6. OTHER INVESTMENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Quoted shares, at cost:				
In Malaysia	748,326	550,130	748,231	550,035
Outside Malaysia	1,515,557	16,630,935	-	-
	<u>2,263,883</u>	<u>17,181,065</u>	<u>748,231</u>	<u>550,035</u>
Provision for diminution in value	(265,434)	-	-	-
	<u>1,998,449</u>	<u>17,181,065</u>	<u>748,231</u>	<u>550,035</u>
Unquoted shares, at cost:				
Outside Malaysia	6,670	6,670	6,670	6,670
Total other investments	<u>2,005,119</u>	<u>17,187,735</u>	<u>754,901</u>	<u>556,705</u>
Market value of quoted shares:				
In Malaysia	756,587	548,187	756,150	517,500
Outside Malaysia	1,250,123	25,157,413	-	-
	<u>2,006,710</u>	<u>25,705,600</u>	<u>756,150</u>	<u>517,500</u>

No provision for diminution in value of investment has been made in the prior financial year as the directors were of the opinion that the shortfall between the cost of quoted investments in Malaysia and their market value was temporary in nature and it is their intention to hold the investment for long term purposes.

7. INVENTORIES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Oil palm produce	287,451	648,857	-	-
Estate stores	597,287	678,163	28,369	15,108
	<u>884,738</u>	<u>1,327,020</u>	<u>28,369</u>	<u>15,108</u>

8. TRADE RECEIVABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Due from Seong Thye Plantations Sdn. Bhd., a related corporation in which several directors and substantial shareholders have interests (as referred to in Note 23)	806,928	534,575	806,928	534,575
Due from Timor Oil Palm Plantation Berhad, a subsidiary in which several directors and substantial shareholders have interests (as referred to in Note 23)	-	-	65,167	39,410
Due from Chin Teck Plantations Berhad, a company in which several directors and substantial shareholders have interests (as referred to in Note 23)	153,538	179,162	153,538	179,162
Other trade receivables	1,085,854	477,637	-	-
	<u>2,046,320</u>	<u>1,191,374</u>	<u>1,025,633</u>	<u>753,147</u>

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9. OTHER RECEIVABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Tax recoverable	5,386,309	4,496,259	4,657,735	3,530,370
Other receivables, deposits and prepayments	4,105,107	2,626,449	487,586	527,996
	<u>9,491,416</u>	<u>7,122,708</u>	<u>5,145,321</u>	<u>4,058,366</u>
Less: Provision for doubtful debts	(317,281)	-	(317,281)	-
	<u>9,174,135</u>	<u>7,122,708</u>	<u>4,828,040</u>	<u>4,058,366</u>

As reported in the previous 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 approvals from the relevant authorities have been obtained and the ownership of the said shares has been transferred to the purchaser, the financial determination of the consideration will be on the basis of the net assets value of Soctek Sdn. Bhd. at completion date. Accordingly, the net carrying amount of the investment (after setting off against downpayment received) was reclassified to other receivables in the prior financial year. On grounds of prudence, full provision has been made for the outstanding amount of RM317,281 as at 31 December, 2001.

10. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Deposits with:				
Licensed banks	50,210,035	44,333,214	32,193,840	34,456,524
Licensed finance companies	11,700,000	9,700,000	4,500,000	5,000,000
Other financial institutions	23,287,500	-	-	-
	<u>85,197,535</u>	<u>54,033,214</u>	<u>36,693,840</u>	<u>39,456,524</u>

The Group's and Company's fixed deposits with licensed banks amounting to RM230,250 (2000 : RM223,400) and RM146,713 (2000 : RM139,581) respectively have been pledged to the banks for guarantee facilities provided to the Group and the Company. The Group's deposits with other financial institutions relate to placements with foreign banks.

11. SHARE CAPITAL

(a) Authorised

	Number of Shares of RM1 each		Amount	
	2001	2000	2001 RM	2000 RM
At 1 January	50,000,000	50,000,000	50,000,000	50,000,000
Created during the year	100,000,000	-	100,000,000	-
At 31 December	<u>150,000,000</u>	<u>50,000,000</u>	<u>150,000,000</u>	<u>50,000,000</u>

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(b) Issued and fully paid:

	Number of Ordinary Stock Units of RM1 each		Amount	
	2001	2000	2001 RM	2000 RM
At 1 January	29,172,710	29,172,710	29,172,710	29,172,710
Issued and fully paid up during the year, at par - bonus issue of 6 : 5 (Note 12)	<u>35,007,252</u>	<u>-</u>	<u>35,007,252</u>	<u>-</u>
At 31 December	<u>64,179,962</u>	<u>29,172,710</u>	<u>64,179,962</u>	<u>29,172,710</u>

The Negri Sembilan Oil Palms Berhad Employee Share Option Scheme (“ESOS”) was approved by the shareholders at the Extraordinary General Meeting held on 24 August, 2001 and became effective on 23 October, 2001. The new shares to be issued pursuant to the ESOS will be immediately converted into new ordinary stock units of RM1.00 each in the Company upon allotment and issue.

