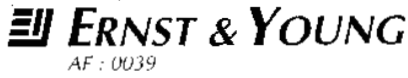


17. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)



ACCOUNTANTS' REPORT

(Prepared for inclusion in the Prospectus)

25 March 2002

The Board of Directors
NPC Resources Berhad
Lot 8 & 9, T3
Taman Tshun Ngen
Mile 5, Jalan Labuk
90000 Sandakan
Sabah

Dear Sirs,

■ **Chartered Accountants**
Suite 1-10-W1, 10th Floor
CPS Tower, Centre Point Sabah
No. 1, Jalan Centre Point
88000 Kota Kinabalu
Sabah, Malaysia.

Mailing Address:
P. O. Box 10192
88802 Kota Kinabalu
Sabah, Malaysia.

■ Phone : 088-235733
Fax : 088-238905
www.ey.com

1. INTRODUCTION

This report has been prepared by Ernst & Young, approved company auditors, for inclusion in the Prospectus of NPC Resources Berhad (hereinafter referred to as "NPC" or "the Company") in connection with the following :

- a) public issue of 8,000,000 new ordinary shares of RM1.00 each in NPC at an issue price of RM1.30 per share.
- b) offer for sale of 24,600,000 ordinary shares of RM1.00 each in NPC at an offer price of RM1.30 per share.
- c) listing of and quotation for the entire enlarged issued and paid-up share capital in NPC comprising 80,000,000 ordinary shares of RM1.00 each on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").

The abovementioned shall hereinafter be referred to as "the Listing Exercise".

2. GENERAL INFORMATION

2.1 The Company

NPC was incorporated in Malaysia under the Companies Act, 1965 on 28 December 1999 as a private limited company under the name of Synergy Series Sdn Bhd. On 4 May 2000, it changed its name to NPC Resources Sdn Bhd. It was subsequently converted to a public limited company on 23 May 2000 and had adopted its present name since then.

The principal activity of NPC is that of an investment holding company.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

2 GENERAL INFORMATION (Contd.)

2.1 The Company (Contd.)

The authorised and issued and fully paid-up share capital of NPC as at the date of this report are RM500,000,000 and RM72,000,000 respectively, divided into 500,000,000 and 72,000,000 ordinary shares of RM1.00 each respectively.

The changes in the authorised share capital of NPC since the date of incorporation are as follows:

Date	No. of ordinary share of RM1.00 each	Authorised	Total authorised share capital RM
28 December 1999	100,000	At date of incorporation	100,000
30 January 2002	499,900,000	Increased during the Extraordinary General Meeting	500,000,000

The changes in the issued and fully paid-up share capital of NPC since the date of incorporation are as follows:

Date of allotment	No. of ordinary share of RM1.00 each	Consideration	Total issued and fully paid-up share capital RM
28 December 1999	2	Cash; Subscribers' shares	2
12 May 2000	49	Cash	51
30 January 2002	71,999,949	Acquisition of subsidiaries as mentioned in section 2.2 (a) below	72,000,000

The issued and fully paid-up of NPC will be increased to RM80,000,000 upon the completion of the Public Issue.

2.2 Restructuring and Listing Exercise

In conjunction with, and as an integral part of the Listing Exercise, the Company undertook a restructuring exercise which was approved by the Securities Commission ("SC"), Foreign Investment Committee ("FIC"), and Ministry of International Trade and Industry ("MITI") on the dates set out below:-

Authority	Date of approval
SC	31 May 2001 and 27 December 2001
FIC	9 August 2000, 16 July 2001 and 18 March 2002
MITI	6 September 2000, 21 May 2001 and 19 November 2001

17. ACCOUNTANTS' REPORT (Cont'd)



AF : 0039

Accountants' Report

2 GENERAL INFORMATION (Contd.)

2.2 Restructuring and Listing Exercise (Contd.)

The details of the restructuring and listing scheme are as follows:

- a) The acquisition of equity interest in the following companies for a total purchase consideration of RM99,819,984 satisfied by the issuance of 71,999,949 new ordinary shares of RM1.00 each in NPC, at approximately RM1.39 per share, credited as fully paid-up:

Company	% shareholding to be acquired	Purchase Consideration RM	No. of new NPC shares of RM1.00 each to be issued
Natural Plantation Sdn Bhd	100.00%	78,461,817	56,594,347
Ngin Kong Holdings Sdn Bhd	19.82%	7,343,405	5,296,783
Berkat Setia Sdn Bhd	34.00%	10,887,749	7,853,311
Seraya Plantation Sdn Bhd	50.00%	670,101	483,342
Sebuda Sdn Bhd	50.00%	<u>2,456,912</u>	<u>1,772,166</u>
		<u>99,819,984</u>	<u>71,999,949</u>

The above has incorporated the effect of the following acquisitions:

- i) 61.0% equity interest in Zupakeja for a cash consideration of RM707,112.
- ii) 0.2% equity interest in Summer Focus Sdn Bhd ("Summer Focus") for a cash consideration of RM2.00.
- iii) 0.1% equity interest in Soon Tai Enterprise Sdn Bhd ("Soon Tai") for a cash consideration of RM1.00.

The abovementioned shall hereinafter be collectively referred to as "the Acquisitions".

- b) The public issue of 8,000,000 new ordinary shares of RM1.00 each in NPC at an issue price of RM1.30 per share ("Public Issue").
- c) The offer for sale of 24,600,000 ordinary shares of RM1.00 each in NPC at an offer price of RM1.30 per share.
- d) The disposal of certain properties, and investment not employed in the operations of NPC and its subsidiary companies for a total cash consideration of RM9,186,844. ("Disposal of Non-Operating Assets")
- e) The listing of and quotation for the entire enlarged issued and paid-up share capital in NPC comprising 80,000,000 ordinary shares of RM1.00 each on the Main Board of the KLSE.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

2 GENERAL INFORMATION (Contd.)

2.3 The Subsidiaries

The information on the subsidiaries, all of which are private limited companies incorporated in Malaysia, is as follows:

Company	Date of incorporation	Authorised share capital RM	Issued and fully paid-up share capital RM	Effective equity interest %	Principal activities
Natural Plantation Sdn Bhd ("Natural")	17.10.83	5,000,000 ¹	4,500,000 ²	100.00	Operation of an oil palm plantation and investment holding
<i>Subsidiaries of Natural</i>					
Growth Enterprise Sdn Bhd ("Growth")	20.11.79	5,000,000	1,704,440	100.00 ³	Operation of oil palm plantations
Ngin Kong Holdings Sdn Bhd ("NKH")	09.03.96	10,000,000	5,570,200	100.00	Investment holding and the provision of management services
Syarikat Emashijau Sdn Bhd ("Emashijau")	14.05.76	100,000	2	100.00	Provision of management services on purchasing of consumable stores
Wenow Enterprise Sdn Bhd ("Wenow")	15.08.94	100,000	3	100.00	Trading of fresh fruit bunches ("FFB") and provision of transportation services
Summer Focus Sdn Bhd ("Summer Focus")	24.04.98	100,000	1,000	100.00	Plantation development contractor
<i>Subsidiaries of Growth</i>					
Ballerina Sdn Bhd ("Ballerina")	25.11.80	500,000	250,000	100.00	Operation of an oil palm plantation
Bintang Kinabalu Plantation Sdn Bhd ("Bintang")	05.04.79	500,000	360,504	100.00	Operation of oil palm plantations
Intan Ramai Sdn Bhd ("Intan Ramai")	29.10.84	500,000	250,000	100.00	Operation of an oil palm plantation
Miasa Plantation Sdn Bhd ("Miasa")	18.02.81	2,000,000	1,153,302	100.00 ⁴	Operation of an oil palm plantation
Sinar Ramai Sdn Bhd ("Sinar Ramai")	24.04.85	500,000	250,000	100.00	Operation of an oil palm plantation

Notes:

- 1) Increased on 22 February 2002.
- 2) After the bonus issue of 1.9 million on 22 February 2002, allotment of 0.5 and 2 million ordinary shares of RM1.00 each at par for cash on 25 February 2002 and 11 March 2002 respectively.
- 3) 10% of its equity is held by NKH.
- 4) 27% of its equity is held by Soon Tai.

17. ACCOUNTANTS' REPORT (Cont'd)

ERNST & YOUNG

AF: 0039

Accountants' Report

Company	Date of incorporation	Authorised share capital	Issued and fully paid-up share capital	Effective equity interest	Principal activities
Soon Tai Enterprise Sdn Bhd ("Soon Tai")	11.10.79	200,000	1,000	100.00	Operation of an oil palm plantation
Syarikat Sofrah Sdn Bhd ("Sofrah")	02.10.78	500,000	300,000	100.00	Operation of an oil palm plantation
Transglobe Enterprise Sdn Bhd ("Transglobe")	12.12.81	500,000	250,000	100.00	Operation of an oil palm plantation
Kidat Sdn Bhd ("Kidat")	22.08.80	3,000,000	720,009	100.00	Provision of transportation services
Telupid Kelapa Sawit Sdn Bhd ("Telupid")	26.12.89	5,000,000	2,674,855	70.00	Operation of oil palm plantations
Berkat Setia Sdn Bhd ("Berkat")	08.11.79	2,000,000	2,000,000	95.50 ⁵	Operation of palm oil mill and oil palm plantations which are currently under development
Seraya Plantation Sdn Bhd ("Seraya")	27.07.76	200,000	10,001	100.00	Operation of an oil palm plantation
Sebuda Sdn Bhd ("Sebuda")	12.04.79	2,000,000	1,500,000	100.00	Operation of an oil palm plantation
<i>Subsidiaries of NKH</i>					
Dat Soon Trading Sdn Bhd ("Dat Soon")	02.11.74	250,000	208,000	100.00	Trading of FFB
Sungai Ruku Oil Palm Plantation Sdn Bhd ("SROPP")	24.10.84	5,000,000	3,000,000	100.00	Operation of oil palm plantations and palm oil mill
<i>Subsidiaries of SROPP</i>					
Deltafort Sdn Bhd ("Deltafort")	31.12.85	500,000	250,000	100.00	Subleasing of its leasehold land
Mature Land Sdn Bhd ("Mature Land")	21.07.89	500,000	250,000	100.00	Subleasing of its leasehold land
Ladang Zupakeja Sdn Bhd ("Zupakeja")	23.05.78	700,000	8,000	73.50	Operation of an oil palm plantation
<i>Subsidiary of Bintang</i>					
Syarikat Jejco Sdn Bhd ("Jejco")	02.06.79	25,000	3	100.00	Operation of an oil palm plantation
<i>Subsidiary of Berkat</i>					
Agrisa Trading Sdn Bhd ("Agrisa")	11.06.83	5,000,000	1,470,000	95.50	Operation of an oil palm plantation
<i>Subsidiary of Telupid</i>					
Bonus Indah Sdn Bhd ("Bonus Indah")	23.09.85	5,000,000	2,000,000	70.00	Operation of an oil palm plantation

Notes (Contd.):

5) 15% of its equity is held by Telupid.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

2 GENERAL INFORMATION (Contd.)

2.4 Dividends

Details of dividends declared and paid by the Company and its subsidiary companies in respect of the financial years/periods under review are as follows:

Company/ Financial year/period	Dividend Rate	RM
<u>Natural</u>		
31.12.1999	Gross dividend rate of 3,863.89%, less tax at 28%	2,782,000
31.12.1999	Tax exempt dividend of 1,299.00%	1,299,000
31.12.2000	Gross dividend rate of 2,049.00%, less tax at 28%	1,475,280
30.09.2001	Gross dividend rate of 2100.67%, less tax at 28%	1,512,479
	Tax exempt dividend of 81.90%	81,900
<u>Growth</u>		
31.12.1999	Gross dividend rate of 186.06%, less tax at 28%	2,283,347
31.12.1999	Tax exempt dividend of 62.78%	1,070,000
31.12.2000	Gross dividend rate of 126.28%, less tax at 28%	1,549,745
31.12.2000	Tax exempt dividend of 5.34%	91,000
30.09.2001	Gross dividend rate of 98.39%, less tax at 28%	1,207,420
<u>Ballerina</u>		
31.12.1997	Gross dividend rate of 40.00%, less tax at 28%	72,000
31.12.1998	Gross dividend rate of 100.00%, less tax at 28%	180,000
31.12.1999	Gross dividend rate of 91.67%, less tax at 28%	165,000
31.12.2000	Gross dividend rate of 48.33%, less tax at 28%	87,000
<u>Bintang</u>		
31.12.1998	Gross dividend rate of 38.28%, less tax at 28%	99,360
31.12.1999	Gross dividend rate of 14.64%, less tax at 28%	38,000
30.09.2001	Gross dividend rate of 9.25%, less tax at 28%	24,000
<u>Miasa</u>		
31.12.2000	Gross dividend rate of 9.27%, less tax at 28%	77,000
<u>Soon Tai</u>		
31.12.1999	Gross dividend rate of 21,250.00%, less tax at 28%	153,000
31.12.2000	Gross dividend rate of 5,138.89%, less tax at 28%	37,000
30.09.2001	Gross dividend rate of 2,887.50%, less tax at 28%	20,790
<u>Kidat</u>		
31.12.2000	Gross dividend rate of 24.31%, less tax at 28%	126,000
<u>Telupid</u>		
31.12.1999	Gross dividend rate of 11.68%, less tax at 28%	225,000
31.12.2000	Gross dividend rate of 19.63%, less tax at 28%	378,000
30.09.2001	Gross dividend rate of 7.79%, less tax at 28%	150,000
<u>Berkat</u>		
31.12.1999	Gross dividend rate of 104.17%, less tax at 28%	1,500,000
31.12.2000	Gross dividend rate of 244.44%, less tax at 28%	3,520,000