The main features of the ESOS are as follows:

- (a) Eligible employees (including executive directors) of the Group must have been confirmed and served at least twelve months in the employment of the Group on or prior to the date of the offer. The Option Committee appointed by the Board of Directors may at its discretion at any time and from time to time as it shall deem fit make an offer, to any eligible employee (including executive directors) whom the Option Committee may at its discretion select, to subscribe for new shares in the Company in accordance with the terms of the ESOS.
- (b) The maximum number of ordinary shares to be issued under the ESOS shall not be more than 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS, which shall be in force for a period of five years from 23 October, 2001 to 22 October, 2006.
- (c) The subscription price at which eligible employees (including executive directors) are entitled to exercise the option shall be the weighted average market price of the ordinary stock units as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five preceding market days immediately prior to the date of offer provided that:
 - (i) a discount, if any, of not more than 10% from the weighted average market price of the ordinary stock units for the five market days immediately preceding the date of offer is allowed; and
 - (ii) the price so determined shall not be less than the par value of the ordinary stock units of RM1.00 each.
- (d) No offer shall be made for less than 1,000 shares nor more than 400,000 shares to any eligible employee (including executive directors).
- (e) The number of shares under the ESOS or the subscription price or both, so far as the option remain unexercised, may be adjusted following any alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, rights issue, reduction of capital, subdivision and/or consolidation of the Company’s ordinary stock units.
- (f) The shares under the ESOS shall remain unissued until the option is exercised and shall upon allotment and issue rank pari passu in all respects with the existing ordinary stock units of the Company provided always that the shares so issued shall not be entitled to any dividends, rights, allotments and/or distributions, the entitlement date of which precedes the relevant dates of the allotment of the aforesaid shares.

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

No options have been granted during the financial year.

12. RESERVES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Non-distributable	37,412,043	3,560,294	62,954,512	75,528
Distributable	99,734,051	87,258,838	59,724,293	60,620,345
	<u>137,146,094</u>	<u>90,819,132</u>	<u>122,678,805</u>	<u>60,695,873</u>

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

Group	Share premium RM	Revaluation surplus RM	Exchange fluctuation reserve RM	Reserve on consolidation RM	Total RM
At 1 January, 2000	75,528	1,028,316	1,815,103	780,142	3,699,089
Currency translation difference, representing loss not recognised in income statement	-	-	(138,795)	-	(138,795)
At 31 December, 2000	<u>75,528</u>	<u>1,028,316</u>	<u>1,676,308</u>	<u>780,142</u>	<u>3,560,294</u>
At 1 January, 2001	75,528	1,028,316	1,676,308	780,142	3,560,294
Increase arising from revaluation	-	68,977,029	-	-	68,977,029
Bonus issue (Note 11)	-	(35,007,252)	-	-	(35,007,252)
Losses not recognised in income statement	(75,528)	-	(42,500)	-	(118,028)
Currency translation difference	-	-	(42,500)	-	(42,500)
Expenses in connection with issue of shares	(75,528)	-	-	-	(75,528)
At 31 December, 2001	<u>-</u>	<u>34,998,093</u>	<u>1,633,808</u>	<u>780,142</u>	<u>37,412,043</u>

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Company	Share premium RM	Revaluation surplus RM	Investment revaluation surplus RM	Total RM
At 1 January/31 December, 2000	75,528	-	-	75,528
At 1 January, 2001	75,528	-	-	75,528
Increase arising from revaluation (Notes 3 and 4)	-	42,035,944	55,925,820	97,961,764
Bonus issue (Note 11)	-	(20,992,081)	(14,015,171)	(35,007,252)
Expenses in connection with issue of shares, representing loss not recognised in income statement	(75,528)	-	-	(75,528)
At 31 December, 2001	-	21,043,863	41,910,649	62,954,512