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

Company/ Financial year	Dividend Rate	RM
<u>Sebuda</u>		
31.12.2000	Gross dividend rate of 44.72%, less tax at 28%	483,000
<u>Jeico</u>		
31.12.2000	Gross dividend rate of 1,111,111.11%, less tax at 28%	24,000
<u>NKH</u>		
31.12.1999	Gross dividend rate of 16.11%, less tax at 28%	646,000
31.12.1999	Tax exempt dividend of 0.39%	22,000
31.12.2000	Gross dividend rate of 3.86%, less tax at 28%	154,971
31.12.2000	Tax exempt dividend of 1.71%	95,000
30.09.2001	Gross dividend rate of 10.81%, less tax at 28%	433,739
30.09.2001	Tax exempt dividend of 0.16%	9,100
<u>SROPP</u>		
31.12.1999	Gross dividend rate of 19.35%, less tax at 28%	418,000
31.12.2000	Gross dividend rate of 9.12%, less tax at 28%	197,000
	Tax exempt dividend of 3.17%	95,000
30.09.2001	Gross dividend rate of 5.37%, less tax at 28%	116,000
<u>Deltafort</u>		
31.12.1996	Gross dividend rate of 6.00%, less tax at 30%	10,500
31.12.1999	Gross dividend rate of 116.67%, less tax at 28%	210,000
31.12.2000	Gross dividend rate of 42.78%, less tax at 28%	77,000
<u>Mature Land</u>		
31.12.1999	Gross dividend rate of 37.78%, less tax at 28%	68,000
31.12.2000	Gross dividend rate of 21.67%, less tax at 28%	39,000
<u>Emashijau</u>		
31.12.1999	Gross dividend rate of 3,819,444.44%, less tax at 28%	55,000
<u>Wenow</u>		
31.12.2000	Gross dividend rate of 1,250,000.00%, less tax at 28%	27,000

Other than the above, no dividends were declared in respect of other financial years/periods under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

3. AUDITORS AND AUDITED FINANCIAL STATEMENTS

We have been the auditors of NPC, Growth, Ballerina, Bintang, Bonus Indah, Deltafort, Summer Focus and Mature Land for the financial years/periods under review.

As for the other subsidiaries of NPC, we have been the auditors since the following financial year/period. Prior to that, the financial statements of these companies were audited by another firm of accountants:

Company	Financial year/period
Natural	31.12.1998
Intan Ramai	31.12.1998
Miasa	31.12.1998
Sinar Ramai	31.12.1998
Soon Tai	31.12.1998
Sofrah	31.12.1998
Transglobe	31.12.1997
Kidat	31.12.1998
Telupid	31.12.1997
Berkat	31.12.1998
Seraya	31.12.1998
Sebuda	31.12.1998
Jejco	31.12.1998
Agrisa	31.12.1998
NKH	31.12.1997
Dat Soon	31.12.1998
SROPP	31.12.1997
Emashijau	31.12.1998
Wenow	31.12.1998
Zupakeja	31.12.1998

The audited financial statements of NPC and its subsidiary companies during the financial years/periods under review were reported upon without any audit qualification.

4. ACCOUNTING POLICIES AND STANDARDS

This report is prepared on bases and accounting principles consistent with those previously adopted in the preparation of the financial statements of NPC and its subsidiary companies, and in accordance with applicable approved accounting standards issued and adopted in Malaysia in those relevant financial years/periods under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF : 0039

Accountants' Report

5. SUMMARISED INCOME STATEMENTS

5.1 Proforma NPC Group

The summarised proforma consolidated income statements of NPC Group for the past 5 financial years ended 31 December 2000 and the 9 months period ended 30 September 2001, which have been prepared based on the audited financial statements of NPC and its subsidiary companies for the relevant financial years/period are provided for illustrative purposes, on the assumption that NPC Group had been in existence throughout the financial years and period under review, and after making such adjustments considered necessary.

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	80,001	102,485	161,132	95,237	81,426	54,577
Profit before depreciation, finance cost and taxation	13,133	16,475	21,381	20,199	16,381	11,471
Depreciation	(3,067)	(3,434)	(4,308)	(4,338)	(4,148)	(4,458)
Finance cost	(1,153)	(1,819)	(4,151)	(2,933)	(1,990)	(1,415)
Profit before taxation and exceptional item	8,913	11,222	12,922	12,928	10,243	5,598
Exceptional item	-	-	-	(47)	(812)	-
Profit before taxation but after exceptional item	8,913	11,222	12,922	12,881	9,431	5,598
Taxation	(1,946)	(1,888)	563	365	(741)	(590)
Profit after taxation but before minority interests	6,967	9,334	13,485	13,246	8,690	5,008
Minority interests	(451)	(507)	(886)	(587)	(325)	(153)
Profit attributable to shareholders	6,516	8,827	12,599	12,659	8,365	4,855
No. of ordinary shares assumed in issue #	72,000,000	72,000,000	72,000,000	72,000,000	72,000,000	72,000,000
Net earnings per share (RM)	0.09	0.12	0.17	0.18	0.12	0.09*
Dividend rate (%) ⁺						
- Gross	-	-	-	5.37%	2.85%	2.92%
- Tax exempt	-	-	-	1.80%	-	0.11%

The assumed issued and paid-up share capital of 72,000,000 ordinary shares of RM1.00 each is based on the issued and paid-up share capital of NPC after the Acquisitions but before the Public Issue.

* Annualised

+ Based on number of ordinary shares assumed in issue.

17. ACCOUNTANTS' REPORT (Cont'd)



AF : 0039

Accountants' Report

Notes:

- i) The increase in revenue and profit before taxation for the financial year ended 31 December 1997 was due to the increase in FFB harvest from its maturing estates coupled with the global improvement in crude palm oil ("CPO") prices.
- ii) The increase in revenue and profit before taxation for the financial year ended 31 December 1998 was due to the commencement of operations of SROPP's mill in October 1997 coupled with the global improvement in CPO prices.
- iii) The decrease in revenue for the financial year ended 31 December 1999 was due to the decrease in prices and volume of CPO and palm kernel ("PK") sold. However, profit before taxation remained relatively constant mainly due to the increase in production of FFB from the Group's maturing estates, the improvement in the oil extraction rate of CPO, and a decrease in the finance costs of the Group.
- iv) The exceptional item for financial years ended 31 December 1999 and 2000 represented the shortfall in insurance payout for damages to one of its estates.
- v) The decrease in revenue and profit before taxation for the financial year ended 31 December 2000 and financial period ended 30 September 2001 was due mainly to falling CPO and PK prices.
- vi) There was no extraordinary item in respect of the financial years and period under review.
- vii) The net earnings per share has been calculated based on the profit attributable to shareholders and the number of ordinary shares assumed in issue after the Acquisitions but before the Public Issue.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

5.2 NPC

	Period from 28 December 1999 to 31 December 2000 RM'000	9 months ended 30 September 2001 RM'000
Revenue	-	-
Loss before depreciation, finance cost and taxation	(9)	(1)
Depreciation	-	-
Finance cost	-	-
Loss before taxation	(9)	(1)
Taxation	-	-
Loss attributable to shareholders	(9)	(1)
Weighted average number of ordinary shares in issue	33	51
Net loss per share (RM)	(272.73)	(26.14*)
Dividend rate (%)		
- Gross	-	-
- Tax exempt	-	-

* Annualised

Note:

- i) The Company has not commenced operation during both the financial periods.
- ii) There was no extraordinary or exceptional item in respect of the financial periods under review.
- iii) The net loss per share has been calculated based on the loss attributable to shareholders and the weighted average number of ordinary shares in issue for each financial period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

5.3 Natural

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	602	551	854	792	297	200
Profit before depreciation, finance cost and taxation	22	114	417	4,988	2,201	2,230
Depreciation	(49)	(38)	(41)	(47)	(50)	(24)
Finance cost	(64)	(65)	(61)	(36)	(15)	(20)
(Loss)/profit before taxation	(91)	11	315	4,905	2,136	2,186
Taxation	-	-	(60)	(1,022)	(659)	(586)
(Loss)/profit attributable to shareholders	(91)	11	255	3,883	1,477	1,600
Number of ordinary shares in issue	100,000	100,000	100,000	100,000	100,000	100,000
Net (loss)/earnings per share (RM)	(0.91)	0.11	2.55	38.83	14.77	21.33*
Dividend rate (%)						
- Gross	-	-	-	3,863.89%	2,049.00%	2,100.67%
- Tax exempt	-	-	-	1,299.00%	-	81.90%

* Annualised

Notes:

- i) The improvement in profit before taxation for the financial year ended 31 December 1997 was due to a recovery in FFB prices. There was no tax charge on the profit for the year due to the availability of unutilised tax losses and unabsorbed capital and agricultural allowances to set off against the financial year's taxable profit.
- ii) For the financial year ended 31 December 1998, the increase in revenue and profit before taxation was due to the improvement in FFB prices. The effective tax rate for the financial year was lower than the statutory tax rate due to the availability of unutilised tax losses and unabsorbed capital and agricultural allowances to set off against the financial year's taxable profit.
- iii) Revenue for the financial year ended 31 December 1999 decreased slightly due to the depressed FFB prices in spite of the increase in FFB harvest. Profit before taxation exceeded revenue as a result of dividend income received from subsidiaries. Taxation for the financial year was in respect of dividend income received.
- iv) For the financial year ended 31 December 2000, revenue decreased due to the depressed FFB prices and lower FFB harvest. Profit before taxation reduced mainly as a result of lower dividend income received from its subsidiaries. Taxation for the financial year was in respect of dividend income received.

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



Accountants' Report

- v) For the financial period ended 30 September 2001, revenue dropped due mainly to falling FFB prices despite higher FFB harvest. Profit before taxation continued to exceed revenue due to dividend income received.

- vi) There was no extraordinary or exceptional item in respect of the financial years and period under review.

- vii) The net (loss)/earnings per share has been calculated based on the (loss)/profit attributable to shareholders and the number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

5.4 Growth

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	6,765+	7,924	3,346	3,177	2,012	1,158
Profit before depreciation, finance cost and taxation	637	808	1,791	3,740	2,982	2,137
Depreciation	(313)	(202)	(335)	(147)	(159)	(117)
Finance cost	(72)	(87)	(264)	(178)	(99)	(68)
Profit before taxation	252	519	1,192	3,415	2,724	1,952
Taxation	(142)	67	(209)	(515)	(680)	(491)
Profit attributable to shareholders	110	586	983	2,900	2,044	1,461
Weighted average number of ordinary shares in issue	25,000	162,869	174,643	1,704,440	1,704,440	1,704,440
Net earnings per share (RM)	4.40	3.60	5.63	1.70	1.20	1.14*
Dividend rate (%)						
- Gross	-	-	-	186.06%	126.28%	98.39%
- Tax exempt	-	-	-	62.78%	5.34%	-

+ Revenue has been restated for consistency of presentation.

* Annualised

Notes:

- i) The effective tax rate for the financial year ended 31 December 1996 was higher than the statutory tax rate due to certain expenses incurred not being allowable for tax purpose.
- ii) Improvement in revenue and profit before taxation for the financial year ended 31 December 1997 was due to a recovery in FFB prices. The negative tax charge was in respect of the write back of deferred taxation.
- iii) For the financial year ended 31 December 1998, Growth ceased its intermediary function of purchasing FFB for Berkas, which resulted in the significant reduction in revenue. However, profit before taxation improved significantly due to the increase in FFB prices and dividend income received from its subsidiaries. The effective tax rate for the financial year was lower than the statutory tax rate due to the availability of unabsorbed capital and agricultural allowances to set off against the financial year's taxable profit.
- iv) Revenue for the financial year ended 31 December 1999 registered a slight decrease, despite the increase in FFB harvest, due to falling prices of FFB. The increase in profit before taxation was due mainly to dividend received from its subsidiaries. Taxation for the financial year was in respect of dividend income received.
- v) For the financial year ended 31 December 2000, the decrease in revenue and profit before taxation was due mainly to falling prices of FFB. However, profit before taxation exceeded

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

revenue as a result of dividend income received from its subsidiaries. The increase in taxation was mainly in respect of tax on profit for the year and deferred taxation. The effective tax rate for the financial year was lower than the statutory tax rate due to different treatment of certain expenses for accounting and taxation purposes, and the availability of unabsorbed capital and agricultural allowances to set off against the financial year's taxable profit.

- vi) The reduction in revenue and profit before taxation for the financial period ended 30 September 2001 was due to lower FFB prices and harvest. Profit before taxation exceeded revenue as a result of dividend income received from subsidiaries. The effective tax rate for the financial period was higher than the statutory tax rate due to the different treatment of certain expenses for accounting and taxation purposes.
- vii) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- viii) The net earnings per share has been calculated based on the profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial period/year under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

5.5 Ballerina

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	962	1,184	1,457	565	366	321
Profit before depreciation, finance cost and taxation	590	684	1,128	642	239	384
Depreciation	(151)	(204)	(167)	(73)	(71)	(118)
Finance cost	(69)	(105)	(144)	(46)	(17)	(15)
Profit before taxation	370	375	817	523	151	251
Taxation	(30)	(102)	12	-	(108)	(98)
Profit attributable to shareholders	340	273	829	523	43	153
Weighted average number of ordinary shares in issue	100,410	250,000	250,000	250,000	250,000	250,000
Net earnings per share (RM)	3.39	1.09	3.32	2.09	0.17	0.82*
Gross dividend rate (%)	-	40.00%	100.00%	91.67%	48.33%	-

* Annualised

Notes:

- i) The increase in revenue for the financial year ended 31 December 1997 was due to the increase in FFB prices and harvest. However, profit before taxation remained relatively constant due to higher upkeep costs incurred for the estate.
- ii) Revenue and profit before taxation for the financial year ended 31 December 1998 recorded further increases as a result of the improvement in FFB prices. The negative tax charge for the financial year was due mainly to the deferred taxation written back.
- iii) The decrease in revenue for the financial year ended 31 December 1999 was due to the falling prices of FFB and lower FFB production resulted from the disposal of a plantation. The high profit before taxation margin was due to gain on disposal of the plantation.
- iv) For the financial year ended 31 December 2000, the decrease in revenue and profit before taxation was mainly due to falling prices of FFB. The effective tax rate for the financial year was higher than the statutory tax rate due to the different treatment of certain expenses for accounting and taxation purposes.
- v) For the financial period ended 30 September 2001, revenue and profit before taxation improved due to higher FFB harvest from its maturing plantation and gain on disposal of fixed assets. The effective tax rate for the financial period was higher than the statutory tax rate due to the different treatment of certain expenses for accounting and taxation purposes.
- vi) There was no exceptional or extraordinary item in respect of the financial years and period under review.
- vii) The net earnings per share has been calculated based on the profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)

ERNST & YOUNG

AF: 0039

*Accountants' Report***5.6 Bintang**

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	1,007	1,314	1,654	1,390	811	405
Profit before depreciation, finance cost and taxation	326	851	1,326	1,047	501	255
Depreciation	(43)	(44)	(102)	(61)	(51)	(42)
Finance cost	(85)	(96)	(112)	(25)	-	(2)
Profit before exceptional item and taxation	198	711	1,112	961	450	211
Exceptional item	-	-	-	(47)	(812)	-
Profit/(loss) before taxation	198	711	1,112	914	(362)	211
Taxation	(1)	-	-	-	(77)	-
Profit/(loss) attributable to shareholders	197	711	1,112	914	(439)	211
Number of ordinary shares in issue	360,504	360,504	360,504	360,504	360,504	360,504
Net earnings/(loss) per share (RM)	0.55	1.97	3.08	2.54	(1.22)	0.78*
Gross dividend rate (%)	-	-	38.28%	14.64%	-	9.25%

* Annualised

Notes:

- i) The increase in revenue and profit before taxation for the two (2) financial years ended 31 December 1997 and 1998 was mainly due to the improvement in FFB prices. The company was not liable for income tax on profits earned for the financial years ended 31 December 1996 to 1998 due mainly to the availability of unutilised tax losses and unabsorbed capital and agricultural allowances to set off against the financial year's taxable profit. Tax for the financial year ended 31 December 1996 represented the under provision of tax in previous year.
- ii) For the financial year ended 31 December 1999, revenue fell despite the increase in FFB harvest due mainly to falling prices of FFB.
- iii) The exceptional item for the financial year ended 31 December 1999 and 2000 represented the shortfall of insurance payout on damages caused by flood to one of its plantations.
- iv) For the financial year ended 31 December 2000, the decrease in revenue and profit before taxation was mainly due to falling prices of FFB. The tax charge for the financial year represented deferred taxation provided.

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



Accountants' Report

- v) For the financial period ended 30 September 2001, the reduction in revenue and profit before taxation was due to falling prices and harvest of FFB. The company was not liable for income tax on profits for the period due mainly to the deductibility of plantation development expenditure against the financial year's taxable profits.
- vi) There was no extraordinary item in respect of the financial years and period under review.
- vii) The net earnings/(loss) per share has been calculated based on the profit/(loss) attributable to shareholders and the number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

5.7 Intan Ramai

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	-	-	-	-	-
Profit/(loss) before depreciation, finance cost and taxation	-	7	(1)	15	(5)	(3)
Depreciation	-	-	-	-	-	-
Finance cost	-	-	-	-	-	(10)
Profit/(loss) before taxation	-	7	(1)	15	(5)	(13)
Taxation	-	(7)	-	-	-	-
(Loss)/profit attributable to shareholders	-	-	(1)	15	(5)	(13)
Weighted average number of ordinary shares in issue	25,000	25,000	25,000	110,069	250,000	250,000
Net (loss)/earnings per share (RM)	-	-	(0.04)	0.14	(0.02)	(0.07*)
Gross dividend rate (%)	-	-	-	-	-	-

* Annualised

Notes:

- i) Profit before taxation for the financial year ended 31 December 1997 was derived from the sales of timber logs resulting from the clearing of land for the cultivation of oil palm. The high effective taxation rate was due to pre-operating expenses written off not being allowed for tax deduction purposes.
- ii) The loss before taxation incurred for the financial year ended 31 December 1998 was in respect of administrative expenses.
- iii) Profit before taxation for the financial year ended 31 December 1999 was derived from sales of timber salvaged from clearing its land.
- iv) For the financial year ended 31 December 2000, the loss before taxation was in respect of administrative expenses incurred.
- v) For the financial period ended 30 September 2001, the loss before taxation was in respect of administrative expenses and finance cost incurred.
- vi) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- vii) The net (loss)/earnings per share has been calculated based on the (loss)/profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

5.8 Miasa

	Year ended 30 June		6 months ended 31 December	Year ended 31 December			9 months ended September
	1996 RM'000	1997 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	761	843	322	1,365	1,214	853	637
Profit before depreciation, finance cost and taxation	541	340	38	572	559	161	187
Depreciation	(14)	(37)	(37)	(86)	(71)	(76)	(55)
Finance cost	(102)	(116)	(61)	(131)	(77)	(46)	-
Profit/(loss) before taxation	425	187	(60)	355	411	39	132
Taxation	-	-	-	(33)	33	(82)	(46)
Profit/(loss) attributable to shareholders	425	187	(60)	322	444	(43)	86
Number of ordinary shares in issue	1,153,302	1,153,302	1,153,302	1,153,302	1,153,302	1,153,302	1,153,302
Net earnings/(loss) per share (RM)	0.37	0.16	(0.10*)	0.28	0.38	(0.04)	0.10*
Gross dividend rate (%)	-	-	-	-	-	9.27%	-

* Annualised

Notes:

- i) The profit before taxation for the financial year ended 30 June 1996 was higher than that of the financial year ended 1997 due mainly to the sales of timber and stone in the financial year ended 30 June 1996.
- ii) The loss before taxation for the six months period ended 31 December 1997 was mainly due to low FFB harvest, which was inadequate to cover the general and administrative expenses.
- iii) For the financial year ended 31 December 1998, the improvement in revenue and profit before taxation was due to the increase in FFB prices. Taxation for the financial year was in respect of the provision for deferred taxation.
- iv) The improvement in profit before taxation for the financial year ended 31 December 1999 despite the drop in revenue was mainly due to the increase in FFB harvest coupled with the decrease in plantation maintenance expenses. The negative tax charge represents deferred taxation written back.
- v) For the financial year ended 31 December 2000, the decrease in revenue and profit before taxation was mainly due to falling prices of FFB. The effective tax rate for the financial year was higher than the statutory tax rate due to the provision of deferred taxation and certain expenses not being allowable for tax purposes.