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

Group	Capital reserve relating to gain on sale of investments RM	Revaluation surplus RM	Retained profits RM	Total RM
At 1 January, 2000	10,492,317	4,687	76,270,396	86,767,400
Net profit for the year	-	-	3,852,134	3,852,134
Transfer to capital reserve relating to gain on sale of investments	-	-	(827,629)	(827,629)
Dividends (Note 19)	-	-	(3,360,696)	(3,360,696)
Transfer from income statement	827,629	-	-	827,629
At 31 December, 2000	11,319,946	4,687	75,934,205	87,258,838
At 1 January, 2001	11,319,946	4,687	75,934,205	87,258,838
Net profit for the year	-	-	16,150,975	16,150,975
Transfer to capital reserve relating to gain on sale of investments	-	-	(15,206,779)	(15,206,779)
Dividends (Note 19)	-	-	(3,675,762)	(3,675,762)
Transfer from income statement	15,206,779	-	-	15,206,779
Transfer to retained profits*	-	(4,687)	-	(4,687)
Transfer from revaluation surplus*	-	-	4,687	4,687
At 31 December, 2001	26,526,725	-	73,207,326	99,734,051

* This represents revaluation surplus on a portion of the estate of a subsidiary that had been sold in prior years and is now transferred to retained profits accordingly.

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Company	Capital reserve relating to gain on sale of investments RM	Retained profits RM	Total RM
At 1 January, 2000	2,574,582	55,967,896	58,542,478
Net profit for the year	-	5,438,563	5,438,563
Dividends (Note 19)	-	(3,360,696)	(3,360,696)
At 31 December, 2000	<u>2,574,582</u>	<u>58,045,763</u>	<u>60,620,345</u>
At 1 January, 2001	2,574,582	58,045,763	60,620,345
Net profit for the year	-	2,779,710	2,779,710
Dividends (Note 19)	-	(3,675,762)	(3,675,762)
At 31 December, 2001	<u>2,574,582</u>	<u>57,149,711</u>	<u>59,724,293</u>

13. PROVISION FOR RETIREMENT BENEFITS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
At 1 January	713,272	691,726	184,285	173,430
Charged to income statement (Note 16)	41,781	41,555	15,483	17,924
Paid during the year	(1,523)	(20,009)	-	(7,069)
At 31 December	<u>753,530</u>	<u>713,272</u>	<u>199,768</u>	<u>184,285</u>
Non-current portion	<u>753,530</u>	<u>713,272</u>	<u>199,768</u>	<u>184,285</u>

14. DEFERRED TAXATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
(a) At 1 January	1,765,000	1,765,000	947,000	947,000
Transfer to income statement (Note 18)	(657,000)	-	-	-
At 31 December	<u>1,108,000</u>	<u>1,765,000</u>	<u>947,000</u>	<u>947,000</u>
(b) Deferred taxation is provided in respect of:				
Timing differences between depreciation and corresponding capital allowances	4,710,000	6,997,033	3,582,000	3,566,000
Timing differences on provisions	(753,000)	(693,463)	(200,000)	(184,000)
	<u>3,957,000</u>	<u>6,303,570</u>	<u>3,382,000</u>	<u>3,382,000</u>

Deferred taxation amounting to RM4,048,000 (2000 : Nil) and RM2,102,000 (2000 : Nil) is not provided on the surplus arising from the revaluation of freehold and long term leasehold estates of the Group and the Company respectively as it is not the intention of the directors to dispose these properties.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2001

15. REVENUE AND COST OF SALES

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

Revenue of the Company represents the invoiced value of fresh fruit bunches. The cost of sales in relation to the Company's invoiced value of sales consists of cost of cultivation, labour and overheads.

16. OPERATING PROFIT

Operating profit is stated after charging:

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Auditors' remuneration				
- statutory audit	60,000	60,000	21,600	21,600
- other services	20,000	14,000	9,000	7,000
Directors' remuneration (Note 17)	1,077,161	839,227	585,057	503,288
Depreciation	1,043,027	927,460	267,659	231,532
Provision for doubtful debts	317,281	-	317,281	-
Provision for diminution in value of investments	265,434	-	-	-
Staff costs	6,818,185	6,157,251	2,142,729	2,047,858
Provision for retirement benefits (Note 13)	41,781	41,555	15,483	17,924
Loss on foreign exchange				
- unrealised	2,139,354	32,125	9,549	2,160
- realised	-	13	-	13
Loss on sale of investments	-	-	5,560	-
	<hr/>	<hr/>	<hr/>	<hr/>
and crediting:				
Gross dividends received from:				
Subsidiaries	-	-	909,192	2,509,197
Quoted investments				
- in Malaysia	19,475	3,604	19,475	3,600
- outside Malaysia	578,381	1,478,804	-	-
Associated company	-	-	32,784	34,544
Interest income	1,932,921	1,856,585	1,231,233	1,314,617
Rental income	840	840	-	-
Gain on foreign exchange				
- realised	753,394	74	7,782	-
Gain on sale of property, plant and equipment	-	3,500	-	3,500
Gain on sale of investments	20,678,209	1,137,709	-	-
Surplus arising from compulsory acquisition of certain estate land	230,016	256,732	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2001

17. DIRECTORS' REMUNERATION

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Directors of the Company				
Executive directors:				
Salaries	408,000	405,840	336,000	336,000
Commission	168,528	68,147	49,317	60,288
Other emoluments	4,000	-	4,000	-
Fees	115,233	105,000	47,233	37,000
	<u>695,761</u>	<u>578,987</u>	<u>436,550</u>	<u>433,288</u>
Non-executive directors:				
Salary	72,000	72,000	-	-
Commission	42,293	-	-	-
Fees	206,507	144,000	132,507	70,000
Other emoluments	16,000	-	16,000	-
	<u>336,800</u>	<u>216,000</u>	<u>148,507</u>	<u>70,000</u>
	<u>1,032,561</u>	<u>794,987</u>	<u>585,057</u>	<u>503,288</u>
Directors of subsidiaries				
Non-executive directors:				
Salary	12,600	12,240	-	-
Fees	32,000	32,000	-	-
	<u>44,600</u>	<u>44,240</u>	<u>-</u>	<u>-</u>
Total	<u>1,077,161</u>	<u>839,227</u>	<u>585,057</u>	<u>503,288</u>

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

	Number of Directors	
	2001	2000
Executive directors:		
RM100,001 - RM150,000	2	2
RM150,001 - RM200,000	1	1
	<u>3</u>	<u>3</u>
Non-executive directors:		
Below RM50,000	9	8
	<u>12</u>	<u>11</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2001

18. TAXATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Current year's provision:				
Malaysian	1,536,788	1,546,010	1,791,362	2,088,660
Foreign	141,729	377,095	8,032	8,809
	<u>1,678,517</u>	<u>1,923,105</u>	<u>1,799,394</u>	<u>2,097,469</u>
Transfer from deferred taxation (Note 14)	(657,000)	-	-	-
	<u>1,021,517</u>	<u>1,923,105</u>	<u>1,799,394</u>	<u>2,097,469</u>
(Over)/under provision in prior year	(133,278)	-	21,227	-
Share of associated companies' taxation	100,946	15,579	-	-
	<u>989,185</u>	<u>1,938,684</u>	<u>1,820,621</u>	<u>2,097,469</u>

The effective rate of taxation for the Group for the year is lower than the statutory rate of taxation due mainly to the gain on disposal of investments which is not assessable for tax purposes. In the prior financial year, the effective rate of taxation was higher than the statutory rate of taxation due to tax on interest income at the subsidiaries.

The effective rate of taxation for the Company for the year is higher than the statutory rate of taxation due mainly to certain expenses which are not allowed as deductions for tax purposes.

As at 31 December, 2001, the Company has tax exempt profits available for distribution of approximately RM9,712,000 (2000 : RM13,388,000) 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 declare its entire distributable reserves as dividends without incurring additional tax liabilities.

19. DIVIDENDS

	Amount		Dividend per stock unit	
	2001 RM	2000 RM	2001 sen	2000 sen
First interim dividend of 6% tax exempt (2000 : 8% less 28% taxation)	1,750,363	1,680,348	6.00	5.76
Second interim dividend of 3% tax exempt (2000 : 8% less 28% taxation)	1,925,399	1,680,348	3.00	5.76
	<u>3,675,762</u>	<u>3,360,696</u>	<u>9.00</u>	<u>11.52</u>

20. BASIC EARNINGS PER STOCK UNIT

The basic earnings per stock unit of the Group is calculated by dividing the net profit attributable to shareholders of RM16,150,975 (2000 : RM3,852,134) by the weighted average number of ordinary shares in issue during the financial year of 64,179,962 (2000 : 64,179,962). The comparative weighted average number of stock units has been adjusted for the bonus issue during the financial year.