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



Accountants' Report

- vi) For the financial period ended 30 September 2001, profit before taxation improved despite the reduction in revenue, due mainly to higher FFB harvest from its maturing plantation and transportation subsidy received. The effective tax rate for the financial year was higher than the statutory tax rate due to the different treatment of certain expenses for accounting and taxation purposes.

- vii) There was no extraordinary or exceptional item in respect of the financial years and periods under review.

- viii) The net earnings/(loss) per share has been calculated based on the profit/(loss) attributable to shareholders and number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

5.9 Sinar Ramai

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	-	-	-	-	-
(Loss)/profit before depreciation, finance cost and taxation	-	-	(27)	16	(2)	(3)
Depreciation	-	-	-	-	-	-
Finance cost	-	-	-	-	-	(3)
(Loss)/profit before taxation	-	-	(27)	16	(2)	(6)
Taxation	-	-	-	-	-	-
(Loss)/profit attributable to shareholders	-	-	(27)	16	(2)	(6)
Weighted average number of ordinary shares in issue	100	100	100	94,583	250,000	250,000
Net (loss)/earnings per share (RM)	-	-	(270.00)	0.17	(<0.01)	(0.03*)
Gross dividend rate (%)	-	-	-	-	-	-

* Annualised

Notes:

- i) The company was dormant during the financial years ended 31 December 1996 and 1997. All administrative expenses incurred had been capitalised as preliminary and pre-operating expenses.
- ii) The loss before taxation incurred for the financial year ended 31 December 1998 was due mainly to preliminary and pre-operating expenses written-off.
- iii) The profit before taxation recorded for the financial year ended 31 December 1999 was due mainly to the sale of timber salvaged in the course of land clearing.
- iv) For the financial year ended 31 December 2000 and period ended 30 September 2001, the losses before taxation were in respect of administrative expenses incurred.
- v) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- vi) The net (loss)/earnings per share has been calculated based on the (loss)/profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

5.10 Soon Tai

	15 months	Financial year ended 31 December				9 months	
	ended 31					ended 30	
	December	1996	1997	1998	1999	2000	September
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2001
							RM'000
Revenue	371	219	293	262	113		83
Profit before depreciation, finance cost and taxation	73	23	158	197	49		71
Depreciation	(19)	(19)	(4)	(4)	(3)		(2)
Finance cost	-	-	-	-	-		-
Profit before taxation	54	4	154	193	46		69
Taxation	(18)	2	(44)	(7)	(16)		(28)
Profit attributable to shareholders	36	6	110	186	30		41
Weighted average number of ordinary shares in issue	2	2	24	1,000	1,000		1,000
Net earnings per share (RM)	14,400.00*	3,000.00	4,583.33	186.00	30.00		54.67*
Gross dividend rate (%)	-	-	-	21,250.00%	5,138.89%		2,887.50%

* Annualised

Notes:

- i) Revenue and profit before taxation for the financial year ended 31 December 1997 dropped due to lower FFB harvest. The negative tax charge for the financial year represented deferred taxation written back.
- ii) The improvement in FFB prices was the main factor leading to the increase in revenue and profit before taxation for the financial year ended 31 December 1998.
- iii) For the financial year ended 31 December 1999, the improvement in profit before taxation despite a decrease in revenue was due to effective cost control measures implemented. Taxation was in respect of real property gain tax on the sale of a plantation.
- iv) For the financial year ended 31 December 2000, the decrease in revenue and profit before taxation was mainly due to falling prices and harvest of FFB.
- v) For the financial period ended 30 September 2001, profit before taxation improved despite the reduction in revenue, due mainly to dividend income received.
- vi) There was no extraordinary or exceptional item in respect of the financial periods and years under review.
- vii) The net earnings per share has been calculated based on the profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

5.11 Sofrah

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	-	-	-	-	85
(Loss)/profit before depreciation, finance cost and taxation	(11)	(12)	(31)	(2)	(4)	43
Depreciation	-	-	-	-	-	(1)
Finance cost	-	-	-	-	-	(22)
(Loss)/profit before taxation	(11)	(12)	(31)	(2)	(4)	20
Taxation	-	-	-	-	-	-
(Loss)/profit attributable to shareholders	(11)	(12)	(31)	(2)	(4)	20
Weighted average number of ordinary shares in issue	9,004	9,004	233,031	300,000	300,000	300,000
Net (loss)/earnings per share (RM)	(1.22)	(1.33)	(0.13)	(<0.01)	(0.01)	0.09*
Gross dividend rate (%)	-	-	-	-	-	-

* Annualised

Notes:

- i) The company commenced plantation development activities during the financial year ended 31 December 1996. The loss incurred during the year was mainly due to payment of quit rent.
- ii) The loss before taxation for the financial year ended 31 December 1997 was due to secretarial and valuers' fees incurred.
- iii) The increase in loss before taxation for the financial year ended 31 December 1998 was mainly due to preliminary and pre-operating expenses incurred.
- iv) The losses before taxation incurred for the financial years ended 31 December 1999 and 2000 were mainly due to expenses incurred for the purpose of statutory compliance.
- v) For the financial period ended 30 September 2001, revenue and profit before taxation were in respect of sales of FFB from its newly-matured plantation. There was no tax charge on the profit for the period due to the deductibility of plantation development expenditure against taxable profits.
- vi) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- vii) The net (loss)/earnings per share has been calculated based on the (loss)/profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

5.12 Transglobe

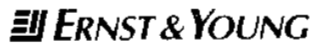
	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	-	-	-	-	144
(Loss)/profit before depreciation, finance cost and taxation	(6)	(24)	(2)	(15)	(13)	32
Depreciation	(1)	-	-	-	-	(41)
Finance cost	-	-	-	-	-	(69)
Loss before taxation	(7)	(24)	(2)	(15)	(13)	(78)
Taxation	-	-	-	-	-	-
Loss attributable to shareholders	(7)	(24)	(2)	(15)	(13)	(78)
Weighted average number of ordinary shares in issue	4	128,084	250,000	250,000	250,000	250,000
Net loss per share (RM)	(1,750.00)	(0.19)	(<0.01)	(0.06)	(0.05)	(0.42*)
Gross dividend rate (%)	-	-	-	-	-	-

* Annualised

Notes:

- i) The company commenced plantation development activities during the financial year ended 31 December 1996.
- ii) Generally, losses incurred for the 5 financial years ended 31 December 1996 to 2000 were in respect of administrative expenses.
- iii) The increase in the loss for the financial year ended 31 December 1997 was due to preliminary and pre-operating expenses written off.
- iv) The decrease in loss for the financial year ended 31 December 1998 was due to sales of timber salvaged during the clearing of land.
- v) For the financial period ended 30 September 2001, the company incurred a loss due to low FFB harvest from its newly-matured plantation coupled with low FFB prices.
- vi) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- vii) The net loss per share has been calculated based on the loss attributable to shareholders and the weighted average number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