As no options under the ESOS have been granted during the financial year, the diluted earnings per stock unit has not been presented.

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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21. SIGNIFICANT EVENTS

During the financial year,

- (a) the Company allotted and issued 35,007,252 new shares, which were immediately converted into ordinary stock units of RM1 each, credited as fully paid-up pursuant to the bonus issue on the basis of six new shares for every five existing ordinary stock units of RM1 each held in the Company via the capitalisation of:
- (i) RM20,992,081 from the asset revaluation surplus of RM42,035,944 arising from the revaluation of the Company's freehold and long term leasehold estates; and
 - (ii) RM14,015,171 from the investment revaluation surplus of RM55,925,820 arising from the revaluation of the Company's cost of investment in its subsidiaries.

In conjunction with the bonus issue, an independent firm of professional registered valuers, Messrs. United Pacific Property Consultants Sdn. Bhd., had carried out valuations of the Group's freehold and leasehold estates resulting in the asset and investment revaluation surplus as stated in (i) and (ii) above. The bonus issue was approved by the Securities Commission, the Kuala Lumpur Stock Exchange and other relevant authorities, and the shareholders at an Extraordinary General Meeting held on 24 August, 2001.

The asset and investment revaluation surplus were incorporated in the financial statements of the Group and the Company during the financial year.

- (b) the Employee Share Option Scheme ('ESOS') for eligible employees and executive directors of the Group, as elaborated in Note 11 to the financial statements, became effective and shall be in force for a period of five years from 23 October, 2001 to 22 October, 2006. No options have been granted during the financial year.
- (c) the Company increased its authorised share capital from RM50,000,000 comprising 50,000,000 shares of RM1 each to RM150,000,000 comprising 150,000,000 shares of RM1 each.

22. SEGMENT INFORMATION

No segment information 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 RELATED PARTY TRANSACTIONS

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Sale of oil palm produce to Seong Thye Plantations Sdn. Bhd., a related corporation in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests	7,112,699	8,108,760	7,112,699	8,108,760

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	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Transactions with Chin Teck Plantations Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Beng Hwa, Sio Sit Po, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests:	2,520,793	3,071,799	2,520,793	3,071,799
Sales of oil palm produce				
Purchase of oil palm produce	<u>257,218</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sale of oil palm produce to Timor Oil Palm Plantation Berhad, a subsidiary in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests	<u>-</u>	<u>-</u>	<u>906,808</u>	<u>178,300</u>
Agency fee paid to Tat Lee Commodities Pte. Ltd., a company incorporated in the Republic of Singapore in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests	<u>42,000</u>	<u>42,000</u>	<u>12,000</u>	<u>12,000</u>
Management fees paid to Sin Thye Management Sdn. Bhd., an associated company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng Gho Bun Tjin and Dato' Ong Bok Lim) have interests	<u>103,092</u>	<u>103,042</u>	<u>42,284</u>	<u>42,108</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER, 2001

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Purchase of fertilisers from Kai Lee Company, the sole proprietor of whom, Ng Yong Seng, is a person connected to several directors (namely, Goh Eng Chew, Goh Pock Ai and Goh Han Teng)	<u>2,879,422</u>	<u>2,969,035</u>	<u>1,410,925</u>	<u>1,501,892</u>

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

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

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

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

24. CURRENCY

All amounts are stated in Ringgit Malaysia.

25. COMPARATIVE FIGURES

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

	Group	
	As restated	2000
	RM	RM
Income statement:		
Other operating income	4,766,710	3,372,269
Exceptional item	-	1,394,441
	<u> </u>	<u> </u>

NEGRI SEMBILAN OIL PALMS BERHAD (592D)
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SHAREHOLDINGS STATISTICS AS AT 29 MARCH, 2002

Share capital

Authorised	: RM150,000,000
Issued and fully paid	: RM64,179,962
Class of stock units	: Ordinary stock units of RM1 each
Voting rights	: One vote per stock unit
No. of shareholders	: 2,813

Distribution schedule of issued and paid-up share capital.