5.13 Kidat

	Financial year ended 31 July		17 months ended 31 December	Financial year ended 31 December		9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	576	45	3,112	4,751	4,755	2,194
Profit before depreciation, finance cost and taxation	103	15	556	235	353	322
Depreciation	-	-	(5)	(29)	(61)	(71)
Finance cost	-	-	-	(25)	(11)	(18)
Profit before taxation	103	15	551	181	281	233
Taxation	-	-	-	-	(55)	(61)
Profit attributable to shareholders	103	15	551	181	226	172
Number of ordinary shares in issue	720,009	720,009	720,009	720,009	720,009	720,009
Net earnings per share (RM)	0.14	0.02	0.54*	0.25	0.31	0.32*
Gross dividend rate (%)	-	-	-	-	24.31%	-

* Annualised

Notes:

- i) The decrease in revenue for the financial year ended 31 July 1997 was due to the reduction in agricultural contract work carried out.
- ii) For the period ended 31 December 1998, revenue and profit before taxation registered significant increases due to the pooling of transportation and equipment hire services provided to related companies. There was no tax charged for the financial years ended 31 July 1996 and 1997 and period ended 31 December 1998 due to the availability of unutilised tax losses to set off against the respective financial years' and period's taxable profit.
- iii) The low profit before taxation margin recorded for the financial year ended 31 December 1999 despite the increase in revenue was due to the reduction of equipment hiring rates and higher repairs and maintenance cost incurred.
- iv) For financial year ended 31 December 2000, despite the slight increase in revenue, the profit before taxation increased due mainly to utilisation of higher number of smaller equipment which allowed a higher profit margin. The effective tax rate was lower than the statutory tax rate due mainly to the availability of unabsorbed capital allowances to set off against financial year's taxable profit.
- v) For the financial period ended 30 September 2001, profit before taxation margin improved despite the reduction in revenue, due mainly to lower repair and maintenance costs incurred.
- vi) There was no extraordinary or exceptional item in respect of the financial years and periods under review.
- vii) The net earnings per share has been calculated based on the profit attributable to shareholders and the number of ordinary shares in issue for each financial period/year under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

5.14 Telupid

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	1,632	1,962	5,018	3,214	3,716	2,352
Profit before depreciation, finance cost and taxation	1,165	1,371	3,190	1,908	1,734	1,176
Depreciation	(270)	(216)	(227)	(178)	(356)	(360)
Finance cost	(206)	(278)	(552)	(391)	(320)	(273)
Profit before taxation	689	877	2,411	1,339	1,058	543
Taxation	-	-	(231)	144	(147)	(98)
Profit attributable to shareholders	689	877	2,180	1,483	911	445
Weighted average number of ordinary shares in issue	541,658	693,000	693,000	1,828,857	2,674,855	2,674,855
Net earnings per share (RM)	1.27	1.27	3.15	0.81	0.34	0.22*
Gross dividend rate (%)	-	-	-	11.68%	19.63%	7.79%

* Annualised

Notes:

- i) The increase in revenue and profit before taxation for the 2 financial years ended 31 December 1997 and 1998 was due to the increase in FFB prices. Revenue and profit for 1998 were further augmented by sales of seedlings. For the financial years ended 31 December 1996 to 1998, there were no tax charges due to the availability of unabsorbed capital and agricultural allowances and unutilised tax losses to set off against the financial years' taxable profits.
- ii) The decrease in revenue and profit before taxation for the financial year ended 31 December 1999 was due mainly to the drop in FFB prices and the cessation of provision of plantation contract works, transportation and management services. The negative tax charge was due mainly to deferred taxation written back.
- iii) The increase in revenue for the financial year ended 31 December 2000 was mainly due to the increase in FFB harvest. However, profit before taxation decreased mainly due to falling prices of FFB. The effective tax rate for the financial year was lower than the statutory tax rate due to the availability of unabsorbed capital and agriculture allowance to set off against financial year's taxable profit.
- iv) For the financial period ended 30 September 2001, the reduction in revenue and profit before taxation was due mainly to falling prices of FFB. The effective tax rate for the financial period was lower than the statutory tax rate due to the availability of unabsorbed capital and agriculture allowance to set off against the financial period's taxable profit and difference in treatment of certain expenses for accounting and taxation purposes.

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



Accountants' Report

- v) There was no extraordinary or exceptional item in respect of the financial years and period under review.

- vi) The net earnings per share has been calculated based on the profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial period/year under review.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

5.15 Berkat

	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	71,327 +	80,516 +	80,334	47,175	40,089	27,116
Profit before depreciation, finance cost and taxation	8,779	9,451	5,637	4,724	5,938	3,790
Depreciation	(1,645)	(1,858)	(1,658)	(1,783)	(1,827)	(1,401)
Finance cost	(401)	(325)	(347)	(305)	(196)	(112)
Profit before taxation	6,733	7,268	3,632	2,636	3,915	2,277
Taxation	(1,730)	(1,850)	1,268	15	(4)	(22)
Profit attributable to shareholders	5,003	5,418	4,900	2,651	3,911	2,255
Number of ordinary shares in issue	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net earnings per share (RM)	2.50	2.71	2.45	1.33	1.96	1.50*
Gross dividend rate (%)	-	-	-	104.17%	244.44%	-

+ Revenue has been restated to ensure consistency of presentation.

* Annualised

Notes :

- i) The improvement in revenue and profit before taxation for the financial year ended 31 December 1997 was mainly as a result of a recovery in CPO prices and an one-off sale of FFB. The effective tax rate for the financial year was lower than the statutory tax rate mainly due to the availability of unabsorbed capital and reinvestment allowances to set off against taxable profit.
- ii) The decrease in profit before taxation for the financial year ended 31 December 1998 was mainly due to lower production of CPO which resulted in a higher average cost of production. Revenue remained relatively constant as increasing CPO and PK prices compensated for the lower production volume. The negative tax charge for the financial year was due to the write back of deferred taxation and a low tax charge on the profits as a result of availability of reinvestment allowance.
- iii) The reduction in revenue and profit before taxation for the financial year ended 31 December 1999 was due mainly to the decrease in CPO prices and shortage of FFB supply. The negative tax charge was in respect of overprovision of taxation in prior year.
- iv) For the financial year ended 31 December 2000, the decrease in revenue was due mainly to falling prices of CPO. However, profit before taxation increased due to higher production volume of CPO. The effective tax rate was lower than the statutory tax rate due mainly to

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

the different treatment of certain expenses for tax and accounting purposes, and the availability of unabsorbed capital allowances to set off against taxable profit.

- v) For the financial period ended 30 September 2001, the reduction in revenue and profit before taxation was due to falling prices of CPO and PK. The effective tax rate was lower than the statutory tax rate due mainly to different treatment of certain expenses for accounting and tax purposes, and the availability of unabsorbed capital allowances to set off against taxable profit.
- vi) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- vii) The net earnings per share has been calculated based on the profit attributable to shareholders and the number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



Accountants' Report

5.16 Seraya

	Financial year ended 31 December					9 months ended 30 September 2001
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	-	-	-	-	88
(Loss)/profit before depreciation, finance cost and taxation	(3)	(5)	(1)	(2)	(3)	5
Depreciation	-	-	-	-	-	(20)
Finance cost	-	-	-	-	-	(38)
Loss before taxation	(3)	(5)	(1)	(2)	(3)	(53)
Taxation	-	-	-	-	-	-
Loss attributable to shareholders	(3)	(5)	(1)	(2)	(3)	(53)
Number of ordinary shares in issue	10,001	10,001	10,001	10,001	10,001	10,001
Net loss per share(RM)	(0.30)	(0.50)	(0.10)	(0.20)	(0.30)	(7.07*)
Gross dividend rate (%)	-	-	-	-	-	-

* Annualised

Notes:

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

17. ACCOUNTANTS' REPORT (Cont'd)



AF : 0039

Accountants' Report

5.17 Sebuda

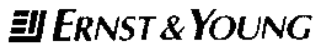
	Financial year ended 31 December					9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	1,187	1,433	2,087	1,579	960	533
Profit before depreciation, finance cost and taxation	271	603	1,252	1,097	291	154
Depreciation	(16)	(86)	(8)	(9)	(17)	(17)
Finance cost	(51)	(127)	(197)	(181)	(8)	-
Profit before taxation	204	390	1,047	907	266	137
Taxation	-	-	(136)	1	(75)	(37)
Profit attributable to shareholders	204	390	911	908	191	100
Weighted average number of ordinary shares in issue	745,181	1,299,404	1,500,000	1,500,000	1,500,000	1,500,000
Net earnings per share (RM)	0.27	0.30	0.61	0.61	0.13	0.09*
Gross dividend rate (%)	-	-	-	-	44.72%	-

* Annualised

Notes:

- i) Revenue and profit before taxation increased for the financial year ended 31 December 1997 due to the increase in FFB harvest from its maturing estate. There was no tax charge on the profits for financial years ended 31 December 1996 and 1997 due mainly to the availability of unutilised tax losses and unabsorbed capital and agricultural allowances to set off against the respective financial years' taxable profit.
- ii) The increase in revenue and profit before taxation for the financial year ended 31 December 1998 was due mainly to the substantial increase in FFB prices. The low tax charge was because of the availability of unabsorbed agricultural allowances to set off against the financial year's taxable profit.
- iii) For the financial year ended 31 December 1999, revenue fell as FFB prices returned to a level comparable to the years 1996 and 1997. The increase in profit before taxation margin was mainly as a result of a decrease in cost of production.
- iv) For the financial year ended 31 December 2000, the decrease in revenue and profit before taxation was mainly due to falling prices of FFB.
- v) For the financial period ended 30 September 2001, the reduction in revenue and profit before taxation was due to falling prices of FFB.
- vi) There was no extraordinary or exceptional item in respect of the financial years and period under review.
- vii) The net earnings per share has been calculated based on the profit attributable to shareholders and the weighted average number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF: 0039

Accountants' Report

5.18 Jejco

	Financial year ended 30 September		15 months ended 31 December	Financial year ended 31 December		9 months ended 30 September
	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	184	151	210+	252	121	75
Profit before depreciation, finance cost and taxation	79	50	161	154	31	62
Depreciation	(22)	(41)	(31)	(12)	(13)	(10)
Finance cost	(34)	(38)	(10)	(6)	(1)	-
Profit/(loss) before taxation	23	(29)	120	136	17	52
Taxation	-	-	-	-	(12)	(16)
Profit/(loss) attributable to shareholders	23	(29)	120	136	5	36
Number of ordinary shares in issue	3	3	3	3	3	3
Net earnings/(loss) per share (RM)	7,666.67	(9,666.67)	32,000.00*	45,333.33	1,666.67	16,000.00*
Gross dividend rate (%)	-	-	-	-	1,111,111%	-

+ Revenue has been restated to ensure consistency of presentation.

* Annualised

Notes:

- i) The loss before taxation for the financial year ended 30 September 1997 was due to lower harvest of FFB.
- ii) For the financial period ended 31 December 1998, revenue and profit before taxation increased due to the improvement in FFB prices. The increase in profit before taxation was also due to gains on disposal of fixed assets. The company was not liable to any tax for the financial year and period ended 30 September 1997 and 31 December 1998 respectively due mainly to the availability of unutilised tax losses and unabsorbed capital and agriculture allowances brought forward to set off against taxable profit.
- iii) Revenue and profit before taxation for the financial year ended 31 December 1999 showed a slight increase despite the significant increase in FFB harvest as a result of FFB prices returning to levels prevailing in 1996 and 1997.
- iv) For the financial year ended 31 December 2000, the decrease in revenue and profit before taxation was due mainly to falling prices and harvest of FFB. The effective tax rate for the financial year was higher than the statutory tax rate due mainly to the provision of deferred taxation and certain expenses not being allowable for tax purposes.
- v) For the financial period ended 30 September 2001, the reduction in revenue was due to falling prices of FFB whereas profit before taxation improved due to the increase in other income and effective cost control. The effective tax rate for the financial period was higher

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



Accountants' Report

- vi) There was no extraordinary or exceptional item in respect of the financial years and periods under review.

- vii) The net earnings/(loss) per share has been calculated based on the profit/(loss) attributable to shareholders and the number of ordinary shares in issue for each financial year/period under review.

17. ACCOUNTANTS' REPORT (Cont'd)



AF : 0039

Accountants' Report

5.19 Agrisa

	Financial year ended 30 June 1996	6 months ended 31 December 1996	Financial year ended 31 December				9 months ended 30 September 2001
	RM'000	RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Revenue	-	-	-	-	-	-	-
Profit/(loss) before depreciation, finance cost and taxation	21	(5)	(1)	(10)	(3)	(4)	(3)
Depreciation	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-
Profit/(loss) before taxation	21	(5)	(1)	(10)	(3)	(4)	(3)
Taxation	-	-	-	-	-	-	-
Profit/(loss) attributable to shareholders	21	(5)	(1)	(10)	(3)	(4)	(3)
Weighted average number of ordinary shares in issue	1,442,115#	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000
Net earnings/(loss) per share (RM)	0.01	(<0.01*)	(<0.01)	(<0.01)	(<0.01)	(<0.01)	(<0.01*)
Gross dividend rate (%)	-	-	-	-	-	-	-

* Annualised

Adjustment for bonus issue implemented on 29 February 1996.

Notes:

- i) The company commenced plantation development during the financial year ended 31 December 1997.
- ii) Generally, the losses incurred throughout the periods under review were in respect of expenses incurred in relation to statutory compliance obligations.
- iii) The loss before taxation for the financial year ended 31 December 1998 was higher due mainly to preliminary and pre-operating expenses written off.
- iv) There was no extraordinary or exceptional item in respect of the financial years and periods under review.
- v) The net earning/(loss) per share has been calculated based on the profit/(loss) attributable to shareholders and weighted average number of ordinary shares in issue for each financial year/period under review.