No. of Holders	%	Holdings	Total Holdings	%
38	1.35	Less than 1,000	10,826	0.02
2,325	82.65	1,000 to 10,000	7,670,817	11.95
425	15.11	10,001 to 100,000	8,697,786	13.55
24	0.85	100,001 to less than 5% of the issued shares	9,099,524	14.18
1	0.04	5% and above of the issued shares	38,701,009	60.30
2,813	100.00		64,179,962	100.00

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

Name of Substantial Shareholders	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units	%	No. of Stock Units	%
Tiong Thye Company Berhad	38,701,009	60.30	-	-
Goh Eng Chew	-	-	38,701,009	60.30
Gho Lian Chin	-	-	38,852,673	60.54
Goh Seh Kiat	-	-	38,737,100	60.36

The direct and indirect interests of each director in the Company or in a related corporation (appearing in the register maintained under section 134 of the Companies Act 1965)

(A) Interests of directors in the stock units of the Company.

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Stock Units	%	No. of Stock Units	%
Goh Eng Chew	-	-	38,701,009	60.30
Wong Aun Phui	245,850	0.38	-	-
Goh Pock Ai	1,100	*	-	-
Goh Beng Hwa	1,010,513	1.57	1,991,689	3.10
Goh Lei Eng	-	-	-	-
Dr Goh Han Teng	7,400	0.01	30,000	0.05
Gho Lian Chin	2,200	*	38,852,673	60.54
Sio Sit Po	253,414	0.39	-	-
Goh Yeok Beng	-	-	-	-
Dato' Ong Bok Lim	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Seh Kiat	-	-	38,737,100	60.36
Goh Wei Lei	-	-	-	-
Gho Bun Tjin	2,200	*	-	-

* Less than 0.01%

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SHAREHOLDINGS STATISTICS AS AT 29 MARCH, 2002

(B) Interests of directors in the options under the Negri Sembilan Oil Palms Berhad Employee Share Option Scheme (as at 22 April, 2002)

Name of Directors	No. of options	%
Goh Eng Chew	400,000	6.49
Wong Aun Phui	400,000	6.49
Goh Pock Ai	400,000	6.49
Goh Beng Hwa	-	-
Goh Lei Eng	-	-
Dr Goh Han Teng	-	-
Gho Lian Chin	-	-
Sio Sit Po	-	-
Goh Yeok Beng	400,000	6.49
Dato' Ong Bok Lim	-	-
Keong Choon Keat	-	-
Goh Seh Kiat	-	-
Goh Wei Lei	-	-
Gho Bun Tjin	-	-

(C) Interests of directors in the shares of the related corporations.

(i) Eng Thye Plantations Behrad

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	-	-	15,783,250	83.51
Wong Aun Phui	3,500	0.02	-	-
Goh Pock Ai	-	-	-	-
Goh Beng Hwa	3,500	0.02	-	-
Goh Lei Eng	-	-	-	-
Dr Goh Han Teng	-	-	-	-
Gho Lian Chin	-	-	15,783,250	83.51
Sio Sit Po	-	-	-	-
Goh Yeok Beng	-	-	-	-
Dato' Ong Bok Lim	35,000	0.19	-	-
Keong Choon Keat	-	-	-	-
Goh Seh Kiat	-	-	15,783,250	83.51
Goh Wei Lei	-	-	-	-
Gho Bun Tjin	-	-	-	-

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SHAREHOLDINGS STATISTICS AS AT 29 MARCH, 2002

(ii) Timor Oil Palm Plantation Behrad

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	10,000	0.10	6,112,300	58.21
Wong Aun Phui	1,000	0.01	-	-
Goh Pock Ai	10,000	0.10	-	-
Goh Beng Hwa	-	-	-	-
Goh Lei Eng	-	-	-	-
Dr Goh Han Teng	10,000	0.10	-	-
Gho Lian Chin	10,000	0.10	6,112,300	58.21
Sio Sit Po	-	-	-	-
Goh Yeok Beng	10,000	0.10	-	-
Dato' Ong Bok Lim	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Seh Kiat	-	-	6,090,300	58.00
Goh Wei Lei	-	-	-	-
Gho Bun Tjin	-	-	-	-

(iii) Tiong Thye Company Behrad

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	105,000	0.50	10,038,000	47.80
Wong Aun Phui	-	-	-	-
Goh Pock Ai	1,000	*	-	-
Goh Beng Hwa	-	-	-	-
Goh Lei Eng	-	-	-	-
Dr Goh Han Teng	1,000	*	-	-
Gho Lian Chin	1,000	*	5,670,000	27.00
Sio Sit Po	-	-	-	-
Goh Yeok Beng	-	-	-	-
Dato' Ong Bok Lim	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Seh Kiat	-	-	3,500,000	16.67
Goh Wei Lei	-	-	-	-
Gho Bun Tjin	1,000	*	-	-

* Less than 0.01%

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SHAREHOLDINGS STATISTICS AS AT 29 MARCH, 2002

(iv) Seong Thye Development & Oil Mills Sdn Bhd

Name of Directors	<-----Direct Interest----->		<-----Deemed Interest----->	
	No. of Ordinary Shares of RM1 Each	%	No. of Ordinary Shares of RM1 Each	%
Goh Eng Chew	-	-	5,999,999	99.99
Wong Aun Phui	-	-	-	-
Goh Pock Ai	-	-	-	-
Goh Beng Hwa	-	-	-	-
Goh Lei Eng	-	-	-	-
Dr Goh Han Teng	-	-	-	-
Gho Lian Chin	-	-	5,999,999	99.99
Sio Sit Po	-	-	-	-
Goh Yeok Beng	-	-	-	-
Dato' Ong Bok Lim	-	-	-	-
Keong Choon Keat	-	-	-	-
Goh Seh Kiat	-	-	5,999,999	99.99
Goh Wei Lei	-	-	-	-
Gho Bun Tjin	-	-	-	-

NEGRI SEMBILAN OIL PALMS BERHAD (S92D)
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SHAREHOLDINGS STATISTICS AS AT 29 MARCH, 2002

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

Name	No. of Stock Units	%
1. Tiong Thye Company Berhad	38,701,009	60.30
2. Ong Swee Heoh	1,991,689	3.10
3. Affin-UOB Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Sio Sioe Soen	1,096,214	1.71
4. Goh Beng Hwa @ Gho Bin Hoa	1,010,513	1.57
5. Nam Heng Oil Mill Company Sdn. Berhad	605,000	0.94
6. Arab-Malaysian Nominees (Tempatan) Sdn Bhd Arab Malaysian Trustee Bhd for Pacific Pearl Fund	517,600	0.81
7. Mayban Securities Nominees (Asing) Sdn Bhd OCBC Securities Pte Ltd for Chew Eng Chong	433,741	0.68
8. Asia Life (M) Berhad As beneficial owner (Malaysia Life Fund)	277,200	0.43
9. OSK Nominees (Asing) Sdn Berhad DBS Vickers Secs (S) Pte Ltd for Lee Beng Wah	263,351	0.41
10. HDM Nominees (Asing) Sdn Bhd Kim Eng Ong Asia Securities Pte Ltd for Sio Sit Po	253,414	0.39
11. Hup Lee Bakery Sdn Bhd	247,500	0.39
12. Wong Aun Phui	245,850	0.38
13. Affin-UOB Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Oen Loe Ien	242,066	0.38
14. Mayban Securities Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Sio Leh Koen	213,261	0.33
15. Mayban Securities Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Sio Sit Min	213,261	0.33
16. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust	202,000	0.31
17. TCL Nominees (Tempatan) Sdn Bhd Pledged securities account for Chong Cheong Leong	180,600	0.28
18. Yeo Khee Huat	165,000	0.26
19. Ong Choon Tee	155,100	0.24
20. Lim Kee Chiok Sendirian Berhad	155,100	0.24
21. Chew Huaipin Sdn Bhd	148,000	0.23
22. Lee San Ming @ Lee Lay Eng	132,000	0.21
23. Thiam Loy Sdn Bhd	129,800	0.20
24. Mayban Securities Nominees (Asing) Sdn Bhd OCBC Securities Pte Ltd for Gho Tie Teng & Company Pte Ltd	114,264	0.18
25. Soo Boon Choo	107,000	0.17
26. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Sian Yew & Sons Sdn Bhd	99,000	0.15
27. Chang Nee Cherng	95,000	0.15
28. Chin Loy Realty Sdn Berhad	90,200	0.14
29. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Chau Poh Yee	89,000	0.14
30. Lew Tin Yang @ Leu Ting Yeang	88,000	0.14
	48,261,733	75.19

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LIST OF PROPERTIES AS AT 31 DECEMBER, 2001

An independent firm of professional registered valuers, Messrs. United Pacific Property Consultants Sdn Bhd had carried out valuations of the Group's freehold and leasehold estates on 18 December, 2000. The revaluation surplus was incorporated in the financial statements of the Group and the Company during the financial year ended 31 December, 2001 in conjunction with the Company's bonus issue of 6 for 5.

Subsequent revaluations will be made at least once every five years by an independent firm of professional registered valuers.

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OTHER INFORMATION

(a) Material Contracts

Other than the recurrent related party transactions of a revenue or trading nature with related parties, there were no material contracts entered into by the Company and its subsidiaries, namely Timor Oil Palm Plantation Berhad and Eng Thye Plantations Berhad, which involved the directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 December, 2001 or entered into since the end of the previous financial year.

Recurrent related party transactions entered into by the Company and its subsidiaries during the financial year ended 31 December, 2001: -

	RM
Sale of oil palm produce by the Company to Seong Thye Plantations Sdn. Bhd., a related corporation in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests.	<u><u>7,112,699</u></u>
Sale of oil palm produce by the Company to Chin Teck Plantations Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Beng Hwa, Sio Sit Po, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests.	<u><u>2,520,793</u></u>
Sale of oil palm produce by the Company to Timor Oil Palm Plantation Berhad, a subsidiary in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests.	<u><u>906,808</u></u>
Agency fee paid to Tat Lee Commodities Pte. Ltd., a company incorporated in the Republic of Singapore, in which several substantial shareholders and directors (namely, Goh Eng Chew, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests.	
By the Company	<u><u>12,000</u></u>
By Timor Oil Palm Plantation Berhad	<u><u>12,000</u></u>
By Eng Thye Plantations Berhad	<u><u>18,000</u></u>
Management fees paid to Sin Thye Management Sdn. Bhd., an associated company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng, Gho Bun Tjin and Dato' Ong Bok Lim) have interests.	
By the Company	<u><u>42,284</u></u>
By Timor Oil Palm Plantation Berhad	<u><u>26,505</u></u>
By Eng Thye Plantations Berhad	<u><u>34,304</u></u>
Purchase of fertilisers from Kai Lee Company, the sole proprietor of whom, Ng Yong Seng, is a person connected to several directors (namely, Goh Eng Chew, Goh Pock Ai and Goh Han Teng)	
By the Company	<u><u>1,410,925</u></u>
By Timor Oil Palm Plantation Berhad	<u><u>724,164</u></u>
By Eng Thye Plantations Berhad	<u><u>744,333</u></u>
Purchase of oil palm produce by Eng Thye Plantations Berhad from Chin Teck Plantations Berhad, a company in which several substantial shareholders and directors (namely, Goh Eng Chew, Wong Aun Phui, Goh Beng Hwa, Sio Sit Po, Goh Pock Ai, Goh Han Teng, Gho Lian Chin, Goh Yeok Beng, Goh Seh Kiat, Goh Wei Lei, Goh Lei Eng and Gho Bun Tjin) have interests.	<u><u>257,218</u></u>

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

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

OTHER INFORMATION

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

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

(b) Options under the Negri Sembilan Oil Palms Berhad Employee Share Option Scheme ('ESOS') exercised during the financial year ended 31 December, 2001

No options have been granted during the financial year ended 31 December, 2001.

(c) Sanctions and /or penalties

No sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

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

During the financial year ended 31 December, 2001, non-audit fees paid or payable to the external auditors amounted to RM20,000.

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

FORM OF PROXY

I / We
of
being a member 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 Seventieth Annual General Meeting of the Company to be held at Corus 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Friday, 24 May, 2002 at 12.00 noon and at any adjournment thereof.

Ordinary Resolutions	For	Against
1. To receive and adopt the Directors' Report and the Financial Statements for the financial year ended 31 December, 2001 and the Auditors' Report thereon.		
2. To increase the directors' fees for the financial year ended 31 December, 2001 to RM197,000 and to authorise the directors to divide such fees in the proportions and manner to be determined by them.		
3. To re-elect the following directors retiring under Article 94 of the Articles of Association of the Company: - (i) Mdm Goh Lei Eng (ii) Mr Gho Lian Chin (iii) Mr Goh Wei Lei		
4. To re-elect the following director retiring under Article 97 of the Articles of Association of the Company: - (i) Mr Keong Choon Keat		
5. (i) To re-appoint Mr Goh Eng Chew as director pursuant to Section 129(6) of the Companies Act, 1965		
(ii) To re-appoint Mr Wong Aun Phui as director pursuant to Section 129(6) of the Companies Act, 1965		
(iii) To re-appoint Mr Goh Beng Hwa as director pursuant to Section 129(6) of the Companies Act, 1965		
6. To re-appoint auditors and to authorise the directors to fix their remuneration.		
7. Proposed Renewal of Recurrent RPT Mandate		

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

Signature(s) _____

Date:

No. of stock units held	
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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.